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

INFORMATION MEMORANDUM

Ess Kay Fincorp Limited
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: November 21, 1994; CIN: U65923RJ1994PLC009051
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan
Telephone No.: +91 141 4734016
Website: www.skfin.in

Information Memorandum for issue of Debentures on a private placement basis
Dated: December 17, 2019

Issue of 860 (Eight Hundred and Sixty) Senior Secured, Rated, Listed, Redeemable, Transferable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs. 86,00,00,000/- (Rupees Eighty-Six Crores only) on a private placement basis (the "Issue").

Background

This Information Memorandum is related to the Debentures to be issued by Ess Kay Fincorp Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 15, 2019 and the Board of Directors of the Issuer on August 06, 2019 read with the resolution passed by the Executive Committee of the Board of Directors dated December 11, 2019 and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

General Risks

Investment in debt and debt related securities involve a degree of risk and Investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments and only after reading the information carefully. For taking an investment decision, the Investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of Investors is invited to the statement of Risk Factors at SECTION 3: of this memorandum of private placement for issue of Debentures on a private placement basis (**"Information Memorandum"** or **"Disclosure Document"**). This Information Memorandum has not been submitted, cleared or approved by SEBI.

Issuer's Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CRISIL Ratings Limited (**"Rating Agency"** / **"CRISIL"**) The Rating Agency has vide its letter dated December 16, 2019 assigned a rating of "CRISIL A(SO)" (pronounced as "CRISIL single A") with 'Stable' outlook in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the Rating Agency and should be evaluated independently of any other ratings. Please refer to **Annexure II** of this Information Memorandum for the letter dated December 16, 2019 from the Rating Agency assigning the credit rating abovementioned.

Issue Schedule

Issue Opens on: December 19, 2019
Issue Closing on: December 19, 2019
Deemed Date of Allotment: December 23, 2019

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

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

Debenture Trustee	Registrar and Transfer Agent
Beacon Trusteeship Limited 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra (East) Mumbai Contact Person: Ms. Vaishali Urkude Tel.: 022-26558759 Email: compliance@beacontrustee.co.in Website: contact@beacontrustee.co.in	**Karvy Fintech Private Limited** 46, Avenue, 4th Street, No.1, Banjara Hills, Hyderabad-500034 Tel: +91 40 33211000, 67162222 Email: rakesh.santhalia@karvy.com

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer cum Application Letter, to apply for subscription to the Debentures, which is annexed to this Information Memorandum and marked as **Annexure IV**.
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Saturdays, Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Mumbai, India and New York, United States of America and "**Business Days**" shall be construed accordingly.
CDSL	Central Depository Services Limited.
Client Loan	Each loan made by the Issuer as a lender, and "**Client Loans**" shall refer to the aggregate of such loans.
Debentures / NCDs	860 (Eight Hundred and Sixty) Senior Secured Rated Listed Redeemable Transferable Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating to Rs. 86,00,00,000/- (Rupees Eighty-Six Crores only).
Debenture Holders / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	23 December 2019
Debenture Trustee	Beacon Trusteeship Limited
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the debenture trust cum mortgage deed executed/to be executed by and between the Debenture Trustee and the Company *inter alia* recording the terms and conditions for the creation of a first ranking pari passu mortgage over certain identified immovable property of the Company situated in Tamil Nadu and setting out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Deed of Hypothecation	The deed of hypothecation entered/to be entered into between the Issuer and the Debenture Trustee, pursuant to which hypothecation over Secured Property shall be created by the Issuer in favour of the Debenture Trustee (acting for and on behalf of the Debenture Holders).
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 2018, as amended from time to time.

Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Board of Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP ID	Depository Participant Identification Number.
Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier (upon any event of default or upon the exercise of the put option or call option), prior to the scheduled Maturity Date or acceleration.
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated January 5, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) read with the SEBI Circular dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122) and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Electronic Book Provider / EBP	shall have the meaning assigned to such term under the EBP Guidelines.
EFT	Electronic Fund Transfer.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
Final Settlement Date	shall mean the date on which the payments to be made by the Company in relation to the Issue have been irrevocably discharged in full and/or the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents;
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
IBC	shall mean the Insolvency and Bankruptcy Code, 2016, and the rules and regulations made thereunder which are in effect from time to time and shall include any other statutory amendment or re-enactment thereof;
ICCL	Indian Clearing Corporation Limited
Indian GAAP	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable
Indian Accounting Standard (IND AS)	Means Accounting standard adopted by companies in India and issued under the supervision of Accounting Standards Board (ASB)
Issue	Private Placement of the Debentures.
Issue Closing Date	19 December 2019
Issue Opening Date	19 December 2019
Issuer/ Company	Ess Kay Fincorp Limited
Key Managerial Personnel	shall have the meaning assigned to such term in the Companies Act, 2013 (as amended from time to time);
Majority Debenture Holders	Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding.
Material Adverse Effect	The effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, a material and adverse effect on (i) the financial condition, business or operations of the Issuer; (ii) the ability of the Issuer to perform their obligations

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	under the Transaction Documents; or (iii) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	23 December 2025 -being 72 (Seventy Two) months from the Deemed Date of Allotment, subject to a Put Option or Call Option or, such other date on which the final payment of the principal amount of the Debentures becomes due and payable as therein or herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A.	Not Applicable.
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer cum Application Letter	Shall mean the private placement offer cum application letter(s) prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	CRISIL Ratings Limited being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, 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 on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being NSDL Database Management Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 issued by SEBI, as amended from time to time.
Security	The security for the Debentures as specified in **Annexure I.**
Tax or Taxes	shall mean any and all present or future, direct or indirect, claims for tax, withholding tax, surcharge, levy, impost, duty, cess, statutory due or other charge of a similar nature (including any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in **Annexure I.**
WDM	Wholesale Debt Market.

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Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.

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SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures to be listed on the WDM segment of the BSE is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

As per the applicable provisions, it is not necessary for a copy of this Information Memorandum / Disclosure Document to be filed or submitted to the SEBI for its review and/or approval.

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

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

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

This Information Memorandum, the Private Placement Offer cum Application Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer cum Application Letter are intended to be used only by those potential Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

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

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

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

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

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

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

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2.3 DISCLAIMER CLAUSE OF RBI

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

2.4 DISCLAIMER CLAUSE OF SEBI

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

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

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

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

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

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SECTION 3: RISK FACTORS

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

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

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

3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

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

3.3 CREDIT RISK & RATING DOWNGRADE RISK

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

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

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

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

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

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3.6 ACCOUNTING CONSIDERATIONS

Special accounting considerations may apply to certain types of taxpayers. Potential Investors are urged to consult with their own accounting advisors to determine implications of this investment.

3.7 SECURITY MAYBE INSUFFICIENT TO REDEEM THE DEBENTURES

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

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

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

3.9 LEGALITY OF PURCHASE

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

3.10 POLITICAL AND ECONOMIC RISK IN INDIA

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

3.11 RISKS RELATED TO THE BUSINESS OF THE ISSUER

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

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

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

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

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans. If the Issuer is unable to manage NPAs or adequately recover its loans, the results of its operations will be adversely affected.

The current loan loss reserves of the Issuer may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of Client Loans. As a result, if the quality of its total loan portfolio deteriorates the Issuer may be required to increase its loan loss reserves, which will adversely affect its financial condition and results of operations.

The clients are from different industries spread across several geographies with limited access to finance and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that it's monitoring, and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(b) *High levels of customer defaults could adversely affect the Issuer's business, financial condition, results of operations and/or cash flows.*

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

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

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

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

(c) *The Issuer is exposed to certain political, regulatory and concentration of risks*

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

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

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

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

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

The Issuer maintains insurance coverage of the type and in the amounts that it believes are commensurate with its operations and other general liability insurances. The Issuer's insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage. In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

SATYA (?) FINCORP LIMITED

(f) *The Issuer requires certain statutory and regulatory approvals for conducting its business and the failure to obtain or retain them in a timely manner, or at all, may adversely affect operations*

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled, and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC Directions and fails to maintain the status of NBFC. it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the Certificate of Registration issued to the NBFC.

(g) *Competition from banks and financial institutions, as well as state-sponsored programs, may adversely affect our profitability and position in the Indian NBFC lending industry*

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

SK FINCORP LIMITED

SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the Financial Year ended 31st March 2019 are set out in **Annexure V** hereto.

SECTION 5: REGULATORY DISCLOSURES

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

5.1 Documents Submitted to the Exchanges

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

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of last 3 (Three) years audited Annual Reports;
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(d) Copy of the resolution passed by the shareholders of the Company at the Annual General Meeting held on June 15, 2019, authorizing the issue/offer of non-convertible debentures by the Company and creation of security thereto;
(e) Copy of the resolution passed by the Board of Directors authorizing the issuance of the Debentures and the list of authorized signatories;
(f) An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (five) working days of execution of the same.
(g) Where applicable, an undertaking that permission/consent from the prior creditor for a second or *pari passu* charge being created, in favor of the trustees to the proposed issue has been obtained; and
(h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

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

(a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
(b) Copy of last 3 (Three) years audited Annual Reports;
(c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any;
(e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

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5.3 Name and Address of Registered Office of the Issuer

Name:	Ess Kay Fincorp Limited
Registered Office of Issuer:	G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan
Corporate Office of Issuer:	Plot No. 36, Dhuleshwar Garden, Jaipur-302001
Compliance Officer of Issuer:	Ms. Anagha Bangur, Company Secretary G1&2, Adarsh Plaza, Khasa Kothi Circle, Jaipur, Rajasthan - 302006
CFO of Issuer:	Mr. Atul Arora, Phone No: 0141-4734016 Address: G1&2, Adarsh Plaza, Khasa Kothi Circle, Jaipur, Rajasthan – 302006
RBI Registration Number:	B-10.00080
Corporate Identification Number:	U65929DL2016PTC306174
Phone No.:	+91 141 4734016
Contact Person:	Mr. Vivek Singh, G1&2, Adarsh Plaza, Khasa Kothi Circle, Jaipur, Rajasthan – 302006
Email:	anagha.bangur@skfin.in
Website of Issuer:	www.skfin.in
Auditors of the Issuer:	**B S R & Co. LLP** Address: 5th Floor, Lodha Excelus, Apollo Mills Compound, N.M Joshi Marg Mahalaxmi Mumbai-4000 11
Trustee to the Issue:	**Beacon Trusteeship Limited,** 4C & D, Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club Bandra East, Mumbai - 400051
Registrar to the Issue:	**Karvy Fintech Private Limited** 46, Avenue, 4th Street, No.1, Banjara Hills, Hyderabad-500034
Credit Rating Agency of the Issue:	**CRISIL Ratings Limited,** CRISIL House, Central Avenue Hiranandani Business Park, Powai, Mumbai

ESS KAY FINCORP LIMITED

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

(a) Overview

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

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

(b) Corporate Structure

i. Current Corporate Status:

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

- **Access to Funds:** Commercial lenders have greater comfort lending to a regulated NBFC with transparent ownership. As an Issuer, Ess Kay can raise equity and offer commercial returns.

- **Diverse Funding Sources:** An NBFC can access commercial investors and international capital markets, diversifying away from donors or members as equity funders.

- **Commercialisation:** Classifying Ess Kay as an NBFC increases its commercial credibility and integrates it and its clients into the formal financial sector which ultimately increases its outreach potential.

- **Mainstream Resources:** As a for-profit commercial NBFC, Ess Kay will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.

- **Regulatory Coverage:** As Ess Kay grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.

- **Stakeholder Involvement:** As an NBFC, Ess Kay can bring a variety of stakeholders to the table, including clients, management, employees and investors.

ii. Business Segments

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

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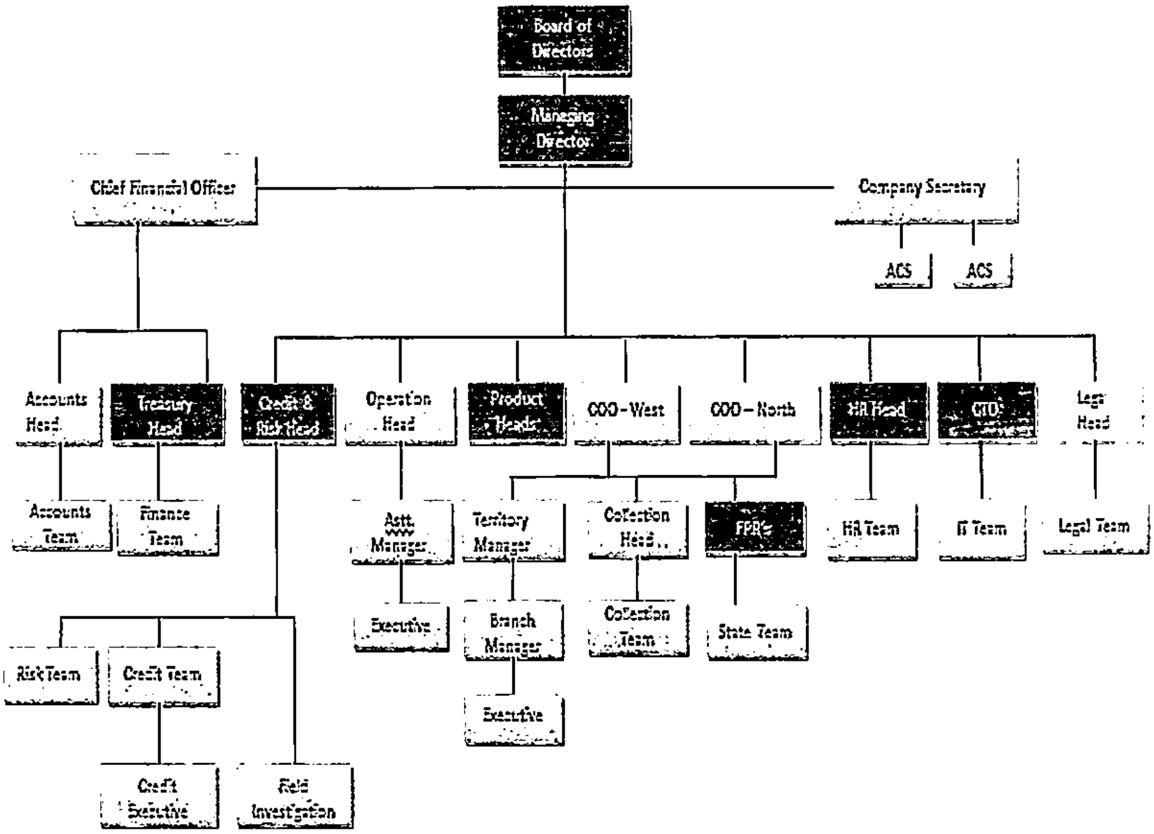
PRODUCT DETAILS

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

(i) **Corporate Structure**



(i) **Brief Profile of the Board of Directors:**

Board of Directors		
Name	**Designation**	**Experience**
Mr. Rajendra Kumar Setia	Managing Director	Mr. Rajendra Kumar Setia, the Managing Director of the company is having a wide experience of more than 20 years in finance industry and vehicle finance. He is the promoter of the company. He is also the President of Rajasthan Finance Companies Association, institution for representing interest of finance companies in the State of Rajasthan.
Mrs. Shalini Setia	Whole-Time Director	Ms. Shalini Setia, Whole Time Director of the company is Co-promoter of the Company. She has 6 years of experience in the industry. She actively participates in strategic decision making of the company. She is an eternal optimist and has promoted ethics in working environment by creating a work culture which provide a stabilized growth environment and motivation.
Mr. Amar Lal Daultani	Independent Director	Mr. Amar Lal Daultani, a postgraduate in Economics from Agra University, joined Allahabad Bank as Management Trainee in 1978 and worked in different capacities in various branches of Allahabad Bank holding important assignments. He is a versatile banker having 34 years of rich experience in Credit, Forex and other General Banking Operations. He has completed his term of office in the Bank on attaining the age of superannuation. Before his elevation as Executive Director, He held the position of Field General Manager (South) at Chennai and handled the Bank's business development in Southern States.
Mr. Anand Raghavan	Independent Director	Mr. Anand Raghavan, Chartered Accountant having 20 years' experience in Sundaram Finance Limited, occupying several positions between December 1985 and June 2006. Experience includes Internal Audit, Finalisation of accounts, representing before Regulators like RBI, SEBI, CBDT Corporate Affairs and having 10years experience as Partner in Ernst & Young LLP between July 2006 and June 2016 covering Tax and Regulatory aspects of various industries like Financial Services, Real Estate, Auto and Auto components, Media and Entertainment
Mr. Munish Dayal	Nominee Director	Mr. Munish Dayal is a Senior Partner with Barings Private Equity Partners India since May 2007. He heads the investment practice in Banking, Financial Services & Insurance (BFSI) and also serves as an Operating Partner. He has over 29 years of global experience in establishing and building businesses in the BFSI industry, having worked with Citigroup for 16 years as Managing Director across major markets (London, Europe, Singapore, Middle East, Africa, India). His roles ranged from global transaction services, risk management to asset-based finance, culminating as the Regional Head of SME and Retail mass markets for Asia Pacific.
Mr. Gaurav Trehan	Nominee Director	Mr. Gaurav Trehan serves as a Partner and Managing Director of TPG Capital India at TPG Capital, L.P. Mr. Trehan has evaluated and executed private equity transactions in India and

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Board of Directors		
Name	**Designation**	**Experience**
		Southeast Asia. He was in the mergers and acquisitions and Restructurings Department of Morgan Stanley, with a focus on the Technology Sector. He serves on the Boards of Manipal Health Enterprises, Shriram Properties, Shriram Automall India Limited, Shriram Life Insurance and Shriram General Insurance Co. Ltd. Mr. Trehan has been a Non-Executive Non-Independent Director at Union Bank of Colombo PLC since September 29, 2014. He holds a Bachelor of Science in Mathematics and Applied Science and Economics from the University of California, Los Angeles.

(ii) **Brief Profile of the management of the Company:**

Management Details		
Name	**Designation**	**Experience**
Mr. Atul Arora	CFO	Mr. Atul Arora is Chartered accountant by profession, started his career with Taurian Manganese & Ferro Alloy CISA a mining company based in Ivory coast, after 2 years of international finance exposure he has joined Ess Kay Fincorp Limited in 2010. With his diverse experience gained through range of assignments handled during his stint with the company has grown along and currently holds position of Chief Financial Officer in the company
Mr. Vivek Singh	Head Treasury	Mr. Vivek Singh is a Post-Graduate with specialization in the field of finance, accounts, tax and international business. He is a Chartered accountant and PGDIB in International Business from India Institute of Foreign Trade (New Delhi). He started his career with Traxun Towers Limited and has spent almost 12+ years in the field of Corporate Finance in the past while working with Corporate Group's such as RPG Enterprise, Ladder up Finance Limited and Reliance ADAG.
Mr. Sameer Arora	Senior Vice President (North)	Mr. Sameer Arora a Civil Engineer by qualification has 27+ years of experience. He started his career as an entrepreneur and joined Ess Kay Fincorp in the year 2007 with ~10 years of extensive experience in the field of sales, collection and operations. With his diversified skill set he carries specialized hold on sales and marketing of financial products. He is one of the main drivers of devising new product strategies and overlooking its implementation on the ground
Ms. Anagha Bangur	Company Secretary	Ms. Anagha Bangur, a Company Secretary by qualification, has served in salt manufacturing company viz. with Saboo Sodium Chloro Limited which was listed on BSE Limited. Ms. Anagha joined Esskay Fincorp in 2013 and has experience in formulation of Group Financial Policies, Corporate Laws, Merchant Banking, Equity and Debt Listing and ensuring adherence to the statutory regulations of listed, non-listed Companies.

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Management Details		
Name	**Designation**	**Experience**
Mr. Amarpreet Singh Batra	Vice President (Tractor)	Amarpreet Singh Batra, having over 15 years of experiences with reputed corporate. He holds a B.Tech degree in Mechanical Stream from SSBT's College, Jalgaon Maharashtra. Prior to joining Esskay this He was heading Rajasthan State as General Manager in Magma Fincorp Limited.
Mr. Harish Kumar Rao	Vice President (Commercial Vehicle)	Harish Rao, with 16+ year of experience in CV finance industry with core strength of marketing and product development for vehicle finance in rural market of India. During his vast career he had developed his skills in People management, Channel Management, Collection, credit appraisal and underwriting also
Mr. Mihir Vaishnav	Vice President (SME)	Mihir Vaishnav graduated from Mumbai University and pursued MBA Has corporate experience of 24 years having worked with Times Group, 20th Century Finance, GMAC, IDBI Bank, TVS Credit, and ICICI Bank. He has worked in domain of Retail Assets and Liabilities having handled product range of 20k to 2 cr which includes financing of Two Wheeler, Auto, Commercial Vehicle, Construction Equipment, Mortgage (HL & SME).
Mr. Rajeev Yadav	Vice President (Legal)	Rajeev Yadav PGDBM (Marketing) and a Law graduate by qualification. He has in all a total experience of 15+ years. He started his career with Cipla Limited in the year 2000 and then moved on to Hinduja Leyland Ltd, Mahindra Finance and ICICI Bank Limited. He has diversified experience of sales, compliance, collection, banking regulations of NBFCs and Bank. He heads legal department for the company and currently takes care of all the legal matters on behalf of the company
Mr. Pankaj Sharma	Vice President (Risk & Credit)	Mr. Pankaj Sharma is a MBA with a total work experience of 14+ years in the field of Credit & Risk for Retail Loans & SME. Previously he has worked for Mahindra Finance, Bajaj Finance, Centurion Bank of Punjab, DCB, Fullerton India and Magma Fincorp Limited. He joined Ess Kay in Dec 2016 and currently heads Credit & Risk Function
Mr. Harendra Singh Rathore	Associate Vice President (Collection)	Mr. Harendra started his career with Ess Kay Fincorp Limited in the year 1995. He moved on to different organization through his career and has worked with organization like GE, ICICI Bank Limited and Kotak Mahindra Bank. He started his career as an executive level manager but with his ability and understanding of geography and business has now attained the position of State Collection Manager for the state of Rajasthan. He has worked in various sphere of Collection /Debts Recovery and Risk Management during his entire stint with various organization.
Mr. Ritesh Sharma	Senior Vice President (West)	He is MBA finance / B-Com (Hon) having 17 years of experience in Finance industry (Rajasthan & Gujarat State). Started his carrier with Ess Kay Auto Finance in year 1999 as a sales manager & with continue growth currently holding position of COO in the company.

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Management Details		
Name	Designation	Experience
Mr. Ritesh Kumar	Deputy. Vice President (Operations)	With 5 years of field experience he joined Ess kay in 2008 as an operation executive, with his dedication and continues skill up-gradation he currently holds the position on AVP operation.
Mr. Pratit Vijayvergiya	Chief Technology Officer	Mr. Pratit Vajayvergiya is a Master of Business Administration-IT from NIM and MCA from NIEM, he is been already associated with Ess kay as IT consultant since last 10 years and same time he had been associated with various NBFC's for IT advisory role and have a vast experience of 19 years in domain and earlier been associated with AU, Gravita like more Organizations.

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

Parameters	Audited	Audited	Audited	Unaudited
In INR Lakhs	**31-Mar-17***	**31-Mar-18***	**31-Mar-19***	**September 30, 2019**
Net Worth	8,627	20,630	55,518	60,616
Total Debt	61462	89763	129917	204087
- Non-current maturities of long-term Borrowings	30198	42815	80262	198102 * Bifurcation not available
- Current maturities of long-term Borrowings	26667	38425	43150	
- short term borrowings	4597	8523	6505	5985
Net Fixed Assets	1016	1230	1704	2872
Non-Current Assets	38367	69175	102226	**
Cash and Cash equivalents	5543	2937	27761	1325
Current investments	-	-	1100	5619
Current Assets	37714	51696	66525	**
Current liabilities	37811	56944	59369	**
Assets Under Management	82449	128198	200184	245131
Off balance sheet assets	24931	27155	47216	15087
Interest Income	12056	16931	28901	22904
Interest Expense	6570	8479	13096	10619
Provisioning for loan portfolio	674	1206	2059	3538
PAT	1230	2195	5223	2805
Gross NPA (%)	4.22%	3.37%	3.83%	4.10%
Net NPA (%)	3.41%	2.57%	2.87%	2.52%
Recognition of NPA	120 days	90 days	90 days	90 days
Tier I Capital Adequacy Ratio (%)	11.56%	16.72%	31.17%	23.97%
Tier II Capital Adequacy Ratio (%)	6.20%	3.52%	1.85%	1.89%

***FY2017 & 2018 are Audited as per IGAAP, while FY2019 is Audited as per Ind AS.**

**** Due to applicability of Ind AS, the details as per this bifurcation are not available.**

Gross Debt: Equity Ratio of the Company (As on September 30, 2019):

Before the issue of debt securities	2.70

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After the issue of debt securities	2.84

Calculations

As on September 30, 2019, debt-to-equity ratio is calculated as follows:

(Rs. Crores)

Debt – INR crores	1,592.44
Equity – INR crores	590.11
Debt/Equity	2.70

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

(Rs. Crores)

Debt – INR crores	1,678.44
Equity – INR crores	590.11
Debt/Equity	2.84

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

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

(a) **Details of Share Capital as on last quarter end, i.e., September 30, 2019:**

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

(b) **Changes in its capital structure as on last quarter end i.e., September 30, 2019 for the last five years:**

Changes in its capital structure as on last quarter end	Change in Authorised Share Capital (Equity and Preference) (Rs.)		Particulars
Date of Change (AGM/ EGM)	Existing	Revised	Change in capital (Rs.)
31.12.2010	12,500,000	25,000,000	+12,500,000
31.12.2011	25,000,000	25,000,000	-
31.12.2012	25,000,000	45,000,000(E.S.) 12,500,000(P.S)	+20,000,000 +12,500,000
31.12.2013	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.12.2014	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
31.12.2015	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-

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31.03.2017	45,000,000(E.S.) 12,500,000(P.S)	45,000,000(E.S.) 12,500,000(P.S)	-
5.12.2017	45,000,000(E.S.) 12,500,000(P.S)	5,75,00,000(E.S.)	-
11.09.2018	5,75,00,000(E.S.)	5,75,00,000(E.S.)	Each ES of Rs. 100 was splitted into 50 ES of Rs. 02 each.

(c) **Equity Share Capital History of the Company as on last quarter end i.e. September 30, 2019 for the last five years:**

Date of allotment	Name of equity shareholder	No. shares	Face Value (Rs.)	Issue price	Consideration Amount (Rs.)	Nature of Allotment	Cumulative paid-up capital (Rs.)			Remarks
					(No. of shares * Issue price)		No. of equity shares	Equity share Capital	Equity Share Premium (in Rs.)	
31.03.2010	Asha Kothari	3650	100	500	1,825,000	Equity	123,150	12,315,000		Share transferred on 15.1.2012
	Mantra Trading Company	2000	100	500	1,000,000	Equity				Share transferred on 22.12.2011
	Vajra Trading Company	2000	100	500	1,000,000	Equity				Share transferred on 22.12.2011
	Ess Kay Finserve Pvt. Ltd.	3200	100	500	1,600,000	Equity				Share transferred on 22.12.2011
	Total	**10,850**	**100**	**500**	**5,425,000**	**Equity**				
31.03.2011	Shalini Setia	800	100	500	400,000	Equity	164,790	16,479,000		
	Arjun Das Setia	320	100	500	160,000	Equity				Shared Transferred on 07.07.2014

	Rajendra Kumar Setia	40520	100	500	20,260,000	Equity				
	Total	**41,640**	**100**	**500**	**20,820,000**	**Equity**				
27.12.2011	Rajendra Kumar Setia	**17,620**	**100**	**500**	**8,810,000**	**Equity**	**182,410**	**18,241,000**		
05.03.2012	BanyanTree Growth Capital LLC	**60**	**100**	**1500**	**90,000**	**Equity**	**182,470**	**18,247,000**		
31.03.2012	Shalini Setia	2368	100	2000	1,184,000	Equity	**199,518**	**19,951,800**		
	Arjun Das Setia	1200	100	2000	600,000	Equity				Shares transferred on 16.08.2014
	Rajendra Kumar Setia	13480	100	2000	6,740,000	Equity				
	Total	**17,048**	**100**	**2000**	**34,096,000**	**Equity**				
26.03.2014	Rajendra Kumar Setia	190	100	2632	500,080	Equity	**202,415**	**20,241,500**		
	Ladder Up Corporate Advisory Private Limited	2707	100	2632	7,124,824	Equity				
	Total	**2,897**	**100**	**2632**	**7,624,904**	**Equity**				
	BanyanTree Growth Capital LLC	119,940	100	100	179,910,000	Preference	**119,940**	**11,994,000**		
31.03.2014							322,355	32,235,500		
31.03.2015							322,355	32,235,500		
31.03.2016							322,355	32,235,500		
12.11.2016	Yash Setia	13	100	NA	NA	Equity	322,355	32,235,500		Share received on 12.11.2016

	Shalini Setia	13	100	NA	Na	Equity				Share received on 12.11.2016
	Atul Arora	13	100	3790.68	49278.84	Equity				Share purchased from existing shareholder on 12.11.2016
27.03.2017	Banyan Tree Growth Capital LLC	68294	100	175.623	NA	Equity	270709	27070900		68294 Equity share issued in lieu of Compulsory Convertible preference shares
	Total	68333	-	3790.68	49278.84	**Equity**				
30.12.2017	Norwest Venture Partners X – Mauritius	44,468	100	12,467.26	55,43,94,117.68	Equity	350919	35091900	991977924.6	Fresh Allotment
	Baring Private Equity India AIF	15,963	100	12,467.26	19,90,14,871.38	Equity				Fresh Allotment
	Karma Holdings Mauritius Limited	4,817	100	12,467.26	6,00,54,791.42	Equity				Fresh Allotment
	Evolvence India Fund II LTD	14,962	100	12,467.26	18,65,35,144.12	Equity				Fresh Allotment
30.12.2017	Norwest Venture Partners X Mauritius	41,356	100	12,467.26	51,55,96,004.56	Equity	350919	35091900	991977924.6	Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia &

										Ladder Up Finance Limited
	Baring Private Equity India AIF	14,845	100	12,467.26	18,50,76,474.70	Equity				Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited
	Karma Holdings Mauritius Limited	4,480	100	12,467.26	5,58,53,324.80	Equity				Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited
	Evolvence India Fund II LTD	13,914	100	12,467.26	17,34,69,455.64	Equity				Transfers from Banyan Tree Growth Capital, Rajendra Kumar Setia & Ladder Up Finance Limited
23.02.2018	Evolvence Coinvest I	28,876	100	12,467.26	36,00,04,599.76	Equity	350919	35091900	991977924.6	Transfers
26.02.2018	Rajendra Kumar Setia HUF	1,250	100	20,000.00	2,50,00,000.00	Equity	350919	35091900	991977924.6	Transfers

11.09.2018	Splited into 50 Equity Shares having FV 02 Per Share	NA	02	NA	NA	Equity	17545950	35091900	NA	Split
13.10.2018	Rajendra Kumar Setia	754650	02	NA	NA	Equity	18300600	36601200	NA	Conversion of Warrants
31.10.2018	TPG Growth IV SF Pte Limited	167703	02	596.29	99999621.87	Equity	18468303	36936606	NA	Purchase from RKS
31.10.2018	TPG Growth IV SF Pte Limited	2904835	02	596.29	1732124062.15	Equity	18756447	37512894		Fresh Allotment
31.10.2018	Evolvence Coinvest I	455847	02	596.29	271817007.63	Equity	21661282	43322564	2802391729.41	Fresh Allotment
31.10.2018	Norwest Venture Partners X – Mauritius	1354847	02	596.29	807881717.63	Equity	23016129	46032258		Fresh Allotment
21.11.2019	TPG Growth IV SF Pte Limited	1,316,497	02	1078.62	1,419,999,994.14	Equity	24332626	48665252		Fresh Allotment
21.11.2019	Norwest Venture Partners X – Mauritius	630,435	02	1078.62	679,999,799.70	Equity	24963061	49926122	2345642760.2	Fresh Allotment
21.11.2019	Evolvence India Fund III Ltd	231,778	02	1078.62	250,000,386.36	Equity	25194839	50389678		Fresh Allotment

(d) **Paid-up Preference Share Capital History of the Company as on last quarter end i.e. September 30, 2019 for the last five years:**

Not Applicable

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

NIL

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

NIL

5.6 Details of the shareholding of the Company as on the latest quarter end, i.e., September 30, 2019,

(a) Shareholding pattern of the Company as on last quarter end, i.e. September 30, 2019:

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

Notes: Details of shares pledged or encumbered by the promoters (if any): Not Applicable

(b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. September 30, 2019:

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

5.7 Following details regarding the directors of the Company*:

(a) Details of the current directors of the Company:

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

Sr. No	Director's name	Date of Birth	Age	PAN	Director of the company since	DIN	Address	Details of other directorships
1.	Rajendra Kumar Setia	01.07.1969	49 Years	AGWPS0094A	21.11.1994	00957374	2 Cha 12 Jawahar Nagar, Jaipur	Nil
2.	Shalini Setia	04.06.1972	47 Years	ABXPS3855K	01.01.2010	02817624	2 Cha 12 Jawahar Nagar, Jaipur	Nil
3.	Amar Lal Daultani	13.03.1955	64 Years	AKDPD8573G	01.04.2016	05228156	703, Dev Plaza, Near Tejaswani Hospital Kadri, Temple Road, Mangalore, Karnataka.	1. Devenio Optimus Advisors Private Limited; 2. Ativir Stock Broking Private Limited; 3. Viraj Profiles Limited
4.	Munish Dayal	03.04.1966	53 Years	AAFPD7954D	26.02.2018	01683836	H.N. LCG804A, Sushant Lok-1,Laburnum Apartment Gurgaon, Teh – Gurgaon	1. IVC Association 2. Manappuram Home Finance Limited 3. Starkarma Realty Holdings India Private Director Limited 4. Proactive Data Systems Private Limited 5. RMZ Infotech Private Limited RMZ Infrastech Private Limited

								Infrasoft Technologies Limited Infrasoft Technologies Pte. Ltd., Singapore Infrasoft Technologies Sdn. Bhd., Malaysia111. Infrasoft Technologies Inc., USA Infrasoft Technologies Limited,UK
5.	Anand Raghvan	04.06.1961	58 Years	AACPA1877D	07.04.2018	00243485	22/1, Warren Road, Mylapore, Chennai 600004	Sterling Holiday Resorts Limited Five-Star Business Finance Limited Five-Star Housing Finance Private Limited Chennai International Centre Nani Palkhivala Arbitration Centre
6.	Gaurav Trehan	23.11.1975	44 Years	AEWPT1544A	31.10.2018	03467781	Flat No. 101 A,10th Floor, Embassy Apartment,46 Nepean Sea Road	1. Shriram Life Insurance Company Limited 2. Five-Star Business Finance Limited 3. Shriram General Insurance Company Limited 4. Manipal Health Enterprises Private Limited

								5. Jana Capital Limited

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

(b) **Details of change in directors since last three years (as on September 30, 2019):**

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

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

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

Name	Address	Auditor since	Remark
B S R& Co. LLP	5th Floor, Lodha Excelus Apollo Mills Compound N.M Joshi Marg Mahalaxmi Mumbai-4000 11	11.09.2018	NA

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

Name	Address	Date of appointment	Auditor since	Remark
Gopal Ghiya and Associates	B-49 Gautam Marg Hanuman Nagar Jaipur-302021	24.11.1994	Since incorporation i.e. 24.11.1994 to 30.09.2014	NIL
SS Kothari Mehta	146-148 Tribhuvan Complex, Ishwar Nagar, Mathura road, New Delhi 110017	30.09.2014	30.09.2014 to 1.09.2018	NIL
M/s B S R & Co. LLP	5th Floor, Lodha Excelus Apollo Mills Compound N.M. Joshi Marg, Mahalaxmi, Mumbai, Maharashtra-400011	11.09.2018	11.09.2018 to 01.09.2023	NIL

5.9 Details of borrowings of the Company, as on latest quarter end September 30, 2019:

(a) Details of Secured Loan Facilities (as on September 30, 2019):

Lender's Name	Type of Facility	Cumulative Amount Sanctioned (Rs. Crore)	Principal Amount Outstanding as on June 30, 2019 (Rs. Crore.)
RBL Bank Limited	Secured Term Loan	15.00	2.47
RBL Bank Limited	Secured Term Loan	22.90	11.64
RBL Bank Limited	Secured Term Loan	40.00	33.69
HDFC Bank Limited	Secured Term Loan	10.00	0.92
HDFC Bank Limited	Secured Term Loan	10.00	5.67
HDFC Bank Limited	Secured Term Loan	15.00	11.82
HDFC Bank Limited	Secured Term Loan	25.00	21.99
HDFC Bank Limited	Secured Term Loan	25.00	25.00
The South Indian Bank Limited	Secured Term Loan	5.00	0.67

The South Indian Bank Limited	Secured Term Loan	12.00	3.75
Karnataka Bank Limited	Secured Term Loan	5.00	0.80
Oriental Bank of Commerce	Secured Term Loan	10.00	2.49
Oriental Bank of Commerce	Secured Term Loan	15.00	15.00
Dcb Bank Limited	Secured Term Loan	13.00	4.72
Yes Bank Limited	Secured Term Loan	45.00	4.96
Andhra Bank	Secured Term Loan	15.00	3.75
Axis Bank	Secured Term Loan	25.00	6.25
Bank of Baroda	Secured Term Loan	5.00	2.87
Au Small Finance Bank	Secured Term Loan	55.00	14.10
Au Small Finance Bank -II	Secured Term Loan	25.00	16.07
Indusind Bank Limited	Secured Term Loan	25.00	10.65
Indusind Bank Limited	Secured Term Loan	15.00	12.37
Utkarsh Small Finance Bank	Secured Term Loan	20.00	10.00
Fincare Small Finance Bank Limited	Secured Term Loan	15.00	8.38
Ujjivan Small Finance Bank Ltd	Secured Term Loan	20.00	12.50
Kotak Mahindra Bank Limited	Secured Term Loan	40.00	35.56
Bank of Maharashtra	Secured Term Loan	15.00	15.00

ESS KAY FINCORP LIMITED

Federal Bank Limited	Secured Term Loan	15.00	13.50
IDFC First Bank Limited	Secured Term Loan	100.00	100.00
Capital Small Finance Bank Ltd	Secured Term Loan	10.00	10.00
Axis Bank 2nd	Secured Term Loan	15.00	15.00
Small Industries Development Bank of India II	Secured Term Loan	15.00	8.00
Hinduja Leyland Finance Limited	Secured Term Loan	17.00	3.98
Hinduja Leyland Finance Limited	Secured Term Loan	7.00	2.19
Hinduja Leyland Finance Limited	Secured Term Loan	7.50	3.21
Hinduja Leyland Finance Limited	Secured Term Loan	20.00	10.80
Tata Capital Finance Service Limited	Secured Term Loan	15.00	3.82
Mahindra & Mahindra Finance Services Limited	Secured Term Loan	30.00	2.23
Bajaj Finance Limited	Secured Term Loan	20.00	9.23
Bajaj Finance Limited-II	Secured Term Loan	25.00	20.14
Nabkisan Finance Limited	Secured Term Loan	15.00	9.37
Nabkisan Finance Limited	Secured Term Loan	7.75	7.36
Manappuram Finance Limited	Secured Term Loan	25.00	12.50
Manappuram Finance Limited-II	Secured Term Loan	50.00	42.86
CLIX Capital India Unlimited	Secured Term Loan	30.00	12.83

Fedbank Financial Service Limited	Secured Term Loan	15.00	4.17
Magma Fincorp Limited	Secured Term Loan	10.00	4.82
Tata Capital Finance Service Limited	Secured Term Loan	5.00	2.92
Fedbank Financial Service Limited	Secured Term Loan	5.00	3.33
Volkswagen Finance Pvt Ltd.(T.L)	Secured Term Loan	20.00	15.06
APAC Financial Services Pvt Ltd	Secured Term Loan	15.00	15.00
Vivriti Capital Private Limited	Secured Term Loan	10.00	8.79
Northern Arc Capital	Secured Term Loan	25.00	10.00
Bank of Maharashtra	CC/WC DL/RCF	15.00	3.62
Bank of Maharashtra-WCDL	CC/WC DL/RCF		10.50
State Bank of India	CC/WC DL/RCF	6.00	0.13
State Bank of India - WCDL	CC/WC DL/RCF	39.00	39.00
RBL Bank Limited	CC/WC DL/RCF	5.00	3.01
HDFC Bank Limited	CC/WC DL/RCF	10.00	6.58
Au Small Finance Bank	CC/WC DL/RCF	49.00	0.01
Axis Bank	CC/WC DL/RCF	5.00	0.00
Tata Capital Finance Service Limited-WCDL	CC/WC DL/RCF	10.00	10.00
Total		**1211.15**	**717.04**

Details of Unsecured Loan Facilities (as on September 30, 2019):

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

(c) **Details of Non-Convertible Debentures: (as on September 30, 2019):**

(Rs. in Lakhs.)

Debenture Series	Tenor/ Period of Maturity	Coupon (Rate of Interest)	Amount (Rs in Crore)	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured/ Unsecured	Including Security
2751-3230	5 years	14.75 %	4800.00	28/05/2014	533.33 Lacs each at 30.05.2015, 30.11.2015, 30.05.2016, 30.11.2016, 30.05.2017, 30.11.2017, 30.05.2018, 30.11.2018, 30.05.2019	CARE BBB	Secured	120% of the aggregate of the outstanding principal amount of the Debentures or 100% of the aggregate of the outstanding principal amount of the Debentures and the value of all future interest payments on those outstanding Debentures, whichever is greater.
3231-192185	3.37 years	12.05 % P.A	944.775	21/12/2015	05/02/2019 05/05/2019	CARE BBB	Secured	Secured by way of hypothecation of book debt which shall be maintained at 110% of debenture outstanding.
192186 - 192385	6 Years	13.00 %	2000.00	29/09/2016	29/09/2022	CARE BBB-	Unsecured	NIL
192586 - 194085	1.5 Years	11.50 %	15.00	20-Mar-17	20-Sep-18 Quarterly instalments after a period of 9 months	CARE BBB	Secured	Nil

195586 - 195835	42 months	Market Linked	250000000	12/07/17	12/01/21	[CARE] BBB+	Unsecured	NIL
195836 - 197335	15 months	11.00 %	150000000	16/08/18	16/02/18 16/05/18 16/08/18 16/11/18	[CARE] BBB+	Secured	And first exclusive charge with 1.33 times (133%) security cover over the book debts of the company.
197336 - 204835	36 Months	Market Linked	150000000	18/08/17	18/08/2020	[CARE] BBB+	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.1X at all times & Pari passu charge over the immovable property of the Company.
204836 - 205035	24 Months	10.85 % Monthly	20,00,00,000	27 December 2017	31.01.2018 28.02.2018 30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019	IND A (SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205036 - 205335	24 Months	10.85 %	30,00,00,000	28 Dec2017	31.01.2018 28.02.2018 30.03.2018	IND A (SO)	Secured	Exclusive charge via a deed of

		Monthly			30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018 31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019			hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205336 - 205685	24 Months	10.60 %	350000000	18th January, 2018	16.02.2018 16.03.2018 18.04.2018 18.05.2018 18.06.2018 18.07.2018 17.08.2018 18.09.2018 18.10.2018 16.11.2018 18.12.2018 18.01.2019 18.02.2019 18.03.2019 18.04.2019 17.05.2019 18.06.2019 18.07.2019 16.08.2019 18.09.2019 18.10.2019 18.11.2019 18.12.2019 17.01.2020	IND A(SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
205686 - 205935	22 Months	10.60 %	25,00,00,000	27th February, 2018	30.03.2018 30.04.2018 31.05.2018 29.06.2018 31.07.2018 31.08.2018 28.09.2018 31.10.2018 30.11.2018 31.12.2018	IND A(SO)	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X

					31.01.2019 28.02.2019 29.03.2019 30.04.2019 31.05.2019 28.06.2019 31.07.2019 30.08.2019 30.09.2019 31.10.2019 29.11.2019 27.12.2019			at all times & Pari passu charge over the immovable property of the Company.
205936 - 207935	18 Month	9.75 %	20,00, 00,000	12th March, 2018	12.09.20181 2.10.201812 .11.2018 12.12.20181 2.01.2019 12.02.2019 12.03.2019 12.04.2019 12.05.2019 12.06.2019 12.07.2019 12.08.2019 12.09.2019	[CARE] BBB+	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 1.2X at all times & Pari passu charge over the immovable property of the Company.
207936 - 210435	1277 Days	Linked to Reference Index	25,00, 00,000	15th May 2018	Bullet Payment	CARE PP-MLD BBB+	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs
210436 - 211935	36 Months	11.23 % p.a	75,00, 00,000	24th May 2018	26.11.2018 24.05.2019 25.11.2019 25.05.2020 24.11.2020 24.05.2021	CARE BBB+	Secured	The Debenture shall be first ranking exclusive charge on Hypothecated Assets of Receivables which shall be maintained at

								1.20x times of debentures outstanding.
211936 - 212435	36 Months	10.9007% p.a	50,00,00,000	14th June 2018	31.05.2019 29.05.2020 11.06.2021	BWR A	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of105.0% the aggregate amount of principal outstanding of the NCDs
212436 - 213185	15 months	10.85 % XIRR	75,00,00,000	29th June 2018	28-09-2018 28-12-2018 29-03-2019 28-06-2019 27-09-2019	BWR A	Secured	Exclusive charge via a deed of hypothecation over specific standard asset portfolio of receivables covering security of 105% aggregate amount of principal outstanding at all times & Pari passu charge over the immovable property of the Company.
213186 - 213935	36 months	10.9007% monthly coupon, compounded monthly and payable annually	75,00,00,000	27th July 2018	31 May 2019 29 May 2020 11 June 2021	Brickwork Ratings (A Stable)	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of105.0% the aggregate amount of principal outstanding of the NCDs

213936 - 214185	24 Months	11.14 % p.a	25,00,00,000	31st August 2018	01 March 2019 02 September 2019 02 March 2020 31 August 2020	CARE A-	Secured	first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holders over the Hypothecated Assets
214436 - 215185	24 Months	11.14 % p.a	75,00,00,000	26th Sept 2018	22 March 2019 22 September 2019 22 March 2020 22 August 2020 22 September 2020			first ranking exclusive charge by way of hypothecation in favour of the Debenture Trustee on behalf of and for the benefit of the Debenture Holders over the Hypothecated Assets
215186 - 215935	36 months	10.9007% monthly coupon, compounded monthly and payable annually	75,00,00,000	28th September 2018	31 May 2019 29 May 2020 11 June 2021	Brickwork Ratings (A Stable)	Secured	First ranking, exclusive and continuing charge on identified receivables covering security of105.0% the aggregate
215936 - 5215935	63 Months	11.1610% coupon (equivalent to	50,00,00,000	21st December 2018	5th March 2024	CARE A-	Secured	Secured by way of hypothecation of book debts which shall be maintained at 100% of

		11.75 % XIRR)						debentures outstanding.
5215936-5219935	731 days	PPM LD	36.65	07.06.2019	04.06.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120% of debentures outstanding.
5219936-5220185	23	11.50	25	14.06.2019	14.05.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5220186-5220435	24	11.50	25	14.06.2019	14.06.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5220436-5220685	25	11.50	25	14.06.2019	14.07.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5220686-5221435	26	11.85	75	14.06.2019	14.08.2021	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.

5221436-5224435	48 months	12.00 %	300	01.08.2019	01.08.2023	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.
5224436-5229435	36 months	0-12 months- 11.00 % 13-18 months- 11.50 % 19-24 months- 11.75 % 25-30 months- 12.00 % 31-36 months- 12.25 %	50	13.08.2019	13.08.2022	CRISIL A	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.
5229436-5231935	36 months	0-6 months- 11.00 % 7-12 months- 11.25 %	25	16.08.2019	16.08.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.
		13-18 months- 11.50 %						

		19-24 months- 11.75 %						
		25-30 months- 12.00 %						
		31–36 Months- 12.25 %						
5231936-5232285	36 months	11.94 % P.a Payable Quarterly	35	13.09.2019	13.09.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.
5232286-5232435	36 months	11.94 % P.a Payable Quarterly	15	19.09.2019	13.09.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 105.0% of debentures outstanding.

(d) **List of Top 10 Debenture Holder(s) (as on September 30, 2019):**

(*Rs. in Lakhs*)

S. No.	Name of Debenture Holders	Amount (Rs. in Crores)
1	Franklin Templeton	300
2	Franklin Templeton	200
3	Sachin Bansal	150
4	Karvy Capital	50
5.	Axis Mutual fund	50
6.	A.K. Capital	50
7.	PPMLD	36.65
8.	Axis Mutual Fund	35
9.	Principal Mutual Fund	30
10.	Northern Arc Capital L & Unifi AIF	25

(e) **The amount of corporate guarantee issued by the Issuer along with the name of the counterparty (like name of the subsidiary, JV entity, Group Company, etc) on behalf of whom it has been issued. (if any):**

Not applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

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

Not Applicable

5.10 Details of Promoters of the Company:

Details of Promoter Holding in Company as on latest quarter end, i.e. September 30, 2019:

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

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

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

INR Crores

	31.03.2017	31.03.2018	31.03.2019	30.09.2019

KAV INCORP LIMITED

Profit and Loss Statement (INR)	Audited	Audited	Audited	Unaudited
Interest Income	120.56	185.69	312.40	229.05
Less: Interest Expenses	65.70	89.45	138.46	106.19
Net Interest Income	54.87	96.24	173.94	122.86
Other Income	36.64	41.64	52.53	28.07
Total Income	91.51	137.88	226.47	257.12
Operating Expenses	65.47	88.86	118.59	62.08
Provisions & Write Offs	5.60	13.76	29.18	49.30
Operating Profit	20.44	35.26	78.70	145.73
Depreciation	1.61	2.34	3.21	2.78
Profit Before Tax	15.82	32.92	75.49	36.76
Provisions for tax	6.52	10.97	23.26	8.70
Profit After Tax	**12.30**	**21.95**	**52.23**	**28.06**
Balance Sheet (INR)	**31.03.2017**	**31.03.2018**	**31.03.2019**	**30.09.2019**
Equity capital	2.71	3.51	4.60	4.60
Reserve & Surplus	83.56	2[illegible]2.79	550.58	601.55
TNW (A)	86.27	206.[illegible]	555.18	606.16
Total Outside Liabilities (B)	689.25	1,014.70	1,437.96	2,106.13
Total Liabilities (A + B)	**775.52**	**1,221.00**	**1,993.15**	**2,712.29**
Fixed assets (Net)	10.16	13.27	17.10	28.73
Investments	16.51	4.67	1.67	56.19
Gross Advances	638.30	1,110.26	1,637.97	2,217.73
Less: Loan Loss Reserve	-	-	-	-
Net Loan Outstanding	638.30	1,110.26	1,637.97	2,217.73
Cash / Liquid Investments	55.43	29.37	277.61	13.25

Deferred Tax Assets	4.33	6.24	8.24	9.39
Intangible Assets	0.22	0.27	0.59	0.76
Other assets	50.58	56.93	46.97	386.24
Total Assets	**759.02**	**1,216.34**	**1,988.48**	**2,656.10**

INR Crores

Cash Flows	31.03.2017 Audited	31.03.2018 Audited	31.03.2019 Audited
A) Cash Flow From Operating Activities			
Net Profit before Tax	18.82	32.92	75.49
Adjustments For:			
Contingent Provision on Standard Assets	5.60	21.69	29.18
Finance costs		84.79	130.96
Interest Income from bank deposits		(165.61)	(286.46)
Depreciation	1.61	2.34	3.21
Loss on Sale of Fixed Assets	0.04	0.00	0.01
Provision for employee benefits		1.63	2.40
Gain on sale of investments		(0.08)	(0.04)
Operating Profit Before Working Capital Changes	26.07	(22.32)	(45.25)
Add:			
(Increase) Decrease in receivables under financing activities (Long term)	(126.16)	(212.18)	(321.78)
(Increase) Decrease in receivables under financing activities (Short term)	(46.93)	(300.31)	(202.99)
Increase (Decrease) in Other Current Assets	(14.43)	20.08	(1.17)
Increase (Decrease) in Other Non Current Assets	(10.70)	1.47	(4.37)
Increase (Decrease) in Other Current Liabilities	32.31	22.39	(27.41)
Increase (Decrease) in Other Long term Liabilities	5.63	8.17	17.10
Increase (Decrease) in Other Long term Provisions	0.57	(0.16)	(0.20)

Increase (Decrease) in Other Short term Provisions	(0.01)	0.00	0.80
(Increase) Decrease in Trade Recievables	(0.67)	1.65	0.21
(Increase) Decrease in Bank Deposits	5.82	(4.85)	(183.15)
Direct tax paid	(6.65)	(11.59)	(28.65)
Interest Paid		(82.00)	(107.36)
Interest Received		161.23	289.46
Net Cash from Operating Activities (A)	(135.15)	(418.42)	(614.77)
B) Cash Flow From Investing Activities			
Purchase of Investments	(16.51)	0.00	(50.00)
Sale of Investments		11.92	39.04
Purchase of Fixed Assets	(6.96)	(5.55)	(7.52)
Sale of Fixed Assets	0.10	0.05	0.14
Net Cash from Investing Activities (B)	(23.37)	6.42	(18.34)
C) Cash Flow From Financing Activities			
Proceeds from issue of equity shares		0.80	1.09
Proceeds from share premium		97.28	295.56
Issuance of NCDs	70.00	185.00	600.00
Repayment of NCDs	(13.42)	(76.22)	(141.55)
Amount received from Long term borrowings	370.28	505.47	105.07
Repayment from Long term borrowings	(206.27)	(370.49)	(141.80)
Short term borrowings	(27.34)	39.26	(20.18)
Dividend tax paid	0.00	0.00	0.00
Net Cash from Financing Activities (C)	193.25	381.09	698.19
Net Increase in Cash and Cash Equivalents (A) + (B) + (C)	34.73	-30.90	65.09
Cash and Cash Equivalents at the Beginning of the Year	5.36	40.09	9.19
Cash and Cash Equivalents at the End of the Year	40.09	9.19	74.28

5.11 Abridged version of Latest Audited/ Limited Review Half-yearly Consolidated and Standalone Financial Information and auditors qualifications, if any.

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(Amount in lakhs)

Particulars	September 30, 2019
ASSETS	
Financial Assets	
Cash and cash equivalents	1,325.09
Bank balances other than cash and cash equivalents	31,411.55
Other Receivables	94.71
Loans	221,773.49
Investments	5,618.89
Other financial assets	5,830.55
	266,054.28
Non-financial Assets	
Current tax assets (net)	939.16
Deferred tax assets (net)	938.78
Investment property	00
Property, plant and equipment	2,766.37
Capital work-in-progress	106.18
Intangibles under development	00
Other intangible assets	76.42
Other non-financial assets	347.78
	5,174.69
Total	**271,228.97**
LIABILITIES AND EQUITY	
Financial Liabilities	
Derivative financial instruments	250.90
Payables	
Trade payables	-
i) total outstanding dues of micro and small enterprises	-
total outstanding dues of creditors other than micro and small nterprise	1,090.39
Debt securities	82,568.13
Borrowings (other than debt securities)	116,160.45
Subordinated liabilities	4,050.24
Other financial liabilities	4,848.03
	208,968.14
Non-financial Liabilities	
Provisions	708.50
Other non-financial liabilities	936.71
	1,645.21
Equity	
Equity share capital	460.32
Other equity	60,155.30
	60,615.62
Total	**271,228.97**
Profit and loss statement	
Revenue from operations(I)	

Interest income	22,904.89
Fees and commission income	1,038.49
Net gain on fair value changes	4.53
Total revenue from operations	**23,947.91**
Other Income (II)	1,763.81
Total Income III (I+II)	**25,711.72**
Expenses(IV)	
Finance cost	10,619.18
Impairment on financial instruments	4,930.22
Employee benefit expenses	4,715.27
Depreciation and amortization expense	277.93
Net loss on fair value changes	7.87
Others expenses	1485.12
Total Expenses (V)	**22,035.59**
Profit before tax (III-V)	**3,676.13**
Tax expense	870.24
Net Profit after tax	**2,805.89**
Other comprehensive income/loss, net of tax	34.56
Total comprehensive income for the period	**2,840.45**

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

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

5.13 Names of the Debentures Trustees and Consents thereof.

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

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

The Rating Agency has assigned a rating of "CRISIL A (SO)" (pronounced as "CRISIL single A") with 'Stable' outlook to the Debentures. Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk. The rating letter from the Rating Agency is provided in **Annexure II** of this Information Memorandum.

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

Not Applicable

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

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

5.17 Other details:

(a) Debenture Redemption Reserve ("DRR") Creation:

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

(b) Issue / instrument specific regulations:

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

(c) Application process:

The application process for the Issue is as provided in SECTION 8: of this Information Memorandum.

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

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

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

S. No.	Nature of Contract
1	Certified true copy of the Memorandum & Articles of Association of the Issuer.

2	Board Resolution dated August 6, 2019 read with the resolution passed by the Executive Committee of the Board of Directors dated December 11, 2019 authorizing the issue of Debentures offered under the terms of this Disclosure Document.
3	Shareholder Resolution dated June 15, 2019 authorizing the borrowing and the creation of security by the Company.
3	Shareholder Resolution dated June 15, 2019 authorizing the issue of non-convertible debentures by the Company.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Credit rating letter from the Rating Agency dated 16 December 2019.
7	Letter from Beacon Trusteeship Limited dated 5 December 2019 giving its consent to act as Debenture Trustee.
8	Letter for Register and Transfer Agent.
9	Certified true copy of the certificate of incorporation of the Company.
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

5.19 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 86,00,00,000/- (Rupees Eighty-Six Crores only) by issue of Senior Secured Rated Listed Redeemable Non-Convertible Debentures, on a private placement basis.

For further details of the Debentures, please refer to the terms and conditions of the debentures set out in Clause 5.22 of this Information Memorandum.

5.20 Issue Size

The aggregate issue size for the Debentures is of Rs. 86,00,00,000/- (Rupees Eighty-Six Crores only).

5.21 Utilization of the Issue Proceeds

The proceeds shall be used for meeting its funding requirements in the ordinary course of business including for expanding the loan portfolio of the Company and/or repayment/refinancing of existing debt and/or for general corporate purposes and shall not be utilized for the purposes mentioned below:

(i) investment in any capital market instrument such as equity, debt, debt-linked and equity linked instruments or any other capital market related activities; or
(ii) any speculative purposes; or
(iii) any activity on the Exclusion List; or
(iv) investment in Real Estate Business (as defined under RBI FEMA Notification No.FEMA.362/2016-RB dated 15 February 2016);
(v) purchase of land;

The Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 60 (sixty) calendar days from the Deemed Date of Allotment.

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

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

5.22 Issue Details

Security Name	12.05%ESSKAY2025
Issuer	Ess Kay Fincorp Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Senior Secured Rated Listed Redeemable Transferable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible / Identified Investors	As provided in Clause 8.14 below
Listing	The Debentures are proposed to be listed on the WDM segment of the BSE within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment. In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are Foreign Institutional Investors/Qualified Foreign Investors/Foreign Portfolio Investors, the Issuer shall immediately redeem any and all Debentures which are held by such Foreign Institutional Investors/Qualified Foreign Investors/Foreign Portfolio Investor(s). In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% (One Percent) over the Coupon Rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment till the listing of such Debentures
Rating of Instrument	"CRISIL A (SO)" (pronounced as "CRISIL single A") with "Stable" outlook
Issue Size	Rs. 86,00,00,000/- (Rupees Eighty Six Crores only).
Option to retain oversubscription	N.A.
Objects of the Issue	To raise senior secured debt to the extent up to Rs. 86,00,00,000/- (Rupees Eighty-Six Crores only).
Details of the utilization of the Proceeds	The issue proceeds will be to meet funding requirements of the Issuer to in the ordinary course of business including for expanding the loan portfolio of the Company and/or repayment/refinancing of existing debt and/or for general corporate purposes. The Issuer shall not use the proceeds of the Issue towards: (i) any capital market instrument such as equity, debt, debt-linked and equity linked instruments or any other capital

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	market related activities; or (ii) any speculative purposes; or (iii) any activity on the Exclusion List; or (iv) investment in Real Estate Business (as defined under RBI FEMA Notification No.FEMA.362/2016-RB dated 15 February 2016); (v) purchase of land; The Issuer shall be entitled to temporarily invest the funds raised by the Issue in liquid mutual funds and deposits held with scheduled commercial banks for a period not exceeding 60 (sixty) calendar days from the Deemed Date of Allotment.
Coupon Rate	12.05% (Twelve Decimal Point Zero Five Percent) per annum, net of Taxes, payable semi-annually from the Deemed Date of Allotment until the Coupon Reset Date and subject to the obligation of the Issuer as provided for in Section 8.25 below of this Information Memorandum. For the period between the Coupon Reset Date and the Maturity Date, the Coupon Rate, shall, in the absence of any communication on the revised Coupon Rate between the Majority Debenture Holders and the Company, be the existing Coupon Rate until the Maturity Date.
Step Up Coupon Rate / Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Semi-annually
Coupon Payment Dates	Semi-annually on 23 June and 23 December of every calendar year until Maturity Date (subject to adjustments on account of Business Day Convention).
Coupon Type	Fixed Coupon rate subject to reset as per Coupon Reset Process.
Coupon Reset Date	Shall mean the date falling at the end of 36 (Thirty-Six) months from the Deemed Date of Allotment, being 23 December 2022.
Coupon Reset Process	(a) The Coupon Rate may be reset on the Coupon Reset Date. (b) The Majority Debenture Holders shall decide the revised Coupon Rate which shall be applicable on and from the Coupon Reset Rate. The revised Coupon Rate so approved by the Majority Debenture Holders, shall be communicated to the Debenture Trustee, with a copy marked to the Company, no later than 12 (Twelve) Business Days prior to the Coupon Reset Date. (c) The Debenture Trustee shall communicate the revised Coupon Rate to the Company, by way of a written notice, no later than 11 (Eleven) Business Days prior to the Coupon Reset Date (**"Coupon Reset Notice"**). (d) Upon receiving the Coupon Reset Notice, the Company shall communicate their written acceptance or rejection of the revised Coupon Rate to the Debenture Holders and the Debenture Trustee, no later than 9 (Nine) Business Days prior to the Coupon Reset Date. (e) Without prejudice to the foregoing, the Majority Debenture

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	Holders reserve the right to further amend the Coupon Rate and communicate the same via a written notice to the Company, with a copy marked to the Debenture Trustee, at any time on or before 5 (Five) Business Days prior to the Coupon Reset Date, the written acceptance or rejection of which revised Coupon Rate, in such event, shall have to be communicated by the Company directly to the Majority Debenture Holders on the same Business Day, on which it is communicated by the Majority Debenture Holders to the Company. (f) If the Company accepts the revised Coupon Rate pursuant to the written acceptance notice, as provided for herein above, the revised Coupon Rate shall be applicable on and from the Coupon Reset Date until the Maturity date. (g) If the Company rejects the revised Coupon Rate by way of the written rejection notice, then (a) the Company shall have the option to buy back all or any of the Debentures on the Call Option Date ("**Call Option**"), by issuing a written notice to the Debenture Holders with a copy marked to the Debenture Trustee ("**Call Notice**"), which shall be no later than 4 (Four) Business Days prior to the Coupon Reset Date as mentioned above; and/or (b) all the Debenture Holders and/or any Debenture Holder shall have the option to require the Company to purchase any and/or all of the Debentures as may be held by such Debenture Holders ("**Put Option**"), on the Put Option Date (corresponding to Coupon Reset Date), by issuing a written notice to the Company with a copy marked to the Debenture Trustee ("**Put Notice**"), which shall be no later than 4 (Four) Business Days prior to the Coupon Reset Date as mentioned above. (h) Upon issuance of the Call Notice / Put Notice, the Company shall compulsorily redeem the Debentures, as set out in the Call Notice / Put Notice, by making payment to the relevant Debenture Holders, the outstanding face value of the said Debentures and accrued Coupon in relation thereto, on the Put Option Date or the Call Option Date, as the case may be. (i) It is hereby clarified that in the event the Company fails in communicating their acceptance or rejection of the revised Coupon Rate in the manner stated herein above, then the revised Coupon Rate as communicated by the Debenture Trustee and/or the Debenture Holder to the Company, in the Coupon Reset Notice, shall be applicable on and from the Coupon Reset Date until the Maturity Date.
Day Count Basis	Actual/Actual
Interest on Application Money	At the Coupon Rate from the credit of subscription monies in respect of the Debentures in the account of the ICCL, in accordance with the EBP Guidelines, until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest Rate	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at

	maturity or otherwise), the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Security documents, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
No Early Payments	Any early redemption of the Debentures can only be pursuant to the applicable SEBI, RBI Regulations and subject to the prior written consent of the Majority Debenture Holder(s). The Majority Debenture Holder(s) at its sole discretion may permit an early redemption, under the condition that the Company shall hold the Debenture Holder(s) harmless from all costs, expenses, losses or liability incurred due to the prepayment in accordance with Clause 32 (*Indemnity*) of the Debenture Trust Deed.
Tenor	72 (Seventy-Two) months from the Deemed Date of Allotment
Maturity Date	23 December 2025 - being 72 (Seventy-Two) months from the Deemed Date of Allotment
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture on the Maturity Date plus accrued Coupon. Further, the aforesaid amount would be payable with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/ Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	Shall be the date falling on the completion of 24 (Twenty-Four) months and 36 (Thirty-Six) months from the Deemed Date of Allotment, being 23 December 2021 and 23 December 2022, respectively.
Put Option Price	Amount equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the date of the Put Notice.
Put Option Notification Time	Any Debenture Holder and/or all Debenture Holder(s) desirous of exercising the Put Option shall send a notice to the Issuer in writing (with a copy marked to the Debenture Trustee), to be received at least 4 (Four) Business Days prior to the relevant Put Option Date, communicating the intent of such Debenture Holder(s) to exercise the Put Option. Upon issuance of such notice, the Issuer shall, on or before the relevant Put Option Date, redeem the Debentures by paying the Debenture Holder(s), the Put Option Price.
Call Option Date	Shall be the date falling on the completion of 36 (Thirty-Six) months from the Deemed Date of Allotment being 23 December 2022.

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<table>
<tr><td>Call Option Price</td><td>Amount equivalent to the face value of all the Debentures and accrued Coupon, due and payable as on the date of the Call Notice.</td></tr>
<tr><td>Call Option Notification Time</td><td>To exercise the Call Option on the Call Option Date, the Issuer shall send a notice to the relevant Debenture Holder(s) for whom the Issuer intends to exercise the Call Option, in writing (with a copy marked to the Debenture Trustee) at least 4 (Four) Business Days prior to the Call Option Date, communicating the intent of the Issuer to exercise the Call Option on the Call Option Date. Upon issuance of such notice, the Issuer shall, on or before the relevant Call Option Date, redeem the Debentures by paying the Debenture Holder(s), the Call Option Price.</td></tr>
<tr><td>Face Value</td><td>Rs 10,00,000/- (Rupees Ten Lakh only) per Debenture</td></tr>
<tr><td>Minimum Application size and in multiples of 1 thereafter</td><td>10 Debentures and in multiples of 1 Debenture thereafter</td></tr>
<tr><td>Issue Timing</td><td>Issue Opening Date: 19 December 2019
Issue Closing Date: 19 December 2019
Pay-in Date: 23 December 2019
Deemed Date of Allotment: 23 December 2019
All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Trustees to be completed 1 (One) business day prior to Issue Opening Date.</td></tr>
<tr><td>Issuance mode of the Instrument</td><td>Demat only</td></tr>
<tr><td>Trading mode of the Instrument</td><td>Demat only</td></tr>
<tr><td>Settlement mode of the Instrument</td><td>The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below:
<table>
<tr><td>Name of Bank</td><td>HDFC BANK</td></tr>
<tr><td>IFSC Code</td><td>HDFC0000060</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LIMITED</td></tr>
</table>
<table>
<tr><td>Name of Bank</td><td>ICICI Bank Ltd.</td></tr>
<tr><td>IFSC Code</td><td>ICIC0000106</td></tr>
<tr><td>Account number</td><td>ICCLEB</td></tr>
<tr><td>Name of beneficiary</td><td>INDIAN CLEARING CORPORATION LTD</td></tr>
</table>
Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.</td></tr>
<tr><td>Depositories</td><td>NSDL, CDSL</td></tr>
<tr><td>Business Days</td><td>Means a day (other than a Saturday, Sunday or a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for business in Mumbai, India and New York, United States of America.</td></tr>
</table>

Business Day Convention	If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. If the Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, all payments to be made on the Maturity Date (including accrued Coupon) shall be paid on the immediately preceding Business Day.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	The Issue shall be secured by the following: (i) a first ranking pari passu mortgage over certain identified immovable property of the Company situated in Tamil Nadu (**"Immovable Property"**) as per the terms of the Debenture Trust Deed; and (ii) a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation over specific loan receivables / book debts, present and future, representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue (**"Secured Property"**) such that the value of security shall be equal to 1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures (**"Asset Cover"**). The Issuer undertakes: (a) to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged; (b) to create the security over the Secured Property by executing a duly stamped deed of hypothecation (**"Deed of Hypothecation"**) on or before the Deemed Date of Allotment. (c) to create a first ranking *pari passu* mortgage over the Immovable Property by executing a duly stamped Debenture Trust Deed on or before the Deemed Date of Allotment. (d) To perfect the security created over the Secured Property and Immovable Property by filing the relevant form with the Registrar of Companies immediately and no later than 15 (Fifteen) calendar days from the Deemed Date of Allotment. (e) To register the security created over the Immovable Property by registering the first ranking pari passu mortgage created over the Immovable Property with the relevant Sub-Registrar of Assurances, immediately and no later than 15 (Fifteen) calendar days from the Deemed Date of Allotment (f) In the event of any fall in the Asset Cover, additional Secured Property shall be taken in the manner as provided for in the Deed of Hypothecation. (g) To provide a list, on a monthly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover (**"Monthly Secured Property Report"**).

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Transaction Documents	Shall be as set out in Clause 7.1 below
Conditions Precedent to Disbursement	1. Execution of Debenture Trustee Agreement, Deed of Hypothecation and the Debenture Trust Deed. 2. Such other undertaking as may be required from the Company.
Conditions Subsequent to Disbursement	1. Filing of the relevant documents *inter alia* Form PAS-3 for return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act. 2013. 2. Completion of listing of Debentures on BSE within 15 (Fifteen) calendar days from the Deemed Date of Allotment. 3. Filing of the form CHG-9 with the Registrar of Companies for the perfection of charge over the Secured Property and Immovable Property within and no later 15 (Fifteen) calendar days from the Deemed date of Allotment. 4. Evidence that the Issuer has, within 30 (Thirty) days of the Deemed Date of Allotment, paid all applicable stamp duty in relation to the Debentures. 5. Execution of any other documents as customary for transaction of a similar nature and size. 6. The Issuer shall also obtain a legal opinion on the enforceability of the Transaction documents.
Events of Default	As mentioned in Clause 7.4 below
Provisions related to Cross Default Clause	The Issuer defaults under any other contract evidencing its financial indebtedness and binding on its capacity as a company, borrower or guarantor and such default or event of default permits or causes (or with the giving of notice or the passage of time or both would permit or cause) the acceleration of any such indebtedness (whether or not such right shall have been waived) or the termination of any commitment to lend.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders
Covenants	As mentioned in Clause 7.3 below
Representation and warranties	As mentioned in Clause 7.2 below
Illustration of Bond Cashflows	Kindly refer to **Annexure VI** of this Information Memorandum
Governing Law	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Chennai. Provided that the Debenture Trustee, may, however, in its absolute discretion commence any Proceedings arising out of this Deed in any other court and tribunal in India, and the issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the issuer irrevocably waives any objection it may have now or in the future to the laying of the venue of any proceedings and any claim that any such proceedings have been brought in an inconvenient forum.

Note:

The list of documents which has been executed or will be executed in connection with the issue and subscription of debt securities shall be annexed.

2. The penal interest rates mentioned above as payable by the Issuer are independent of each other

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

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

(A) **Name of the bank declaring the entity as a Wilful Defaulter:** Nil

(B) **The year in which the entity is declared as a Wilful Defaulter:** Nil

(C) **Outstanding amount when the entity is declared as a Wilful Defaulter:** Nil

(D) **Name of the entity declared as a Wilful Defaulter:** Nil

(E) **Steps taken, if any, for the removal from the list of wilful defaulters:** Nil

(F) **Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions:** Nil

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SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

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

(a) Debenture Trustee Agreement, which will confirm the appointment of Beacon Trusteeship Limited as the Debenture Trustee ("**Debenture Trustee Agreement**");

(b) Debenture Trust cum Mortgage Deed, which (i) creates a first ranking *pari passu* mortgage over certain identified Immovable Property of the Company situated in Tamil Nadu; and (ii) will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**");

(c) Deed of Hypothecation whereby the Issuer will create an exclusive first charge by way of hypothecation over the Secured Property in favour of the Debenture Trustee to secure its obligations in respect of the Debentures ("**Deed of Hypothecation**"); and

(d) Such other documents as agreed between the Issuer and the Debenture Trustee.

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

7.2 Representations and Warranties of the Issuer

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

(a) **Authority and Capacity**

(i) The Issuer has been duly incorporated, organized and is validly existing, under applicable law.

(ii) The Issuer has the corporate power, authority and all material permits, approvals, authorizations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted.

(iii) The Issuer is in compliance with all laws for the performance of its obligations with respect to this Issue.

(iv) The Issuer represents that all consents, and actions of, filings with and notices to any governmental authority as may be required to be obtained by the Issuer in connection with the Issue have been obtained or made and are in effect.

(b) **Corporate Matters**

(i) All the legal and procedural requirements specified in the constitutional documents have been duly complied with in all respects in relation to the Issue.

(ii) The registers, and minute books (including the minutes of board and shareholders meeting) required to be maintained by the Issuer under applicable law:

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A. are up-to-date and have been maintained in accordance with applicable law;

B. comprise complete and accurate records of all information required to be recorded in such books and records; and

C. no notice or allegation that any of them are incorrect and/ or should be rectified has been received.

(c) **Organization and Authority**

The Issuer is an NBFC duly incorporated and validly existing under the laws of India and has the power to own its assets, conduct and operate its business as presently conducted, and to enter into, and comply with its obligations under this Deed and the Transaction Documents to which it is a party or will be a party.

(d) **Non-conflict with other obligations**

The Issue (or any of the obligations undertaken by the Issuer in relation thereto) does not and will not conflict with any law or regulation to which the Issuer is subject, including but not limited to any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial sanctions as well as any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing financial indebtedness of the Issuer.

(e) **Validity and admissibility in evidence:**

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

(i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;

(ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and

(iii) for it to carry on its business

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

(f) **Accounts and Records**

The books of accounts of the Issuer have been fairly and properly maintained, the accounts of the Issuer have been prepared in accordance with law and in accordance with applicable GAAP, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Issuer.

(g) **Taxation Matters**

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

(ii) Other than as already disclosed by the Issuer in its financial statements, as on date, the Issuer has not received any written notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Issuer.

(h) **Legal / Litigation Matters**

(i) There are no claims, investigations or proceedings before any court, tribunal or governmental authority in progress or pending against or relating to the Issuer, other than in the normal course of business, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.

(ii) There are no unfulfilled or unsatisfied judgments or court orders of which the Company has notice and which is outstanding against the Issuer, which would have a Material Adverse Effect on the Debentures (or the holders thereof) or on the ability of the Company to make the scheduled payments in relation to the Debentures.

(iii) The Issuer has not taken any action nor has any order been passed for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer for it or in respect of its assets.

(i) **Assets**

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

(j) **Employees**

The Company is in compliance with all obligations under the applicable labour laws and other laws in relation to its employees.

(k) **Event of Default**

The Issuer hereby represents that there is no event of default that has currently occurred or is continuing as on the date hereof.

(l) **Material Adverse Effect**

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

(m) **Audit**

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The annual accounts of the Issuer are audited by an auditor from a reputable firm of independent chartered accountants.

(n) **Good Business Standard**

The Issuer in its business transactions with its shareholders, partners, managers, staff, affiliates or affiliates of such entities or persons keeps within normal, good and acceptable business standards, including transactions being on arm's length.

(o) **No Immunity**

Neither, the Issuer nor any of its assets is entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. This Issue (and the documents to be executed in relation thereto) constitutes, and the exercise of its rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.

(p) **Security**

Save and except the charge created to secure the Debentures (and any other charges disclosed to the Debenture Trustee), the Secured Property and Immovable Property hereinbefore expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and is free from any other mortgage, charge or encumbrance and is not subject to any attachment, or other order or process issued by any governmental authority and that the Company has a clear and marketable title to the Secured Property and Immovable Property. It is however, clarified that the Immovable Property had previously been and may also be, in the future, mortgaged by the Company in favour of various lenders / debenture trustees as security for the borrowings made by the Company.

(q) **Information**

All information provided by the Issuer is true and accurate in all material respects as at the date it was provided or as at the date at which it was stated.

(r) **Nature of Representations and Warranties**

Each of the representations and warranties set out above shall be true and accurate on the date as on the date of the execution of this Deed, the Deemed Date of Allotment and on each Coupon Payment Date and the Maturity Date.

Provided that the representations and warranties as stated under Clause 7.2 above, sub-clause(s) (A), (B), (C), (D), (E), (H), (I), (J), (M) and (N) shall be repeated on each date commencing from the date of this Information Memorandum until the Maturity Date.

7.3 **Covenants of the Issuer**

The Issuer hereby agrees and undertakes as under and the same along with additional covenants shall also be set out in the Transaction Documents:

A. **Information Covenants**

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The Issuer shall provide / cause to be provided information in respect of the following within a maximum of 15 (Fifteen) calendar days from the occurrence of such event (unless otherwise specifically provided):

(a) The Issuer undertakes that it shall forward to the Debenture Trustee any such information sought and provide access to relevant books of accounts in relation to this Issue as required by Debenture Trustee.

(b) The Issuer undertakes to submit to the Debenture Trustee (and to the Debenture Holder, if so requested), its duly audited annual accounts, within 120 (one hundred and twenty) days from the close of its accounting year.

(c) The Issuer shall utilise the monies received upon subscription of the Debentures solely towards the Purpose and procure and furnish to the Debenture Trustee, a certificate from an independent chartered accountant in respect of the utilisation of funds raised by the issue of Debentures, within 60 (Sixty) calendar days from the Deemed Date of Allotment and from the statutory auditors of the Company, at the end of each financial year.

(d) Submit to the Debenture Trustee (and to the Debenture Holder(s), if so requested) its provisional quarterly financials, within 45 (Forty-Five) calendar days from the close of each of its accounting quarters.

(e) Submit to the Debenture Holders (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 Issuer.

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

(g) The Issuer shall provide / cause to be provided information in respect of the following promptly and no later than 5 (Five) Business Days from the occurrence of such event (unless otherwise specifically provided):

(i) change in the shareholding structure of the Company;

(ii) change in the Key Managerial Personnel of the Company;

(iii) approval by the Board of Directors of the annual business plan including a detailed investment budget and forecast accounts for the following Financial Year and financial projections for at least the next 5 (five) years;

(iv) after the Issuer obtains knowledge thereof or reasonably should have obtained actual knowledge thereof, notice of the occurrence of any event or circumstance that could be expected to result in a Material Adverse Effect;

(v) after the Issuer obtains or reasonably should have obtained actual knowledge thereof, notice of any dispute, litigation, investigation or other proceeding

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affecting the Company or its property or operations, which, if adversely determined, could result in a Material Adverse Effect;

(vi) after the Issuer obtains knowledge thereof, notice of the occurrence of any event which constitutes in the opinion of the Issuer, a potential Event of Default or an Event of Default specifying the nature of such event and any steps the Company is taking and proposes to take to remedy the same;

(vii) any alteration of constitutional documents of the Issuer;

(viii) if there is any fraud, amounting to more than 1% (One Percent) of Gross Loan Portfolio;

(ix) such other information, as may be required by the Debenture Trustee.

(x) Notify the Debenture Trustee in writing of any notice of any application for winding up having been made or receipt of any statutory notice of winding up under the provisions of the Companies Actor any other notice under any other law or otherwise of any suit or legal process intended to be filed and affecting the title to the property of the Issuer.

(xi) 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.

(xii) Notify the Debenture Trustee promptly in writing of any event which constitutes an event of default, specifying the nature of such event and any steps the Issuer is taking and proposes to take to remedy the same.

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

(xiv) 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 and to enter into or upon and to view and inspect the state and condition of the Secured Property, together with all records, registers relating to the Secured Property as required by the Debenture Trustee.

(xv) 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 payments due to be made on the Debentures;

(xvi) Forward the details on utilization of funds raised through the issue of Debentures duly certified by the Company's statutory auditors, to the Debenture Trustee within 60 (Sixty) calendar days from the Deemed Date of Allotment and at the end of each financial year, and as and when required by the Debenture Trustee and/or the Debenture Holders.

(xvii) Notify the Debenture Trustee promptly of any revision in the rating provided by the Rating Agency in the Issue.

(xviii) Inform the Debenture Trustee promptly about any failure to create Security and about all orders, directions, notices of court/tribunal affecting the Security.

(xix) Inform the Debenture Trustee before declaring or distributing any dividend.

(xx) inform the Debenture Trustee of one or more of the other creditors of the Issuer accelerating its payment obligations on the grounds of (a) a material adverse effect in the financial, operational or regulatory conditions governing the Issuer 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 Issuer may be obligated as a borrower or guarantor.

(h) 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 & Loss Account and of all periodical and special reports at the same time as they are issued;

(ii) a copy of all notices, resolutions and circulars relating to new issue of debt securities at the same time as they are sent to shareholders/ holders of debt securities;

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

(i) As soon as available, and in any event within 120 (One Hundred and Twenty) calendar days after the end of each Financial Year of the Company, the annual reporting required and in form and substance satisfactory to the Debenture Trustee and the Debenture Holders. Such reporting will include information detailing:

(i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Indian GAAP / Ind AS (as applicable) including its balance sheet, income statement and statement of cash flow. All such information shall be complete and correct in all material respects and fairly represents the financial condition, results of operation and changes in cash flow of the Issuer as of the date thereof;

(ii) a certificate of the Chief Financial Officer of the Issuer confirming that his or her review has not disclosed the existence of any potential Event of Default or any Event of Default;

(iii) all annual information submitted to the RBI; and

(iv) the corporate social responsibility report confirming adherence by the Issuer to its corporate social responsibility policy.

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(j) Furnish a report to the Debenture Trustee on a quarterly basis (unless specified otherwise, in which case, reports shall be submitted according to the specified timeline), containing the following particulars:

(i) Periodical status/performance reports from the Issuer within 7 (Seven) days of the relevant board meeting or within 45 (Forty-Five) days of the respective quarter, whichever is earlier;

(ii) Financials, operations, portfolio growth and asset quality, funding in formats acceptable to the Debenture Holder(s)

(iii) the shareholding structure and composition of the board of directors in the Issuer;

(iv) If applicable, the financial and other returns filed by the Issuer with the RBI (including without limitation, the form NBS-7 filed by the Company with the RBI);

(v) Updated list of names and addresses of the Debenture Holders;

(vi) Details of unpaid due payments, to be made, but unpaid and reasons for non-payment thereof;

(vii) The number and nature of grievances received from the Debenture Holders and (a) grievances resolved by the Issuer and (b) those grievances not yet solved to the satisfaction of the Debenture Holders and the reasons for the same;

(viii) Certificate from the Director/ Managing Director of the Company, certifying the value of the book debts/receivables underlying the Secured Property and stating that those assets of the Issuer which are available by way of security are sufficient to discharge the claims of the Debenture Holders as and when they become due;

(ix) Certificate from an independent Chartered Accountant, certifying the value of book debts/receivables underlying the Secured Property;

(x) A statement, signed by an authorized signatory of the Company, on a quarterly basis:

a. the value of the book debts/receivables under the Secured Property. Provided that the statement under this sub-clause (a) above shall also be supported by the independent chartered accountant (on a quarterly basis) and shall be supported by the statutory auditor of the Company (on a yearly basis);
b. that the Receivables constituting the Secured Property have not been charged or hypothecated in favour of any other party except the Debenture Trustee and that they are free from any encumbrances; and
c. that the Receivables comprising the Secured Property are 'standard assets' as defined under the applicable Reserve Bank of India regulations in the books of the Company.

(hereinafter referred to as the "**Secured Property Certificate**").

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

B. **Positive Covenants**

(a) The Issuer shall perform all of their respective obligations under the terms of the applicable Transaction Documents and maintain in full force and effect each of the Transaction Documents to which they are a party.

(b) The Issuer shall promptly obtain all consents, as maybe necessary for performing its obligations in relation to this Issue.

(c) The Issuer shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Issuer, including but not limited to Taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection therewith.

(d) The Issuer shall give to the Debenture Trustee any information, relating to the business, property and affairs of the Company, that materially impacts the interests of the Debenture Holders.

(e) The Issuer shall at all times act and proceed in relation to its affairs and business in compliance with applicable law.

(f) The Issuer shall ensure that the Asset Cover is maintained at all times until the Final Settlement Date.

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

(h) Listing

(i) The Issuer shall take all steps necessary to get the Debentures listed within 15 (Fifteen) calendar days from the Deemed Date of Allotment.

(ii) In any other case, where there is a delay by the Company in listing the Debentures beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Company shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of 1% per annum over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures.

(iii) In the event of the Issuer's failure to do so, to the extent that any Debenture Holders are foreign institutional investors/qualified foreign investors/foreign portfolio investors, the Issuer shall immediately redeem and/buyback any and all Debentures which are held by such foreign institutional investors/foreign portfolio investors.

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C. **Financial Covenants**

Within 45 (Forty-Five) calendar days from the end of each quarter, the Issuer shall submit a certificate signed by the chief financial officer or an authorised signatory of the Issuer confirming the Issuer's compliance with the Financial Covenants set out hereinafter.

The Issuer shall ensure that on the last day of each calendar quarter, (unless specified otherwise) until the redemption of Debentures:

(a) The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Foreign-Currency Assets minus Foreign-Currency Liabilities divided by equity (incl. Sub-debt up to 50% of equity) comprised between 150% (One Hundred and Fifty Percent) and -50% (Minus Fifty Percent);

(b) The Issuer shall at all times, until the Final Settlement Date, maintain a Non-Performing Loan Ratio of less than or equal to 6% (Six Percent);

(c) The Issuer shall at all times, until the Final Settlement Date, maintain a ratio of Open Loan Position 90 Days to the Issuer's Regulatory Capital of less than or equal to 20% (Twenty Percent);

(d) The Issuer shall at all times until the Final Settlement Date, maintain Capital Adequacy Ratio of greater than or equal to 18% (Eighteen Percent) of the Company's Risk Weighted Assets.

For the purpose of this Clause 7.3C (*Financial Covenants*), the following terms shall have the meaning ascribed to them as provided below:

"*Capital Adequacy Ratio*" means the ratio as defined by the applicable regulations of the Reserve Bank of India from time to time;

"*Foreign-Currency Assets*" shall mean the aggregate of all assets of the Issuer consisting of loans, deposits, claims or other assets that by their terms are payable in any currency other than the domestic currency. However, assets of the Issuer that are payable in domestic currency of the Issuer but whose value is indexed to a foreign currency shall be considered as Foreign-Currency Assets.

"*Foreign-Currency Liabilities*" shall mean the aggregate of all liabilities of the Issuer consisting of loans, deposits, claims or other liabilities that by their terms are payable in any currency other than the domestic currency. However, foreign currency liabilities that are indexed to the domestic currency of the Issuer or that are hedged against exchange rate fluctuations with the domestic currency of the Issuer shall not be considered as part of its Foreign-Currency Liabilities.

"*Gross Loan Portfolio*" shall mean the aggregate outstanding balance of all the Client Loans disbursed by the Issuer in the normal course of its activity.

"*Loan Loss Reserves*" shall mean the total reserve established to cover potential losses in the Issuer's outstanding loans or other credit facilities.

"*Local Requirements*" shall mean all national and local laws, regulations, and specific decisions by any competent authority applicable to the Issuer.

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"*Open Loan Position 90 Days*" shall mean Gross Loan Portfolio with clients that are overdue with interest or principal payments for more than 90 (Ninety) days, plus all Restructured Portfolio, rescheduled or refinanced loans less than 90 (Ninety) days overdue minus Loan Loss Reserves.

"*Non-Performing Loan Ratio*" shall mean the sum of the Issuer's outstanding balance of loans and other credit facilities overdue for more than 90 (Ninety) days, plus the outstanding balance of loans and other credit facilities rescheduled, restructured or refinanced but not overdue for more than 90 (Ninety) days, ending on a day on which the Debentures are outstanding plus the outstanding book value of assets repossessed if not included in the loans overdue more than 90 days, plus the gross amount of loans written off of in the last twelve–month period, divided by the Issuer's Gross Loan Portfolio.

"*Restructured Portfolio*" shall mean, with respect to the Issuer, the outstanding principal balance of all past due Client Loans that have been renegotiated or modified to either lengthen or postpone the originally scheduled instalments of principal, or to substantially alter the original terms, of such Client Loans.

"*Regulatory Capital*" shall mean the capital applicable to the Issuer, according to the Applicable Law.

"*Risk Weighted Assets*" shall mean risk weighted assets according to the Local Requirements.

"*Sub-debt*" means only subordinated debt according to local laws or regulations applicable to the Issuer.

D. **Further Assurances**

The Issuer shall:

(a) execute and/or do, at their own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Trustee may reasonably or by law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;

(b) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it lawfully to enter into and perform its obligations under this Issue or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Issue;

(c) The Issuer shall, while submitting half yearly/ annual financial results to the BSE/NSE disclose the following line items along with the financial results accompanied by a certificate from the Debenture Trustee confirming that it has taken note of the said content and the same shall be communicated to the Debenture Holder(s) on a half-yearly basis:

(i) credit rating and change in credit rating (if any);
(ii) debt-equity ratio;
(iii) previous due date for the payment of interest/principal and whether the same has been paid or not; and
(iv) next due date for the payment of interest/principal along with the amount of interest/redemption amount payable
(v) net worth;

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(vi) net profit after tax;
(vii) earnings per share.

(d) comply with:

(i) all laws, rules, regulations and guidelines as applicable in respect of the raising of Debentures,and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; and (ii) the provisions of the listing agreement entered into by the Issuer with the BSE in relation to the Debentures including the relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as may be in force;

(ii) The provisions of the Companies Act, 2013 relation to the issue of the Debentures.

(e) Execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee (acting on behalf of and/or on the instructions of the Majority Debenture Holders) may require for exercising the rights under the Transaction Documents and the Debentures and for perfecting the Transaction Documents or for effectuating and completing the security intended to be created and shall from time to time and at all times after the security constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Secured Property and in particular the Issuer shall execute all transfers, conveyances, assignments and assurance of the Secured Property whether to the Debenture Trustee or to their nominees and shall give all notices and directions which the Debenture Trustee may think expedient.

E. **Negative Covenants**

(a) The Issuer shall not, without the prior written approval of Debenture Trustee:

(i) Declare or pay any dividend to its shareholders during any financial year unless it has paid all the dues to the Debenture-Holder(s)/ Debenture Trustee upto the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefor.

(ii) Enter into any agreement to effectuate any change of control,

(iii) Sell, transfer or otherwise dispose of all or substantially all of its assets other than in the normal course of business of the Issuer, including any securitization / portfolio sale of assets undertaken by the Issuer in its ordinary course of business;

(iv) Wind up, liquidate or dissolve its affairs;

(v) Consolidate or amalgamate with or merge with or into or receive all or substantially all the assets or obligations of, another entity.

(vi) The Issuer shall not, until the Final Settlement Date, create any further charge or encumbrance over the Secured Property, except as created in favour of the

Debenture Trustee for the benefit of the Debenture Holders, under the terms of the Deed of Hypothecation.

(b) The Issuer shall not make any amendments in the constitutional documents in a manner which would prejudicially affect the interests of the Debenture Holders.

(c) The Issuer shall not enter into any material compromise or arrangement or settlement with any of its secured creditors that would prejudicially affect the interests of the Debenture Holder(s).

7.4 Events of Default

Each of the following shall constitute an Event of Default with respect to the Debentures and shall be set out in the Transaction Documents.

If any of the events listed below (each, an "**Event of Default**") has occurred and pursuant thereto, if so required in writing by the Majority Debenture Holder(s), the Debenture Trustee shall, give notice to the Issuer that the Debentures are due and repayable.

A. The failure to pay any outstanding sum due and payable under the Debentures, including Coupon/Redemption Amounts, on the Due Date(s) in full or in part, unless such failure to pay is caused by administrative or technical error and payment is made within 3 (Three) calendar days from the Due Date;

B. The failure to comply with any reasonably monitoring and/or servicing requests from the Debenture Holder(s), including its monthly, quarterly and annual reporting requirements as required under Clause 7.3, including such requests arising from the due diligence visits and documentation review of the Debenture Holder(s);

C. Failure of the Issuer to register and perfect the charge created over the Immovable Property within the timelines stipulated under the Debenture Trust Deed.

D. Failure of the Issuer to inform the Debenture Trustee of 1 (one) or more of the other creditors of the Issuer accelerating the payment obligations of the Issuer on the grounds of a material adverse change (howsoever defined under the respective transaction documents) or a material adverse effect (howsoever defined under the respective transaction documents) in the financial, operational or regulatory conditions governing the Issuer.

E. Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture-Holder(s) by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made and such misrepresentation adversely affects the interest of the Debenture Holders in the reasonable opinion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders);

F. Failure of the Issuer to maintain the Asset Cover or top up the loan receivables within the timelines stipulated under the Deed of Hypothecation;

G. Failure of the Issuer to perfect and register the charge created over the Secured Property, within the timelines stipulated in the relevant Transaction Documents.

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H. The Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or stops or suspends payment of all its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or any application has been filed or proceedings have been initiated against the Issuer under IBC or a moratorium is agreed or declared in respect of or affecting all the debts of the Issuer;

I. A distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, undertaking, assets, rights or revenues of the Issuer;

J. An order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases to carry on all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organisation, merger or consolidation on terms approved by a Special Resolution of the Debenture Holder(s);

K. The Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;

L. In the opinion of the Debenture Trustee, any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable;

M. If the Issuer, in regards to any financial indebtedness: (A) defaults in any payment of any financial indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such financial indebtedness was created or (B) defaults in the observance or performance of any agreement or condition relating to any financial indebtedness, the effect of which default or other event or condition is to cause or to permit the holder or holders of such financial indebtedness to cause (with the giving of notice or the passage of time or both would permit or cause) any such financial indebtedness to become due prior to its stated maturity; or (C) due to any default or an event of default, any financial indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, (whether or not such right shall have been waived) prior to the stated maturity thereof;

N. One or more judgments or decrees shall be entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (Five Percent) of the total assets of the Issuer and such judgments or decrees either shall be final and non-appealable or shall not be vacated, discharged or stayed pending appeal for any period of 90 (Ninety) calendar days;

O. There shall have occurred a change in the business, operations, property, assets, liabilities, condition (financial or otherwise) or prospects of the Issuer since the date hereof that has resulted in, or would result in, a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 10 (Ten) Business Days;

P. The Issuer finances clients listed on:

i. any list of terrorists or terrorist organizations of the United Nations, the European Union and any other applicable country; or

ii. any Financial Sanctions list, being defined as lists of persons, groups or entities which are subject to United Nations, European Union and the US Office of Foreign Asset Control (OFAC) sanctions;

Q. Any other Event of Default(s) as set out in the Debenture Trust Deed;

R. Other than as specifically provided above, breach of any other covenant, obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents.

7.5 Consequences of Events of Default

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

SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

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

8.1 Mode of Transfer/Transmission of Debentures

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

8.2 Debentures held in Dematerialised Form

The Debentures shall be held in dematerialised form and no action is required on the part of the Debenture Holder(s) for redemption purposes and the redemption proceeds will be paid by cheque/EFT/RTGS to those Debenture Holder(s) whose names appear on the list of beneficiaries

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maintained by the R&T Agent. The names would be as per the R&T Agent's records on the Record Date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

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

8.3 Debenture Trustee for the Debenture Holder(s)

The Issuer has appointed Beacon Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee have entered/intend to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Debenture Trustee Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

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

8.5 Debenture Holder not a Shareholder

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

8.6 Modification of Debentures

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

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

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

(a) Creating of any additional security; and
(b) Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

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

8.8 Notices

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

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

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 3 (three) Business Days after posting; (b) 1 (One) Business Day after delivery by recognized overnight courier service, if sent for next Business Day delivery(c) in the case of facsimile at the time when dispatched with a report confirming proper transmission or (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

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

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

Details of size of the Issue including green shoe option, if any	Rs. 86,00,00,000/- (Rupees Eighty-Six Crores only)

Bid opening and closing date	Bid opening date: 19 December 2019; and Bid closing date: 19 December 2019
Minimum Bid lot	10 (Ten) Debentures i.e. Rs. 1,00,00,000/- (Rupees One Crore only) and in the multiples of 1 (One) Debenture thereafter i.e. Rs. 10,00,000/- (Rupees Ten Lakh only).
Manner of bidding in the Issue	Closed Bidding
Manner of allotment in the Issue	Uniform Yield
Manner of settlement in the Issue	Pay-in of funds through ICCL.
Settlement cycle	T+2 working days, where T refers to the date of bid opening date / issue opening date

Process flow of settlement:

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

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

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

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

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

Beneficiary Name:	ESS KAY FINCORP LTD
Bank Account No.	409001042376

IFSC CODE:	RATN0000088
Bank Name:	RBL BANK LIMITED
Branch Address:	Lower Parel (West)
	CURRENT ACCOUNT

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

8.10 Application Procedure

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

8.11 Fictitious Applications

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, allotment shall be made on a "yield-time" priority basis in accordance with the EBP Guidelines. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

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

8.14 Eligible Investors

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

(a) Mutual Funds
(b) Non-banking financial companies
(c) Provident Funds and Pension Funds
(d) Corporates
(e) Banks
(f) Foreign Portfolio Investors (FPIs)
(g) Foreign Institutional Investors (FIIs)
(h) Qualified Foreign Investors (QFIs)
(i) Insurance Companies
(j) Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures

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

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

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

Hosting of the Information Memorandum on the website of the BSE should not be construed as an offer or an invitation to offer to subscribe to the Debentures and the same has been hosted only as it is stipulated under the SEBI Debt Listing Regulations read with the EBP Guidelines. Eligible Investors should check their eligibility before making any investment.
All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

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

8.15 Procedure for Applying for Dematerialised Facility

(a) The applicant must have at least one beneficiary account with any of the DP's of NSDL/CDSL prior to making the application.

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

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

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

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

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

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

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

8.16 Depository Arrangements

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

8.17 List of Beneficiaries

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

8.18 Application under Power of Attorney

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

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

8.19 Procedure for application by Mutual Funds and Multiple Applications

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

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

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

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable:

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

8.21 Applications to be accompanied with Bank Account Details

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

8.22 Succession

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

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

8.23 Mode of Payment

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

8.24 Effect of Holidays

In case any Coupon Payment Date or the due date for the performance of any event, falls on a day which is not a Business Day, the payment to be made shall be made on the next Business Day. When the Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day which is not a Business Day, all payments to be made on the Maturity Date (including accrued Coupon) shall be made on the immediately preceding Business Day.

8.25 Tax Deduction at Source

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

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

8.26 Letters of Allotment

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

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the Investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is December 23, 2019 by which date the Investors would be intimated of allotment.

8.28 Record Date

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

8.29 Refunds

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

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

8.30 Interest on Application Money

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

8.31 PAN Number

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

KAY FINCORP LIMITED

8.32 Payment on Redemption

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

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

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

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

SECTION 9: DECLARATION

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

For Ess Kay Fincorp Limited

ESS KAY FINCORP LIMITED

Authorised Signatory

Name: Devendra Sharma
Title: Assistant Manager –Treasury
Date: 17 December 2019
Place: Jaipur

ANNEXURE I: TERM SHEET

As provided in Clause 5.232 above.

ESS KAY FINCORP LIMITED

ANNEXURE II: RATING LETTER FROM THE RATING AGENCY

Ratings

CRISIL
An S&P Global Company

CONFIDENTIAL

[illegible]
December 16, 2019

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

Dear Mr. Vivek Singh

Re: CRISIL Rating on the Rs.[illegible] Crore Non Convertible Debentures of Fas Kay Fincorp Limited

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

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

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

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

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

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

With warm regards,

Yours sincerely,

Ajit Velonie
Director - CRISIL Ratings

Sreedhar Mahe
Associate Director - CRISIL Ratings

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

BEACON

7932/CL/MUM/19-20/DEB/244
Date: Dec 05, 2019

Ess Kay Fincorp Limited
G1-2,
Khasa Kothi,
Jaipur, Rajasthan – 302001

Kind Attn: Mr. Shubham Gupta

Sub: Consent to act as Debenture Trustee for Secured Listed Non-Convertible Debentures aggregating to Rs. 100.00 Crores

Dear Sir,

This is with reference to our conversation regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Secured Listed Non-Covertible Debentures aggregating to Rs. 100.00 Crores.

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

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

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully,

For Beacon Trusteeship Limited

Authorised Signatory

Accepted

For Ess Kay Fincorp Limited

Authorised Signatory

BEACON TRUSTEESHIP LIMITED
Regd & Corporate Office : 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E), Mumbai - 400051
CIN: U74999MH2015PLC271288
Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

ANNEXURE IV: APPLICATION FORM

ESS KAY FINCORP LIMITED
A public limited company incorporated under the Companies Act, 1956
Date of Incorporation: November 21, 1994; **CIN:** U65923RJ1994PLC009051
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan
Telephone No.: +91 141 4734016
Website: www.skfin.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.	1								

ISSUE OF UPTO 860 (EIGHT HUNDRED AND SIXTY) SENIOR SECURED RATED LISTED REDEEMABLE TRANSFERABLE NON-CONVERTIBLE DEBENTURES OF ESS KAY FINCORP LIMITED OF RS. 10,00,000/- (RUPEES TEN LAKH ONLY) EACH AGGREGATING UPTO RS. 86,00,00,000/- (RUPEES EIGHTY-SIX CRORES ONLY), FULLY PAID UP FOR CASH AT PAR TO THE FACE VALUE

DEBENTURE SERIES APPLIED FOR:

Number of Debentures __ In words ___

Amount Rs. _/-_ in words Rupees _______________ Crores only

DETAILS OF PAYMENT:

RTGS
No. ____________ Drawn on ____

Funds transferred to Ess Kay Fincorp Limited
Dated ___________

Total Amount Enclosed
(In Figures) ___________ (In words) ________________________________

APPLICANT'S NAME IN FULL (CAPITALS)	SPECIMEN SIGNATURE

APPLICANT'S ADDRESS

ADDRESS	
STREET	
CITY	

PIN		PHONE		FAX	

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

WE ARE ( ) COMPANY ( ) OTHERS ( ) SPECIFY __________

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

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's
Signature

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

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

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

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

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

The Company understands and accepts that the Applicants' intention to subscribe to the Issue is subject to (i) the absence of material adverse changes in the availability of currency hedging accessible to it between the Issue Opening Date and the Pay-in Date and (ii) the hedging price being acceptable to the Applicants.

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

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

Applicant's
Signature

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

(Note : Cheque and Drafts are subject to realisation)

---(TEAR HERE)---

- ACKNOWLEDGMENT SLIP -

(To be filled in by Applicant) **SERIAL NO.**	**1**									

Received from

Address ____

____

Cheque/Draft/UTR # ____________ Drawn on ________________________ for Rs. __________ on account of application of ______________ Debenture

SS KAY FINCORP LIMITED

ANNEXURE V: LAST AUDITED FINANCIAL STATEMENTS

ESS KAY FINCORP LIMITED

Balance Sheet as at March 31, 2019

(Amount in Rs.)

Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
(a) Share capital	3	4,60,32,256	3,50,91,900
(b) Reserves and surplus	4	5,50,58,13,960	2,02,79,10,175
		5,55,18,46,218	2,06,30,02,075
Non-current liabilities			
(a) Long-term borrowings	5	8,02,61,70,330	4,28,15,16,840
(b) Deferred tax liabilities (net)	12	-	-
(c) Other long-term liabilities	6	31,40,45,703	14,30,48,376
(d) Long-term provisions	7	10,24,80,047	5,94,11,321
		8,44,27,05,140	4,48,39,73,537
Current liabilities			
(a) Short-term borrowings	8	65,04,57,288	85,23,07,264
(b) Trade payables	9		
i) total outstanding dues to micro and small enterprises, and		-	
ii) total outstanding dues of creditors other than micro and small enterprises		29,05,83,327	30,37,69,323
(c) Other current liabilities	10	4,79,03,18,762	4,35,17,22,236
(d) Short-term provisions	7	19,65,97,470	15,52,50,730
		5,93,69,46,967	5,66,30,39,563
TOTAL		19,93,14,98,226	12,21,00,21,165
ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	17,03,76,667	12,29,86,722
(ii) Intangible assets	11	59,42,878	27,03,701
(iii) Capital work-in-progress	11	5,29,562	96,86,434
(b) Non-current investments	15 (a)	4,66,66,786	4,66,66,786
(c) Deferred tax assets (net)	12	8,24,23,229	6,23,03,095
(d) Long-term loans and advances	17	9,91,72,66,530	6,89,92,84,235
(e) Other non-current assets	13	16,95,10,375	12,59,31,059
		10,39,29,38,037	7,06,96,22,933
Current assets			
(a) Current investments	15 (b)	11,00,00,000	-
(b) Trade receivables	14	2,05,143	23,84,111
(c) Cash and bank balance	16	2,77,60,86,660	29,37,15,247
(d) Short-term loans and advances	17	6,46,23,65,981	4,63,61,39,943
(e) Other current assets	18	18,93,64,404	20,81,09,931
		9,53,85,62,100	5,14,03,98,232
TOTAL		19,93,14,08,226	12,21,00,21,165
Significant accounting policies and notes to the financial statements	2-44		

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

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
M. No. : 046882

Place : Jaipur
Date : May 03, 2019

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

Rajendra Kumar Setia
Managing Director
DIN- 00967374

Shalini Setia
Director
DIN - 02617624

Atul Arora
Chief Financial Officer

Anagha Bangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

ESS KAY FINCORP LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

(Amount in Rs.)

Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from operations	19	3,49,34,20,320	2,20,63,87,226
Other income	20	15,59,25,688	6,69,12,101
Total Revenue		3,64,93,46,008	2,27,32,99,326
Expense:			
Employee benefit expenses	21	70,64,46,411	50,62,04,879
Finance costs	22	1,38,46,21,714	89,45,06,497
Depreciation and amortisation expenses	23	3,21,24,975	2,33,62,425
Provisions and write offs	24	29,18,00,049	21,68,79,313
Other expenses	25	47,74,40,526	30,91,01,175
Total expenses		2,89,44,35,676	1,94,40,54,289
Profit before tax		75,49,10,333	32,92,45,037
Tax Expenses			
a. Current tax		25,40,07,427	14,19,60,102
b. Deferred tax	12	(2,90,48,680)	(1,90,91,648)
c. Taxes for earlier year		76,49,612	(1,31,61,630)
Total tax expense		23,26,08,359	10,97,22,724
Profit for the year		52,23,01,974	21,95,22,313
Basic earnings per equity share (Face value Rs. 2 each)	26	26.32	15.08
Diluted earnings per equity share (Face value Rs. 2 each)	26	26.32	15.08
Significant accounting policies and notes to the financial statements	2-44		

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

As per our report of even date attached

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

Manoj Kumar Vijai
Partner
M. No. : 046882

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

Rajendra Kumar Setia
Managing Director
DIN- 00957374

Shalini Setia
Director
DIN - 02817624

Atul Arora
Chief Financial Officer

Anugha Bangur
Company Secretary

Place : Jaipur
Date : May 03, 2019

Place : Jaipur
Date : May 03, 2019

ESS KAY FINCORP LIMITED

Cash Flow Statement for the year ended March 31, 2019

(Amount in Rs.)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A Cash flow from operating activities		
Profit before tax	75,49,10,333	32,92,45,037
Adjustment for		
Interest expenses	1,30,98,28,308	84,79,65,330
Interest income	(2,86,46,20,337)	(1,66,80,98,335)
Depreciation and amortization expenses	3,21,24,975	2,33,62,425
Provisions and write offs	20,18,00,040	21,69,79,313
Loss on sale of fixed assets	94,527	41,110
Provision for employee benefits	2,39,89,734	1,62,79,018
Gain on sale of investments	(4,10,052)	(7,95,509)
Operating cash flow before working capital changes	(45,24,91,063)	(22,32,21,672)
Adjustment for working capital changes		
(Increase) / decrease in trade receivables	21,18,968	1,65,40,400
(Increase) / decrease in short-term loans and advances	(2,02,98,67,384)	(2,12,18,13,030)
(Increase) / decrease in long-term loans and advances	(3,21,70,11,794)	(3,00,31,20,509)
(Increase) / decrease in other non-current assets	(4,36,79,316)	1,47,45,491
(Increase) / decrease in other current assets	(1,17,22,637)	20,08,48,284
Increase / (decrease) in other current liabilities	(27,41,29,572)	22,38,62,496
Increase / (decrease) in other long-term liabilities	17,09,09,387	8,16,57,019
Increase / (decrease) in other short-term provisions	79,71,198	(1,199)
Increase / (decrease) in other long-term provisions	(20,00,583)	(10,14,859)
Increase/ (decrease) in bank deposits (having original maturity more than three months)	(1,03,14,92,970)	(4,84,86,306)
Interest paid	(1,07,36,34,761)	(81,99,73,600)
Interest received	2,89,45,88,501	1,61,22,94,473
Cash generated from operations	(5,86,11,62,026)	(4,06,82,85,014)
Direct taxes paid (net of refunds)	(28,65,12,669)	(11,58,67,540)
Net cash flow generated from / (used in) operating activities (A)	(6,14,76,64,714)	(4,18,41,52,553)
B Cash flow from investing activities		
Purchase of investments	(50,00,00,000)	
Sale of investments	39,04,18,652	11,91,78,946
Purchase of fixed assets	(7,51,84,344)	(5,54,67,435)
Sale of fixed assets	13,92,592	4,70,000
Net cash flow generated from / (used in) investing activities (B)	(18,33,73,100)	6,41,81,511
C Cash flow from financing activities		
Proceeds from issue of share capital	1,09,40,358	80,21,000
Proceeds from share premium	2,95,55,95,812	97,27,52,840
Amount received from issuance of non-convertible debentures	6,00,00,00,000	1,85,00,00,000
Repayment of non-convertible debentures	(1,41,54,61,362)	(76,21,90,969)
Amount received from long-term borrowings	1,05,07,00,000	5,05,46,70,045
Repayment of long-term borrowings	(1,41,80,38,572)	(3,70,48,96,750)
Short-term borrowings (net)	(20,18,39,976)	39,25,90,225
Dividend tax paid	-	(251)
Net cash flow generated from / (used in) financing activities (C)	6,98,18,96,257	3,81,09,40,140
Net increase / (decrease) in cash and cash equivalent (A+B+C)	65,08,58,443	(30,90,30,902)
Add:- Cash and cash equivalent at the beginning of the year	9,18,92,940	40,09,23,842
Cash and cash equivalent at the end of the year*	74,27,51,383	9,18,92,940

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Company	Ess Kay Fincorp Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakhs only)
Issue Date / Date of Allotment	Issue Opening Date: 19 December 2019 Deemed Date of Allotment: 23 December 2019
Maturity Date	23 December 2025
Coupon Rate	12.05% (Twelve Decimal Point Zero Five Percent) net of Taxes, per annum.
Frequency of the Coupon Payment with specified dates	Coupon payable semi-annually Payable on 23 June and 23 December of every calendar year until the Maturity Date (subject to adjustments for Business Day Convention).
Day Count Convention	Actual/Actual

Scenario 1: In case Put Option is exercised on the first Put Option Date being 23 Dec 2021

Cash Flows	Cash Flows	Coupon Accrual Date	Coupon Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
-		23-Dec-19		0	-	-
5,18,21,982	1st Coupon	23-Jun-20	23-Jun-20	183	5,18,21,982	-
5,18,15,000	2nd Coupon	23-Dec-20	23-Dec-20	183	5,18,15,000	-
5,16,66,060	3rd Coupon	23-Jun-21	23-Jun-21	182	5,16,66,060	
91,19,56,959	4th Coupon	23-Dec-21	23-Dec-21	183	5,19,56,959	86,00,00,000

*Dates amended for Business Days.

Scenario 2: In case Put Option is not exercised on the first Put Option Date being 23 Dec 2021 and it is exercised on the second Put Option Date / Call Option Date being 23 Dec 2022 and Coupon Rate not reset at the Coupon Reset Date

Cash Flows	Cash Flows	Coupon Accrual Date	Coupon Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
-		23-Dec-19		0	-	-
5,18,21,982	1st Coupon	23-Jun-20	23-Jun-20	183	5,18,21,982	-
5,18,15,000	2nd Coupon	23-Dec-20	23-Dec-20	183	5,18,15,000	-
5,16,66,060	3rd Coupon	23-Jun-21	23-Jun-21	182	5,16,66,060	-
5,19,56,959	4th Coupon	23-Dec-21	23-Dec-21	183	5,19,56,959	-
5,16,73,041	5th Coupon	23-Jun-22	23-Jun-22	182	5,16,73,041	-

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91,19,56,959	6th Coupon	23-Dec-22	23-Dec-22	183	5,19,56,959	86,00,00,000

*Dates amended for Business Days.

Scenario 3: Put Option / Call Option Not Exercised and Coupon Rate not reset at the Coupon Reset Date

Cash Flows	Cash Flows	Coupon Accrual Date	Coupon Payment Date*	No. of days in Coupon Period	Coupon Amount (in Rupees)	Principal Amount (in Rupees)
-		23-Dec-19		0	-	-
5,18,21,982	1st Coupon	23-Jun-20	23-Jun-20	183	5,18,21,982	-
5,18,15,000	2nd Coupon	23-Dec-20	23-Dec-20	183	5,18,15,000	-
5,16,66,060	3rd Coupon	23-Jun-21	23-Jun-21	182	5,16,66,060	-
5,19,56,959	4th Coupon	23-Dec-21	23-Dec-21	183	5,19,56,959	-
5,16,73,041	5th Coupon	23-Jun-22	23-Jun-22	182	5,16,73,041	-
5,19,56,959	6th Coupon	23-Dec-22	23-Dec-22	183	5,19,56,959	-
5,16,73,041	7th Coupon	23-Jun-23	23-Jun-23	182	5,16,73,041	-
5,19,56,959	8th Coupon	23-Dec-23	26-Dec-23	183	5,19,56,959	-
5,18,21,982	9th Coupon	23-Jun-24	24-Jun-24	183	5,18,21,982	-
5,18,15,000	10th Coupon	23-Dec-24	23-Dec-24	183	5,18,15,000	-
5,16,66,060	11th Coupon	23-Jun-25	23-Jun-25	182	5,16,66,060	-
91,19,56,959	12th Coupon	23-Dec-25	23-Dec-25	183	5,19,56,959	86,00,00,000

*Dates amended for Business Days.