

(Please scan this QR code to view  
the Shelf and Tranche I Prospectus)**ARKA FINCAP LIMITED**

Our Company was incorporated as Kirloskar Capital Limited on April 20, 2018 at Mumbai, Maharashtra, India as a public company under the Companies Act, 2013 and received a certificate of incorporation dated May 04, 2018 from RoC with CIN U65993MH2018PLC308329. Pursuant to a resolution passed by our Shareholders at the EGM held on June 4, 2019, the name of the Company was changed to "Arka Fincap Limited" and a fresh certificate of incorporation consequent upon change of name was issued by the RoC on June 28, 2019. The Company is registered with the Reserve Bank of India (RBI) as a non-banking financial Company vide certificate no. N-13.02282 dated July 25, 2019 (previously issued in the name of Kirloskar Capital Limited vide certificate no. N-13.02282 dated October 29, 2018) in pursuance of Section 45-IA of the "RBI" Act, 1934. For more information about our Company including details regarding changes in Registered Office, please see "History and Main Objects" on page 112 of the Shelf Prospectus and "General Information" on page 17.

**Registered Office and Corporate Office:** 2504, 2505, 2506, 25<sup>th</sup> Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai- 400013  
**Tel:** +91 22 4047 1000; **CIN:** U65993MH2018PLC308329; **PAN:** AAHCK0936B; **Website:** www.arkafincap.com; **Email:** arkasecretarialandcompliance@arkafincap.com  
**Company Secretary and Compliance Officer:** Ms. Niki Chirag Mehta; **Tel.:** +91 22 4047 1000; **Email:** niki.mehta@arkafincap.com  
**Chief Financial Officer:** Mr. Amit Kumar Gupta; **Tel.:** +91 22 4047 1000; **Email:** amit.gupta@arkafincap.com

**PUBLIC ISSUE BY THE COMPANY OF UPTO 30,00,000 SECURED, RATED, LISTED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE ₹ 1,000 EACH ("NCDs" OR "DEBENTURES"), FOR AN AMOUNT UP TO ₹ 15,000 LAKH ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 15,000 LAKH ("GREEN SHOE OPTION"), AGGREGATING UP TO ₹ 30,000 LAKH ("TRANCHE I ISSUE" / "TRANCHE I ISSUE SIZE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 50,000 LAKH AND IS BEING OFFERED BY WAY OF THIS TRANCHE I PROSPECTUS DATED NOVEMBER 28, 2023 CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF THE TRANCHE I ISSUE ("TRANCHE I PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED NOVEMBER 28, 2023 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, MAHARASHTRA AT MUMBAI ("ROC"), STOCK EXCHANGE AND SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI"). THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS"). THIS TRANCHE I ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI MASTER CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.**

**OUR PROMOTERS**

Our promoters are (i) Kirloskar Oil Engines Limited, **Telephone:** +91 20 2581 0341; **Email:** smita.raichurkar@kirloskar.com and (ii) Arka Financial Holdings Private Limited, **Telephone:** +91 22 4047 1000, **Email id:** aditi.mahamunkar@arkafincap.com. For further details see "Our Promoters" on page 131 of the Shelf Prospectus.

**GENERAL RISKS**

Investment in non-convertible securities is risky, and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue, including the risks involved. Specific attention of the Investors is invited to the chapters "Risk Factors" on page 16 of the Shelf Prospectus and "Material Developments" on page 43, before making an investment in such Issue. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities. This Tranche I Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), any registrar of companies or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

**COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT & ELIGIBLE INVESTORS**

For details relating to Coupon Rate, Coupon Payment Frequency, Redemption Date, Redemption Amount & Eligible Investors of the NCDs, see "Issue Related Information" on page 70.

**CREDIT RATING**

The NCDs proposed to be issued under the Issue have been rated CRISIL AA-/Positive (pronounced as CRISIL double A minus rating with Positive outlook) by CRISIL Ratings Limited for an amount of ₹ 50,000 lakh vide their rating letter dated October 9, 2023, and further revalidated vide letter dated November 3, 2023. The rating has been reaffirmed and outlook revised from CRISIL AA-/Stable (Pronounced as CRISIL double A minus rating with Stable outlook) for an amount of ₹ 50,000 lakh, originally issued vide their rating letter dated January 20, 2023. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Rating given by CRISIL Ratings Limited is valid as on the date of this Tranche I Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange, unless withdrawn. The rating is not a recommendation to buy, sell or hold the rated instrument and CRISIL Ratings Limited does not comment on the market price or suitability for any particular investor and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating letter, rationale and press release for these ratings, see "Annexure A" of this Tranche I Prospectus.

**LISTING**

The NCDs offered through this Tranche I Prospectus are proposed to be listed on BSE Limited ("BSE" or "Stock Exchange"). Our Company has received an 'in-principle' approval from BSE vide their letter no. DCS/BM/PI-BOND/022/22-23 dated March 15, 2023. BSE shall be the Designated Stock Exchange for the Issue.

**PUBLIC COMMENTS**

The Draft Shelf Prospectus dated March 6, 2023 was filed with BSE, pursuant to the provisions of the SEBI NCS Regulations and was kept open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the Stock Exchange, i.e. March 15, 2023. No comments were received on the Draft Shelf Prospectus up to 5:00 PM on March 15, 2023.

**LEAD MANAGERS TO THE ISSUE**

**JM FINANCIAL**  
**JM FINANCIAL LIMITED**  
7<sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai – 400 025, Maharashtra, India  
**Tel:** +91 22 6630 3030  
**Fax:** +91 22 6630 3330  
**E-mail:** Arka.Ncdissue2023@jmfml.com  
**Investor Grievance Email:** grievance.ibd@jmfml.com  
**Website:** www.jmfml.com  
**Contact Person:** Prachee Dhuri

**nuvama**  
**Nuvama Wealth Management Limited**  
(formerly known as Edelweiss Securities Limited)\*\*  
801 – 804, Wing A, Building No 3, Inspire BKC, G Block,  
Bandra Kurla Complex, Bandra East, Mumbai – 400 051  
**Tel:** +91 22 4009 4400  
**Fax:** NA  
**Email:** arkafincap@nuvama.com  
**Investor Grievance Email:** Customerservice.mb@nuvama.com  
**Website:** www.nuvama.com  
**Contact Person:** Saili Dave

**REGISTRAR TO THE ISSUE**

**LINKIntime**  
**LINK INTIME INDIA PRIVATE LIMITED**  
C- 101, 247 Park, LBS Marg, Vikhroli (West)  
Mumbai – 400 083, Maharashtra, India  
**Tel:** +91 810 811 4949  
**Fax:** +91 22 4918 6060  
**Email:** arkafincap.ncd@linkintime.co.in  
**Investor Grievance Email:** arkafincap.ncd@linkintime.co.in  
**Contact Person:** Shanti Gopalkrishnan  
**Website:** www.linkintime.co.in

**DEBENTURE TRUSTEE TO THE ISSUE**  
**CTL**  
CATALYST  
**CATALYST TRUSTEESHIP LIMITED\***  
GDA House, Plot No. 85,  
Bhusari Colony (Right), Kothrud  
Pune – 411 038, Maharashtra, India  
**Tel.:** +91 22 4922 0555  
**Email:** ComplianceCTL-Mumbai@ctltrustee.com  
**Investor Grievance Email:** grievance@ctltrustee.com  
**Contact Person:** Umesh Salvi

**CREDIT RATING AGENCY**  
**CRISIL**  
An S&P Global Company  
**CRISIL RATINGS LIMITED**  
CRISIL House, Central Avenue,  
Hiranandani Business Park, Powai,  
Mumbai – 400 076, Maharashtra, India  
**Tel:** +91 22 3342 3000 (B)  
**Fax:** +91 22 3342 3050  
**Email:** crisilratingdesk@crisil.com  
**Contact Person:** Krishnan Sitaraman

**STATUTORY AUDITOR**  
**P G BHAGWAT LLP**  
Chartered Accountants  
Suite 102, "Orchard"  
Dr. Pai Marg Baner,  
Pune – 411 045  
Maharashtra, India  
**Tel:** +91 20 2729 0771  
**Contact Person:** Nachiket Deo

**ISSUE PROGRAMME\*\*****TRANCHE I ISSUE OPENS ON: THURSDAY, DECEMBER 7, 2023****TRANCHE I ISSUE CLOSES ON: WEDNESDAY, DECEMBER 20, 2023**

\*Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations has by its letter dated February 20, 2023 given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus, and this Tranche I Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to the Issue.

\*\* This Tranche I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche I Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Tranche I Issue and subject to not exceeding thirty days from the date of filing this Tranche I Prospectus with ROC) as may be decided by the Board of Directors or Asset Liability Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue has been given on or before such earlier or initial date of Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Tranche I Issue Closing Date. For further details please see "General Information" on page 17.

\*\*\*Pursuant to order passed by NCLT, Mumbai dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited has demerged and transferred to Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and therefore the said merchant banking business is part of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited). A copy of the Shelf Prospectus and this Tranche I Prospectus has been filed with the ROC in terms of Section 26 and Section 31 of Companies Act, 2013, along with the endorsed/certified copies of all requisite documents. For further details, please see "Material Contracts and Documents for Inspection" on page 135.

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## SECTION I – GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Tranche I Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning ascribed to such definitions and abbreviations set forth herein. References to any legislation, act, regulation, rules, guidelines, clarifications or policies shall be to such legislation, act, regulation, rules, guidelines, clarifications or policies as amended, supplemented or re-enacted from time to time until the date of this Tranche I Prospectus, and any reference to a statutory provision shall include any subordinate legislation notified from time to time pursuant to such provision.*

*The words and expressions used in this Tranche I Prospectus but not defined herein shall have, to the extent applicable, the same meaning ascribed to such words and expressions under the SEBI NCS Regulations, the Companies Act, 2013, the SCRA, the Depositories Act and the rules and regulations notified thereunder.*

#### General Terms

Term	Description
“the Issuer”, “our Company”, “the Company” “we/ us/ our”	Arka Fincap Limited, a Non-Deposit taking Non-Banking financial company incorporated under the Companies Act, 2013, as amended and replaced from time to time, having its CIN U65993MH2018PLC308329 and having its registered office at 2504, 2505, 2506, 25 <sup>th</sup> Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013.
“Promoters”	Kirloskar Oil Engines Limited and Arka Financial Holdings Private Limited

#### Company related terms

Term	Description
“Articles” or “Articles of Association” “AOA”	Articles of Association of our Company
Asset Liability Committee or ALCO	Asset Liability Committee of the Board of Directors
Audit Committee	Audit committee of the Board of Directors of our Company, constituted in accordance with applicable laws and as reconstituted by board resolution dated October 20, 2022 by Board of Directors of the Company
Audited Financial Statements	The Audited Financial Statements of the Company comprising of Audited Financial Statements for the financial year ending March 31, 2023, Audited Financial Statements for the financial year ending March 31, 2022, and Audited Financial Statements for the financial year ending March 31, 2021.
Audited Financial Statements for Fiscal 2023	The annual balance sheet as at March 31, 2023 and the annual statement of profit and loss for the year ended 2023 and the annual statement of cash flows for the year ended 2023 and the annual statement of changes in equity for the year ended 2023 prepared by the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Audited Financial Statements for Fiscal 2022	The annual balance sheet as at March 31, 2022 and the annual statement of profit and loss for the year ended 2022 and the annual statement of cash flows for the year ended 2022 and the annual statement of changes in equity for the year ended 2022 prepared by the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
Audited Financial Statements for Fiscal 2021	The annual balance sheet as at March 31, 2021 and the annual statement of profit and loss for the year ended 2021 and the annual statement of cash flows for the year ended 2021 and the annual statement of changes in equity for the year ended 2021 prepared by the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

<b>Term</b>	<b>Description</b>
“Auditors” or “Statutory Auditors”	The current statutory auditor of our Company, P G BHAGWAT LLP
“Board” or “Board of Directors” or “our Board” or “our Board of Directors”	Board of Directors of our Company or any duly constituted committee thereof.
Committee	A committee constituted by the Board, and as reconstituted from time to time.
Corporate Social Responsibility Committee	Corporate Social Responsibility committee constituted by our Board of Directors and re-constituted by our Board of Directors by board resolution dated October 20, 2022, in accordance with applicable laws.
Corporate Office	2504, 2505, 2506, 25 <sup>th</sup> Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013
“CRISIL”/ “CRISIL Ratings”	CRISIL Ratings Limited
Directors	Directors of our Company
Equity Shares	Equity shares of the Company of face value of ₹ 10 each
ESOP(s)	Employee stock options
Gross Stage 3 book	Also referred to as Gross NPA (post FLDG recovery)
Gross Stage 3 (%)	Also referred to as Gross NPAs (post FLDG recovery) to Gross Advances %
Independent Director(s)	The independent director(s) on our Board, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations
KMP / Key Managerial Personnel	Key managerial personnel of our Company as disclosed in the Shelf Prospectus, and appointed in accordance with Section 203, as defined under Section 2(51) of the Companies Act, 2013
“Memorandum” or “Memorandum of Association” or “MoA”	Memorandum of Association of our Company
Net Stage 3 (%)	Referred to as Net NPAs to Net Advances %
Net Stage 3	Referred to as Net NPA
Nomination and Remuneration Committee	Nomination and remuneration committee constituted by the Board of Directors and reconstituted by our Board of Directors by board resolution dated October 20, 2022, in accordance with applicable laws.
Net worth	As defined in Section 2(57) of the Companies Act, 2013, as follows:  <i>“Net worth means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet but does not include reserves created out of revaluation of assets, write back of depreciation and amalgamation.”</i>
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (ff) of the SEBI NCS Regulations.
Registered Office	Registered Office of our Company presently situated at 2504, 2505, 2506, 25 <sup>th</sup> Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai-400013.
Risk Management Committee	Risk Management Committee constituted by the Board of Directors and reconstituted by Board of Directors vide board resolution dated October 20, 2022, in accordance with applicable laws
RoC/ Registrar of Companies	Registrar of Companies, Mumbai, Maharashtra
“Senior Management Personnel” or “SMP”	Senior Management Personnel of our Company in accordance with definition of Senior Management in Regulation 2 (1) (iia) of the SEBI NCS Regulations, as described in “ <i>Our Management</i> ” on page 114 of the Shelf Prospectus.
Shareholders	The holders of the Equity Shares from time to time
Stakeholders’ Relationship Committee	Stakeholders’ Relationship Committee as constituted by the Board of Directors by board resolution dated October 20, 2022, in accordance with applicable laws.
Total Borrowing(s)/ Total Debt	Debt securities plus borrowings (other than debt securities)

<b>Term</b>	<b>Description</b>
Unaudited Financial Results	Unaudited Financial Results of the Company for the quarter and half year ended September 30, 2023 prepared by our Company in the manner and format required by the SEBI Listing Regulations which has been subjected to limited review as described under SEBI Listing Regulations.

#### Issue related terms

<b>Term</b>	<b>Description</b>
Abridged Prospectus	A memorandum containing salient features of the Shelf Prospectus and this Tranche I Prospectus, as specified by SEBI
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
Addendum to the Issue Agreement	The Addendum to the Issue Agreement dated November 27, 2023 entered between the Company, JM Financial Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited), the Lead Managers to the Issue read with Issue Agreement dated March 6, 2023.
Allotment Advice	The communication sent to the Allottees conveying the details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
“Allotment”, “Allot” or Allotted	Unless the context otherwise requires, the allotment of NCDs to the successful Applicants pursuant to this Tranche I Issue
Allottee(s)	A successful Applicant to whom the NCDs will be/have been allotted either in full or part, pursuant to this Tranche I Issue
“Applicant” or “Investor” or “Bidder” or “ASBA Applicant”	Any person who applies for issuance and Allotment of NCDs through ASBA process or through UPI mechanism pursuant to the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and Abridged Prospectus and the Application Form for Tranche I Issue
“ASBA” or “Application Supported by Blocked Amount” or “Application” or “ASBA Application” or “Application” or “Bid”	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of upto UPI Application Limit which will be considered as the application for Allotment in terms of this Tranche I Prospectus.
Application Amount/ Bid Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for this Tranche I Issue.
Application Form/ASBA Form/ Bid cum Application Form	Form in terms of which an Applicant shall make an offer to subscribe to NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs in terms of the Shelf Prospectus and this Tranche I Prospectus.
ASBA Account	An account maintained with a SCSB and specified in the Application Form which will be blocked by such SCSB to the extent of the Application Amount mentioned in the Application Form by an Applicant and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value upto UPI Application Limit.
Banker(s) to the Issue / Banker to the Tranche I Issue	Collectively Sponsor Bank, Public Issue Account Bank and Refund Bank, being HDFC Bank Limited.
Base Issue Size	₹15,000 lakh
Basis of Allotment	The basis on which NCDs will be allotted to Applicants under the Tranche I Issue and as described in “ <i>Issue Procedure – Basis of Allotment</i> ” on page 130
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs, and Designated CDP Locations for CDPs
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details

<b>Term</b>	<b>Description</b>
	of the Trading Members are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> .
<b>BSE</b>	BSE Limited.
Category I (Institutional Investors)	<ul style="list-style-type: none"> <li>• Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;</li> <li>• Provident funds and pension funds each with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;</li> <li>• Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;</li> <li>• Resident Venture Capital Funds registered with SEBI;</li> <li>• Insurance companies registered with the IRDAI;</li> <li>• State industrial development corporations;</li> <li>• Insurance funds set up and managed by the army, navy, or air force of the Union of India;</li> <li>• Insurance funds set up and managed by the Department of Posts, the Union of India;</li> <li>• Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements;</li> <li>• National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and</li> <li>• Mutual funds registered with SEBI.</li> </ul>
Category II (Non Institutional Investors)	<ul style="list-style-type: none"> <li>• Companies within the meaning of Section 2(20) of the Companies Act, 2013;</li> <li>• Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;</li> <li>• Co-operative banks and regional rural banks;</li> <li>• Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;</li> <li>• Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;</li> <li>• Partnership firms in the name of the partners;</li> <li>• Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);</li> <li>• Association of Persons; and</li> <li>• Any other incorporated and/ or unincorporated body of persons</li> </ul>
Category III (High Net Worth Individual Investors)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in the Tranche I Issue.
Category IV (Retail Individual Investors or Retail Individual Bidder(s) or RIB(s) applying through UPI)	Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in the Tranche I Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in the Tranche I Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.
<b>CIBIL</b>	TransUnion CIBIL Limited
<b>Client ID</b>	Client identification number maintained with one of the Depositories in relation to the demat account.
“Collecting Depository Participant” or “CDP”	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Applications in this Tranche I Issue, at the Designated CDP Locations in terms of the SEBI Master Circular.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations.

<b>Term</b>	<b>Description</b>
Consortium Agreement	Consortium Agreement dated November 28, 2023 entered into amongst the Company, Lead Managers and Consortium Members.
Consortium Members / Syndicate Members	JM Financial Services Limited and Nuvama Wealth and Investment Limited ( <i>formerly known as Edelweiss Broking Limited</i> )
Consortium / Members of the Consortium / Members of Syndicate (each individually, a Member of the Consortium)	The Lead Managers and the Consortium Members.
Coupon/ Interest Rate	Please see “ <i>Terms of the Issue - Interest/ Coupon on NCDs</i> ” on page 87
Credit Rating Agency	CRISIL Ratings Limited
Debenture(s) / NCD(s)	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 30,000 lakhs offered through this Tranche I Prospectus
Debenture Holder(s) / NCD Holder(s)	The holders of the NCDs whose name appears in the database of the Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed(s)	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements in favour of the Debenture Trustee for the NCD Holders, terms of which will inter alia govern the powers, authorities and obligations of the Debenture Trustee.
Debenture Trustee/ Trustee	Trustees for the NCD holders in this case being Catalyst Trusteeship Limited
Debenture Trustee Agreement	Agreement dated March 3, 2023 entered into between the Debenture Trustee and the Company wherein the appointment of the Debenture Trustee to the Issue, is agreed between our Company and the Debenture Trustee
Deed of Hypothecation	The deed of hypothecation to be entered by the Company in favour of the Debenture Trustee dated on or about the date of the Debenture Trust Deed, executed or to be executed and delivered by the Company in a form acceptable to the Debenture Trustee for creation of Security on the assets adequate to ensure 1.10 times security cover for the NCDs on the principal amount outstanding under the NCDs and the interest due thereon issued pursuant to the Issue, as detailed therein.
Deemed Date of Allotment	The date on which the Board of Directors or Asset Liability committee authorised by the Board approves the Allotment of NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors or Asset Liability committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for this Tranche I Issue by way of this Tranche I Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
Demographic Details	The demographic details of the Applicants such as their respective addresses, email, PAN, investor status, MICR Code and bank account detail
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository(ies)	National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL).
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms, a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other weblink as may be prescribed by SEBI from time to time
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the website of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a>
Designated Date	The date on which the funds blocked by the SCSBs are transferred from the ASBA Accounts to the Public Issue Account and/or the Refund Account, as appropriate, after finalisation of the Basis of Allotment, in terms of the Shelf Prospectus and this Tranche I Prospectus following which the NCDs will be Allotted in the Tranche I Issue

<b>Term</b>	<b>Description</b>
Designated Intermediary(ies)	<p>Collectively, members of the Consortium, Sub-Consortium/agents, Trading Members, SCSBs, Registered Brokers, CDPs and RTAs, who are authorised to collect Application Forms from the Applicants in the Issue.</p> <p>In relation to ASBA applicants authorising an SCSB to block the amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA applicants submitted by Retail Individual Investors where the amount will be blocked upon acceptance of UPI Mandate Request using the UPI Mechanism, Designated Intermediaries shall mean the CDPs, RTAs, Lead Managers, Members of the Consortium, Trading Members and Stock Exchange where applications have been submitted through the app/web interface as provided in the SEBI Master Circular.</p>
Designated RTA Locations	Such locations of the CRTAs where Applicants can submit the ASBA Forms to CRTAs, a list of which, along with names and contact details of the CRTAs eligible to accept ASBA Forms available on the websites of the Stock Exchange at <a href="http://www.bseindia.com">www.bseindia.com</a> and updated from time to time.
Designated Stock Exchange	The designated stock exchange for the Issue, being the BSE Limited
Direct Online Application	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility.
Draft Shelf Prospectus	The Draft Shelf Prospectus dated March 6, 2023 filed with the Designated Stock Exchange for receiving public comments and with, SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Group Company(ies)	Such companies as identified in accordance with Regulation 2(1)(r) of SEBI NCS Regulations, as under: (i) Optiqua Pipes and Electricals Private Limited (ii) Arka Investment Advisory Services Private Limited
Interest Payment Date/ Coupon Payment Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 79
Issue	Public Issue by the Company of upto 50,00,000 secured, rated, listed, redeemable, non-convertible debentures of face value ₹ 1,000 Each (“NCDs” or “Debentures”), for an amount aggregating up to ₹ 50,000 lakh (“Issue” / “Issue Size”/ “Shelf Limit”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for respective Tranche Issue, which should be read together with the Draft Shelf Prospectus and the Shelf Prospectus (collectively the “Offer Documents”).
Issue Agreement	<p>The Issue Agreement dated March 6, 2023 entered between the Company and JM Financial Limited and Edelweiss Financial Services Limited*, the Lead Managers to the Issue read with the Addendum to the Issue Agreement dated November 27, 2023 entered between the Company and JM Financial Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited).</p> <p><i>*Pursuant to order passed by NCLT, Mumbai dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited has demerged and transferred to Nuvama Wealth Management Limited and therefore the said merchant banking business is now part of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited).</i></p>
Issue Documents/Offer Documents	The Draft Shelf Prospectus, the Shelf Prospectus, the Tranche I Prospectus, the Abridged Prospectus, the Application Form, and supplemental information, if any, read with any notices, corrigenda and addenda thereto.
JM Financial	JM Financial Limited
Lead Managers	JM Financial Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
Listing Agreement	The uniform listing agreement entered into between our Company and the Designated Stock Exchange in connection with the listing of debt securities of our Company
Market Lot	1 (one) NCD

<b>Term</b>	<b>Description</b>
Maturity Amount or Redemption Amount	Please see the section titled “ <i>Terms of the Issue</i> ” on page 79
Maturity Date or Redemption Date	Please see the section titled “ <i>Terms of the Issue</i> ” on page 79
Mobile App(s)	The mobile applications listed on the website of Stock Exchange as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
Nuvama	Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
OCB or Overseas Corporate Body	A company, partnership, society, or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue
Public Issue Account	A bank account opened with the Bankers to the Issue to receive monies from the ASBA Accounts on the Designated Date.
Public Issue Account and Sponsor Bank Agreement	Agreement dated November 28, 2023 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and the Sponsor Bank and the Lead Managers for the appointment of the Public Issue Account Bank, Refund Bank and Sponsor Bank in accordance with the SEBI Master Circular for collection of the Application Amounts from ASBA Accounts under the UPI Mechanism and where applicable, refunds from the amounts collected from the Applicants on the terms and conditions thereof.
Public Issue Account Bank	HDFC Bank Limited
Record Date	15 (fifteen) Days prior to the interest payment date, and/or Redemption Date for NCDs issued under the Tranche Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchange is having a trading holiday, the immediately subsequent trading day or a date notified by our Company to the Stock Exchange, will be deemed as the Record Date
Recovery Expense Fund	A fund created by our Company with the Designated Stock Exchange in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular and regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange.
Refund Account	Account to be opened with the Refund Bank from which refunds, if any, of the whole or any part of the Application Amount shall be made in relation to Tranche I Issue.
Refund Bank	HDFC Bank Limited
Register of Debenture Holders/ NCD Holders	The register of NCD holders/Debenture Holders maintained by the Issuer/RTA in accordance with the provisions of the Companies Act, 2013
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulation, 1992 and the stock exchange having nationwide terminals, other than the Members of the Syndicate and eligible to procure Applications from Applicants
Registrar Agreement	Agreement dated March 3, 2023 entered into between the Issuer and the Registrar under the terms of which the Registrar has agreed to act as the Registrar to the Issue
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
RTA Master Circular	Securities and Exchange Board of India Master Circular for Registrars to an Issue and Share Transfer Agents’ dated May 17, 2023, bearing reference number SEBI/HO/MIRSD/POD-1/P/CIR/2023/70.
Resident Individual	An individual who is a person resident in India as defined in the FEMA
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Application in the Issue.
SEBI Debenture Trustee Master Circular	SEBI circular with reference number SEBI/HO/DDHS-PoD1/P/CIR/2023/109 dated March 31, 2023 as may be amended from time to time.
Security	The principal amount of the NCDs to be issued in terms of this Tranche I Prospectus together with all interest due and payable on the NCDs thereof, shall be secured by first pari passu charge by way of hypothecation on the present and future receivables,

<b>Term</b>	<b>Description</b>
	including cash, cash equivalents and liquid investments of the Company, as specifically set out in and fully described in the deed of hypothecation in favour of the debenture trustee to the Issue, such that a security cover of at least 110% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date
Self-Certified Syndicate Banks or SCSBs	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> for ASBA and UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time. Additionally, the banks registered with SEBI, enabled for UPI Mechanism, list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other web-link as may be prescribed by SEBI from time to time.
Series/ Option	Collectively the Series of NCDs being offered to the Applicants as stated in the section titled “ <i>Issue Related Information</i> ” beginning on page 70.
Shelf Limit	The aggregate limit of the Issue, being ₹50,000 lakhs to be issued under the Shelf Prospectus through one or more Tranche Issues.
Shelf Prospectus	The Shelf Prospectus dated November 28, 2023 filed by our Company with the SEBI, BSE, and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations.
Specified Cities/ Specified Locations	Bidding Centres where the Members of the Consortium shall accept Application Forms from Applicants a list of which is available on the website of the SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Sponsor Bank	A Banker to the Issue, registered with SEBI, which is appointed by the Issuer to act as a conduit between the Designated Stock Exchange and NPCI in order to push the mandate collect requests and / or payment instructions of the retail individual investors into the UPI for retail individual investors applying through the app/web interface of the Stock Exchange(s) with a facility to block funds through UPI Mechanism for application value upto UPI Application Limit and carry out any other responsibilities in terms of the UPI Mechanism Circular being HDFC Bank Limited.
Stock Exchange(s)	BSE
Syndicate ASBA	Applications through the Syndicate or the Designated Intermediaries or the Lead Managers, Consortium Members or the Trading Members of the Stock Exchange
Syndicate ASBA Application Locations	ASBA Applications through the Lead Managers, Consortium Members or the Trading Members of the Stock Exchanges or the Designated Intermediaries.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a Member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Application Locations named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time.
Tenor	Please see the section titled “ <i>Terms of the Issue</i> ” on page 79.
Trading Members	Intermediaries registered with a Broker under the SEBI (Stock Brokers) Regulations, 1992 and/or with the Stock Exchange under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchange from time to time and duly registered with the Stock Exchange for collection and electronic upload of Application Forms on the electronic application platform provided by the Stock Exchange.
Tranche I Issue	Public issue by the Company of secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000 each (“NCDs” or “ <b>Debentures</b> ”) for an amount of ₹ 15,000 lakh (“ <b>Base Issue Size</b> ”) with an option to retain oversubscription up to an amount of ₹ 15,000 lakh (“ <b>Green Shoe Option</b> ”) amounting to ₹ 30,000 lakh (“ <b>Tranche I Issue Limit</b> ”) (“ <b>Tranche I Issue</b> ”) which is within the shelf limit of ₹50,000 lakhs and is being offered by way of this Tranche I Prospectus containing inter alia the terms and conditions of Tranche I issue, which should be read together with the Shelf Prospectus.

<b>Term</b>	<b>Description</b>
	The Tranche I Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Master Circular
Tranche I Prospectus	This Tranche I Prospectus dated November 28, 2023
Tranche I Issue Closing Date/ Issue Closing Date	Wednesday, December 20, 2023
Tranche I Issue Limit	Collectively, the aggregate value of NCDs decided to be Allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in the Tranche I Issue), and/or the aggregate value of NCDs up to the Base Issue Size, aggregating up to ₹ 30,000 lakh.
Tranche I Issue Opening Date/ Issue Opening Date	Thursday, December 7, 2023
Tranche I Issue Period/ Issue Period	The period between the Tranche I Issue Opening Date and the Tranche I Issue Closing Date inclusive of both days, during which prospective Applicants can submit their Application Forms
Transaction Registration Slip or TRS or Acknowledgement Slip	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form.
Tripartite Agreements	Tripartite agreement dated July 28, 2021 among our Company, the Registrar and CDSL and tripartite agreement dated December 28, 2018 among our Company, the Registrar and NSDL. 4
Transaction Documents/ Offer Document	Transaction documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, Application Form, Issue Agreement, Registrar Agreement, Debenture Trustee Agreement, Deed of Hypothecation, Debenture Trust Deed, Tripartite Agreements, Consortium Agreement, Public Issue Account and Sponsor Bank Agreement. For further details please see the section titled, “ <i>Material Contracts and Documents for Inspection</i> ” on page 135.
“UPI” or “UPI Mechanism”	Unified Payments Interface mechanism in accordance with SEBI Master Circular as amended from time to time, to block funds for application value upto ₹ 5,00,000 submitted through intermediaries, namely the Registered Stock brokers, Registrar and Transfer Agent and Depository Participants.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India.
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value up to ₹ 5,00,000 for issues of debt securities pursuant to SEBI Master Circular or any other investment limit, as applicable and prescribed by SEBI from time to time
“UPI Mandate Request” or “Mandate Request”	A request initiated by the Sponsor Bank on the Retail Individual Investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment.
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a person or a company who or which is categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes a company whose director or promoter is categorized as a wilful defaulter.
Working Day(s)/ Business Day(s)	Working day means all days on which commercial banks in Mumbai, are open for business. In respect of announcement of bid/issue period, working day shall mean all days, excluding Saturdays, Sundays, and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the bid/ Issue Closing Date and the listing of the NCDs on the Stock Exchange, working day shall mean all trading days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

#### **Conventional and general terms or abbreviation**

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
₹ or Rupees or ₹ or Indian Rupees or INR or Rs.	The lawful currency of India
“US\$”, “USD”, and “U.S. Dollars”	The lawful currency of the United States of America
ACH	Automated Clearing House
AGM	Annual General Meeting
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
ALM	Asset Liability Management
ALM Guidelines	Guidelines for ALM system in relation to NBFCs
AMC	Asset Management Company
AML	Anti Money Laundering
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
ASBA	Application Supported by Blocked Amount
AUM	Assets Under Management = On Balance Sheet Loans + Assigned Loans (if any)
Bankruptcy Code	The Insolvency and Bankruptcy Code, 2016, as amended from time to time
BSE	BSE Limited
CAGR	Compounded annual growth rate over a specified period of time of a given value (the year-over-year growth rate)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Code of Criminal Procedure/ CrPC	Code of Criminal Procedure, 1973
Companies Act/ Companies Act, 2013	Companies Act, 2013 and the rules made thereunder
CPC	Code of Civil Procedure, 1908
CRAR / CAR	Capital to Risk-Weighted Assets Ratio/ Capital Adequacy Ratio means (Tier I Capital + Tier II Capital)/ Total Risk Weighted Assets *100
Crore	1,00,00,000 (One hundred lakhs)
CSR	Corporate Social Responsibility
CY	Calendar Year
Depositories Act	Depositories Act, 1996, as amended read with regulations framed thereunder
Depository(ies)	CDSL and NSDL
DIN	Director Identification Number
DP ID	Depository Participant’s Identity Number
DP/ Depository Participant	Depository Participant as defined under the Depositories Act, 1996
DRR	Debenture Redemption Reserve
DSA	Direct Sales Agent
ECS	Electronic Clearing Scheme
EGM	Extraordinary General Meeting
ESOP	Employee Stock Option Scheme
EOW	Economic Offences Wing
FDI	Foreign Direct Investment
FDI Policy	The Government policy and the regulations (including the applicable provisions of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000) issued by the Government of India prevailing on that date in relation to foreign investments in our Company’s sector of business as amended from time to time
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time
FEMA Regulations / FEMA20 (R)	FEMA (Non-debt Instruments) Rules, 2019, as amended from time to time
FII	Foreign Institutional Investor(s)
FPI	Foreign Portfolio Investor as defined and registered under the SEBI (Foreign Portfolio Investors) Regulations, 2019, as amended from time to time.

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
Financial Year / FY/ Fiscal/ Fiscal Year	Period of 12 months ended March 31 of that particular year
FIR	First Information Report
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
GoI or Government	Government of India
Gross NPAs/ GNPA's	Aggregate of receivable from financing business considered as non-performing assets (secured and unsecured which has been shown as part of short term loans and advances and long term loans and advances) and non performing quoted and unquoted credit substitute forming part of stock in trade. Gross NPA is also referred to as GNPA's
G-Sec	Government Securities
GST	Goods and Services Tax
HNI	High Net worth Individual
HFC	Housing Finance Company
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IEPF	Investor Education and Protection Fund
IFRS	International Financial Reporting Standards
IMF	International Monetary Fund
Income Tax Act or IT Act	Income Tax Act, 1961
Ind AS	Indian accounting standards (Ind AS) as per Companies (Indian Accounting Standards) Rules, 2015, as amended notified under section 133 of the Act and other relevant provisions of the Act
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time
India	Republic of India
IPC	Indian Penal Code, 1860
IRDAI	Insurance Regulatory and Development Authority of India
IT	Information Technology
ITR	Income Tax Returns
KYC	Know Your Customer
KYC Norms	Customer identification procedure for opening of accounts and monitoring transactions of suspicious nature followed by NBFCs for the purpose of reporting it to appropriate authority
LEI	Legal Entity Identifier
LLP	Limited Liability Partnership
LLP Act	Limited Liability Partnership Act, 2008
LTV	Loan to value
MCA	Ministry of Corporate Affairs, GoI
million	10,00,000 (Ten lakhs)
MICR	Magnetic Ink Character Recognition
MLD	Market Linked Debentures
Mutual Funds	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
NACH	National Automated Clearing House
NAV	Net Asset Value
NBFC	Non-Banking Financial Company, as defined under Section 45-IA of the RBI Act
NEFT	National Electronic Fund Transfer
NRI	Non-resident Indian
NSE	National Stock Exchange of India Limited
NSDL	National Securities Depository Limited
p.a.	Per Annum
PAN	Permanent Account Number
PAT	Profit After Tax
PMLA	Prevention of Money Laundering Act, 2002
PP MLD	Principal Protected Market Linked Debentures
RBI	Reserve Bank of India

<b>Term/Abbreviation</b>	<b>Description/ Full Form</b>
RBI Act	Reserve Bank of India Act, 1934
RBI Master Directions	Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
RERA	Real Estate Regulatory Authority
RERAD Act	Real Estate Regulation and Development Act, 2016
RTGS	Real Time Gross Settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest Act, 2002
SBR Framework	Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs issued by RBI dated October 22, 2021.
SCRA	Securities Contracts Regulation Act, 1956, as amended
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended from time to time
SEBI Listing Regulations/ SEBI LODR Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI Merchant Banker Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 as amended
SEBI NCS Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended and circulars issued thereunder
SEBI Master Circular	SEBI circular no. SEBI/HO/DDHS/PoD1/CIR/2023/119 dated August 10, 2021, as amended.
TDS	Tax Deducted at Source
Trademarks Act	Indian Trademarks Act, 1999

#### Technical and Industry related terms

<b>Term/Abbreviation</b>	<b>Description/Full Form</b>
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year.
Tier II capital	Tier-II capital includes the following: (a) preference shares other than those which are compulsorily convertible into equity; (b) revaluation reserves at discounted rate of 55%; (c) general provisions (including that for standard assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; (d) hybrid debt capital instruments; (e) subordinated debt; and (f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital, to the extent the aggregate does not exceed Tier-I capital.
ECBs	External Commercial Borrowing.
FCNR	Foreign Currency Non-Resident.
FLDG	First Loss Default Guarantee.
GNPA	Gross Non-Performing Assets
IFC	Infrastructure Finance Company.
IRDA	Insurance Regulatory and Development Authority.

<b>Term/Abbreviation</b>	<b>Description/Full Form</b>
ISO	International Organization for Standardization.
CareEdge Report	CARE Advisory Research and Training Limited (“CART”) as the agency issuing the industry report titled “Research Report on NBFC Industry” November 2023 prepared by CareEdge Research forming part of the Industry Overview chapter.
LIC	Life Insurance Corporation of India
Hybrid Debt	A capital instrument, which possesses certain characteristics of equity as well as debt
LTV	Ratio of loan to the collateral value
MICR	Magnetic Ink Character Recognition.
MFI	Microfinance institutions
NPA	Non-Performing Assets
NBFC-BL/ NBFC – Base Layer	Non-deposit taking NBFCs below the asset size of ₹ 1,00,000 lakh and (b) NBFCs undertaking the activities- (i) NBFC-Peer to Peer Lending Platform (NBFC-P2P), (ii) NBFC-Account Aggregator (NBFC-AA), (iii) Non-Operative Financial Holding Company (NOFHC) and (iv) NBFCs not availing public funds and not having any customer interface
NBFC-D	NBFC registered as a deposit accepting NBFC
NBFC-MFI	An NBFC-MFI is defined as a non-deposit taking NBFC which extends loans to Micro Finance Sector
NBFC-ND	NBFC registered as a non-deposit taking NBFC
(NBFC-ML/ NBFC – Middle Layer)	(a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1,00,000 lakh and above and (c) NBFCs undertaking the activities of (i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund – Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Non-Banking Financial Companies -Infrastructure Finance Companies (NBFC-IFC)
NBFC- TL / NBFC- Top Layer	NBFC-UL which in the opinion of RBI has substantial increase in the potential systemic risk from specific NBFCs-UL
NBFC-UL / NBFC-Upper Layer	NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided in SBR Framework
Owned Funds	Paid-up equity capital, preference shares which are compulsorily convertible into equity, free reserves, balance in share premium account; capital reserve representing surplus arising out of sale proceeds of asset, excluding reserves created by revaluation of assets; less accumulated loss balance, book value of intangible assets and deferred revenue expenditure, if any
Prudential Norms	Prudential norms as provided under Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.
MSME	Micro, Small and Medium Enterprises
RBI	Reserve Bank of India.
UTI	Unit Trust of India.
WCDL	Working Capital Demand Loan.
XIRR	Internal rate of return for irregular cash flows.
Yield	Ratio of interest income to the daily average of interest earning assets.

*Notwithstanding the foregoing, the terms defined as part of “General Information”, “Statement of Possible Tax Benefits” on pages 17 and 27 and as part of “Risk Factors”, “Industry Overview”, “Regulations and Policies”, “Summary of Key Provisions of Articles of Association”, “Financial Information” and “Other Regulatory and Statutory Disclosures” on pages 16,68, 141, 263, 150 and 181, respectively of the Shelf Prospectus shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections “Our Business”, “Risk Factors”, “Industry Overview” and “Regulations and Policies”, on pages 92, 16, 68 and 141, respectively of the Shelf Prospectus, shall have the meaning ascribed to them hereunder.*

## **CERTAIN CONVENTIONS, USE OF FINANCIAL, INDUSTRY AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

In this Tranche I Prospectus, unless otherwise specified or the context otherwise indicates or implies the terms, all references to “we”, “us”, “our”, and “our Company” are to Arka Fincap Limited and references to “you”, “offeree”, “purchaser”, “subscriber”, “recipient”, “investors” and “potential investor” are to the prospective investors in this Tranche I Issue. Unless stated otherwise, all references to page numbers in this Tranche I Prospectus are to the page numbers of this Tranche I Prospectus.

All references in this Tranche I Prospectus to “India” are to the Republic of India and its territories and possessions. All references to the Government or State Government are to Government of India, Central or State, as applicable.

### **Presentation of Financial Information**

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Tranche I Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

For the purposes of disclosure in the Shelf Prospectus and this Tranche I Prospectus, we have prepared and presented our Audited Financial Statements. Our Company’s audited financial statements for the fiscal year ended March 31, 2023 and March 31, 2022, have been prepared in accordance with IndAS and have been audited by our Statutory Auditors, P G BHAGWAT LLP and for the fiscal year ended March 31, 2021 have been prepared in accordance with IndAS and have been audited by our previous auditors, B S R & Co LLP.

Our Company’s Audited Financial Statements is included in the Shelf Prospectus and is referred to hereinafter as the “*Audited Financial Information*” in the section titled “*Financial Information*” on page 150 of the Shelf Prospectus.

Further, for the purposes of disclosure in the Shelf Prospectus and this Tranche I Prospectus, we have prepared and presented our Unaudited Financial Results for the quarter and half year ended September 30, 2023 prepared in accordance with the SEBI Listing Regulations which are reviewed by our statutory auditors P G BHAGWAT LLP.

The Unaudited Financial Results of our Company have been prepared in accordance with recognition and measurement principles laid down in the aforesaid Ind AS 34 “Interim Financial Reporting” prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued there-under and other accounting principles generally accepted in India and Regulation 33 of the SEBI Listing Regulations. The Unaudited Financial Results for the quarter and half year ended September 30, 2023 is not indicative of full year results and are not comparable with annual financial statements. For details see “*Risk Factors – 15* on page 23 of the Shelf Prospectus.

Unless stated otherwise or unless the context requires otherwise, the financial data used in the Shelf Prospectus and this Tranche I Prospectus as at and for the year ended March 31, 2023, March 31, 2022 and March 31, 2021 is derived from our Audited Financial Information and for quarter and half year ended September 30, 2023 is derived from our Unaudited Financial Results.

Unless stated otherwise, macroeconomic and industry data used throughout the Shelf Prospectus and this Tranche I Prospectus has been obtained from publications prepared by providers of industry information, government sources and multilateral institutions. Such publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Issuer believes that industry data used in the Shelf Prospectus and this Tranche I Prospectus is reliable, it has not been independently verified. Further, the extent to which the market and industry data presented in the Shelf Prospectus and this Tranche I Prospectus is meaningful depends on the readers’ familiarity with and understanding of methodologies used in compiling such data.

### **Currency and Unit of Presentation**

In this Tranche I Prospectus, all references to ‘Rupees’/‘₹’/‘INR’/ ‘Rs.’ are to Indian Rupees, the official currency of the Republic of India

Except where stated otherwise in this Tranche I Prospectus, all figures have been expressed in ‘lakh’. All references to ‘million/million/mn.’ refer to one million, which is equivalent to ‘ten lakhs’ or ‘ten lacs’, the word ‘lakhs/lacs/lac’ means ‘one hundred thousand’ and ‘crore’ means ‘ten million’ and ‘billion/bn./billions’ means ‘one hundred crore’.

Certain figures contained in this Tranche I Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

## Industry and Market Data

Any industry and market data used in this Tranche I Prospectus and the Shelf Prospectus consists of estimates based on data reports compiled by Government bodies, professional organizations and analysts, data from other external sources including CareEdge Report, available in the public domain and knowledge of the markets in which we compete. These publications generally state that the information contained therein has been obtained from publicly available documents from various sources believed to be reliable. The data used in these sources may have been reclassified by us for purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Tranche I Prospectus and the Shelf Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

## General Risk

Investment in NCDs is risky and investors should not invest any funds in NCDs unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it.

Specific attention of investors is invited to statement of risk factors contained under section “*Risk Factors*” on page 16 of the Shelf Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the NCDs or Investor’s decision to purchase such securities. This Tranche I Prospectus has not been and will not be approved by any regulatory authority in India, including the SEBI, RBI, RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

## Exchange Rates

The exchange rates Rupees (₹) vis-à-vis of USD, as of September 30, 2023, March 31, 2023, March 31, 2022 and March 31, 2021, are provided below:

Currency	September 30, 2023	March 31, 2023	March 31, 2022	March 31, 2021
1 USD	83.06*	82.22	75.81	73.50

Source: <https://www.fbil.org.in/#/home> and <https://www.rbi.org.in/scripts/ReferenceRateArchive.aspx>

\* September 30, 2023 was a Saturday, hence taken September 29, 2023 as the reference date

*Note: The above exchange rates are for the purpose of information only and may not represent the rates used by the Company for purpose of preparation or presentation of its financial statements. The rates presented are not a guarantee that any person could have on the relevant date converted any amounts at such rates or at all.*

In this Tranche I Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off.

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Tranche I Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, revenue and profitability, new business and other matters discussed in this Tranche I Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- Any increase in the levels of non-performing assets (“NPA”) on our loan portfolio, for any reason; whatsoever, would adversely affect our business and results of operations.
- Any disruption in our sources of funding.
- Volatility in interest rates could have a material adverse effect on our net interest income, net interest margin and our financial performance.
- Certain conditions and restrictions in terms of our financing arrangements, could restrict our ability to conduct our business and operations in the manner we desire.
- Inability to recover the full value of collateral or amounts which are sufficient to cover the outstanding amounts due under defaulted loans.
- Difficulties in expanding the business into new regions and markets in India.
- System failures or inadequacy and security breaches in computer systems adversely affecting the business.
- Fluctuations in the market values of the investments by the Company and other asset portfolio adversely affecting the result of operations and financial condition.
- Occurrence of natural calamities, pandemics, or natural disasters affecting the areas in which our Company has operations.
- Downgrade of our credit ratings may increase our borrowing costs and constrain our access to capital and debt markets and, as a result, may adversely affect our net interest margin and our results of operations.

For further discussion of factors that could cause our actual results to differ, see “*Risk Factors*” on page 16 of the Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the sections titled “*Industry Overview*”, “*Our Business*” and “*Outstanding Litigations and Other Confirmations*” are based on the beliefs of management, as well as the assumptions made by and information currently available to management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will be good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our Company’s actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements.

Neither our Company nor the Lead Managers, or their respective Directors, or KMPs or officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and the Lead Managers will ensure that investors in India are informed of material developments until the time of the grant of listing and trading permission by the Stock Exchange.

## SECTION II – INTRODUCTION

### GENERAL INFORMATION

Our Company was originally incorporated at Mumbai, Maharashtra as a public limited company on April 20, 2018 under the provisions of the Companies Act, 2013 with the name “Kirloskar Capital Limited” with CIN U65993MH2018PLC308329. The name of our Company was changed to “Arka Fincap Limited” pursuant to special resolution passed by the Members of our Company on June 4, 2019 and our Company was issued a fresh certificate of incorporation by RoC on June 28, 2019 consequent upon change of name. The registered office of our Company is 2504, 2505, 2506, 25<sup>th</sup> Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India. Our Company is a Non-Deposit taking Non-Banking Financial Company categorised as Middle Layer (NBFC-ML), registered with the Reserve Bank of India under Section 45 IA of the RBI Act, 1934, bearing registration no. N-13.02282 dated July 25, 2019 (previously issued in the name of Kirloskar Capital Limited vide certificate no. N-13.02282 dated October 29, 2018).

For further details in relation to the changes in our name, constitution, registration with the RBI and our Company’s main objects, see “*History and Main Objects*” on page 112 of the Shelf Prospectus.

#### Registration:

<b>Corporate Identification Number:</b>	U65993MH2018PLC308329
<b>Legal Entity Identifier:</b>	3358008WH2OGDP81AN85
<b>RBI registration number:</b>	N - 13.02282
<b>Permanent Account Number:</b>	AAHCK0936B

#### Registered Office and Corporate Office

##### Arka Fincap Limited

2504, 2505, 2506, 25<sup>th</sup> Floor,  
One Lodha Place, Lodha World Towers,  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India  
**Tel:** +91 22 4047 1000  
**Fax:** +91 22 4047 1010  
**Website:** www.arkafincap.com  
**Email:** arkasecretarialandcompliance@arkafincap.com

For further details regarding changes to our Registered Office, see “*History and Main Objects*” on page 112 of the Shelf Prospectus.

#### Registrar of Companies, Mumbai

100, Everest, Marine Drive  
Mumbai – 400 002, Maharashtra, India  
**Tel:** +91 22 2281 2627 / 2202 0295 / 2284 6954  
**Fax:** +91 22 2281 1977  
**E-mail:** roc.mumbai@mca.gov.in

**Liability of the members of the Company - Limited by shares**

#### Chief Financial Officer

##### Amit Kumar Gupta

2504, 2505, 2506, 25<sup>th</sup> Floor  
One Lodha Place, Lodha World Towers  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India  
**Tel:** +91 22 4047 1000  
**Fax:** +91 22 4047 1010  
**Email:** amit.gupta@arkafincap.com

## Company Secretary and Compliance Officer

### Niki Chirag Mehta

2504, 2505, 2506, 25<sup>th</sup> Floor  
One Lodha Place, Lodha World Towers  
Senapati Bapat Marg, Lower Parel,  
Mumbai – 400 013, Maharashtra, India  
**Tel:** +91 22 4047 1000  
**Fax:** +91 22 4047 1010  
**Email:** niki.mehta@arkafincap.com

Investors may contact the Registrar to the Issue or our Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related issues such as non-receipt of Allotment Advice, demat credit of allotted NCDs, refunds, transfers, etc. as the case may be.

## Lead Managers



### JM Financial Limited

7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg  
Prabhadevi, Mumbai – 400 025  
Maharashtra, India  
**Tel:** +91 22 6630 3030  
**Fax:** +91 22 6630 3330  
**E-mail:** Arka.Ncdissue2023@jmfl.com  
**Investor Grievance Email:** grievance.ibd@jmfl.com  
**Website:** www.jmfl.com  
**Contact Person:** Prachee Dhuri  
**Compliance Officer:** Sunny Shah  
**SEBI Registration Number:** INM000010361  
**CIN:** L67120MH1986PLC038784



### Nuvama Wealth Management Limited\*

*(formerly known as Edelweiss Securities Limited)*  
801 - 804, Wing A, Building No 3, Inspire BKC  
G Block, Bandra Kurla Complex, Bandra East  
Mumbai – 400 051, Maharashtra, India  
**Tel:** +91 22 4009 4400  
**Fax:** NA  
**Email:** arkafincap@nuvama.com  
**Investor Grievance Email:** customerservice.mb@nuvama.com  
**Website:** www.nuvama.com  
**Contact Person:** Saili Dave  
**Compliance Officer:** Bhavana Kapadia  
**SEBI Registration No.:** INM000013004  
**CIN:** U67110MH1993PLC344634

\* Pursuant to order passed by NCLT, Mumbai dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited has demerged and transferred to Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited) and therefore the said merchant banking business is part of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited).

## Consortium Members



### JM Financial Services Limited

Ground Floor, 2, 3 & 4,  
Kamanwala Chambers,  
Sir P.M. Road, Fort,  
Mumbai – 400 001,  
Maharashtra, India  
**Tel:** +91 22 6136 3400  
**Fax:** Nil  
**E-mail:** tn.kumar@jmfl.com / sona.verghese@jmfl.com  
**Website:** www.jmfinancialservices.in  
**Investor Grievance E-mail:** ig.distribution@jmfl.com  
**Contact Person:** T N Kumar/ Sona Verghese  
**SEBI Registration No.:** INZ000195834  
**CIN:** U67120MH1998PLC115415



### Nuvama Wealth and Investment Limited

*(formerly known as Edelweiss Broking Limited)*  
2<sup>nd</sup> Floor, Office No. 201-203,  
Zodiac Plaza, Xavier College Road,  
Off C G Road, Ahmedabad 380 009,  
Gujarat, India  
**Tel:** +91 22 4009 4400  
**Fax:** N.A.  
**Email:** amit.dalvi@nuvama.com/ prakash.boricha@nuvama.com  
**Website:** www.nuvamawealth.com  
**Investor Grievance Email:** helpdesk@nuvama.com  
**Contact Person:** Amit Dalvi / Prakash Boricha  
**SEBI Registration No.:** INZ000005231  
**CIN:** U65100GJ2008PLC077462

## Public Issue Account Bank, Sponsor Bank and Refund Bank



### **HDFC Bank Limited**

FIG-OPS Department – Lodha,  
I Think Techno Campus O-3 Level,  
Next to Kanjurmarg, Railway Station,  
Kanjurmarg (East), Mumbai – 400 042,  
Maharashtra, India

**Tel.:** +91 22 3075 2927, +91 22 3075 2928, +91 22 3075 2914

**Fax:** +91 22 2579 9801

**Email:** [sachin.gawade@hdfcbank.com](mailto:sachin.gawade@hdfcbank.com), [Tushar.Gavankar@hdfcbank.com](mailto:Tushar.Gavankar@hdfcbank.com), [Siddharth.Jadhav@hdfcbank.com](mailto:Siddharth.Jadhav@hdfcbank.com),  
[Neerav.Desai@hdfcbank.com](mailto:Neerav.Desai@hdfcbank.com), [eric.bacha@hdfcbank.com](mailto:eric.bacha@hdfcbank.com), [Pravin.teli@hdfcbank.com](mailto:Pravin.teli@hdfcbank.com)

**Website:** [www.hdfcbank.com](http://www.hdfcbank.com)

**Contact Person:** Tushar Gavankar/Eric Bacha/Pravin Teli/ Siddharth Jadhav/Sachin Gawade

**SEBI Registration Number:** INBI00000063

### **Debenture Trustee**



### **Catalyst Trusteeship Limited**

GDA House, Plot No. 85  
Bhusari Colony (Right), Kothrud  
Pune – 411 038, Maharashtra, India

**Tel:** +91 22 4922 0555

**Fax:** +91 22 4922 0505

**Email:** [ComplianceCTL-Mumbai@ctltrustee.com](mailto:ComplianceCTL-Mumbai@ctltrustee.com)

**Investor Grievance Email:** [grievance@ctltrustee.com](mailto:grievance@ctltrustee.com)

**Website:** [www.catalysttrustee.com](http://www.catalysttrustee.com)

**Contact Person:** Umesh Salvi

**Compliance Officer:** Rakhi Kulkarni

**SEBI Registration No:** IND000000034

**CIN:** U74999PN1997PLC110262

Catalyst Trusteeship Limited under regulation 8 of SEBI NCS Regulations, by its letter dated February 20, 2023 have given its consent for its appointment as Debenture Trustee to the Issue (hereinafter referred to as “Trustees”). A copy of letter from Catalyst Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche I Prospectus and in all the subsequent periodical communications to be sent to the holders of the NCDs issued pursuant to this Tranche I Issue is annexed as **Annexure B**.

Except as included in the Debenture Trust Deed, all the rights and remedies of the Debenture Holders under the Issue shall vest in and shall be exercised by the appointed Debenture Trustee for the Issue without having it referred to the Debenture Holders. All investors under the Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for the Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity.

Any payment by our Company to the Debenture Holders/Debenture Trustee, as the case maybe, shall, from the time of making such payment, completely and irrevocably discharge our Company from any liability to the Debenture Holders to that extent. For details on the terms of the Debenture Trust Deed, see “*Issue Related Information*” on page 70.

## Registrar to the Issue



### Link Intime India Private Limited

C 101, 247 Park, L.B.S Marg, Vikhroli (West)

Mumbai – 400 083, Maharashtra, India

**Tel:** +91 810 811 4949

**Fax:** +91 22 4918 6060

**Email:** arkafincap.ncd@linkintime.co.in

**Investor Grievance Email:** arkafincap.ncd@linkintime.co.in

**Website:** www.linkintime.co.in

**Contact Person:** Shanti Gopalkrishnan

**Compliance Officer :** B. N. Ramakrishnan

**SEBI Registration Number:** INR000004058

**CIN:** U67190MH1999PTC118368

Link Intime India Private Limited, has by its letter dated February 20, 2023, given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, Shelf Prospectus and this Tranche I Prospectus, abridged prospectus and in all the subsequent periodical communications to be sent to the holders of the Debentures pursuant to the Tranche I Issue.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, Application Form number, address of the Applicant, Permanent Account Number, number of NCDs applied for, Series of NCDs applied for, amount paid on application, Depository Participant name and client identification number, and the collection centre of the Members of the Consortium where the Application was submitted and ASBA Account number (for Bidders other than Retail Individual Investors bidding through the UPI Mechanism) in which the amount equivalent to the Bid Amount was blocked or UPI ID in case of Retail Individual Investors bidding through the UPI Mechanism. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application.

All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchange or through their Trading Members. The intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them. All grievances arising out of Applications for the NCDs made through the Online Stock Exchange Mechanism or through Trading Members of the Stock Exchange may be addressed directly to the Stock Exchange.

## Statutory Auditor

### P G BHAGWAT LLP

*Chartered Accountants*

Suite 102, "Orchard" Dr. Pai Marg

Baner, Pune – 411 045, Maharashtra, India

**Tel:** +91 20 2729 0771

**Email:** nachiket\_deo@pgbhagwatca.com

**Firm's Registration No.:** 101118W/W100682

**Contact Person:** Nachiket Deo

P G BHAGWAT LLP was appointed as the statutory auditor of our Company on November 19, 2021. For change in statutory auditors in last three financial years and current financial year, please see 'Other Regulatory and Statutory Disclosures' on page 44.

## Credit Rating Agency

**CRISIL**

An S&P Global Company

### CRISIL Ratings Limited

CRISIL House, Central Avenue

Hiranandani Business Park

Powai, Mumbai – 400 076

Tel: +91 22 3342 3000 (B)

Fax: +91 22 3342 3050

Email: [crisilratingdesk@crisil.com](mailto:crisilratingdesk@crisil.com)

Website: [www.crisilratings.com](http://www.crisilratings.com)

Contact Person: Krishnan Sitaraman

SEBI Registration No: No: IN/CRA/001/1999

### Credit Rating and Rationale

The NCDs proposed to be issued under the Issue have been rated CRISIL AA-/Positive (pronounced as CRISIL double A minus rating with Positive outlook) by CRISIL Ratings Limited for an amount of ₹ 50,000 lakh vide their rating letter dated October 9, 2023 and further revalidated vide letter dated November 3, 2023. The rating has been reaffirmed and outlook revised from CRISIL AA-/ Stable (Pronounced as CRISIL double A minus rating with Stable outlook) for an amount of ₹ 50,000 lakh, originally issued vide their rating letter dated January 20, 2023. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Rating given by CRISIL Ratings Limited is valid as on the date of this Tranche I Prospectus and shall remain valid on date of issue and allotment of NCDs and the listing of the NCDs on Stock Exchange, unless withdrawn. The rating is not a recommendation to buy, sell or hold the rated instrument and CRISIL Ratings Limited does not comment on the market price or suitability for any particular investor and investors should take their own decisions. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information. In case of any change in credit ratings till the listing of NCDs, our Company will inform the investors through public notices/ advertisements in all those newspapers in which pre issue advertisement has been given. For the rating letter, rationale and press release for these ratings, see “Annexure A”.

There are no unaccepted ratings and any other ratings other than as specified in this Tranche I Prospectus.

### Disclaimer Statement of CRISIL Ratings Limited

CRISIL Ratings Limited (CRISIL Ratings) has taken due care and caution in preparing the Material based on the information provided by its client and / or obtained by CRISIL Ratings from sources which it considers reliable (Information). A rating by CRISIL Ratings reflects its current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL Ratings. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. The Rating is not a recommendation to invest / disinvest in any entity covered in the Material and no part of the Material should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL Ratings especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of the Material. Without limiting the generality of the foregoing, nothing in the Material is to be construed as CRISIL Ratings providing or intending to provide any services in jurisdictions where CRISIL Ratings does not have the necessary permission and/or registration to carry out its business activities in this regard. ARKA Fincap Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Material or part thereof outside India. Current rating status and CRISIL Ratings’ rating criteria are available without charge to the public on the website, [www.crisilratings.com](http://www.crisilratings.com).

### Legal Counsel to the Issue



**Khaitan & Co**

One World Centre

13<sup>th</sup> & 10<sup>th</sup> Floor, Tower 1C

Senapati Bapat Marg

Mumbai – 400 013  
Maharashtra, India  
Tel: +91 22 6636 5000

### **Bankers to our Company**

#### **IDFC First Bank**

IDFC First Bank Limited,  
KRM Tower, 7<sup>th</sup> Floor, No. 1 Harrington Road,  
Chetpet, Chennai – 600 031, Tamil Nadu  
Tel: +91 22 7132 5500  
Email: rahul.agarwal@idfcfirstbank.com  
Website: www.idfcfirstbank.com  
Contact Person: Rahul Agarwal

#### **IndusInd Bank Limited**

Lower Parel Branch,  
Lower Parel,  
Mumbai 400 013  
Tel: +91 22 4268 0671  
Email: ritesh.singh@indusind.com  
Website: www.indusind.com  
Contact Person: Ritesh Singh

#### **State Bank of India**

Industrial Finance Branch,  
Wakdevadi, Pune  
Tel: +91 20 2561 8261  
Email: rm6.ifbpune@sbi.co.in  
Website: www.sbi.co.in  
Contact Person: Sandip Sharma

#### **ICICI Bank Limited**

ICICI Bank Towers, Bandra Kurla Complex,  
Bandra East, Mumbai 400051  
Tel: +91 22 6696 6468/6499  
Email: Nikhil.shetty@icicibank.com  
Website: www.icicibank.com  
Contact Person: Nikhil Shetty

#### **Kotak Mahindra Bank Limited**

Kotak Mahindra Bank  
27 BKC, 3<sup>rd</sup> Floor, G Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051  
Tel: +91 22 6166 0397  
Email: hardik.kotak@kotak.com  
Website: N/A  
Contact Person: Hardik Chandrakant Kotak

#### **Federal Bank Limited**

The Federal Bank Limited,  
Corporate and Institutional Banking,  
Laxmi Towers, C wing, 5<sup>th</sup> Floor, BKC,  
Bandra East, Mumbai – 400 051  
Tel: +91 99202 50090  
Email: hasrat@federalbank.co.in  
Website: https://www.federalbank.co.in  
Contact Person: Hasrat Borbora

### **Impersonation**

As a matter of abundant precaution, attention of the investors is specifically drawn to the provisions of sub-Section (1) of Section 38 of the Companies Act, 2013, relating to punishment for fictitious applications. Section 38(1) of the Companies Act, 2013 provides that:

“Any person who —

- (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of the amount involved in the fraud. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹ 50 lakh or with both.

### **Recovery Expense Fund**

Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master

Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and inform the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.

### **Underwriting**

The Tranche I Issue is not underwritten.

### **Arrangers to the Issue**

There are no Arrangers to the Tranche I Issue.

### **Guarantor to the Issue**

There are no guarantors to the Tranche I Issue.

### **Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size for this Tranche I Issue, the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Tranche I Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

### ***Designated Intermediaries***

#### **Self-Certified Syndicate Bank**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA and UPI Mechanism process is provided on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> and <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40> respectively as updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms and UPI Mechanism through app/web interface from the Designated Intermediaries, refer to the above-mentioned link.

In relation to Bids submitted under the ASBA process to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms from the Members of the Syndicate is available on the website of SEBI at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45> and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> or any such other website as may be prescribed by SEBI from time to time.

#### **Syndicate SCSB Branches**

In relation to Applications submitted to a member of the Syndicate or the Trading Members of the Stock Exchange only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the Members of the Syndicate is available on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=45>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches

collecting Application Forms from the Syndicate at Specified Locations, see the website of the SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) as updated from time to time or any such other website as may be prescribed by SEBI from time to time.

### Broker Centres/ Designated CDP Locations/ Designated RTA Locations

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012, RTA Master Circular and the SEBI Master Circular, Applicants can submit the Application Forms with the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the website of the Stock Exchange at [www.bseindia.com](http://www.bseindia.com).

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at [http://www.bseindia.com/Markets/PublicIssues/brokercentres\\_new.aspx?expandable=3](http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3) for Registered Brokers and <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> for RTAs and CDPs, as updated from time to time.

The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI ([www.sebi.gov.in](http://www.sebi.gov.in)) and updated from time to time.

### Utilisation of Issue proceeds

For details on utilization of Issue proceeds please see the chapter titled “Objects of the Tranche I Issue” on page 39.

### Issue Programme

<b>TRANCHE I ISSUE PROGRAMME*</b>	
<b>Tranche I Issue Opens on</b>	Thursday, December 7, 2023
<b>Tranche I Issue Closes on</b>	Wednesday, December 20, 2023
<b>Pay in Date</b>	Application Date. The entire Application Amount is payable on Application
<b>Deemed Date of Allotment</b>	The date on which the Board of Directors or Asset Liability committee authorised by the Board approves the Allotment of NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors or Asset Liability committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for this Tranche I Issue by way of this Tranche I Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.

*\* This Tranche I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche I Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Tranche I Issue and subject to not exceeding thirty days from the date of filing this Tranche I Prospectus with ROC) as may be decided by the Board of Directors or Asset Liability Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche I Issue; our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue has been given on or before such earlier or initial date of Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time). On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange.*

*Applications Forms for the Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) (“Bidding Period”), during the Issue Period as mentioned in the Tranche I Prospectus for Tranche I Issue on all Working Days (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchange. It is clarified that the Applications not uploaded on the Stock Exchange(s) Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Tranche I Issue Closing Date.*

*Due to limitation of time available for uploading the Applications on the Tranche I Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche I Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche I Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the*

*Tranche I Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche I Issue. Neither our Company, nor the Lead Managers, nor any Member of the Syndicate, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Master Circular, the allotment in Tranche I Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchange. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.*

**Inter-se Allocation of Responsibilities among the Lead Managers:**

The following table sets forth the inter-se allocation of responsibilities and coordination for various activities among the Lead Managers:

<b>S. No.</b>	<b>Activities</b>	<b>Responsibility</b>	<b>Coordinator</b>
1.	Due diligence of Company's operations/ management/ business plans/ legal etc. <ul style="list-style-type: none"> <li>• Drafting of the offering document.</li> <li>• Coordination with Stock Exchange for in-principle approval</li> </ul>	JM Financial and Nuvama	JM Financial
2.	Structuring of various issuance options with relative components and formalities etc.	JM Financial and Nuvama	JM Financial
3.	Co-ordination with auditors for auditor deliverables and co-ordination with lawyers for legal opinion	JM Financial and Nuvama	JM Financial
4.	Drafting and approval of statutory advertisement.	JM Financial and Nuvama	JM Financial
5.	Appointment of other intermediaries i.e., Registrar, Debenture Trustee, Consortium/Syndicate Members, printer, advertising agency and Public Issue Bank, Refund Bank and Sponsor Bank.	JM Financial and Nuvama	JM Financial
6.	Coordination with the printer for designing and finalization of Issue Documents, Application Form including memorandum containing salient features of the Issue Documents.	JM Financial and Nuvama	Nuvama
7.	Drafting and approval of all publicity material (excluding statutory advertisement as mentioned in 4 above) including print and online advertisement, outdoor advertisement including brochures, banners, hoardings etc.	JM Financial and Nuvama	Nuvama
8.	Preparation of road show presentation, FAQs.	JM Financial and Nuvama	JM Financial
9.	Marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>• Deciding on the quantum of the Issue material and follow-up on distribution of publicity and Issue material including Application Forms, Issue Documents, posters, banners, etc.</li> <li>• Finalise collection centres;</li> <li>• Coordinate with Registrar for collection of Application Forms by ASBA banks;</li> <li>• Finalisation of list and allocation of institutional investors for one on one meetings.</li> </ul>	JM Financial and Nuvama	Nuvama
10.	Domestic institutions/banks/mutual funds marketing strategy: <ul style="list-style-type: none"> <li>• Finalize the list and division of investors for one on one meetings, institutional allocation</li> </ul>	JM Financial and Nuvama	JM Financial
11.	Non-institutional marketing strategy which will cover, inter alia: <ul style="list-style-type: none"> <li>• Finalize media, marketing and public relation strategy and publicity budget;</li> <li>• Finalize centers for holding conferences for brokers, etc.</li> </ul>	JM Financial and Nuvama	Nuvama
12.	Coordination with the Stock Exchange for use of the bidding software	JM Financial and Nuvama	Nuvama
13.	Coordination for security creation by way of execution of Debenture Trust Deed	JM Financial and Nuvama	Nuvama
14.	Post-issue activities including: <ul style="list-style-type: none"> <li>• Co-ordination with Bankers to the Issue for management of Public Issue Account(s), Refund Account and any other account and</li> <li>• Allotment resolution</li> </ul>	JM Financial and Nuvama	Nuvama
15.	<ul style="list-style-type: none"> <li>• Drafting and finalization of post issue stationery items like, allotment and refund advice, etc.;</li> </ul>	JM Financial and Nuvama	Nuvama

S. No.	Activities	Responsibility	Coordinator
	<ul style="list-style-type: none"> <li>• Coordination for generation of ISINs;</li> <li>• Corporate action for dematerialized credit /delivery of securities;</li> <li>• Coordinating approval for listing and trading of securities; and</li> <li>Redressal of investor grievances in relation to post issue activities.</li> </ul>		

## STATEMENT OF POSSIBLE TAX BENEFITS

### STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURES HOLDERS

The Board of Directors

**Arka Fincap Limited**

2504, 2505, 2506, 25<sup>th</sup> Floor,

One Lodha Place, Lodha World Towers,

Senapati Bapat Marg, Lower Parel,

Mumbai – 400 013, Maharashtra, India

Dear Sirs

**Statement of Possible Tax Benefits available to the debenture holders of Arka Fincap Limited (the “Company”) in connection with the Proposed public issue by Arka Fincap Limited (“Company”/ “Issuer”) of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- each (“NCDs”) for an amount aggregating to ₹ 500,00,00,000 (the “Shelf Limit”) (“Issue”, “Issue Size”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue.**

1. We hereby confirm that the enclosed ‘Statement of Possible Tax Benefits available to the Debenture Holders’ (“**Statement**”), prepared by Arka Fincap Limited (the “**Company**”), provides the possible tax benefits available to the debenture holders of the Company under the Income tax Act, 1961 (the “**Act**”) as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2023-2024 relevant to the Assessment Year 2024-2025 respectively, presently in force in India. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the debenture holders to derive the tax benefits is dependent upon their fulfilling such conditions which, the debenture holders may or may not choose to fulfil.
2. The benefits discussed in the enclosed Statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company’s management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
3. We do not express any opinion or provide any assurance as to whether:
  - i) the debenture holders will continue to obtain these benefits in future;
  - ii) the conditions prescribed for availing the benefits have been / would be met with; and
  - iii) the revenue authorities/courts will concur with the views expressed herein.
4. The contents of the enclosed Statement are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.
5. This Statement has been issued at the request of the Company for the purpose of inclusion in the offer document in connection with its proposed Issue and should not be used by anyone else or for any other purpose.
6. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.
7. We hereby consent to inclusion of the extracts of this certificate in the Draft Shelf Prospectus, Shelf Prospectus and Tranche Prospectus in relation to any relevant Tranche Issue and/or any other document in relation to the Issue (“**Issue Documents**”).
8. This certificate has been issued at the request of Arka Fincap Limited for use in connection with the Issue and may accordingly be furnished as required to SEBI, BSE Limited, Registrar of Companies, Maharashtra at Mumbai or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company, lead

managers, legal counsel and any other advisors and intermediaries duly appointed in this regard. Further, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

9. We also agree to keep strictly confidential until such time as the Issue is publicly announced by the Company in the form of press release (i) nature and scope of the Issue and (ii) our knowledge of the Issue.
10. All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Issue Documents.

**For P G BHAGWAT LLP**

Chartered Accountants

FRN: 101118W/W100682

Nachiket Deo

Partner

Membership No. 11769

Place: Mumbai

Date: November 28, 2023

UDIN: 23117695BGXKXR2405

## STATEMENT

### **STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURES HOLDER(S)**

This Annexure is based on the provisions of the Income-tax Act, 1961 ('IT Act') in force as on the current date, after considering the amendments made by the Finance Act, 2023 ('FA, 2023').

This Annexure intends to provide general information on the applicable provisions of the IT Act. However, in view of the nature of the implications, the investors are best advised to consult their respective tax advisors/consultants for appropriate counsel with respect to the specific tax and other implications arising out of their participation in the Portfolio as indicated herein.

#### **Taxability under the IT Act**

##### **A. Common provisions applicable to both Resident and Non-Resident debenture holders:**

###### **1. Determination of head of income for the purpose of assessability:**

The returns received by the investors from the Non-Convertible Debentures ('NCD') in the form of 'interest' and gains on transfer of the NCD, may be characterized under the following broad heads of income for the purposes of taxation under the IT Act:

- Profits and gains of business or profession ('PGBP');
- Capital gains ('CG'); and
- Income from other sources ('IFOS').

For determining the appropriate head of income (as mentioned above) *vis-à-vis* the income or loss earned on/ from the NCD, it will be pertinent to analyse whether the NCD are held as 'Investments' i.e. capital asset or as 'Stock-in-trade'.

If the NCD are held as 'Stock-in-trade', interest income as well as gain or loss on its transfer will be assessed to tax under the head PGBP, whereas, if the NCD are held as 'Investments', then the interest income will be assessed to tax under the head IFOS and any gain/ loss on its transfer will be assessed to tax under the head CG (explained in ensuing paragraphs), based on facts of each case.

However, as per section 2(14) of the IT Act, 'capital asset' includes, *inter alia*, securities held by a Foreign Institutional Investor ('FII') [now known as Foreign Portfolio Investor ('FPI')] which has invested in such securities in accordance with the regulations made under Securities and Exchange Board of India Act, 1992. Accordingly, such securities, held by an FII, will be characterised as 'capital asset' and classification as 'Stock-in-trade' shall not apply.

*The investors may obtain specific advice from their tax advisors regarding the above classification and tax treatment.*

###### **2. Taxation of Interest and Gain/ loss on transfer of debentures:**

###### **- Taxation of Interest**

Income by way of interest received on NCD held as 'Investments' (i.e. capital asset) will be charged to tax under the head IFOS at the rates applicable to the investor after deduction of expenses, if any, allowable under section 57 of the IT Act. These are essentially expenses (not being in the nature of capital expenditure) laid out or expended wholly and exclusively for the purpose of earning the interest income. In case of NCD held as 'Stock-in-trade', interest received thereon will be charged to tax under the head PGBP. Further, any expenditure specifically laid out or expended wholly and exclusively for the purpose of earning such interest income shall be allowed as deduction.

*The investors may obtain specific advice from their tax advisors regarding the tax treatment of their Interest income.*

**- Taxation of gain or loss on transfer**

**(a) Taxable under the head PGBP**

As discussed above, depending on the particular facts of each case, the NCD may, in certain cases, be regarded to be in the nature of 'Stock-in-trade' and, accordingly, the gains from the transfer of such NCD should be considered to be in the nature of business income and hence chargeable to tax under the head PGBP.

In such a scenario, the gains from the business of investing in the NCD may be chargeable to tax on a 'net' basis (i.e. net of allowable deductions for expenses/allowances under Chapter IV – Part D of the IT Act).

Based on section 145 of the IT Act, the timing of charging any income to tax would depend on the method of accounting followed by the taxpayer consistently (i.e. cash or mercantile).

*Investors should obtain specific advice from their tax advisors regarding the manner of computing business income, the deductions available therefrom and the tax to be paid thereon.*

**(b) Taxable under the head Capital Gains**

As discussed above, based on the particular facts of each case, the NCD may, in certain cases, be regarded to be held as 'Investments' in which case the gains or loss from the transfer of such NCD should be chargeable to tax under the head CG.

In such a scenario, the gains / loss from the transfer of such NCD may be chargeable to tax on a 'net' basis (i.e. net of acquisition cost of NCD, expenditure incurred in relation to transfer of NCD).

*Investors should, however, seek specific advice from their tax advisors/ consultants in respect of characterization of capital gains, the manner of computation and the tax to be paid thereon*

**3. Period of holding and Capital gain – long term & short term:**

As per section 2(29AA) read with section 2(42A) of the IT Act, listed NCD is treated as a long-term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer and consequently, the gain/ loss on transfer of such NCD should be treated as long term capital gain/ loss.

Accordingly, if listed NCD is held for up to 12 months immediately preceding the date of its transfer, the same should be treated as a short-term capital asset and the gain/ loss on transfer of such NCD should be treated as short-term capital gain/ loss.

Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed on account of Securities Transaction Tax (STT) paid, if any.

**4. Computation of capital gains and tax thereon**

Capital gains is computed after reducing from the consideration received for the transfer of the capital asset ['full value of consideration (FVC)], the cost of acquisition (CoA) of such asset and the expenses incurred wholly and exclusively in connection with the transfer. The capital gains so computed will be chargeable to tax at the rates as detailed in the ensuing paragraphs.

**5. Set off of capital losses**

As per section 74 of the IT Act, long-term capital loss incurred during a year can be set-off only against long-term capital gains arising in that year or in subsequent years and cannot be set-off against short-term capital gains arising in that year or in subsequent years. The long-term capital loss remaining after set-off, if any, can

be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be for set-off against subsequent years' long-term capital gains.

On the other hand, short-term capital loss incurred during a year can be set-off against both, short-term and long-term capital gains of the same year or of subsequent years. The short-term capital loss remaining after set-off, if any, can be carried forward for eight years immediately succeeding the year in which the loss was first computed, to be set-off against subsequent years' short-term as well as long-term capital gains.

**B. Tax benefits available to Resident NCD holders:**

- Interest on NCD received by resident NCD holders would form part of their total income and be subject to tax at the applicable rates of tax (Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.
- Capital gains on transfer of NCD shall be computed by deducting from the FVC, expenditure incurred wholly and exclusively in connection with the transfer and the CoA of the NCD.

As per section 112 of the IT Act, capital gains arising on the transfer of long-term capital assets being listed debentures are subject to tax at the rate of 10% (plus applicable surcharge and health & education cess – Note 2 below) on the capital gains calculated without indexing the cost of acquisition (Fourth *proviso* to Section 48 restricts indexation benefit in case of long-term capital asset being a bond or debenture).

In case of an individual or HUF, being a resident, where the total income as reduced by such long-term capital gains is below the maximum amount which is not chargeable to income-tax, then, such long-term capital gains shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income-tax and the tax on the balance of such long-term capital gains shall be computed at the rate mentioned above.

Short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with the provisions of the IT Act.

**C. Tax benefits available to Non-Resident debenture holders:**

- A non-resident Indian has an option to be governed by Chapter XII-A of the IT Act, subject to the provisions contained therein which are given in brief as under:
- As per section 115C(e) of the IT Act, the term "non-resident Indian" means an individual, being a citizen of India or a person of Indian origin who is not a "resident". A person shall be deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.
- As per section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20% (plus applicable surcharge and cess), whereas long term capital gains on transfer of such debentures will be taxable at 10% (plus applicable surcharge and cess – Note 2 below) of such capital gains without indexation of CoA. Short-term capital gains will be taxable at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions contained therein.
- Under section 115F of the IT Act, long term capital gains arising to a non-resident Indian from transfer of debentures acquired or purchased with or subscribed to in convertible foreign exchange will be exempt from capital gain tax if the whole of the net consideration is invested within six months after the date of transfer of the debentures in any specified asset or in any saving certificates referred to in section 10(4B) of the IT Act in accordance with and subject to the provisions contained therein.
- Under section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under section 139(1) of the IT Act, if his total income consists only of investment income as defined under section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII-B of the IT Act in accordance with and subject to the provisions contained therein.
- Under section 115H of the IT Act, where a non-resident Indian becomes a resident in India in any subsequent year, he may furnish to the Assessing Officer a declaration in writing along with return of income under section 139 for the assessment year for which he is assessable as a resident, to the effect that the provisions of Chapter

XII-A shall continue to apply to him in relation to the investment income (other than on shares in an Indian Company) derived from any foreign exchange assets in accordance with and subject to the provisions contained therein. On doing so, the provisions of Chapter XII-A of the IT Act shall continue to apply to him in relation to such income for that assessment year and for every subsequent assessment year until the transfer or conversion (otherwise than by transfer) into money of such assets.

- In accordance with and subject to the provisions of section 115-I of the IT Act, a non-resident Indian may opt not to be governed by the provisions of Chapter XII-A of the IT Act. In such a case, long-term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% (plus applicable surcharge and cess – Note 2 below) computed without indexation of CoA.
- Interest income and short-term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the applicable rates of tax (as mentioned in Note 1 and 2 below) in accordance with and subject to the provisions of the IT Act.
- Without prejudice to the fact that the NCDs to be issued by the issuer are not MLD (as has been concluded at the outset), where, for whatsoever reasons, the NCDs are treated as MLDs, then in such cases, as per the amendment by the FA, 2023, the capital gains arising on transfer or redemption or maturity of such NCDs shall be deemed to be capital gains arising from transfer of a short-term capital asset. Further, in computing the capital gains, no deduction shall be allowed for Securities Transaction Tax (STT) paid, if any.
- Where debentures are held as stock-in-trade, the income on transfer of debentures would be taxed as business income in accordance with and subject to the provisions of the IT Act.
- As per section 90(2) of the IT Act read with the Circular no. 728 dated October 30, 1995, issued by the Central Board of Direct Taxes ('CBDT'), in the case of a remittance to a country with which a Double Tax Avoidance Agreement ('DTAA') is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of a valid and subsisting tax residency certificate ('TRC') is a mandatory condition for availing benefits under any DTAA. If the TRC does not contain the prescribed particulars, a self-declaration in Form 10F would need to be provided by the assessee along with the TRC which is valid and subsisting.

**D. Tax benefits available to Foreign Institutional Investors ('FII's) or Foreign Portfolio Investors ('FPI's):**

- In accordance with and subject to the provisions of section 115AD of the IT Act, long-term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess – Note 2 below) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess - Note 2 below). The benefit of indexation of CoA will not be available.
- Income other than capital gains arising out of debentures is taxable at 20% (plus applicable surcharge and cess - Note 2 below) in accordance with and subject to the provisions of Section 115AD of the IT Act.
- However, the above is subject to any relief available under DTAA entered into by the Government of India (as mentioned in Point C above).
- The CBDT has issued Notification No.9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

**E. Withholding provisions**

The withholding provisions provided under the IT Act are machinery provisions meant for tentative deduction of income-tax subject to regular assessment. The withholding tax is not the final liability to income-tax of an assessee. For rate of tax applicable to an assessee, please refer Notes 1 and 2 below:

Sr. No.	Scenarios	Provisions
1	Withholding tax rate on interest on	➤ Interest paid to residents other than insurance companies will be subject to withholding tax as per section 193 of the IT Act at the rate of 10 per cent.

Sr. No.	Scenarios	Provisions
	NCD issued to Indian residents	<ul style="list-style-type: none"> <li>➤ Further, no tax is required to be deducted on any interest payable on any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder. However, the FA, 2023 has omitted the aforesaid exemption and thus, any interest paid on or after 1 April 2023, with respect to any security issued by a company, where such security is in dematerialized form and is listed on a recognized stock exchange in India in accordance with the Securities Contracts (Regulation) Act, 1956 (42 of 1956) and the rules made thereunder shall be liable to tax withholding as applicable.</li> </ul>
2	Withholding tax rate on interest on NCD issued to Foreign Portfolio Investor (FII)	<ul style="list-style-type: none"> <li>➤ Interest to a non-resident, not being a company or to a foreign company by a specified company or a business trust, may be eligible for concessional tax rate of 5 per cent under section 194LC(2)(ia) of the IT Act in respect of monies borrowed by it from a source outside India by way of issue of rupee denominated bond before the 1<sup>st</sup> day of July 2023.</li> </ul> <p>The FA, 2023 has extended the applicability of section 194LC of the IT Act with the following modification:</p> <ol style="list-style-type: none"> <li>1. The provisions of section 194LC of the IT Act shall continue to apply to monies borrowed from a source outside India by way of issue of long-term bond or rupee denominated bond on or after 1 July 2023, where such bond is listed on a recognised stock exchange located in an International Financial Services Centre.</li> <li>2. The <b>rate of tax</b> in case of the aforesaid borrowings shall be <b>9 per cent</b>.</li> <li>3. With respect to the <b>borrows made prior to 1 July 2023</b>, the provisions of section 194LC of the IT Act, as they applied at that time, shall continue to apply <i>sans</i> the modification discussed <i>supra</i>.</li> <li>4. No extension of date for payment of interest in case of section 194LD of the IT Act has been provided by the FA, 2023. Given the same, interest paid on or after 1 July 2023 shall be subject to tax at the rate of 20% (excluding applicable surcharge and cess) subject to availability of DTAA benefits.</li> </ol> <ul style="list-style-type: none"> <li>➤ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge as applicable. However, where the withholding is done as per the rate of tax provided under the relevant DTAA, the said rate shall not be required to be increased by a surcharge and health and education cess.</li> </ul>
3	Withholding tax rate on interest on NCD issued to non-residents other than FIIs	<ul style="list-style-type: none"> <li>➤ Interest payable to non-resident (other than FII) would be subject to withholding tax at the rate of 30 per cent/ 40 per cent as per the provisions of section 195 of the IT Act subject to relief under the relevant DTAA depending upon the status of the non-resident.</li> <li>➤ Alternatively, benefits of concessional rates of 5/ 9 per cent under section 194LC of the IT Act provided the said interest falls within the ambit of the provisions of section 194LC of the IT Act and meets the conditions mentioned therein which <i>inter-alia</i> includes the loan / bond being issued prior to/ on or after 1<sup>st</sup> July 2023, obtaining approval from the Central Government with respect to the rate of interest, etc.</li> <li>➤ Withholding rate will be increased by surcharge as applicable (Refer Note 2) and a health and education cess of 4 per cent on the amount of tax plus surcharge, as applicable.</li> </ul>

Sr. No.	Scenarios	Provisions
4	Withholding tax rate on purchase of 'goods'	<ul style="list-style-type: none"> <li>➤ As per section 194Q of the IT Act, any sum payable by a 'buyer' to a resident for purchase of 'goods' of the value exceeding INR 50 Lakhs shall be liable to withholding at the rate of 0.1 percent.</li> <li>➤ Buyer means a person whose total sales, turnover or gross receipts from the business carried on by him exceeds INR 10 crores in the financial year immediately preceding the financial year in which the purchase is carried out.</li> <li>➤ TDS shall not be applicable where; <ul style="list-style-type: none"> <li>a. Tax is deductible under any of the provisions of the IT Act; or</li> <li>b. Tax is collectible under the provisions of section 206C of the IT Act other than a transaction to which section 206C(1H) of the IT Act applies</li> </ul> </li> <li>➤ The CBDT has issued Circular No 13 of 2021 dated 30 June 2021 laying down guidelines under section 194Q of the IT Act. It <i>inter alia</i> provides that TDS under section 194Q of the IT Act shall not apply to transaction in securities and commodities which are traded through recognised stock exchanges or cleared and settled by the recognised clearing corporation (including exchanges or corporation located in IFSC).</li> <li>➤ Given that the Circular does not provide clarity in respect of shares/ securities traded off-market, it is advisable that the investors obtain specific advice from their tax advisors regarding applicability of these provisions.</li> </ul>

#### F. Requirement to furnish PAN under the IT Act

- i. Section 139A(5A) requires every person from whose income tax has been deducted under the provisions of chapter XVIIIB of the IT Act, to furnish his PAN to the person responsible for deduction of tax at source.
- ii. As per provisions of section 206AA of the IT Act, the payer would be obliged to withhold tax at higher of the following rates in case the deductee has not furnished PAN to the payer:
  - (i) at the rate in force specified in the relevant provision of the IT Act; or
  - (ii) at the rates in force; or
  - (iii) at the rate of twenty per cent

Section 206AA of the IT Act provides that the provisions shall not apply to non-residents in respect of payment of interest on long-term bonds as referred to in section 194LC and any other payment subject to such conditions as may be prescribed.

Further, as per Rule 37BC of the Income-tax Rules, 1962 ('the Rules'), the provisions of section 206AA shall not apply to non-residents where the non-residents provide the following information to the payer of such income:

- Name, email-id, contact number;
- Address in the country or specified territory outside India of which the deductee is a resident;
- A certificate of his being resident in any country or specified territory outside India from the government of the other country or specified territory if the law of that country or specified territory provides for issuance of such certificate;
- Tax Identification Number of the deductee in the country or specified territory of his residence and in a case, no such number is available, then a unique number on the basis of which the deductee is identified by the Government of that country or the specified territory of which he claims to be a resident.

Where an incorrect PAN is provided, it will be regarded as non-furnishing of PAN and TDS shall be deducted as mentioned above, apart from any other penal consequences that may ensue.

- iii. Further, as per section 206AB of the IT Act, with effect from 1 July 2021, payments made to specified persons will be subject to TDS at rate which is higher of the following:
- twice the rate specified in the relevant provision of the IT Act; or
  - twice the rate or rates in force; or
  - the rate of 5%

In cases, where both section 206AA and section 206AB of the IT Act are applicable, taxes shall be deducted at higher of the rate prescribed under both the sections.

For the purpose of section 206AB of the IT Act, specified person means any person-

- Who has not filed an income-tax return for the AY relevant to the previous year immediately preceding the previous year in which tax is required to be deducted, and the prescribed time limit to file the income-tax return has expired and;
- The aggregate amount of TDS is INR 50,000 or more in each of the two previous years.

But other than a non-resident who does not have a permanent establishment in India. Further, FA, 2023 has carved-out from the definition of 'specified person' under section 206AB of the IT Act, a person who is not required to file/ furnish a return of income and who, in that behalf, is notified by the Central Government *vide* the Official Gazette.

#### **G. General Anti Avoidance Rules (“GAAR”)**

The General Anti Avoidance Rule (“GAAR”) was introduced in the IT Act by the Finance Act, 2012. The Finance Act, 2015 made the provisions of GAAR applicable prospectively from 1 April 2017. Further, income accruing, arising, deemed to accrue or arise or received or deemed to be received by any person from transfer of investments made up to 31 March 2017 would be protected from the applicability of GAAR.

#### **H. Exemption under Section 54F of the IT Act**

Exemptions may be claimed from taxation of LTCG if investments in certain specified securities/assets is made subject to fulfillment of certain conditions.

Section 54F of the IT Act exempts long-term capital gains on transfer of any long-term capital asset (other than a residential house), held by an individual or HUF, if the net consideration is utilized to purchase/ construct a residential house within the specified timelines.

#### **Note 1: Tax Rates**

##### **Resident Individuals and Hindu Undivided Families:**

The FA, 2023 has amended section 115BAC of the IT Act by, inter alia, inserting sub-section (1A) thereto to provide that the tax regime provided under section 115BAC of the IT Act shall be the default tax regime applicable in case of an individual, HUF, AOP (other than a co-operative society), body of individual or artificial juridical, beginning with the financial year 2023-24, except where the assessee specifically opts to be governed by the erstwhile regime.

In such cases, the following shall be the rate of tax applicable:

<b>Slab</b>	<b>Tax rate</b>
Total income up to INR 3,00,000	Nil
More than INR 3,00,000 but up to INR 6,00,000	5 per cent of excess over INR 3,00,000
More than INR 6,00,000 but up to INR 9,00,000	10 per cent of excess over INR 6,00,000 + INR 15,000
More than INR 9,00,000 but up to INR 12,00,000	15 per cent of excess over INR 9,00,000 + INR 45,000
More than INR 12,00,000 but up to INR 15,00,000	20 per cent of excess over INR 12,00,000 + INR 90,000
More than INR 15,00,000	30 per cent of excess over INR 15,00,000 + INR 1,50,000

In computing the income-tax under the new regime, certain deductions like standard deduction available to salaried taxpayers, etc., shall be allowed. However, most of the deductions/exemptions such as section 80C, 80D, etc. would need to be foregone.

A resident individual (whose total income does not exceed Rs 7,00,000) whose income is chargeable to tax under sub-section (1A) of section 115BAC can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 25,000, whichever is less. Further, where the total income exceeds Rs 7,00,000, the assessee shall be entitled for deduction of an amount equal to the amount by which the income-tax payable on the total income exceeds the amount by which the total income exceeds Rs 7,00,000.

Where the assessee as stated above, specifically opts to be governed by the erstwhile regime, the income earned by assessee should be liable to tax as per the applicable slab rates (plus applicable surcharge and health and education cess) based on the taxable income of such assessee. The slab rates applicable to such investors (other than resident individuals aged 60 years or more) are as follows:

Income	Tax rate*
Up to INR 2,50,000#	NIL
Exceeding INR 2,50,000 up to INR 5,00,000@	5 per cent of the amount by which the total income exceeds INR 2,50,000
Exceeding INR 5,00,000 up to INR 10,00,000	20 per cent of the amount by which the total income exceeds INR 5,00,000 plus INR 12,500\$
Exceeding INR 10,00,000	30 per cent of the amount by which the total income exceeds INR 10,00,000 plus INR 112,500\$

@A resident individual (whose total income does not exceed Rs 500,000) can avail rebate under section 87A. It is deductible from income tax before calculating health and education cess. The amount of rebate available would be 100 per cent of income-tax chargeable on his total income or Rs 12,500, whichever is less.

\* plus surcharge if applicable and a health and education cess ('cess') of 4 per cent on the amount of tax plus surcharge, if applicable).

#for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 250,000 has to be read as Rs 300,000 and for resident senior citizens of eighty years of age and above ("super senior citizen) Rs 250,000' has to be read as Rs 500,000.

\$Similarly, for resident senior citizens of sixty years of age and above but below eighty years of age, Rs 12,500 has to be read as Rs 10,000 and Rs 112,500 has to be read as Rs 110,000. And for super senior citizen Rs 12,500 has to be read as Nil and Rs 112,500 has to be read as Rs 100,000.

#### Partnership Firms & LLP's:

The tax rates applicable would be 30 per cent (plus surcharge if applicable – Refer Note 2 and a health and education cess of 4 per cent on the amount of tax plus surcharge, if applicable).

#### Domestic Companies:

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
Domestic companies having turnover or gross receipts of upto Rs 400 Cr in FY 2020-21 (For AY 2023-24) and in FY 2021-22 (For AY 2024-25)	25 per cent	15 per cent
Domestic manufacturing company set-up and registered on or after 1 March 2016 subject to fulfilment of prescribed conditions (Section 115BA)	25 per cent	15 per cent
Any domestic company (even if an existing company or engaged in non-manufacturing business) has an option to avail beneficial rate, subject to fulfilment of prescribed conditions (Section 115BAA)	22 per cent	Not applicable
Domestic manufacturing company set-up and registered on or after 1 October 2019 and commences manufacturing upto 31 March 2024, has an option to avail beneficial rate,	15 per cent	Not applicable

Type of Domestic company	Base normal tax rate on income (other than income chargeable at special rates)	Base MAT rate
subject to fulfilment of prescribed conditions (Section 115BAB)		
Domestic companies not falling under any of the above category	30 per cent	15 per cent

**Note 2: Surcharge (as applicable to the tax charged on income)**

**Non-corporate assessees (other than firm, co-operative societies and FIIs):**

Particulars	Rate of Surcharge
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax
Where total income (including dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) does not exceed Rs 2 crore but total income (including dividend income and income under the provisions of section 111A, section 112A and 112 of the IT Act) exceeds Rs 2 crore	15 per cent on total tax <i>The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act.</i>
Where total income (excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income and income under the provisions of section 111A, section 112A and section 112 of the IT Act. In case the assessee opts out of Sec 115BAC then the rate of surcharge applicable is 37 percent. - 15 per cent on tax on dividend income and income under the provisions of section 111A section 112A and section 112 of the IT Act.  <i>The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.</i>

**Note:** *The Finance Act, 2022 from FY 2022-23 has capped the surcharge rates for long-term gains chargeable to tax under section 112 of the IT Act as well.*

*As per the FA, 2023, the maximum surcharge rate in case of capital gains chargeable to tax under section 112 of the IT Act, in case of an assessee being an individual, HUF, AOP (not being a co-operative society), BOI or artificial juridical person is also capped to 15%.*

**FIIs (Non – corporate):**

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 50 lacs	Nil
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 50 lacs but does not exceed Rs 1 crore	10 per cent on total tax

Particulars	Rate of Surcharge
Where total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 1 crore but does not exceed Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) does not exceed Rs 2 crore but total income (including dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	15 per cent on total tax
Where total income (excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act) exceeds Rs 2 crore	- 25 per cent on tax on income excluding dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act. In case the assessee opts out of Sec 115BAC then the rate of surcharge applicable is 37 percent. - 15 per cent on tax on dividend income or income of the nature referred to in section 115AD(1)(b) of the IT Act

*Note: The FA, 2023 has capped the highest surcharge rate to 25 per cent.*

**For assesseees other than those covered above:**

Particulars	Rate of surcharge applicable
Non-corporate taxpayers being firms and co-operative societies	Nil where total income does not exceed Rs 1 crore
	From FY 2022-23 7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	From FY 2022-23 12 per cent where total income exceeds Rs 10 crore
Domestic companies (other than companies availing benefit under section 115BAA and section 115BAB of the IT Act)	Nil where total income does not exceed Rs 1 crore
	7 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	12 per cent where total income exceeds Rs 10 crore
Domestic companies availing benefit under section 115BAA and section 115BAB of the IT Act	10 per cent (irrespective of total income)
Foreign Companies (including corporate FIIs)	Nil where total income does not exceed Rs 1 crore
	2 per cent where total income exceeds Rs 1 crore but does not exceed Rs 10 crore
	5 per cent where total income exceeds Rs 10 crore

***A health and education cess of 4 per cent is payable on the total amount of tax plus surcharge.***

Notes:

- The above statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of NCD.
- The above statement covers only certain relevant direct tax law benefits and does not cover benefit under any other law.
- The above statement of possible tax benefits is as per the current direct tax laws (read along with the amendments made by the FA, 2023) relevant for the AY 2024-25 corresponding to the FY 2023-24.
- This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the NCD of the Company.
- In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.
- No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

## OBJECTS OF THE TRANCHE I ISSUE

### Issue Proceeds

Public issue by the Company of secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000 each (“NCDs” or “Debentures”) for an amount of ₹ 15,000 lakh (“Base Issue Size”) with an option to retain oversubscription up to ₹ 15,000 lakh (“Green Shoe Option”) amounting to ₹ 30,000 lakh (“Tranche I Issue Limit”) (“Tranche I Issue”) which is within the shelf limit of ₹ 50,000 lakh and is being offered by way of this Tranche I Prospectus, which should be read together with the Shelf Prospectus filed with the ROC, Stock Exchange and SEBI.

The Tranche I Issue is being made pursuant to the provisions of the SEBI NCS Regulations and the Companies Act and the rules made there under. Our Company proposes to utilize the proceeds raised through the Tranche I Issue, after deducting the Tranche I Issue related expenses to the extent payable by our Company (“Net Proceeds”) towards funding the objects listed under this section.

The details of the proceeds of this Tranche I Issue are summarized below:

Particulars	Estimated amount (₹ in lakh)
Gross proceeds of the Tranche I Issue	30,000.00
Less: Tranche I Issue related expenses*	595.00
Net proceeds	29,405.00

\*The above Tranche I Issue related expenses are indicative and are subject to change depending on the actual level of subscription to this Tranche I Issue, the number of allottees, market conditions and other relevant factors.

The following table details the objects of this Tranche I Issue and the amount proposed to be financed from Net Proceeds:

Sr. No.	Objects of the Tranche I Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing and for repayment of interest and principal of existing borrowings of the Company*	At least 75%
2.	General Corporate Purposes**	Maximum of up to 25%
	<b>Total</b>	<b>100%</b>

\*Our Company will not utilize the proceeds of this Tranche I Issue towards payment of prepayment penalty, if any.

\*\*The Net Proceeds will be first utilized towards the Objects mentioned above. The balance is proposed to be utilized for general corporate purposes, subject to such utilization not exceeding 25% of the amount raised in the Tranche I Issue, in compliance with the SEBI NCS Regulations.

The main objects clause of the Memorandum of Association of the Company permits the Company to undertake its existing activities as well as the activities for which the funds are being raised through this Tranche I Issue.

### Tranche I Issue expenses

The expenses for this Tranche I Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Members and intermediaries as provided for in the SEBI Master Circular, fees payable to debenture trustee, the Registrar to the Issue, SCSBs’ commission/ fees, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to this Tranche I Issue. The Tranche I Issue expenses and listing fees will be paid by our Company.

The estimated Issue expenses for this Tranche I Issue are as below:

Particulars	Amount (₹ in lakhs)*	As percentage of Tranche I Issue proceeds (in %)	As percentage of total expenses of the Tranche I Issue (in %)
Lead managers fees	61.00	0.20%	10.25%
Underwriting commission	-	0.00%	0.00%
Brokerage, selling commission and upload fees	250.00	0.83%	42.02%
Fee Payable to the registrar to the issue	4.00	0.01%	0.67%
Fees payable to the legal advisors	35.00	0.12%	5.88%
Advertising and marketing expenses	30.00	0.10%	5.04%

<b>Particulars</b>	<b>Amount (₹ in lakhs)*</b>	<b>As percentage of Tranche I Issue proceeds (in %)</b>	<b>As percentage of total expenses of the Tranche I Issue (in %)</b>
Fees payable to the regulators including stock exchange.	13.50	0.05%	2.27%
Expenses incurred on printing and distribution of issue stationary	15.00	0.05%	2.52%
Any other fees, commission or payments under whatever nomenclature.	186.50	0.62%	31.34%
<b>Grand Total</b>	<b>595.00</b>	<b>1.98%</b>	<b>100%</b>

*Note: The above expenses are subject to applicable taxes as per the agreed terms of engagement with respective agency.*

*\* Assuming the Tranche I Issue is fully subscribed, and our Company retains oversubscription as per the Issue Documents*

The above expenses are indicative and are subject to change depending on the actual level of subscription to the Tranche I Issue and the number of Allottees, market conditions and other relevant factors.

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Managers/ Members of the Consortium/Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹ 15 per Application Form procured. However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries. Our Company shall not pay any fees to the Sponsor Bank.

#### **Purpose for which there is a requirement of funds**

As stated in this section.

#### **Funding plan**

Our Company confirms that for the purpose of this Tranche I Issue; funding plan will not be applicable.

#### **Summary of the project appraisal report**

Our Company confirms that for the purpose of this Tranche I Issue; summary of the project appraisal report will not be applicable.

#### **Schedule of implementation of the project**

Our Company confirms that for the purpose of this Tranche I Issue, schedule of implementation of the project will not be applicable.

#### **Interim Use of Proceeds**

The management of our Company, in accordance with the policies formulated by it from time to time, will have the flexibility in deploying the proceeds received from the Issue. Pending utilisation of the proceeds out of the Tranche I Issue for the purposes described above, our Company intends to temporarily invest funds as may be approved by our Board of Directors or a committee thereof, in accordance with applicable law. Such investment would be in accordance with the investment policy of our Company approved by our Board of Directors or any committee thereof from time to time and applicable law.

#### **General Corporate Purposes**

Our Company intends to deploy up to 25% of the amount raised and allotted in this Tranche I Issue for general corporate purposes, including but not restricted to routine capital expenditure, renovations, strategic initiatives, meeting any expenditure in relation to our Company as well as meeting exigencies which our Company may face in the ordinary course of business, or any other purposes as may be approved by the Board of Directors or duly authorized committee thereof.

#### **Monitoring of Utilization of Funds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee of our Company shall monitor the utilisation of the proceeds of the Tranche I Issue. Our Company will disclose in our Company's financial statements for the relevant financial year commencing from Fiscal 2024, the utilisation of the proceeds of the Tranche I Issue under a separate head along with details, if any, in relation to all such proceeds of the Tranche I Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue. Our Company shall utilize the proceeds of the Issue only upon receipt of minimum subscription, i.e. 75% of base issue size relating to the Tranche I Issue, the execution of the documents for creation of security and the Debenture Trust Deed and receipt of final listing and trading approval from the Stock Exchange. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, submit to the stock exchange, a statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved.

### **Other Confirmation**

In accordance with the SEBI NCS Regulations, our Company will not utilize the proceeds of the Tranche I Issue for providing loans to or for acquisition of shares of any company which is a part of the Promoter Group or Group Companies.

Proceeds from the Tranche I Issue shall not be utilised towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any immovable property. No part of the proceeds from the Tranche I Issue will be paid by us as consideration to our Promoters, the Directors, Key Managerial Personnel, Senior Managerial Personnel or companies promoted by our Promoters except in ordinary course of business.

The Tranche I Issue proceeds shall not be used for buying, trading or otherwise dealing in equity shares of any other listed company.

The Tranche I Issue Proceeds from NCDs allotted to Banks will not be utilized for any purpose which may be in contravention of the RBI guidelines on bank financing to NBFCs including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds of the Tranche I Issue or any part of the proceeds, directly or indirectly for the purchase of any business or in the purchase of any interest in any business whereby and by reason of that purchase or anything done in consequence thereof, or in connection therewith our Company shall become entitled to the capital or profit or losses or both in such business exceeding 50% thereof, the acquisition of any immovable property (direct or indirect) for which advances have been paid to third parties or acquisition of securities of any other body corporate.

All monies received out of the Tranche I Issue shall be credited/ transferred to a separate bank account maintained with a Scheduled Bank as referred to in section 40(3) of the Companies Act 2013.

Details of all monies utilised out of the Tranche I Issue referred above shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies have been utilised along with details, if any, in relation to all such proceeds of the Tranche I Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the Tranche I Issue.

Details of all unutilised monies out of the Tranche I Issue, if any, shall be disclosed under an appropriate separate head in our balance sheet indicating the form in which such unutilised monies have been invested.

We shall utilize the Tranche I Issue proceeds only upon receipt of minimum subscription of 75% of Base Issue Size for this Tranche I Issue, execution of Debenture Trust Deed, receipt of the listing and trading approval from the Stock Exchange as stated in this Tranche I Prospectus in the section titled "*Issue Related Information*" beginning on page 70.

No benefit/interest will accrue to our Promoters/Directors out of the proceeds of the Tranche I Issue.

There is no contribution being made or intended to be made by the Directors as part of this Tranche I Issue or separately in furtherance of the Objects of this Tranche I Issue, except to the extent of NCDs subscribed by the Director (if subscribed).

Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms

of financial assets in which such unutilized monies have been invested.

The Objects of this Tranche I Issue do not entail loan to any entity which is a group company.

**Variation in terms of contract or objects in this Tranche I Prospectus**

Our Company shall not, in terms of Section 27 of the Companies Act 2013, at any time, vary the terms of a contract referred to in this Tranche I Prospectus or objects for which this Tranche I Prospectus is issued, except as may be prescribed under the applicable laws and specifically under Section 27 of the Companies Act, 2013. Further, in accordance with the SEBI Listing Regulations, in case of any material deviation in the use of proceeds as compared to the objects of this Tranche I issue, the same shall be indicated in the format as specified by SEBI from time to time.

**Benefit / interest accruing to Promoters/Directors out of the objects of this Tranche I Issue**

Neither the Promoters nor the Directors of our Company are interested in the Objects of this Tranche I Issue.

## MATERIAL DEVELOPMENTS

Other than as disclosed elsewhere in this Tranche I Prospectus and hereinafter below, there have been no material developments since March 31, 2023 till the date of filing of this Tranche I Prospectus, there have been no event/development or change having implications on the financials/credit quality (e.g., any material regulatory proceedings against the Company/ Promoters / Directors/Group Companies, litigations resulting in material liabilities, corporate restructuring event etc.) at the time of the Issue which may affect the Issue or the investor's decision to invest / continue to invest in the debt securities.

The Company has identified Optiqua Pipes and Electricals Private Limited and Arka Investment Advisory Services Private Limited as its Group Companies under Section 2I of the NCS Regulations, identified on the basis of the related party transactions entered upon by the Group Companies with the Company in accordance with the requirements under Ind AS 24 "Related Party Disclosures" notified under Section 133 of the Companies Act read with the Companies (Indian Accounting Standards) Rules 2015, as amended from time to time in Fiscal 2023.

### Private Placements of NCDs by our Company for FY 23-24 (Till date)

<b>ISIN</b>	INE03W108023
<b>Date of opening</b>	November 16, 2023
<b>Date of closing</b>	November 16, 2023
<b>Total issue size (₹ in lakh)</b>	7,500.00
<b>Date of allotment</b>	November 17, 2023
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	November 21, 2023
<b>Objects of the issue</b>	Augmenting Tier 2 capital of the Company. Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer. The Issuer further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulations as may be applicable from time to time
<b>Utilisation of proceeds</b>	<p>Augmenting Tier 2 capital of the Company. Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer.</p> <p>Financing activities and business operations of the Issuer – up to 100%                      Repayment of the existing debt – up to 100%                      General corporate purposes of the Issuer – up to 25%</p> <p>The Issuer further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulations as may be applicable from time to time</p>

### Rights issue by the Company for FY 23-24 (Till date)

<b>Date of Opening</b>	June 3, 2023
<b>Date of Closing</b>	June 13, 2023
<b>Total Issue Size (₹ in lakh)</b>	5,699.99
<b>Amount raised in the issue (₹ in lakh)</b>	5,699.99
<b>Date of Allotment</b>	June 5, 2023
<b>Utilisation of Proceeds</b>	To augment long term resources for ongoing business activities of the Company and/or general corporate purposes.

## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Issuer's Absolute Responsibility

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

### Authority for the Issue

At the meeting of the Board of Directors of our Company held on July 22, 2022 the Directors approved the issue of NCDs, aggregating up to ₹ 50,000 lakh.

Further, the present Issue is within the borrowing limits of ₹ 7,00,000 lakh under Sections 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company *vide* their resolution passed at the Annual General Meeting held on June 16, 2023. The Issue is within the borrowing limit approved by the shareholders.

The Shelf Prospectus has been approved by the Asset Liability Committee at its meeting held on November 28, 2023. This Tranche I Prospectus consisting the terms and conditions of the Tranche I Issue have been approved by the Asset Liability Committee at its meeting held on November 28, 2023.

### Prohibition by SEBI / Eligibility of our Company for the Issue

Our Company and/or the Promoters and/or our Promoter Group and/or our Directors have not been restrained or prohibited or debarred by SEBI from accessing the securities market or dealing in securities and no such order or direction is in force. None of our Directors and/or our Promoters, is a director or promoter of another company which has been restrained, prohibited or debarred by SEBI from accessing the securities market or dealing in securities.

None of our Directors and/or our Promoters has been declared as fugitive economic offenders.

None of the promoters or whole-time directors of the issuer is a promoter or whole-time director of another company which is a wilful defaulter.

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchange pending to be paid by the Company as on the date of this Tranche I Prospectus.

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months as on date of this Tranche I Prospectus.

No regulatory action is pending against the issuer or its promoters or directors before the Board or the Reserve Bank of India.

### Willful Defaulter

Our Company, and/or Directors and/or our Promoters have not been categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by RBI, ECGC or any government/regulatory authority. The issuer has not defaulted in payment of interest or repayment of principal amount in respect of debt securities issued to the public, for a period of more than six months. None of our Directors and/or our Promoters, is a whole-time director of another company which has been categorized as a wilful defaulter.

### Other confirmations

Neither our Company nor our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of this Tranche I Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Our Company is eligible to file the Shelf Prospectus in terms of Regulation 41 of the SEBI NCS Regulations which are as follows:

1. Our Company is in compliance with applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and any other guidelines so specified by SEBI;
2. Our Company has a net worth of at least rupees five hundred crore, as per the audited balance sheet of the preceding financial year;
3. Our Company has a consistent track record of operating profits for the last three financial years;
4. Securities to be issued have been assigned a rating of **not less than "AA-"** category or equivalent by a credit rating agency registered with SEBI;
5. No regulatory action is pending against the issuer or its promoter or directors before SEBI or the Reserve Bank of India.
6. Our Company, as on date of the Shelf Prospectus and this Tranche I Prospectus, is not in default for:
  - a. the repayment of deposits or interest payable thereon; or
  - b. redemption of preference shares; or
  - c. redemption of debt securities and interest payable thereon; or
  - d. payment of dividend to any shareholder; or
  - e. repayment of any term loan or interest payable thereon,

in the last three financial years and the current financial year:

The Company confirms that there are no fines or penalties levied by SEBI or the Stock Exchanges pending to be paid by the Company as on the date of the Shelf Prospectus and this Tranche I Prospectus.

#### **Disclaimer Clause of SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF THE OFFER DOCUMENT TO THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE OFFER DOCUMENT. THE LEAD MANAGERS, JM FINANCIAL LIMITED AND NUVAMA WEALTH MANAGEMENT LIMITED (FORMERLY KNOWN AS EDELWEISS SECURITIES LIMITED), HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGERS HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 28, 2023 WHICH READS AS FOLLOWS:**

1. **WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY THE BOARD. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.**
2. **WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE ISSUE OR RELATING TO THE ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS TRANCHE I ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ADVERTISEMENTS IN ALL THOSE NEWSPAPERS IN WHICH PRE- IS ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE ISSUE WILL BE GIVEN.**

3. WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

WE CONFIRM THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED MARCH 6, 2023 FILED WITH THE STOCK EXCHANGE. BSE LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

#### DISCLAIMER CLAUSE OF BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED MARCH 15, 2023 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED, THE EXCHANGE HAS SCRUTINIZED THIS OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; OR
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY.

AND IT SHOULD NOT FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

#### DISCLAIMER CLAUSE OF RBI

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION DATED JULY 25, 2019 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45I-A OF THE RESERVE BANK OF INDIA ACT, 1934. A COPY OF THE SHELF PROSPECTUS AND TRANCHE I PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THE SHELF PROSPECTUS AND TRANCHE I PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS.

#### DISCLAIMER STATEMENT OF CRISIL RATINGS LIMITED (A SUBSIDIARY OF CRISIL LIMITED)

CRISIL RATINGS LIMITED (CRISIL RATINGS) HAS TAKEN DUE CARE AND CAUTION IN PREPARING THE MATERIAL BASED ON THE INFORMATION PROVIDED BY ITS CLIENT AND / OR OBTAINED BY CRISIL RATINGS FROM SOURCES WHICH IT CONSIDERS RELIABLE (INFORMATION). A RATING BY CRISIL RATINGS REFLECTS ITS CURRENT OPINION ON THE LIKELIHOOD OF TIMELY

**PAYMENT OF THE OBLIGATIONS UNDER THE RATED INSTRUMENT AND DOES NOT CONSTITUTE AN AUDIT OF THE RATED ENTITY BY CRISIL RATINGS. CRISIL RATINGS DOES NOT GUARANTEE THE COMPLETENESS OR ACCURACY OF THE INFORMATION ON WHICH THE RATING IS BASED. A RATING BY CRISIL RATINGS IS NOT A RECOMMENDATION TO BUY, SELL, OR HOLD THE RATED INSTRUMENT; IT DOES NOT COMMENT ON THE MARKET PRICE OR SUITABILITY FOR A PARTICULAR INVESTOR. THE RATING IS NOT A RECOMMENDATION TO INVEST / DISINVEST IN ANY ENTITY COVERED IN THE MATERIAL AND NO PART OF THE MATERIAL SHOULD BE CONSTRUED AS AN EXPERT ADVICE OR INVESTMENT ADVICE OR ANY FORM OF INVESTMENT BANKING WITHIN THE MEANING OF ANY LAW OR REGULATION. CRISIL RATINGS ESPECIALLY STATES THAT IT HAS NO LIABILITY WHATSOEVER TO THE SUBSCRIBERS / USERS / TRANSMITTERS/ DISTRIBUTORS OF THE MATERIAL. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, NOTHING IN THE MATERIAL IS TO BE CONSTRUED AS CRISIL RATINGS PROVIDING OR INTENDING TO PROVIDE ANY SERVICES IN JURISDICTIONS WHERE CRISIL RATINGS DOES NOT HAVE THE NECESSARY PERMISSION AND/OR REGISTRATION TO CARRY OUT ITS BUSINESS ACTIVITIES IN THIS REGARD. ARKA FINCAP LIMITED WILL BE RESPONSIBLE FOR ENSURING COMPLIANCES AND CONSEQUENCES OF NON-COMPLIANCES FOR USE OF THE MATERIAL OR PART THEREOF OUTSIDE INDIA. CURRENT RATING STATUS AND CRISIL RATINGS' RATING CRITERIA ARE AVAILABLE WITHOUT CHARGE TO THE PUBLIC ON THE WEBSITE, WWW.CRISILRATINGS.COM. FOR THE LATEST RATING INFORMATION ON ANY INSTRUMENT OF ANY COMPANY RATED BY CRISIL RATINGS, PLEASE CONTACT CUSTOMER SERVICE HELPDESK AT 1800-267-1301.**

**DISCLAIMER CLAUSE OF CARE ADVISORY RESEARCH AND TRAINING LIMITED (“CART”)**

**THE REPORT IS PREPARED BY CARE ADVISORY RESEARCH AND TRAINING LIMITED (CAREEDGE RESEARCH). CAREEDGE RESEARCH HAS TAKEN UTMOST CARE TO ENSURE ACCURACY AND OBJECTIVITY WHILE DEVELOPING THE REPORT BASED ON INFORMATION AVAILABLE IN CAREEDGE RESEARCH'S PROPRIETARY DATABASE, AND OTHER SOURCES CONSIDERED BY CAREEDGE RESEARCH AS ACCURATE AND RELIABLE, INCLUDING THE INFORMATION IN THE PUBLIC DOMAIN. THE VIEWS AND OPINIONS EXPRESSED HEREIN DO NOT CONSTITUTE THE OPINION OF CAREEDGE RESEARCH TO BUY OR INVEST IN THIS INDUSTRY, SECTOR OR COMPANIES OPERATING IN THIS SECTOR OR INDUSTRY AND IS ALSO NOT A RECOMMENDATION TO ENTER INTO ANY TRANSACTION IN THIS INDUSTRY OR SECTOR IN ANY MANNER WHATSOEVER.**

**THE REPORT HAS TO BE SEEN IN ITS ENTIRETY; THE SELECTIVE REVIEW OF PORTIONS OF THE REPORT MAY LEAD TO INACCURATE ASSESSMENTS. ALL FORECASTS IN THE REPORT ARE BASED ON ASSUMPTIONS CONSIDERED TO BE REASONABLE BY CAREEDGE RESEARCH; HOWEVER, THE ACTUAL OUTCOME MAY BE MATERIALLY AFFECTED BY CHANGES IN THE INDUSTRY AND ECONOMIC CIRCUMSTANCES, WHICH COULD BE DIFFERENT FROM THE PROJECTIONS.**

**NOTHING CONTAINED IN THE REPORT IS CAPABLE OR INTENDED TO CREATE ANY LEGALLY BINDING OBLIGATIONS ON THE SENDER OR CAREEDGE RESEARCH, WHICH ACCEPTS NO RESPONSIBILITY, WHATSOEVER, FOR LOSS OR DAMAGE FROM THE USE OF THE SAID INFORMATION. CAREEDGE RESEARCH IS ALSO NOT RESPONSIBLE FOR ANY ERRORS IN TRANSMISSION AND SPECIFICALLY STATES THAT IT, OR ITS DIRECTORS, EMPLOYEES, PARENT COMPANY – CARE RATINGS, OR ITS DIRECTORS, EMPLOYEES DO NOT HAVE ANY FINANCIAL LIABILITIES WHATSOEVER TO THE SUBSCRIBERS/USERS OF THE REPORT. THE SUBSCRIBER/USER ASSUMES THE ENTIRE RISK OF ANY USE MADE OF THE REPORT OR DATA HEREIN. THE REPORT IS FOR THE INFORMATION OF THE AUTHORISED RECIPIENT IN INDIA ONLY AND ANY REPRODUCTION OF THE REPORT OR PART OF IT WOULD REQUIRE EXPLICIT WRITTEN PRIOR APPROVAL OF CAREEDGE RESEARCH.**

**CAREEDGE RESEARCH SHALL REVEAL THE REPORT TO THE EXTENT NECESSARY AND CALLED FOR BY APPROPRIATE REGULATORY AGENCIES, VIZ., SEBI, RBI, GOVERNMENT AUTHORITIES, ETC., IF IT IS REQUIRED TO DO SO. BY ACCEPTING A COPY OF THE REPORT, THE RECIPIENT ACCEPTS THE TERMS OF THIS DISCLAIMER, WHICH FORMS AN INTEGRAL PART OF THE REPORT.**

**DISCLAIMER STATEMENT FROM THE ISSUER**

**THE ISSUER ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHER THAN IN THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS OR IN ANY ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF OUR COMPANY AND ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.**

#### **DISCLAIMER STATEMENT FROM THE LEAD MANAGERS**

**THE LEAD MANAGERS ACCEPTS NO RESPONSIBILITY FOR STATEMENTS MADE OTHERWISE THAN IN IN THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS OR IN THE ADVERTISEMENT OR ANY OTHER MATERIAL ISSUED BY OR AT THE INSTANCE OF THE COMPANY AND THAT ANYONE PLACING RELIANCE ON ANY OTHER SOURCE OF INFORMATION WOULD BE DOING SO AT HIS / HER / THEIR OWN RISK.**

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

**THE ISSUE IS BEING MADE IN INDIA, TO INVESTORS FROM CATEGORY I, CATEGORY II, CATEGORY III AND CATEGORY IV. THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS WILL NOT, HOWEVER CONSTITUTE AN OFFER TO SELL OR AN INVITATION TO SUBSCRIBE FOR THE NCDs OFFERED HEREBY IN ANY JURISDICTION OTHER THAN INDIA TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR INVITATION IN SUCH JURISDICTION. ANY PERSON INTO WHOSE POSSESSION THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS COMES IS REQUIRED TO INFORM HIMSELF OR HERSELF ABOUT, AND TO OBSERVE, ANY SUCH RESTRICTIONS.**

#### **UNDERTAKING BY THE ISSUER**

**INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS TRANCHE I ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE “RISK FACTORS” CHAPTER ON PAGE 16 OF THE SHELF PROSPECTUS.**

**THE ISSUER, HAVING MADE ALL REASONABLE INQUIRIES, ACCEPTS RESPONSIBILITY FOR, AND CONFIRMS THAT THIS TRANCHE I PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, THAT THE INFORMATION CONTAINED IN THIS TRANCHE I PROSPECTUS IS TRUE AND CORRECT IN ALL MATERIAL ASPECTS AND IS NOT MISLEADING IN ANY MATERIAL RESPECT, THAT THE OPINIONS AND INTENTIONS EXPRESSED HEREIN ARE HONESTLY HELD AND THAT THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKE THIS TRANCHE I PROSPECTUS AS A WHOLE OR ANY OF SUCH INFORMATION OR THE EXPRESSION OF ANY SUCH OPINIONS OR INTENTIONS MISLEADING IN ANY MATERIAL RESPECT.**

**THE ISSUER HAS NO SIDE LETTER WITH ANY DEBT SECURITIES HOLDER EXCEPT THE ONE(S) DISCLOSED IN THIS TRANCHE I PROSPECTUS. ANY COVENANTS LATER ADDED SHALL BE DISCLOSED ON THE STOCK EXCHANGE’S WEBSITES WHERE THE NCDs ARE PROPOSED TO BE LISTED.**

**THE ISSUER DECLARES THAT NOTHING IN THIS TRANCHE I PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.**

#### **Track record of past public issues handled by the Lead Managers**

The track record of past issues handled by the Lead Managers, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, are available at the following website:

Name of Lead Manager	Website
JM Financial Limited	www.jmfl.com
Nuvama Wealth Management Limited* (formerly known as Edelweiss Securities Limited)	www.nuvama.com

*\*Pursuant to order passed by NCLT, Mumbai dated April 27, 2023, the merchant banking business of Edelweiss Financial Services Limited has demerged and transferred to Nuvama Wealth Management Limited and therefore the said merchant banking business is now part of Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited).*

## Listing

The NCDs proposed to be offered through this Tranche I Issue are proposed to be listed on BSE. An application will be made to the Stock Exchange for permission to deal in and for an official quotation of our NCDs. BSE has been appointed as the Designated Stock Exchange.

If permissions to deal in and for an official quotation of our NCDs are not granted by Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche I Prospectus, in accordance with applicable laws.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange mentioned above are taken within 6 Working Days from the date of closure of the Tranche I Issue.

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed and in the event of zero subscription to any one or more of the series, such NCDs with series shall not be listed.

Our Company shall pay interest at 15% (fifteen) per annum if Allotment is not made and refund orders/allotment letters are not dispatched and/or demat credits are not made to investors within five Working Days of the Tranche I Issue Closing Date or date of refusal of the Stock Exchange(s), whichever is earlier. In case listing permission is not granted by the Stock Exchange(s) to our Company and if such money is not repaid within the day our Company becomes liable to repay it on such account, our Company and every officer in default shall, on and from expiry of such date, be liable to repay the money with interest at the rate of 15% as prescribed under Rule 3 of Companies (Prospectus and Allotment of Securities) Rules, 2014 read with Section 26 of the 2013 Act, provided that the beneficiary particulars relating to such Applicants as given by the Applicants is valid at the time of the upload of the demat credit.

## Consents

Consents in writing of: (a) Our Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Managers, (e) the Registrar to the Issue, (f) Legal Advisor to the Issue; (g) Bankers to Company; (h) CRISIL Ratings Limited; (i) the Debenture Trustee for the Issue; (j) Consortium Members; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank; (l) CareEdge Research as the agency issuing the CareEdge Report for Industry Overview, have been obtained from them and the same will be filed along with a copy of the Shelf Prospectus and this Tranche I Prospectus with the ROC as required under Section 26 and Section 31 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of the Shelf Prospectus and this Tranche I Prospectus with the Stock Exchange.

## Expert Opinion

Except for the following, our Company has not obtained any expert opinions in connection with this Tranche I Prospectus:

Our Company has received the written consent dated November 28, 2023 from P G BHAGWAT LLP our Statutory Auditor, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche I Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) their report dated April 28, 2023 and April 26, 2022 on the Audited Financial Statements for Fiscal 2023 and the Audited Financial Statements for Fiscal 2022 included in the Shelf Prospectus (ii) their report dated October 25, 2023 on the Unaudited Financial Results included in the Shelf Prospectus and (ii) their report dated November 28, 2023 on the statement of special tax benefits included in this Tranche I Prospectus, and written consent dated November 28, 2023 from B S R & CO. LLP, our previous statutory auditor in respect of their report dated April 28, 2021 on the Audited Financial Statements for Fiscal 2021 included in the Shelf Prospectus. Such consents have not been withdrawn as on the date of this Tranche I Prospectus. However, the term “expert” shall not be construed to mean an “expert” as defined under the U.S. Securities Act, 1993.

The above experts have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Tranche I Prospectus with the ROC, Stock Exchange and SEBI.

### **Common form of Transfer**

Our Company undertakes that there shall be a common form of transfer for the NCDs, if applicable and the provisions of the Companies Act, 2013 applicable as on the date of this Tranche I Prospectus and all applicable laws shall be duly complied with in respect of all transfer of debentures and registration thereof.

### **Minimum Subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size for this Tranche I Issue, the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Tranche I Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

### **Filing of the Draft Shelf Prospectus**

A Copy of the Draft Shelf Prospectus has been filed with the Stock Exchange in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website prior to the opening of the Issue. The Draft Shelf Prospectus has also been displayed on the website of the Company and the Lead Managers.

### **Filing of the Shelf Prospectus and the Tranche I Prospectus with the RoC**

A copy of the Shelf Prospectus and this Tranche I Prospectus has been filed with the RoC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

### **Debenture Redemption Reserve (“DRR”)**

In accordance with amendments to the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with the SEBI NCS Regulations, an NBFC registered with RBI under section 45-IA of the Reserve Bank of India Act, 1934 is not required to create a DRR for the purpose of redemption of debentures. Pursuant to the amendment to the Companies (Share Capital & Debentures) Rules 2014, and as on the date of filing of this Tranche I Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Tranche I Issue.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014, as amended and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31<sup>st</sup> day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;

3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882:

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

#### **Recovery Expense Fund**

Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s)/Series of NCDs issued.

#### **Settlement Guarantee Fund**

Our Company will deposit amounts in the settlement guarantee fund, as applicable, in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

#### **Debenture Trust Deed**

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

#### **Reservation**

No portion of the Tranche I Issue has been reserved.

#### **Underwriting**

This Tranche I Issue will not be underwritten.

#### **Disclosures in accordance with the SEBI Debenture Trustee Master Circular**

##### **Appointment of Debenture Trustee**

The Company has appointed Catalyst Trusteeship Limited, as the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

##### **Terms and Conditions of Debenture Trustee Agreement**

##### ***Fees charged by Debenture Trustee***

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹ 1 lakh plus applicable taxes and a service charge of ₹ 1 lakh on an annual basis, plus applicable taxes in terms of the letter dated December 29, 2022.

Debenture Trustee Agreement provides for, *inter alia*, the following terms and conditions:

1. The Debenture Trustee, either through itself or its agents, advisors, consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents / Debenture Trust Deed, has been

obtained. For the purpose of carrying out the due diligence as required under Applicable Law, the Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts or management consultants appointed by the Debenture Trustee. Prior to appointment of any agents, advisors, consultants, the Debenture Trustee shall obtain necessary confirmation from the said agents, advisors or consultants that they do not have any conflict-of-interest in conducting the diligence under the transaction.

2. The Company shall provide all assistance to the Debenture Trustee to enable verification from the ROC, sub-registrar of assurances (as applicable), Central Registry of Securitization Asset Reconstruction and Security Interest of India ("CERSAI"), depositories, information utility ("IU") registered with Insolvency and Bankruptcy Board of India ("IBBI") or any other authority, as may be required, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider for securing the Debentures, are registered / disclosed.
3. Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
4. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with applicable law.
5. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, traveling and other costs shall be solely borne by the Company.
6. The Debenture Trustee shall make the disclosures on its website as specified under SEBI Debenture Trustee Master Circular.
7. The Debenture Trustee shall take necessary steps to bring the investor charter, as provided in the SEBI Debenture Trustee Master Circular:
  - i. Disseminating the investor charter on Debenture Trustee's website and through e-mail.
  - ii. Displaying the investor charter at prominent places in offices etc.
8. The Debenture Trustee shall intimate stock exchange and depositories the status of payment of debt securities within nine (9) working days of the maturity / redemption date, in case the issuer fails to intimate the status of payment of the debt securities within stipulated timelines, then debenture trustee(s) shall seek status of payment from issuer and/ or conduct independent assessment banks, investors, rating agencies, etc.) to determine the same.

#### ***Terms of carrying out due diligence***

As per the SEBI Debenture Trustee Master Circular, as amended and/ or supplemented from time to time, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer company are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times. Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our company has consented to.

- a. The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the offer document and other applicable laws has been obtained. For the purpose of carrying out the due diligence as required in terms of the Relevant Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/

lawyers/ technical experts/ management consultants appointed by the Debenture Trustee.

- b. The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third-party security provider are registered / disclosed.
- c. Further, in the event that existing charge holders or any trustee on behalf of the existing charge holders have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any, if Company is required to do so under the respective financing documents executed with the said existing charge holders.
- d. Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the Debentures, in accordance with the relevant laws/ Applicable Law.
- e. The Debenture Trustee shall have the power to independently appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.
- f. In addition to the above terms of carrying out the due diligence, the Debenture Trustee Agreement provides for, *inter alia*, the following terms and conditions:
  - i. The Company undertakes to promptly furnish all and any information as may be required by the Debenture Trustee in terms of the Companies Act and the Debenture Trust Deed on a regular basis, including without limitation the following documents, as may be applicable;
  - ii. The Debenture Trustee does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

#### **Process of Due Diligence to be carried out by the Debenture Trustee**

Due Diligence will be carried out as per SEBI (Debenture Trustees) Regulations, 1993, SEBI NCS Regulations and circulars issued by SEBI from time to time.

While the Debt Security is secured as per terms of the Offer Document and charge is held in favour of the Debenture Trustee, the extent of recovery would depend upon realization of asset value and the Debenture Trustee in no way guarantees / assures full recovery / partial of either principal or interest.

#### **Other Confirmations**

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with Applicable Law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI Debenture Trustee Master Circular.

The Debenture Trustee undertakes that the NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and Registrar of Companies or CERSAI or depository, etc., as applicable, or is independently verifiable by the Debenture Trustee.

**CATALYST TRUSTEESHIP LIMITED HAVE FURNISHED TO STOCK EXCHANGE A DUE DILIGENCE CERTIFICATE DATED NOVEMBER 28, 2023 AS PER THE FORMAT SPECIFIED IN SEBI DEBENTURE TRUSTEE MASTER CIRCULAR, AS AMENDED FROM TIME TO TIME AND SCHEDULE IV OF THE SEBI NCS REGULATIONS WHICH READS AS FOLLOWS:**

**1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH**

## **RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

2. **ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**

### **WE CONFIRM THAT:**

- a) **THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND/OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED AND LISTED.**
- b) **THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
- c) **THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
- d) **ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS/ PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**
- e) **ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT AND GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION.**
- f) **ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**
- g) **ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

### **WE HAVE SATISFIED OURSELVES ABOUT THE ABILITY OF THE ISSUER TO SERVICE THE DEBT SECURITIES.**

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annex II-A of SEBI Debenture Trustee Master Circular.

#### **Debenture Trust Deed**

Our Company and the Debenture Trustee will execute a Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Debenture Trustee and us, as per the extant SEBI regulations applicable for the proposed NCD Issue.

#### **Issue Related Expenses**

The expenses of the Issue include, *inter alia*, lead management fees and selling commission to the Lead Managers, Consortium Members, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to the sponsor bank, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The Issue expenses and listing fees will be paid by our Company.

For estimated breakdown of total expenses for this Tranche I Issue, please see section titled "*Objects of the Tranche I Issue*" on page 39.

#### **Utilisation of Issue Proceeds**

Our Board of Directors certifies that:

- i. all monies received out of the Issue of the NCDs to the public shall be transferred to a separate bank account maintained with a scheduled bank, other than the bank account referred to in section 40(3) of the Companies Act and the SEBI NCS Regulations, and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company's bank account after receipt of listing and trading approvals;
- ii. details of all monies utilised out of the Issue referred to in sub-item (i) shall be disclosed under an appropriate separate head in our balance sheet indicating the purpose for which such monies were utilised;
- iii. details of all unutilised monies out of the Issue referred to in sub-item (i), if any, shall be disclosed under an appropriate separate head in our balance indicating the form of financial assets in which such unutilised monies have been invested;
- iv. we shall utilize the Issue proceeds only upon creation of security as stated in the Shelf Prospectus and this Tranche I Prospectus in the section titled "*Terms of the Issue*" on page 79 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue Size pertaining to the Tranche I Issue; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from Stock Exchange;
- v. the Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, inter alia by way of a lease, of any of any immovable property or in the purchase of any business or in the purchase of an interest in any business property;
- vi. the Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other statutory authority from time to time. Further the Issue proceeds shall be utilised only for the purpose and objects stated in the Offer Documents; and
- vii. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within such time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws.

**Details regarding the Company and other listed companies which are associate companies as described under the Companies Act, 2013, which made any capital issue during the last three years.**

**Public / Rights Issues of Equity Shares and non-convertible debentures in the last three years from this Tranche I Prospectus**

**Public Issue of non-convertible debentures by our Company.**

Our Company has not undertaken any public issue of non-convertible debentures in last three years.

**Public issue of equity shares**

Our Company has not undertaken any public issue of equity shares in last three years.

**Rights Issue of Equity Shares by our Company**

**FY 2020-21**

<b>Date of Opening</b>	July 27, 2020
<b>Date of Closing</b>	August 10, 2020
<b>Total Issue Size (₹ in lakh)</b>	12,481.68
<b>Amount raised in the issue (₹ in lakh)</b>	12,481.68
<b>Date of Allotment</b>	August 11, 2020 ( <i>Refer Note below</i> )
<b>Utilisation of Proceeds</b>	To augment long term resources for MSME and other business activities

\* the Company received ₹ 4 per equity share at the time of application.

the Company received ₹ 3 per equity share towards first call money on January 15, 2021

the Company received ₹ 4 per equity share towards second and final call money on February 12, 2021.

**FY 2021-22**

<b>Date of Opening</b>	May 4, 2021
<b>Date of Closing</b>	May 18, 2021
<b>Total Issue Size (₹ in lakh)</b>	4,999.76
<b>Amount raised in the issue (₹ in lakh)</b>	4,999.76
<b>Date of Allotment</b>	May 18, 2021
<b>Utilisation of Proceeds</b>	To augment long term resources for ongoing business activities of the Company

**FY 2022-23**

<b>Date of Opening</b>	May 27, 2022
<b>Date of Closing</b>	June 2, 2022
<b>Total Issue Size (₹ in lakh)</b>	9,899.97
<b>Amount raised in the issue (₹ in lakh)</b>	9,899.97
<b>Date of Allotment</b>	May 27, 2022
<b>Utilisation of Proceeds</b>	To augment long term resources for ongoing business activities of the Company

<b>Date of Opening</b>	August 17, 2022
<b>Date of Closing</b>	August 23, 2022
<b>Total Issue Size (₹ in lakh)</b>	4,999.99
<b>Amount raised in the issue (₹ in lakh)</b>	4,999.99
<b>Date of Allotment</b>	August 19, 2022
<b>Utilisation of Proceeds</b>	To augment long term resources for ongoing business activities of the Company and/or general corporate purposes.

**FY 2023-24 till date**

<b>Date of Opening</b>	June 3, 2023
<b>Date of Closing</b>	June 13, 2023
<b>Total Issue Size (₹ in lakh)</b>	5,699.99
<b>Amount raised in the issue (₹ in lakh)</b>	5,699.99
<b>Date of Allotment</b>	June 5, 2023
<b>Utilisation of Proceeds</b>	To augment long term resources for ongoing business activities of the Company and/or general corporate purposes.

**Private Placements of Equity Shares by our Company**

<b>Date of Opening</b>	August 16, 2021
<b>Date of Closing</b>	August 21, 2021
<b>Total Issue Size (₹ in lakh)</b>	7,999.99
<b>Amount raised in the issue (₹ in lakh)</b>	7,999.99
<b>Date of Allotment</b>	August 23, 2021
<b>Utilisation of Proceeds</b>	On-going business activities of the Company

**Issuance of NCDs by our Company**

Other than as disclosed in the section titled “*Financial Indebtedness*” on page 152 of the Shelf Prospectus, our Company has not undertaken any private placements prior to the date of this Tranche I Prospectus.

**Utilisation of issue proceeds of previous issues**

The proceeds from the previous issuance of non-convertible debentures by the Company have been and/or are being utilized in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, *inter alia*, to augment long-term resources of the Company, for on-lending and for general corporate purposes in accordance with the object clause of the Memorandum of Association of the Company.

**For FY 2020-21:**

<b>ISIN</b>	<b>INE03W107017</b>
<b>Date of opening</b>	June 3, 2020
<b>Date of closing</b>	June 3, 2020
<b>Total issue size (₹ In lakh)</b>	3,000.00
<b>Date of allotment</b>	June 3, 2020
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	June 5, 2020
<b>Objects of the issue</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
<b>Utilisation of proceeds</b>	The funds raised through this issue, after meeting the expenditures of and related to the Issue, have been used for our various financing activities, repay our existing loans and for our business operations.

<b>ISIN</b>	<b>INE03W107025</b>
<b>Date of opening</b>	June 9, 2020
<b>Date of closing</b>	June 9, 2020
<b>Total issue size (₹ In lakh)</b>	2,500.00
<b>Date of allotment</b>	June 9, 2020
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	June 11, 2020
<b>Objects of the issue</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
<b>Utilisation of proceeds</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, have been used for our various financing activities, repay our existing loans and for our business operations.

<b>ISIN</b>	<b>INE03W107033</b>
<b>Date of opening</b>	June 19, 2020
<b>Date of closing</b>	June 19, 2020
<b>Total issue size (₹ In lakh)</b>	5,000.00
<b>Date of allotment</b>	June 19, 2020
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	June 24, 2020
<b>Objects of the issue</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
<b>Utilisation of proceeds</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, have been used for our various financing activities, repay our existing loans and for our business operations.

<b>ISIN</b>	<b>INE03W107041</b>
<b>Date of opening</b>	June 29, 2020
<b>Date of closing</b>	June 29, 2020
<b>Total issue size (₹ In lakh)</b>	5,000.00
<b>Date of allotment</b>	June 29, 2020
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	Unlisted (listing denied by stock exchange)*
<b>Objects of the issue</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
<b>Utilisation of proceeds</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.

\*The Series IV NCDs which were allotted to Bank of India ("Investor") on June 26, 2020 and had been filed with BSE could not be listed by the Company with the BSE within 20 days, i.e. July 18, 2020, on account of not receiving the listing approval from BSE due to BSE's inability to process our application in view of Para 3(A)(i) and 3(A)(j) of Schedule I of SEBI (Issue and Listing of Debt Securities) Regulations, 2008. Accordingly, on non-receipt of the approval by BSE for listing the Series IV NCDs, on April 7, 2021, we prepaid ₹54,04,58,905 along with due interest to the Investor.

<b>Particulars</b>	
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<b>ISIN</b>	INE03W107058
<b>Date of opening</b>	July 3, 2020
<b>Date of closing</b>	July 3, 2020
<b>Total issue size (₹ In lakh)</b>	150.00
<b>Date of allotment</b>	July 3, 2020
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	Unlisted
<b>Objects of the issue</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
<b>Utilisation of proceeds</b>	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, have been used for our various financing activities, repay our existing loans and for our business operations.

<b>ISIN</b>	INE03W107066
<b>Date of opening</b>	December 31, 2020
<b>Date of closing</b>	December 31, 2020
<b>Total issue size (₹ In lakh)</b>	4,300.00
<b>Date of allotment</b>	December 31, 2020
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	Unlisted
<b>Objects of the issue</b>	The issue proceeds will be utilized for onward lending to customers as per RBI guidelines and towards general business purposes of the issuer, in compliance with relevant regulatory guidelines.
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for onward lending to customers as per RBI guidelines and towards general business purposes of the issuer, in compliance with relevant regulatory guidelines.

**For FY 2021-22:**

<b>ISIN</b>	INE03W107074
<b>Date of opening</b>	August 4, 2021
<b>Date of closing</b>	August 4, 2021
<b>Total issue size (₹ In lakh)</b>	7,500.00
<b>Date of allotment</b>	August 4, 2021
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	August 6, 2021
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer.
<b>Utilisation of proceeds</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer.

<b>ISIN</b>	INE03W107082
<b>Date of opening</b>	November 25, 2021
<b>Date of closing</b>	November 25, 2021
<b>Total issue size (₹ In lakh)</b>	7,500.00
<b>Date of allotment</b>	November 26, 2021
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	December 1, 2021
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer.
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for onward lending to customers as per RBI guidelines and towards general business purposes of the issuer, in compliance with relevant regulatory guidelines.

<b>ISIN</b>	INE03W107090
<b>Date of opening</b>	February 8, 2022
<b>Date of closing</b>	February 8, 2022
<b>Total issue size (₹ In lakh)</b>	10,000.00
<b>Date of allotment</b>	February 9, 2022
<b>Date of refunds/ unblocking of funds</b>	NA

<b>Date of listing</b>	February 11, 2022
<b>Objects of the issue</b>	Funding the loan book growth of the company (On-lending)
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for onward lending to customers as per RBI guidelines in compliance with relevant regulatory guidelines.

<b>ISIN</b>	INE03W107108
<b>Date of opening</b>	March 22, 2022
<b>Date of closing</b>	March 22, 2022
<b>Total issue size (₹ In lakh)</b>	5,000.00
<b>Date of allotment</b>	March 22, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	March 24, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer

#### For FY 22-23

<b>ISIN</b>	INE03W107116
<b>Date of opening</b>	June 27, 2022
<b>Date of closing</b>	June 27, 2022
<b>Total issue size (₹ In lakh)</b>	2,500.00
<b>Date of allotment</b>	June 27, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	July 1, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer

<b>ISIN</b>	INE03W107132
<b>Date of opening</b>	September 8, 2022
<b>Date of closing</b>	September 8, 2022
<b>Total issue size (₹ In lakh)</b>	1,320.00
<b>Date of allotment</b>	September 8, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	September 14, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer

<b>ISIN</b>	INE03W107157
<b>Date of opening</b>	September 23, 2022
<b>Date of closing</b>	September 23, 2022
<b>Total issue size (₹ In lakh)</b>	3,000.00
<b>Date of allotment</b>	September 23, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	September 28, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer

<b>ISIN</b>	INE03W107132 (Reissue under existing ISIN)
<b>Date of opening</b>	September 30, 2022
<b>Date of closing</b>	September 30, 2022
<b>Total issue size (₹ In lakh)</b>	1,286.00
<b>Date of allotment</b>	September 30, 2022

<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	October 7, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer

<b>ISIN</b>	INE03W108015
<b>Date of opening</b>	August 24, 2022
<b>Date of closing</b>	August 24, 2022
<b>Total issue size (₹ In lakh)</b>	6,000.00
<b>Date of allotment</b>	August 25, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	August 26, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer. Augmenting Tier II capital of the company.
<b>Utilisation of proceeds</b>	Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer

<b>ISIN</b>	INE03W107124
<b>Date of opening</b>	September 5, 2022
<b>Date of closing</b>	September 5, 2022
<b>Total issue size (₹ In lakh)</b>	5,000.00
<b>Date of allotment</b>	September 6, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	September 8, 2022
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	Financing activities and business operations of the issuer; repayment of existing debt, general corporate purposes of the issuer

<b>ISIN</b>	INE03W107140
<b>Date of opening</b>	September 28, 2022
<b>Date of closing</b>	September 28, 2022
<b>Total issue size (₹ In lakh)</b>	5,000.00
<b>Date of allotment</b>	September 29, 2022
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	October 3, 2022
<b>Objects of the issue</b>	Financing activities (on-lending purposes only)
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for onward lending to customers as per RBI guidelines in compliance with relevant regulatory guidelines.

<b>ISIN</b>	INE03W107165
<b>Date of opening</b>	January 6, 2023
<b>Date of closing</b>	January 6, 2023
<b>Total issue size (₹ In lakh)</b>	7,500.00
<b>Date of allotment</b>	January 6, 2023
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	January 11, 2023
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer.

<b>ISIN</b>	INE03W107199
<b>Date of opening</b>	March 21, 2023
<b>Date of closing</b>	March 21, 2023
<b>Total issue size (₹ In lakh)</b>	5,000.00
<b>Date of allotment</b>	March 23, 2023

<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	March 24, 2023
<b>Objects of the issue</b>	Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer
<b>Utilisation of proceeds</b>	The issue proceeds will be utilized for onward lending to customers as per RBI guidelines in compliance with relevant regulatory guidelines. The proceeds of this Issue shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/other regulatory guidelines

<b>ISIN</b>	INE03W107207
<b>Date of opening</b>	March 27, 2023
<b>Date of closing</b>	March 27, 2023
<b>Total issue size (₹ in lakh)</b>	7,500.00
<b>Date of allotment</b>	March 28, 2023
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	March 28, 2023
<b>Utilisation of proceeds</b>	The issue proceeds have been utilised for onward lending to customers, to repay existing debt, general corporate purposes of the issuer

<b>ISIN</b>	INE03W107181
<b>Date of opening</b>	March 21, 2023
<b>Date of closing</b>	March 21, 2023
<b>Total issue size (₹ In lakh)</b>	100.00
<b>Date of allotment</b>	March 23, 2023
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	March 24, 2023
<b>Objects of the issue</b>	Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer
<b>Utilisation of proceeds</b>	The issue proceeds will be utilized for onward lending to customers as per RBI guidelines in compliance with relevant regulatory guidelines. The proceeds of this Issue shall not be used for any purpose, which may be in contravention of the government/RBI/SEBI/other regulatory guidelines

<b>ISIN</b>	INE03W107173
<b>Date of opening</b>	January 27, 2023
<b>Date of closing</b>	January 27, 2023
<b>Total issue size (₹ In lakh)</b>	20,000.00
<b>Date of allotment</b>	January 30, 2023
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	February 1, 2023
<b>Objects of the issue</b>	Financing activities and business operations of the issuer; repayment of the existing debt, general corporate purposes of the issuer
<b>Utilisation of proceeds</b>	The issue proceeds have been utilized for onward lending to customers as per RBI guidelines in compliance with relevant regulatory guidelines. The proceeds of this Issue have not been used for any purpose, which may be in contravention of the government/ RBI/ SEBI/ other regulatory guidelines.

**For FY 23-24 (Till date)**

<b>ISIN</b>	INE03W108023
<b>Date of opening</b>	November 16, 2023
<b>Date of closing</b>	November 16, 2023
<b>Total issue size (₹ In lakh)</b>	7,500
<b>Date of allotment</b>	November 17, 2023
<b>Date of refunds/ unblocking of funds</b>	NA
<b>Date of listing</b>	November 21, 2023
<b>Objects of the issue</b>	Augmenting Tier 2 capital of the Company. Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer.

	The Issuer further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulations as may be applicable from time to time
<b>Utilisation of proceeds</b>	<p>Augmenting Tier 2 capital of the Company. Financing activities and business operations of the Issuer; repayment of the existing debt, general corporate purposes of the Issuer.</p> <p>Financing activities and business operations of the Issuer – up to 100%  Repayment of the existing debt – up to 100%  General corporate purposes of the Issuer – up to 25%</p> <p>The Issuer further undertakes that it shall not carry out any other activities as may be prohibited by RBI and / or such other regulations as may be applicable from time to time</p>

**Public / Rights Issues (to public shareholders) by our Group Companies in the last three years from this Tranche I Prospectus:**

**Public Issue of non-convertible debentures by our Group Companies.**

Our Group Companies have not undertaken any public issue of non-convertible debentures in last three years.

**Public issue of equity shares**

Our Group Companies have not undertaken any public issue of equity shares in last three years.

**Rights Issue by our Group Companies**

**Arka Investment Advisory Services Private Limited**

**Since Incorporation till date:**

<b>Date of Opening</b>	August 28, 2023
<b>Date of Closing</b>	September 7, 2023
<b>Total Issue Size (₹ in lakhs)</b>	200.00
<b>Amount raised in the issue (₹ in lakhs)</b>	200.00
<b>Date of Allotment</b>	August 28, 2023
<b>Utilisation of Proceeds</b>	To augment long term resources for ongoing business activities of the Company and/or general corporate purposes

**Optiqua Pipes and Electricals Private Limited**

**Since incorporation till date:**

<b>Date of Opening</b>	April 1, 2021
<b>Date of Closing</b>	April 7, 2021
<b>Total Issue Size (₹ in lakhs)</b>	850.00
<b>Amount raised in the issue (₹ in lakhs)</b>	850.00
<b>Date of Allotment</b>	April 8, 2021
<b>Utilisation of Proceeds</b>	Considering long term fund requirements for business operations of Optiqua Pipes and Electricals Private Limited, and for acquisition of business of Optiflex Industries, Partnership Firm, Ahmedabad, the funds were raised.

**Private Placements of Equity Shares by our Group Companies**

**Arka Investment Advisory Services Private Limited**

*Nil*

**Optiqua Pipes & Electricals Private Limited:**

Nil

### **Issuance of NCDs by our Group Company**

Other than as disclosed in this section, our Group Companies have not undertaken any private placements prior to the date of this Tranche I Prospectus.

### **Benefit/ interest accruing to Promoters/ Directors out of the Objects of the Tranche I Issue**

Neither our Promoters nor the Directors of our Company are interested in the Objects of this Tranche I Issue.

### **Utilisation of proceeds of the Issue by our Group Companies**

No proceeds of the Issue will be paid to our Group Companies.

### **Utilisation of issue proceeds of previous issues of non-convertible debentures**

There has been no issuance of non-convertible debentures by the Group Companies

### **Delay in listing**

There has been no delay in the listing of any non-convertible securities issued by our Company.

In the event of failure to list such securities within such days from the date of closure of this Tranche I Issue as may be specified by SEBI (scheduled listing date), all application moneys received or blocked in the public issue shall be refunded or unblocked forthwith within timelines prescribed by SEBI from the scheduled listing date to the applicants through the permissible modes of making refunds and unblocking of funds. For delay in refund/unblocking of funds beyond the timeline as specified above, the issuer shall be liable to pay interest at the rate of fifteen percent per annum to the investors from the scheduled listing date till the date of actual payment.

### **Default in payment**

In case of default (including delay) in payment of interest and/ or redemption of principal on the due dates for debt securities issued on private placement or public issue, additional interest of at least 2% p.a. over the coupon rate shall be payable by the issuer for the defaulting period.

### **Refusal of listing of any security of the issuer during last three financial years and current financial year by any of the stock exchanges in India or abroad.**

Except as disclosed in the Shelf Prospectus and this Tranche I Prospectus, there has been no refusal of listing of any security of our Company during the last three financial years and current financial year prior to the date of this Tranche I Prospectus by any Stock Exchange in India.

### **Debentures or bonds and redeemable preference shares and other instruments issued by our Company and outstanding**

As on September 30, 2023, our Company has outstanding non-convertible debentures. For further details see chapter titled "*Financial Indebtedness*" on page 152 of the Shelf Prospectus.

Our Company has not undertaken any issue of preference shares as of September 30, 2023.

Further, save and except as mentioned in the Shelf Prospectus, our Company has not issued any other outstanding debentures or bonds.

### **Dividend**

Our Company has not declared any dividend over the last three years.

### **Revaluation of assets**

Our Company has not revalued its assets in the last three financial years.

### **Mechanism for redressal of investor grievances**

Link Intime India Private Limited has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

The Registrar Agreement dated March 3, 2023 between the Registrar to the Issue and our Company, inter alia provide for retention of records with the Registrar to the Issue, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue or Company Secretary and Compliance Officer, giving full details such as name, address of the Applicant, number of NCDs applied for, amount paid on application and the bank branch or details of Member of Syndicate or Trading Member of the Stock Exchange where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to either (a) the relevant Designated Branch of the SCSB where the Application Form was submitted by the ASBA Applicant, or (b) the concerned Member of the Syndicate and the relevant Designated Branch of the SCSB in the event of an Application submitted by an ASBA Applicant at any of the Syndicate ASBA Centres, giving full details such as name, address of Applicant, Application Form number, series applied for, number of NCDs applied for, amount blocked on Application. All grievances related to the UPI process may be addressed to the Stock Exchange, which shall be responsible for addressing investor grievances arising from applications submitted online through the App based/ web interface platform of stock exchanges or through their Trading Members. The Intermediaries shall be responsible for addressing any investor grievances arising from the applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

The contact details of Registrar to the Issue are as follows:

#### **LINK INTIME INDIA PRIVATE LIMITED**

C-101, 1<sup>st</sup> Floor, 247 Park

L.B.S. Marg, Vikhroli West,

Mumbai – 400 083, Maharashtra, India

**Tel.:** +91 810 811 4949

**Email:** arkafincap.ncd@linkintime.co.in

**Attention:** Shanti Gopalkrishnan

**Investor Grievance Email:** arkafincap.ncd @linkintime.co.

**Website:** www.linkintime.co.in

**Contact Person:** Shanti Gopalkrishnan

**Compliance Officer:** B.N. Ramakrishnan

**SEBI Registration Number:** INR000004058

**CIN:** U67190MH1999PTC118368

The Registrar shall endeavour to redress complaints of the investors within 3 (three) days of receipt of the complaint during the currency of the Registrar Agreement and continue to do so during the period it is required to maintain records under the RTA Regulations and the Company shall extend necessary co-operation to the Registrar for its complying with the said regulations. However, the Registrar shall ensure that the time taken to redress investor complaints does not exceed 15 (fifteen) days from the date of receipt of complaint. The Registrar shall provide a status report of investor complaints and grievances on a fortnightly basis to the Company. Similar status reports should also be provided to the Company as and when required by the Company.

The details of the person appointed to act as Company Secretary and Compliance Officer for the purposes of the Issue are set out below:

#### **Niki Chirag Mehta**

2504, 2505, 2506, 25<sup>th</sup> Floor

One Lodha Place, Lodha World Towers

Senapati Bapat Marg, Lower Parel

Maharashtra, India

**Tel:** +91 22 4047 1000

**Fax:** +91 22 4047 1010

**Email:** niki.mehta@arkafincap.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre-issue or post Issue related issues such as non-receipt of Allotment Advice, demat credit or unblocking etc.

**Details of Auditors to the Issuer:**

Names of the Statutory Auditor	Address	Auditor since
P G BHAGWAT LLP	Suite 102, "Orchard" Dr. Pai Marg, Baner, Pune – 411 045 Maharashtra, India	November 19, 2021

**Change in auditors of our Company during the last three financial years and current financial year**

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
B S R & CO. LLP	14th Floor, Central and North Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon East, Mumbai – 400 063, Maharashtra, India	May 7, 2018	-	October 20, 2021
P G BHAGWAT LLP	Suite 102, "Orchard" Dr. Pai Marg Baner Pune – 411 045, Maharashtra, India	November 19, 2021	-	-

**Details regarding lending out of issue proceeds of Previous Issues**

**Details of overall lending by our Company**

**Lending Policy**

For lending policy in relation to each of the products of our Company, please see "Our Business – Our Operations" at page 102 of the Shelf Prospectus.

**A. Loans given by the Company**

The Company has not provided any loans/advances to associates, entities/persons relating to Board, senior management, Key Managerial Personnel or Promoters out of the proceeds of private placements or public issues of debentures.

**B. Type of loans**

*Classification of loans/advances given*

The detailed breakup of the types of loans given by the Company as on March 31, 2023 is as follows:

No.	Type of Loans	Amount (₹ in lakh)	Percentage of Total AUM
1.	Secured	3,95,425.74	90.72%
2.	Unsecured	40,429.28	9.28%
<b>Total AUM*</b>		<b>4,35,855.02</b>	<b>100.00%</b>

\* Information disclosed is at borrower level and includes off balance sheet items

**C. Denomination of loans outstanding by LTV as on March 31, 2023\***

No.	LTV (at the time of origination)	Percentage* of AUM
1.	Upto 40%	4.22%
2.	40-50%	8.64%

No.	LTV (at the time of origination)	Percentage* of AUM
3.	50 – 60%	30.48%
4.	60 – 70%	15.80%
5.	70 – 80%	15.53%
6.	80 – 90%	2.84%
7.	Above 90%	22.49%
	<b>Total</b>	<b>100.00%</b>

\*Calculated on secured AUM

**D. Sectoral Exposure as on March 31, 2023**

Sr. No	Segment wise break up of AUM	Percentage of AUM
1.	<b>Retail</b>	
A	Mortgages (home loans and loans against property)	21.17%
B	Gold loans	0.48%
C	Vehicle Finance	0.14%
D	MFIs	-
E	MSME	4.75%
F	Capital market funding (loans against shares, margin funding)	-
G	Others	0.55%
2.	<b>Wholesale</b>	
A	Infrastructure	3.99%
B	Real estate (including builder loans)	26.13%
C	Promoters funding	-
D	Any other sector (as applicable)	42.79%
E	Others	-
	<b>Total</b>	<b>100.00%</b>

**E. Denomination of the loans outstanding by ticket size as on March 31, 2023\***

No.	Ticket size (at time of origination)	Percentage of AUM
1.	Upto ₹ 2 lakh	0.96%
2.	₹ 2-5 lakh	1.24%
3.	₹ 5-10 lakh	0.92%
4.	₹ 10-25 lakh	0.85%
5.	₹ 25-50 lakh	0.63%
6.	₹ 50 lakh- 100 lakh	3.75%
7.	₹ 100 lakh - 500 lakh	16.44%
8.	₹ 500 lakh- 2500 lakh	11.21%
9.	₹ 2500 lakh- 10000 lakh	55.61%
10.	> ₹ 10000 lakh	8.39%
	<b>Total</b>	<b>100.00%</b>

\*The details provided are as per borrower and not as per loan account.

**F. Geographical classification of the borrowers as on March 31, 2023**

Top 5 state wise borrowers

No.	Top 5 states	Percentage of AUM
1.	Maharashtra	43.27%
2.	Karnataka	12.73%
3.	Delhi	9.57%
4.	Tamil Nadu	9.01%
5.	West Bengal	6.39%
	<b>Total</b>	<b>80.97%</b>

**G. Details of loans overdue and classified as non-performing as on March 31, 2023**

(₹ in lakh)

Movement of gross NPA#	Amount
Opening gross NPA	-
- Additions during the year	116.27
- Reductions during the year	81.73
Closing balance of gross NPA	34.54
<b>Movement of net NPA</b>	
Opening net NPA	-
- Additions during the year	-
- Reductions during the year	-
Closing balance of net NPA	-
<b>Movement of provisions for NPA</b>	
Opening balance	-
- Provisions made during the year	104.65
- Write-off / write-back of excess provisions	-
Closing balance	104.65

#### H. Segment-wise gross NPA as on March 31, 2023

No.	Segment wise break up of gross NPA	Gross NPA (%)*
1.	<b>Retail</b>	
a.	Mortgages (home loans and loans against property)	Nil
b.	Gold Loans	Nil
c.	Vehicle Finance	Nil
d.	MFI	Nil
e.	MSME	0.01%
f.	Capital market funding (loans against shares, margin funding)	Nil
g.	Others	0.00%
2.	<b>Wholesale</b>	
a.	Infrastructure	Nil
b.	Real Estate (including builder loans)	Nil
c.	Promoters funding	Nil
d.	Any other sector (as applicable)	Nil
e.	Others	Nil
<b>Total Gross NPA</b>		0.01%

\* Gross NPA means percentage of NPAs in a sector to the total advances

#### I. Residual Maturity Profile of Assets and Liabilities as on March 31, 2023

(₹ in lakh)

	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total
<b>Deposit</b>	-	-	-	-	-	-	-	-	-
<b>Advances</b>	7,169.41	9,158.17	8,680.62	39,816.42	60,170.21	1,46,991.80	19,826.21	68,029.43	3,69,842.26
<b>Investments</b>	8,866.45	113.43	13,117.34	8,581.52	928.30	7,579.72	-	-	39,186.76
<b>Borrowings*</b>	6,560.73	9,540.50	25,811.56	35,300.06	54,191.46	1,57,560.45	22,617.08	-	3,11,581.85
<b>Foreign Currency Assets</b>	-	-	-	-	-	-	-	-	-
<b>Foreign Currency Liabilities**</b>	-	-	-	-	-	-	-	-	-

The above disclosure is made as per RBI Guidelines on Liquidity Risk Management Framework

\*Total borrowings (excluding foreign currency liabilities)

\*\*includes foreign currency denominated external commercial borrowing

#### J. Details of top 20 borrowers with respect to concentration of advances as on March 31, 2023

Particulars	Amount
-------------	--------

Total advances to twenty largest borrowers* ( <i>₹ in lakh</i> )	1,45,904.39
Percentage of Advances to twenty largest borrowers to Total Advances to the Company (in %)	39.45%

\* Includes loans and advances, interest accrued thereon

**K. Details of aggregate exposure to the top 20 borrowers with respect to concentration of exposure as on March 31, 2023**

Particulars	Amount
Total exposure to twenty largest borrowers* ( <i>₹ in lakh</i> )	1,54,357.19
Percentage of exposure to twenty largest borrowers to Total exposure to the Company (in %)	35.41%

\* Includes loans and advances, interest accrued thereon

**L. Classification of loans/advances given to associates, entities/ person relating to board, senior management, Key Managerial Personnel or promoters, others, etc.; as on March 31, 2023**

Except as stated below, there are no loans/advances given to associates, entities/ person relating to board, senior management, Key Managerial Personnel or promoters, others, etc:

Mridul Sharma, Group Chief Operating Officer, a Senior Management Personnel has taken loan amounting to ₹ 40.00 lakhs from the Company and ₹ 2.35 lakhs is outstanding as on date of this Shelf Prospectus

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

**Contingent Liability as per IND AS 37 as at March 31, 2023**

			<i>(₹ in lakh)</i>
Sr. No.	Particulars	Nature of Liability	Amount as on March 31, 2023
1	Commitments	Loan sanctioned not yet disbursed	39,827.94
2	Commitments	Investment in Arka Credit Fund I	5,000.00
3	Commitments	Estimated amount of contracts remaining to be executed on capital account	21.24
<b>Total</b>			44,849.18

In addition, the Company may be involved in other legal proceedings and claims, in future, which may arise in the ordinary course of business.

For details see “Financial Information” on page 150 of the Shelf Prospectus.

**Promoters Shareholding**

Please see “Capital Structure” on page 45 of the Shelf Prospectus, for details with respect to Promoter shareholding in our Company as on September 30, 2023.

**Pre-Issue Advertisement**

Our Company will issue a statutory advertisement in compliance with Regulation 30(1) of the SEBI NCS Regulations on or before the Tranche I Issue Opening Date of this Tranche I Issue. The Advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche I Prospectus with the ROC and the date of the release of the statutory advertisement will be included in the statutory advertisement.

**Auditors’ Remarks**

Other than as disclosed in the chapter titled “Risk Factors”, on page 16 of the Shelf Prospectus, there are no reservations or qualifications or adverse remarks in the financial statements of our Company in the last three Fiscals and quarter and half year ended September 30, 2023.

**Trading**

The non-convertible debentures of our Company are currently listed on BSE.

**Caution**

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who:*

- (a) makes or abets making of an application in a fictitious name to a company for acquiring or subscribing for, its securities; or*
- (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*
- (c) otherwise induces directly or indirectly a company to allot, or register any transfer of securities to him, or any other person in a fictitious name shall be liable for action under section 447.”*

**Disclaimer in respect of Jurisdiction**

Exclusive jurisdiction for the purpose of the Issue is with the competent courts of jurisdiction in Mumbai, India.

## SECTION III – ISSUE RELATED INFORMATION

### ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in “*Terms of the Issue*” beginning on page 79.

The NCDs being offered as part of this Tranche I Issue are subject to the provisions of the SEBI NCS Regulations, the Listing Agreement, SEBI Listing Regulations, and the Companies Act, 2013, the RBI Act, the terms of the Shelf Prospectus, this Tranche I Prospectus, the Application Form, the terms and conditions of the Debenture Trustee Agreement and the Debenture Trust Deed, and other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI, RBI, the Government of India, and other statutory/regulatory authorities relating to the offer, issue and listing of NCDs and any other documents that may be executed in connection with the NCDs.

The key common terms and conditions of the NCDs / term sheet are as follows:

<b>Issuer</b>	Arka Fincap Limited
<b>Type of instrument</b>	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
<b>Nature of the Instrument</b>	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
<b>Mode of the Issue</b>	Public Issue
<b>Mode of Allotment</b>	In dematerialised form
<b>Mode of Trading</b>	NCDs will be traded in dematerialised form
<b>Lead Managers</b>	JM Financial Limited and Nuvama Wealth Management Limited (formerly known as Edelweiss Securities Limited)
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited
<b>Depositories</b>	NSDL and CDSL
<b>Registrar to the Issue</b>	Link Intime India Private Limited
<b>Tranche I Issue</b>	Public issue by the Company of secured, rated, listed, redeemable non-convertible debentures of face value of ₹ 1,000 each (“NCDs” or “Debentures”) for an amount of ₹ 15,000 lakh (“Base Issue Size”) with an option to retain oversubscription up to an amount of ₹ 15,000 lakh (“Green Shoe Option”) amounting to ₹ 30,000 lakh (“Tranche I Issue Limit”) (“Tranche I Issue”) which is within the shelf limit of ₹50,000 lakhs
<b>Minimum Subscription</b>	75% of the Base Issue Size i.e. ₹11,250 lakhs
<b>Seniority</b>	Senior Secured
<b>Tranche I Issue Size</b>	₹ 30,000 lakhs
<b>Base Issue Size</b>	₹ 15,000 lakhs
<b>Option to Retain Oversubscription / Green shoe option (Amount)</b>	₹ 15,000 lakhs
<b>Eligible Investors</b>	Please see “ <i>Issue Procedure –Who can apply?</i> ” on page 100
<b>Objects of the Issue / Purpose for which there is requirement of funds</b>	Please see “ <i>Objects of the Tranche I Issue</i> ” on page 39
<b>Details of Utilization of the Proceeds</b>	Please see “ <i>Objects of the Tranche I Issue</i> ” on page 39
<b>Coupon rate</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Coupon Payment Date</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Coupon Type</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Coupon reset process</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Interest Rate on each category of investor</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Step up/ Step Down Coupon rates</b>	Not Applicable
<b>Coupon payment frequency</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Day count basis</b>	Actual / Actual
<b>Interest on application money</b>	NA
<b>Default Coupon rate</b>	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws.

	Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
<b>Tenor</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Redemption Date</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Redemption Amount</b>	Please see “ <i>Issue Structure</i> ” on page 70
<b>Redemption Premium/ Discount</b>	Not Applicable
<b>Face Value</b>	₹ 1,000 per NCD
<b>Issue Price</b>	₹ 1,000 per NCD
<b>Discount at which security is issued and the effective yield as a result of such discount</b>	Not Applicable
<b>Premium/Discount at which security is redeemed and effective yield as a result of such premium/discount</b>	Not Applicable
<b>Transaction Documents</b>	Transaction Documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus for Tranche I Issue, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agencies, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Managers and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, “ <i>Material Contracts and Document for Inspection</i> ” on page 135
<b>Put option date</b>	Not Applicable
<b>Put option price</b>	Not Applicable
<b>Call option date</b>	Not Applicable
<b>Call option price</b>	Not Applicable
<b>Put notification time</b>	Not Applicable
<b>Call notification time</b>	Not Applicable
<b>Minimum Application size and in multiples of NCD thereafter</b>	₹ 10,000 (10 NCD) and in multiple of ₹ 1,000 (1 NCD) thereafter.
<b>Market Lot / Trading Lot</b>	1 (One) NCD
<b>Pay-in date</b>	Application Date. The entire Application Amount is payable on Application.
<b>Credit Ratings / Rating of the instrument</b>	CRISIL AA-/Positive (pronounced as CRISIL double A minus rating with Positive outlook) by CRISIL Ratings Limited for an amount of ₹ 50,000 lakh vide their rating letter dated October 9, 2023 and further revalidated vide letter dated November 3, 2023. The rating has been reaffirmed and outlook revised from CRISIL AA-/ Stable (Pronounced as CRISIL double A minus rating with Stable outlook) for an amount of ₹ 50,000 lakh, originally issued vide their rating letter dated January 20, 2023.
<b>Stock Exchange/s proposed for listing of the NCDs</b>	BSE Limited
<b>Listing and timeline for listing</b>	The NCDs are proposed to be listed on BSE. The NCDs shall be listed within six Working Days from the date of Tranche I Issue Closure. BSE has been appointed as the Designated Stock Exchange.  For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 44.
<b>Modes of payment</b>	Please see “ <i>Issue Structure – Terms of Payment</i> ” on page 74.
<b>Tranche I Issue opening date</b>	Thursday, December 7, 2023
<b>Tranche I Issue closing date**</b>	Wednesday, December 20, 2023

<b>Date of earliest closing of the Tranche I issue, if any</b>	Not Applicable
<b>Record date</b>	<p>The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Company under this Tranche I Prospectus.</p> <p>Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchanges, as the case may be.</p> <p>In case Record Date falls on a day when Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges will be deemed as the Record Date</p>
<b>Settlement mode of instrument</b>	Please refer to the chapter titled “ <i>Terms of Issue – Payment on Redemption</i> ” on page 93.
<b>Disclosure of interest/ Dividend/ redemption dates</b>	Please refer to the chapter titled “ <i>Terms of Issue – Payment on Redemption</i> ” on page 93.
<b>All covenants of the Issue (including side letters, accelerated payment clause, etc.)</b>	The Company shall comply with the representations and warranties, general covenants, negative covenants, reporting covenants and financial covenants as more specifically set out in the Debenture Trust Deed and as specified in the Tranche I Prospectus. Any covenants later added shall be disclosed on the websites of the Stock Exchange, where the NCDs are proposed to be listed. Please refer to the chapter titled “ <i>Terms of Issue</i> ” on page 79.
<b>Tranche I Issue Schedule</b>	<p>Tranche I Issue Opening Date – Thursday, December 7, 2023</p> <p>Tranche I Issue Closing Date – Wednesday, December 20, 2023</p>
<b>Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Tranche I Prospectus</b>	<p>The principal amount of the NCDs to be issued in terms of the Shelf Prospectus, this Tranche I Prospectus together with all interest due and payable on the NCDs thereof, shall be secured by way of first pari passu charge by way of hypothecation on the present and future receivables, including cash, cash equivalents and liquid investments of the Company, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 1.10 times (1.10x) of the outstanding principal amounts of the NCDs and all interest due and payable thereon is maintained at all times until the Maturity Date.</p> <p>Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in the Tranche I Prospectus for Tranche I Issue and the Debenture Trust Deed, till the execution of the Debenture Trust Deed.</p> <p>The security shall be created prior to making the listing application for the NCDs with the Stock Exchanges. For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see “<i>Terms of the Issue – Security</i>” on page 79.</p>
<b>Security Cover</b>	Our Company shall maintain a minimum 1.10 times security cover on the outstanding balance of the NCDs plus accrued interest thereon.
<b>Conditions Precedent to Disbursement</b>	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedent to the Tranche I Issue.
<b>Condition Subsequent to Disbursement</b>	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Tranche I Issue.

<b>Events of default (including manner of voting/ conditions of joining Inter Creditor Agreement)</b>	Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 80.
<b>Creation of recovery expense fund</b>	Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and inform the Debenture Trustee regarding the creation of such fund. The Recovery expense fund may be utilized by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, and the Applicable Laws, for taking appropriate legal action to enforce the security.
<b>Conditions for breach of covenants (as specified in Debenture Trust Deed)</b>	<p>Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in the term sheet and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, if and as set out in the Debenture Trust Deed, it shall constitute an event of Default.</p> <p>The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions provided in the Debenture Trust Deed contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.</p> <p>Please see “<i>Terms of the Issue - Events of default</i>” on page 80.</p>
<b>Deemed date of Allotment</b>	The date on which the Board of Directors or Asset Liability committee authorised by the Board approves the Allotment of NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors or Asset Liability committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for this Tranche I Issue by way of this Tranche I Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.
<b>Roles and responsibilities of the Debenture Trustee</b>	As per SEBI (Debenture Trustees) Regulations, 1993, SEBI Debenture Trustee Master Circular, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, Companies Act, the Listing Agreement, and the Debenture Trust Deed, each as amended from time to time. Please see section titled “ <i>Terms of the Issue- Trustees for the NCD Holders</i> ” on page 80.
<b>Risk factors pertaining to the Issue</b>	Please see section titled “ <i>Risk Factors</i> ” on page 16 of the Shelf Prospectus.
<b>Cross Default Clause</b>	As per the Debenture Trust Deed to be executed in accordance with applicable law.
<b>Governing law and Jurisdiction</b>	The governing law and jurisdiction for the purpose of the Issue shall be Indian law, and the competent courts of jurisdiction in Mumbai, India, respectively.
<b>Working day convention / Day count convention / Effect of holidays on payment</b>	<p>Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the “<b>Effective Date</b>”), however the dates of the future interest payments would continue to be as per the originally stipulated schedule.</p> <p>Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment.</p>
<b>Covenants</b>	Please see “ <i>Issue Structure – Covenants of the Tranche I Issue</i> ” on page 75

**Notes:**

\* In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form. However, in terms of Section 8(1) of the Depository Act, our Company, at the request of the Investors, who wish to hold the NCDs in physical form will fulfill such request. However, trading in NCDs shall be compulsorily in dematerialized form.

\*\* The subscription list shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period indicated in this Tranche I Prospectus, except that this Tranche I Issue may close on such earlier date or extended date (subject to a minimum period of three Working Days and a maximum period of ten Working Days from the date of opening of the Tranche I Issue and subject to not exceeding thirty days from the date of filing of this Tranche I Prospectus with ROC) as may be decided by the Board of Directors or Asset Liability Committee of our Company, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of the Tranche I Issue has been given on or before such earlier or initial date of such Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. or such extended time as may be permitted by the Stock Exchange. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Issue Closing Date. On the Issue Closing Date, Application Forms will be accepted only from 10:00 a.m. till 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by BSE. For further details please see “General Information” on page 17.

For the list of documents executed/ to be executed, please see “Material Contracts and Documents for Inspection” on page 135.

While the NCDs are secured to the tune of 1.10 times of the principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

### Specific terms for NCDs

Series	I	II	III	IV*	V	VI
Frequency of Interest Payment	Quarterly	Annual	Quarterly	Annual	Quarterly	Annual
Minimum Application	₹ 10,000 (10 NCDs) across all series					
In Multiples of thereafter	₹ 1,000 (1 NCD)					
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000					
Tenor	24 Months	24 Months	36 Months	36 Months	60 Months	60 Months
Coupon (% per annum) for NCD Holders in all Categories	9.00%	9.30%	9.30%	9.65%	9.65%	10.00%
Effective Yield (% per annum) for NCD Holders in all Categories	9.29%	9.29%	9.62%	9.64%	9.99%	9.99%
Mode of Interest Payment	Through various modes available					
Redemption Amount (₹ / NCD) on Maturity for NCD Holders in all Categories	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000	₹ 1,000
Maturity/Redemption Date (from the Deemed Date of Allotment)	24 Months	24 Months	36 Months	36 Months	60 Months	60 Months
Put and Call Option	Not Applicable					

\*Our Company shall allocate and allot Series IV NCDs (Annual Option) wherein the Applicants have not indicated the choice of the relevant NCD Series

- With respect to Series I, III and V, where interest is to be paid on a quarterly basis, relevant interest will be paid on the same date of relevant month of each quarter from the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under Quarterly Series will be made at the time of redemption of NCDs.
- With respect to Series II, IV and VI, where interest is to be paid on annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under Annual Series will be made at the time of redemption of NCDs.
- Please see “Annexure C” for details pertaining to the cash flows of the Company in accordance with the SEBI Master Circular.
- Subject to applicable tax deducted at source. For further details, please see the section entitled “Statement of Possible Tax Benefits” on page 27.
- Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Tranche I Issue. For further details, see “Issue Procedure” and “Terms of Issue” on page 99 and 79, respectively.

### Terms of payment

The entire face value per NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants

that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms specified in “*Terms of the Issue – Manner of Payment of Interest/Refund/Redemption*” on page 90.

Participation by any of the above-mentioned Investor classes in the Tranche I Issue will be subject to applicable statutory and/or regulatory requirements. Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/or regulatory provisions.

The NCDs have not been and will not be registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Applications may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. In particular, the NCDs have not been and will not be registered under the U.S. Securities Act, 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. The Issuer has not registered and does not intend to register under the U.S. Investment Company Act, 1940 in reliance on section 3(c)(7) thereof. The Shelf Prospectus and this Tranche I Prospectus may not be forwarded or distributed to any other person and may not be reproduced in any manner whatsoever, and in particular, may not be forwarded to any U.S. Person or to any U.S. address.

Applications may be made in single or joint names (not exceeding three). Applications should be made by Karta in case the Applicant is an HUF. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names. In case of Application Form being submitted in joint names, the Applicants should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Application Form. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form.

This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

#### **Day Count Convention**

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

#### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment or as may be specified for the relevant series of NCDs. The interest/redemption payments shall be made only on the Working Days. For further details, please see Annexure C “*Illustrative Cash flow and Day Count Convention*”.

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory Permissions / consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue.**

For further details, see the section titled “*Issue Procedure*” on page 99.

#### **Covenants of the Tranche I Issue**

## **A. Financial Covenants**

(a) Until the Final Settlement Date, the Company shall:

- i. Maintain a capital adequacy ratio of (i) Tier 1 Capital and Tier 2 Capital (as defined by RBI under the relevant prudential guidelines applicable to the Company) to (ii) aggregate of risk weighted assets on-balance sheet and risk adjusted value of off-balance sheet items, of more than 15% (Fifteen Percent) during the term of the Debentures; provided that in the event the minimum ratio prescribed by RBI is higher than the ratio stipulated hereinabove, the Company shall ensure compliance with such higher ratio.
- ii. The Company shall ensure that ratio of its Net Debt to Equity is not more than 5:1. For the purposes of this clause, 'Net Debt' shall mean aggregate financial indebtedness of the Company reduced to the extent of cash, bank balance and its equivalents available with the Company and 'Equity' shall mean paid up equity share capital of the Company along with securities premium and free reserves excluding revaluation reserve.
- iii. The Company shall ensure that the Net non-performing assets (NPA) of the Company shall not exceed 4.5% (Four and Half Percent). Net NPA means percentage of gross NPAs net of provisions to the net total advances.

(b) The covenants identified in this Clause shall be tested on annual basis and the Company shall submit to the Debenture Trustee on annual basis, within 120 (one hundred twenty) days from the end of every Financial Year, certificates signed by a director or the Chief Financial Officer of the Company, confirming the Company's compliance on the basis of standalone audited balance sheet of the Company for the relevant Financial Year.

## **B. Rating Covenants**

Until the Final Settlement Date, the Company shall ensure that the Credit Rating of the NCDs should not fall below two notches from current Credit Rating provided by the Rating Agency.

## **C. Reporting Covenants**

Until the Final Settlement Date, the Company shall ensure that all the reporting covenants as per the provisions of SEBI LODR Regulations are complied with.

a. The Company shall submit to the Debenture Trustee the following:

- i. Updated list of names and addresses of all the NCD Holders and the number of NCDs held by the NCD Holders;
- ii. Details of interest due but unpaid, if any, and reasons for the same;
- iii. Details of payment of interest made on the NCDs in the immediately preceding calendar quarter;
- iv. A statement indicating material deviations, if any in utilisation of the proceeds of the Debentures;
- v. Any events of default;
- vi. all grievances received from the NCD Holders;
- vii. any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- viii. any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company;
- ix. Quarterly/half yearly/annual financial results in compliance with applicable laws;
- x. any change in the Constitutional Documents of the Company;
- xi. promptly, and in any event within 2 (two) Business Days of receiving any notice of any application for winding up/insolvency having been made;
- xii. a certificate certifying maintenance of security cover;
- xiii. provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of the Security Interest over the Hypothecated Assets;
- xiv. The number of grievances pending at the beginning of the quarter, the number and nature of grievances received from the NCD Holders during the quarter, resolved/disposed of by the Company in the quarter and those remaining unresolved by the Company and the reasons for the same; and
- xv. Statement that the Hypothecated Assets is sufficient to discharge the claims of the NCD Holders as and

when they become due and as mentioned in the asset cover certificate.

- xvi. The Company shall ensure that all the reporting covenants as per the provisions of SEBI LODR Regulations are complied with including but not limited to the following:
  - xvii. Promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee;
  - xviii. Inform the Stock Exchange and the Debenture Trustee all information having bearing on the performance/operation of the Company, any price sensitive information or any action that may affect the payment of interest or Redemption of the NCDs in terms of Regulation 51(2) of the SEBI (LODR) Regulations.
  - xix. Inform the Debenture Trustee the status of payment (whether in part or full) of NCDs within 1 (one) Business Day of the payment/redemption.
- b. The Company shall promptly inform the Debenture Trustee the details (if any) on corporate debt restructuring; fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and/or reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company.
  - c. The Company shall submit to the stock exchange for dissemination, along with the quarterly/annual financial results, all information required under Regulation 52(4) of the SEBI (LODR) Regulations and submit the financial statements to the Debenture Trustee on the same day.

#### ***D. Affirmative Covenants***

The Company shall comply with the following covenants:

- a. Use of Proceeds as per the purpose of this Tranche I Issue;
- b. Promptly inform the Debenture Trustee of any loss or damage by uncovered risks;
- c. Pay all reasonable costs and expenses;
- d. Payment of Rents, etc.;
- e. Preservation of corporate status;
- f. Payment of stamp duty as required under applicable laws;
- g. Prompt and expeditious redressal of investor grievances;
- h. Comply with investor education and protection fund requirements;
- i. Comply with any corporate governance requirements and fair practices code applicable to the Company;
- j. Comply with all Applicable Law (including but not limited to the Companies Act, the SEBI Listed NCDs Circulars, the SEBI Monitoring Circulars, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), the SEBI Debenture Trustees Regulations;
- k. Maintenance of adequate Security;
- l. Ensure execution of all transaction documents without any delay;
- m. Maintain internal control for the purpose of preventing fraud on amounts lent by the Company; and preventing money being used for money laundering or illegal purposes;
- n. Permit visits and inspection of books of records, documents and accounts to the Debenture Trustee;
- o. Keep proper books of account as required by applicable laws;
- p. Keep at its registered office, a register of the NCD Holders or ensure that the Depository maintains a register and index of beneficial owners of the dematerialised NCDs in their records;
- q. Ensure compliance with the provisions of the Foreign Account Tax Compliance Act (“FATCA”); and
- r. Comply with all listing and monitoring requirements.

#### ***E. Negative Covenants***

The Company shall not take any action in relation to the items set out below without the prior written consent of the Debenture Trustee as prescribed under the Debenture Trust Deed:

##### ***a. Change of Business; Constitutional Documents***

- i. change the general nature of its business from that which is permitted as a non-deposit accepting non-banking financial company registered with the RBI; or
- ii. any changes, amendments, or modifications to its Constitutional Documents which would impact the consummation of the transactions contemplated under the Transaction Documents or otherwise prejudice/ adversely impact the rights/interest of the NCD Holders or in any manner alter the terms of the NCDs.

**b. Dividend**

- i. declare or pay any dividend to its shareholders (including holders of preference shares) during any Financial Year unless it has paid or made arrangements to pay all the dues to the NCD Holders up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof; or
- ii. if an Event of Default has occurred and is continuing, declare or pay any dividend to its shareholders (including holders of preference shares).

**c. Insolvency**

The Company shall not, without the prior consent of the Debenture Trustee, voluntarily wind up or liquidate or dissolve its affairs or make any filing for initiation of corporate insolvency resolution process or liquidation under the Insolvency and Bankruptcy Code, 2016 or under any other Applicable Laws.

**d. NCD Terms**

The Company shall not make any modification to the structure of the NCDs in terms of coupon, conversion, redemption, or otherwise without the prior approval of the Stock Exchange and such prior approval of the Stock Exchange would be obtained only after: (a) approval of the Board and the Debenture Trustee; and (b) complying with the provisions of Act, SEBI NCS Regulations, SEBI LODR Regulations and circulars issued thereunder, including approval of the requisite majority of NCD Holders. Further, any proposal of restructuring received by Debenture Trustee shall be communicated to NCD Holders immediately.

**e. Investments**

The Company shall not, other than in its ordinary course of business, without the prior consent of the Debenture Trustee, make any investment by way of deposits, loans, bonds, share capital, or in any other form upon the occurrence of any Event of Default.

**f. Encumbrance**

The Company shall not, without the prior consent of the Debenture Trustee in case the Security Cover as prescribed in the Tranche I Prospectus is not maintained, create or permit to subsist any encumbrance on any book debts of the Company on which hypothecation is created in relation to the NCDs issued pursuant to this Tranche I Issue.

The Company shall comply with the representations and warranties, general covenants, negative covenants, reporting covenants and financial covenants as more specifically set out in the Debenture Trust Deed and as specified in the Prospectus. Any covenants later added shall be disclosed on the websites of the Stock Exchanges, where the NCDs are proposed to be listed.

**F. Management Covenant**

Kirloskar Oil Engines Limited continues to remain promoter of Arka Fincap Limited.

## TERMS OF THE ISSUE

### Authority for the Issue

At the meeting of the Board of Directors of our Company held on July 22, 2022, the Board of Directors approved the issuance of NCDs, for an amount up to ₹ 50,000 lakhs. Further, the present borrowing is within the borrowing limits of ₹ 7,00,000 lakhs under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the Annual General Meeting held on June 16, 2023. The Asset Liability Committee at its meeting held on November 28, 2023, passed the resolution approving the Shelf Prospectus and this Tranche I Prospectus.

The NCDs pursuant to this Tranche I Issue will be issued on terms and conditions as set out in the Shelf Prospectus and this Tranche I Prospectus.

### Principal Terms & Conditions of the Issue

The NCDs being offered as part of this Tranche I Issue are subject to the provisions of the SEBI NCS Regulations, the relevant provisions of the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Draft Shelf Prospectus, Shelf Prospectus, this Tranche I Prospectus, the Abridged Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Agreement and the Debenture Trust Deed, other applicable statutory and/or regulatory requirements including those issued from time to time by SEBI/the Government of India/BSE, and/or other statutory/regulatory authorities relating to the offer, issue and listing of securities and any other documents that may be executed in connection with the NCDs.

### Ranking of NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall also, with regard to the amount invested, thereof shall be secured by a first pari passu charge by way of hypothecation on the present and future receivables, including cash, cash equivalents and liquid investments of the Company, as specifically set out in and fully described in the deed of hypothecation in favour of the debenture trustee to the Issue, such that a security cover of at least 110% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating first pari passu charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company is required to obtain permissions or consents from the prior creditors for proceeding with this Tranche I Issue. Pursuant to SEBI Debenture Trustee Master Circular, our Company undertakes, inter alia, that the assets on which pari passu charge is created are already charged, the permissions or consent to create first pari passu charge by way of hypothecation on the present and future receivables, including cash, cash equivalents and liquid investments of the Company have been obtained.

### Security

The principal amount of the NCDs to be issued in terms of this Tranche I Prospectus together with all interest due and payable on the NCDs thereof, shall be secured by a first pari passu charge by way of hypothecation on the present and future receivables, including cash, cash equivalents and liquid investments of the Company, as specifically set out in and fully described in the debenture trust deed in favour of the debenture trustee to the Proposed Issue, such that a security cover of at least 110% of the outstanding principal amounts of the NCDs and interest thereon is maintained at all times until the Maturity Date. We have received necessary consents from the relevant debenture trustees and security trustees for creating a pari passu charge in favour of the Debenture Trustee in relation to the NCDs.

Our Company intends to enter into a deed with the Debenture Trustee, (“**Debenture Trust Deed**”) terms of which will inter alia, govern the powers, authorities and obligations of the Debenture Trustee. Our Company proposes to complete the execution of the Debenture Trust Deed and documents for creation of Security within the stipulated timeframe and shall utilize the funds only after the stipulated security has been created. Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in this Tranche I Prospectus and in the Debenture Trust Deed. The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset/receivables of the same or a higher value ensuring the minimum security cover is maintained till the Final Settlement Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in Tranche I Prospectus, till the execution of the Debenture Trust Deed.

### **Debenture Redemption Reserve**

In accordance with the Companies Act, 2013, and the Companies (Share Capital & Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with this Tranche I Issue.

Our Company shall, as per the Companies (Share Capital & Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31<sup>st</sup> day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

1. in deposits with any scheduled bank, free from any charge or lien;
2. in unencumbered securities of the Central Government or any State Government;
3. in unencumbered securities mentioned in sub-clause (a) to (d) and (ee) of section 20 of the Indian Trusts Act, 1882;
4. in unencumbered bonds issued by any other company which is notified under sub-clause (f) of section 20 of the Indian Trusts Act, 1882;

Provided further that the amount invested or deposited as above shall not be used for any purpose other than for redemption of debentures maturing during the year referred above.

### **Face Value**

The face value of each NCD shall be ₹ 1,000.

### **Trustees for the NCD Holders**

Our Company has appointed Catalyst Trusteeship Services Limited to act as the Debenture Trustee for the NCD Holders in terms of Regulation 8 of the SEBI NCS Regulations and Section 71 (5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us. The NCD 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 NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

The Debenture Trustee will protect the interest of the NCD Holders in the event of default by us in regard to timely payment of interest and repayment of principal and they will take necessary action at our cost.

### **Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)**

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, (subject to being indemnified and/or secured by the NCD Holders to its satisfaction), give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice *inter alia* if any of the events listed below occurs. The description below is indicative and a complete list of events of default and its consequences will be specified in the Debenture Trust Deed.

Indicative list of Events of Default:

1. Default in redemption of the debentures together with redemption premium, if any, interest accrued thereon as and when the same shall have become due and payable or payment of any other amounts in terms of the Debenture Trust Deed;
2. Default is committed in payment of the principal amount of the NCDs on the due date(s);
3. Default is committed in payment of any interest or any other amount outstanding in respect of on the NCDs on the due date(s);
4. Default is committed in the performance of any other covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee and such default shall have continued for a period of thirty (30) days after notice in writing thereof been given to the Company by the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee for remedying such default;
5. Default is committed if any information given to the Company in the Draft Shelf Prospectus, the Shelf Prospectus, Tranche I Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is found to be incorrect;
6. Default is committed if the Company is unable to or admits in writing its inability to pay its debts as they mature or proceedings for taking it into liquidation have been admitted by any competent court;
7. The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or suffered any action to be taken for its reorganisation, liquidation or dissolution;
8. Default is committed if any extraordinary circumstances have occurred which makes it impossible for the Company to fulfil its obligations under the Debenture Trust Deed and/or the Debentures; If the Company is unable to pay its debts;
9. The Company ceases to carry on its business or gives notice of its intention to do so;
10. If it is certified by an accountant or a firm of accountants appointed by the Debenture Trustee that the liabilities of the Company exceed its assets;
11. Default is committed if any of the necessary clearances required or desirable in relation to the Company or the Debentures in accordance with any of the Transaction Documents is not received or is revoked or terminated, withdrawn, suspended, modified or withheld or shall cease to be in full force and effect which shall, in the reasonable opinion of Debenture Holder(s)/ Beneficial Owner(s), have material adverse effect on the Company or the Debentures;
12. Default is committed if the company enters into any arrangement or composition with its creditors or commits any acts of insolvency or winding up of the Company;
13. If the Company files a petition for reorganisation, arrangement, adjustment, winding up or composition of debts of the Company or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding (other than a proceeding commenced voluntarily by the Company is not stayed, quashed or dismissed);
14. If the Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors;
15. If it becomes unlawful for the company to perform any of its obligations under any transaction document;
16. Default is committed if the occurrence of any event or condition which in the Debenture Trustee/ Beneficial Owner(s) reasonable opinion can constitute a material adverse effect;

17. Any security created at any time, any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or endangers any hypothecated properties or any part thereof or any event occurs which causes the Debenture Deed or any related agreement to become ineffective;
18. Except as stated in the Debenture Trust Deed and the Shelf Prospectus, this Tranche I Prospectus, any security created at any time during the tenure of the NCDs, without prior written consent of the Debenture Trustee (if required) or unless otherwise provided for in the Debenture Trust Deed, the Company, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over any of the hypothecated properties, and
19. Any other event described as an Event of Default in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and the Transaction Documents.

Except for any default relating to points 1, 2 and 3 under the “Indicative list of Events of Default” given above, where no such consent/ resolution of NCD holders will be required for calling of event of default any event of default shall be called by the Debenture Trustee, upon request in writing of or by way of resolution passed by holders of 75% (seventy five percent) of the outstanding nominal value of all NCDs at any point of time, as set out in the Debenture Trust Deed, in accordance with SEBI Debenture Trustee Master Circular.

Any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s) of NCDs issued.

In accordance with the SEBI Debenture Trustee Master Circular, post the occurrence of a “default”, the consent of the NCD Holders for entering into an inter-creditor agreement (the “ICA”)/enforcement of security shall be sought by the debenture trustee after providing a notice to the investors in the manner stipulated under applicable law. Further, the meeting of the NCD Holders shall be held within the period stipulated under applicable law. In case(s) where majority of investors express their consent to enter into the ICA, the debenture trustee shall enter into the ICA on behalf of the investors upon compliance with the conditions as stipulated in the abovementioned circular. In case consents are not received for signing the ICA, the debenture trustee shall take further action, if any, as per the decision taken in the meeting of the investors. The consent of the majority of investors shall mean the approval of not less than 75% of the investors by value of the outstanding debt and 60% of the investors by number at the ISIN level.

Explanation 2 to Regulation 49 of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest/dividend or principal on debt.

It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the SEBI Debenture Trustee Master Circular.

#### **NCD Holder not a Shareholder**

The NCD Holders will not be entitled to any of the rights and privileges available to the equity and/or preference shareholders of our Company, except to the extent of the right to receive the annual reports of our Company and such other rights as may be prescribed under the Companies Act, 2013 and the rules prescribed thereunder and the SEBI Listing Regulations and any other applicable law.

#### **Rights of NCD Holders**

Some of the significant rights available to the NCD Holders are as follows:

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the holders thereof any rights or privileges available to our Company’s members/shareholders including, without limitation, the right to attend and/or vote at any general meeting of our Company’s members/shareholders. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members/shareholders of our Company, the said resolution will first be placed before the concerned registered NCD Holders for their consideration.
2. In terms of Section 136 (1) of the Companies Act, 2013, holders of NCDs shall be entitled to inspect a copy of the financial statements including consolidated financial statements, if any, auditor’s report and every other document required by law to be annexed or attached to the financial statements, and copy of the Debenture Trust Deed at the

Registered Office of our Company during business hours on a specific request made to the Company.

3. Subject to the above and the applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
4. Subject to applicable statutory/regulatory requirements and terms of the Debenture Trust Deed, the registered NCD Holder or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.
5. The NCDs are subject to the provisions of the SEBI NCS Regulations, the Companies Act, 2013, the Memorandum and Articles of Association of our Company, the terms of the Shelf Prospectus, this Tranche I Prospectus, the Application Forms, the terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to the issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
6. Subject to SEBI RTA Master Circular, for NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For the NCDs issued in dematerialized form, the Depositories shall also maintain the upto date record of holders of the NCDs in dematerialized Form. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depository on the record date. In terms of Section 88(3) of the Companies Act, 2013, the register and index of beneficial of NCDs maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a Register of NCD Holders for this purpose. The registers required to be kept by the Company under Section 88 of the Companies Act, 2013 shall be maintained at the registered office of our Company. Such Registers can be kept at a place other than registered office, in compliance with the provisions of Section 94 of the Companies Act, 2013.
7. The NCDs can be rolled in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

The aforementioned rights of the NCD holders are merely indicative. The final rights of the NCD holders will be as per the terms of this Tranche I Prospectus and the Debenture Trust Deed.

#### **Nomination facility to NCD Holder**

In accordance with Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD holder, or first NCD holder, along with other joint NCD Holders' (being individual(s)), may nominate, in the **Form No. SH.13**, any one person with whom, in the event of the death of Applicant the NCDs were Allotted, if any, will vest. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate in **Form No.SH.13** any person as nominee. A nominee entitled to the NCDs by reason of the death of the original holder(s), will, in accordance with Rule 19 and Section 56 of the Companies Act, 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the NCDs, subject to compliance with applicable law. Where the nominee is a minor, the NCD holder(s) may make a nomination to appoint, in compliance with Companies Act, 2013 any person to become entitled to NCDs in the event of the nominee's death during minority. A buyer will be entitled to make a fresh nomination in the manner prescribed in Companies Act, 2013. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue.

NCD Holder(s) are advised to provide the specimen signature of the nominee to us to expedite the transmission of the NCD(s) to the nominee in the event of demise of the NCD Holder(s). The signature can be provided in the Application

Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with Section 72 read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the Rule 19, will on the production of such evidence as may be required by the Board of Directors, elect either:

- to register himself or herself as holder of NCDs; or
- to make such transfer of the NCDs, as the deceased holder could have made.

A person, being a nominee, becoming entitled to NCDs by reason of the death of the holder shall be entitled to the same interests and other advantages to which he would have been entitled to if he were the registered holder of the NCDs except that he shall not, before being registered as a holder in respect of such NCDs, be entitled in respect of these NCDs to exercise any right conferred. Further, our Board of Directors may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board of Directors may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

A nomination may be cancelled or varied by nominating any other person in place of the present nominee, by the NCD Holder who has made the nomination, by giving a notice of such cancellation or variation in the prescribed manner as per applicable laws. The cancellation or variation shall take effect from the date on which the notice of such variation or cancellation is received by the Company.

**Since the allotment of NCDs will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Applicant would prevail. If the investors require changing their nomination, they are requested to inform their respective Depository Participant.**

#### **Jurisdiction**

Exclusive jurisdiction for the purpose of this Tranche I Issue is with the competent courts of jurisdiction in Mumbai, India.

#### **Application in the Issue**

Applicants shall apply in this Tranche I Issue in dematerialised form only, through a valid Application Form filled in by the Applicant along with attachment, as applicable. Further, Applications in this Tranche I Issue shall be made through the ASBA facility only (including Applications made by UPI Investors under the UPI Mechanism).

In terms of Regulation 7 of the SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only. However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

#### **Form of Allotment and Denomination of NCDs**

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD (“**Market Lot**”). Allotment in this Tranche I Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD.

In respect of consolidated certificates, we will, only upon receipt of a request from the NCD Holder, split such consolidated certificates into smaller denominations subject to the minimum of Market Lot. No fees would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate which would then be treated as cancelled by us.

For details of allotment refer to chapter titled “*Issue Procedure*” beginning on page 99.

## **Transfer/Transmission of NCD(s)**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transfer 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, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories on the Record Date. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar.

The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

Please see "*Terms of the Issue – Interest/Premium and Payment of Interest/ Premium*" on page 87, for the implications on the interest applicable to NCDs held by Individual Investors on the Record Date and NCDs held by Non-Individual Investors on the Record Date.

Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to this Tranche I Issue shall be compulsorily in dematerialized form only.

## **Title**

In case of:

- NCDs held in the dematerialised form, the person for the time being appearing in the register of beneficial owners maintained by the Depositories; and
- the NCDs held in physical form pursuant to rematerialization, the person for the time being appearing in the register of NCD Holders shall be treated for all purposes by our Company, the Debenture Trustee, the Depositories and all other persons dealing with such person, as the holder thereof and its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or any interest in it or any writing on, theft or loss of the consolidated NCD certificates issued in respect of the NCDs and no person will be liable for so treating the NCD holder.

## **Procedure for rematerialisation of NCDs**

Subject to RTA Master Circular, NCD Holders who wish to hold the NCDs in physical form may do so by submitting a request to their DP at any time after Allotment in accordance with the applicable procedure stipulated by the DP, in accordance with the Depositories Act and/or rules as notified by the Depositories from time to time. Holders of the NCDs who propose to rematerialize their NCDs, would have to mandatorily submit details of their bank mandate along with a copy of any document evidencing that the bank account is in the name of the holder of such NCDs and their Permanent Account Number to our Company and the Depository Participant. No proposal for rematerialisation of NCDs would be considered if the aforementioned documents and details are not submitted along with the request for such rematerialisation.

Pursuant to the SEBI Listing Regulations, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred. Any trading of the NCDs issued pursuant to the Issue shall be compulsorily in dematerialized form only.

## **Register of NCD Holders**

No transfer of title of a NCD will be valid unless and until entered on the Register of NCD Holders (for re materialized NCDs) or the register and index of NCD Holders maintained by the Depository prior to the Record Date. In the absence of transfer being registered, interest and/or Redemption Amount, as the case may be, will be paid to the person, whose name appears first in the Register of NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be as on the Record Date. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company, SEBI Listing Regulations and the Companies Act shall apply, mutatis mutandis (to the extent applicable) to the NCDs as well.

## Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to this Tranche I Issue. NCDs held in physical form, pursuant to any re-materialisation, as above, cannot be transferred. However, any trading of the NCDs issued pursuant to this Tranche I Issue shall be compulsorily in dematerialized form only.

## Succession

Where NCDs are held in joint names and one of the joint holders dies, the survivor(s) will be recognized as the NCD Holder(s). It will be sufficient for our Company to delete the name of the deceased NCD Holder after obtaining satisfactory evidence of his death. Provided, a third person may call on our Company to register his name as successor of the deceased NCD Holder after obtaining evidence such as probate of a will for the purpose of proving his title to the debentures. In the event of demise of the sole or first holder of the Debentures, our Company will recognise the executors or administrator of the deceased NCD Holders, or the holder of the succession certificate or other legal representative as having title to the Debentures only if such executor or administrator obtains and produces probate or letter of administration or is the holder of the succession certificate or other legal representation, as the case may be, from an appropriate court in India. The directors of our Company in their absolute discretion may, in any case, dispense with production of probate or letter of administration or succession certificate or other legal representation. In case of death of NCD Holders who are holding NCDs in dematerialised form, third person is not required to approach our Company to register his name as successor of the deceased NCD Holder. The successor of the deceased NCD Holder shall approach the respective Depository Participant for this purpose and submit necessary documents as required by the Depository Participant.

Where a non-resident Indian becomes entitled to the NCDs by way of succession, the following steps have to be complied with:

1. Documentary evidence to be submitted to the Legacy Cell of the RBI to the effect that the NCDs were acquired by the non-resident Indian as part of the legacy left by the deceased NCD Holder.
2. Proof that the non-resident Indian is an Indian national or is of Indian origin.
3. Such holding by a non-resident Indian will be on a non-repatriation basis.

## Joint holders

Where two or more persons are holders of any NCD(s), they shall be deemed to hold the same as joint holders with benefits of survivorship subject to other provisions contained in the Articles.

## Period of subscription

TRANCHE I ISSUE PROGRAMME	
<b>Tranche I Issue Opens on</b>	Thursday, December 7, 2023
<b>Tranche I Issue Closes on*</b>	Wednesday, December 20, 2023
<b>Pay In Date</b>	Application Date. The entire Application Amount is payable on Application
<b>Deemed Date Of Allotment</b>	The date on which the Board of Directors or Asset Liability committee authorised by the Board approves the Allotment of NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors or Asset Liability committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for this Tranche I Issue by way of this Tranche I Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.

\* The Tranche I Issue shall remain open for subscription on Working Days from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) during the period as indicated in this Tranche I Prospectus. Our Company may, in consultation with the Lead Managers, consider closing the Tranche I Issue on such earlier date or extended date (subject to a minimum period of three working days and a maximum period of 10 working days from the date of opening of the Tranche I Issue and subject to not exceeding thirty days from filing of the Tranche I Prospectus with ROC including any extensions), as may be decided by the Board of Directors of our Company Asset Liability Committee, subject to relevant approvals, in accordance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue has been given

on or before such earlier or initial date of Tranche I Issue closure. On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10:00 a.m. and 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day post the Tranche I Issue Closing Date.

Applications Forms for the Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. (Indian Standard Time) (“Bidding Period”), during the Tranche I Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday) (a) by the Designated Intermediaries at the Bidding Centres, or (b) by the SCSBs directly at the Designated Branches of the SCSBs. On the Tranche I Issue Closing Date, Application Forms will be accepted only between 10:00 a.m. to 3:00 p.m. (Indian Standard Time) and uploaded until 5:00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges. It is clarified that the Applications not uploaded on the Stock Exchanges Platform would be rejected. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5:00 p.m. (Indian Standard Time) on one Working Day after the Tranche I Issue Closing Date.

Due to limitation of time available for uploading the Applications on the Tranche I Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Tranche I Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Tranche I Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Tranche I Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Tranche I Issue. Neither our Company, nor the Lead Managers, nor any Consortium Member, Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. As per the SEBI Master Circular, the allotment in this Tranche I Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

For the list of documents executed/ to be executed, please see “Material Contracts and Documents for Inspection” on page 135.

While the NCDs are secured to the tune of 1.10 times of the principal and interest thereon in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor the security cover is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Debt securities shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the debenture trustee.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions.**

## **Interest/Premium and Payment of Interest/ Premium**

### **Interest/ Coupon on NCDs**

#### **1. Quarterly interest payment options**

Interest would be paid quarterly under Series I, III and V at the following rates of interest to all categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holders	Coupon (% per annum) for following Series		
	I	III	V
All Categories	9.00%	9.30%	9.65%

Series I, III and V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months, 36 months and 60 months respectively from the Deemed Date of Allotment. The last interest payment under Quarterly Series will be made at the time of redemption of NCDs.

#### **2. Annual interest payment option**

Interest would be paid annually under Series II, IV and VI at the following rates of interest to all categories of NCD Holders, on the amount outstanding from time to time, commencing from the Deemed Date of Allotment of NCDs:

Category of NCD Holders	Coupon (% per annum) for following Series		
	II	IV	VI

All Categories	9.30%	9.65%	10.00%
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Series II, IV and VI NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 24 months, 36 months and 60 months respectively from the Deemed Date of Allotment. The last interest payment under Annual Series will be made at the time of redemption of NCDs.

### ***Basis of payment of Interest***

The Tenor, Coupon Rate / Yield and Redemption Amount applicable for each Series of NCDs shall be determined at the time of Allotment of NCDs pursuant to this Tranche I Prospectus. NCDs once allotted under any particular Series of NCDs shall continue to bear the applicable Tenor, Coupon/ Yield and Redemption Amount as at the time of original Allotment irrespective of the category of NCD Holder on any Record Date, and such tenor, coupon/ yield and redemption amount as at the time of original allotment will not be impacted by trading of any series of NCDs between the categories of persons or entities in the secondary market.

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838.

### **Taxation**

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque). For further details, please see Section titled “*Statement of Possible Tax Benefits*” on page 27.

Further, Tax will be deducted at source at reduced rate, or no tax will be deducted at source in the following cases:

- a. When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest;
- b. When the resident Debenture Holder with Permanent Account Number (‘PAN’) (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be Nil. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of 236 Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c. Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be Nil.

In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13.

Further, eligible NCD Holders other than resident individuals or resident HUF investors, the following documents should be submitted with the Company/ Registrar, atleast 7 days before the relevant record date for payment of debenture interest

(i) copy of registration certificate issued by the regulatory authority under which the investor is registered, (ii) self-declaration for non-deduction of tax at source, and (iii) such other document as may be required under the Income Tax Act, for claiming non-deduction / lower deduction of tax at source and/or specified by the Company/ Registrar, from time to time.

The aforesaid documents, as may be applicable, should be submitted at least 7 days before the relevant Record Date for payment of interest on the NCDs quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The aforesaid documents for claiming non-deduction or lower deduction of tax at source, as the case may be, shall be submitted to the Registrar as per below details or any other details as may be updated on the website of the Issuer at [www.arkafincap.com](http://www.arkafincap.com) or the Registrar at [www.linkintime.co.in](http://www.linkintime.co.in) from time to time.

### **Mode of payment of Interest to NCD Holders**

Payment of interest will be made (i) in case of NCDs in dematerialised form, to the persons who, for the time being appear in the register of beneficial owners of the NCDs as per the Depositories, as on the Record Date and (ii) in case of NCDs in physical form on account of re-materialization, to the persons whose names appear in the register of debenture holders maintained by us (or to first holder in case of joint-holders) as on the Record Date.

We may enter into an arrangement with one or more banks in one or more cities for direct credit of interest to the account of the NCD Holders. In such cases, interest, on the interest payment date, would be directly credited to the account of those investors who have given their bank mandate.

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI. For further details, see the “*Terms of the Issue - Manner of Payment of Interest / Refund / Redemption*” beginning on page 90.

### **Day Count Convention**

Interest shall be computed on an actual/actual basis on the principal outstanding on the NCDs as per the SEBI Master Circular.

### **Effect of holidays on payments**

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest accrued on the NCDs until but excluding the date of such payment or as may be specified for the relevant series of NCDs. The interest/redemption payments shall be made only on the Working Days. For further details, please see Annexure C “Illustrative Cash flow and Day Count Convention”.

### **Illustration for guidance in respect of the day count convention and effect of holidays on payments**

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Master Circular is disclosed in **Annexure C** of this Tranche I Prospectus.

### **Maturity and Redemption**

<b>Series</b>	<b>Maturity Period/ Redemption (as applicable)</b>
Series I	24 months
Series II	24 months
Series III	36 months
Series IV	36 months
Series V	60 months
Series VI	60 months

## **Put / Call Option**

Not applicable.

## **Deemed Date of Allotment**

The date on which the Board of Directors or Asset Liability committee authorised by the Board approves the Allotment of NCDs for this Tranche I Issue or such date as may be determined by the Board of Directors or Asset Liability committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for this Tranche I Issue by way of this Tranche I Prospectus) shall be available to the Debenture Holders from the Deemed Date of Allotment.

## **Application in the Issue**

NCDs being issued through this Tranche I Prospectus can be applied for, through a valid Application Form filled in by the applicant along with attachments, as applicable. Further, Applications in this Tranche I Issue shall be made through the ASBA facility only.

In terms of Regulation 7 of SEBI NCS Regulations, our Company will make public issue of the NCDs in the dematerialised form only.

However, in the terms of Section 8(1) of the Depositories Act, but subject to SEBI LODR Regulations and RTA Master Circular our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

## **Application Size**

Each application should be for a minimum of 10 NCDs and multiples of 1 NCD thereafter (for all options/ Series of NCDs, namely Series I, Series II, Series III, Series IV, Series V and Series VI taken individually or collectively). The minimum application size for each application for NCDs would be ₹ 10,000 and in multiples of ₹1,000 thereafter. Applicants can apply for any or all Series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

## **Terms of Payment**

The entire issue price of ₹ 1,000 per NCD is payable on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall instruct the SCSBs to unblock the excess amount blocked on application in accordance with the terms of Tranche I Prospectus.

## **Record Date**

The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the date on which interest is due and payable, and/or the date of redemption or such other date as may be determined by the Company.

Provided that trading in the NCDs shall remain suspended between the aforementioned Record Date in connection with redemption of NCDs and the date of redemption or as prescribed by the Stock Exchange, as the case may be.

In case Record Date falls on a day when Stock Exchange are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchange will be deemed as the Record Date.

## **Manner of Payment of Interest / Refund / Redemption**

The manner of payment of interest / refund / redemption in connection with the NCDs is set out below:

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants are advised to keep their bank account details as appearing on the records of the depository participant updated at all points of time. Please note that failure to do so could result in delays in credit of Interest/ Redemption Amounts at the Applicant's sole risk, and the Lead Managers, our Company or the Registrar shall have no responsibility and undertake no liability for the same.

In case of NCDs held in physical form, on account of rematerialisation, the bank details will be obtained from the documents submitted to the Company along with the rematerialisation request. For further details, please see "*Terms of the Issue – Procedure for Rematerialization of NCDs*" on page 85.

The Registrar to the Issue will issue requisite instructions to the relevant SCSBs to un-block amounts in the ASBA Accounts of the Applicants representing the amounts to be unblocked for the Applicants.

The mode of interest / refund / redemption payments shall be undertaken in the following order of preference:

1. *Direct Credit*

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank. Interest / redemption Amount would be credited directly to the bank accounts of the Investors, if held with the same bank as the Company.

2. *NACH*

National Automated Clearing House which is a consolidated system of ECS. Payment would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition ("MICR") code wherever applicable from the depository. Payments through NACH are mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get payments through NEFT or Direct Credit or RTGS.

3. *RTGS*

Applicants having a bank account with a participating bank and whose interest payment/ refund/ redemption amounts exceed ₹ 200,000, or such amount as may be fixed by RBI from time to time, have the option to receive payments through RTGS. Such eligible Applicants who indicate their preference to receive interest payment/ refund/ redemption through RTGS are required to provide the IFSC code in the Application Form or intimate our Company and the Registrar to the Issue at least seven days prior to the Record Date. Charges, if any, levied by the Applicant's bank receiving the credit would be borne by the Applicant. In the event the same is not provided, interest payment/ refund/ redemption shall be made through NACH subject to availability of complete bank account details for the same as stated above.

4. *NEFT*

Payment of interest/ refunds/ redemption shall be undertaken through NEFT wherever the Applicants' banks have been assigned the Indian Financial System Code ("IFSC"), which can be linked to a MICR, if any, available to that particular bank branch. The IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of interest/ refund/ redemption will be made to the applicants through this method.

5. *Registered Post/Speed Post*

For all other applicants, including those who have not updated their bank particulars with the MICR code, the interest payment / refund / redemption orders shall be dispatched through speed post/registered post.

Please note that applicants are eligible to receive payments through the modes detailed in (1), (2) (3), and (4) herein above provided they provide necessary information for the above modes and where such payment facilities are allowed / available.

Please note that our Company shall not be responsible to the holder of NCDs, for any delay in receiving credit of interest / refund / redemption so long as our Company has initiated the process of such request in time.

In case of ASBA Applicants, the Registrar to the Issue will issue requisite instructions to the relevant SCSBs to unblock amounts in the ASBA Accounts of the Applicants representing the amounts to be refunded to the Applicants.

6. The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche I Issue Closing Date.

### **Printing of Bank Particulars on Interest/redemption Warrants**

As a matter of precaution against possible fraudulent encashment of refund orders and interest/redemption warrants due to loss or misplacement, the particulars of the Applicant's bank account are mandatorily required to be given for printing on the orders/ warrants. NCDs applied and held in dematerialized form, these particulars would be taken directly from the depositories. In case of NCDs held in physical form on account of rematerialisation, the NCD Holders are advised to submit their bank account details with our Company/ Registrar to the Issue at least seven days prior to the Record Date failing which the orders/ warrants will be dispatched to the postal address of the NCD Holders as available in the records of our Company either through speed post or registered post. Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

### **Loan against NCDs**

Pursuant to RBI Circular dated June 27, 2013, our Company, being an NBFC, is not permitted to extend any loans against the security of its NCDs.

### **Buy Back of NCDs**

Our Company may, at its sole discretion, from time to time, consider, subject to applicable statutory and/or regulatory requirements, buyback of NCDs, upon such terms and conditions as may be decided by our Company.

Our Company may from time to time invite the NCD Holders to offer the NCDs held by them through one or more buy-back schemes and/or letters of offer upon such terms and conditions as our Company may from time to time determine, subject to applicable statutory and/or regulatory requirements. Such NCDs which are bought back may be extinguished, re-issued and/or resold in the open market with a view of strengthening the liquidity of the NCDs in the market, subject to applicable statutory and/or regulatory requirements.

### **Form and Denomination of NCDs**

In case of NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the NCD Holder for the aggregate amount of the NCDs held ("Consolidated Certificate"). The Applicant can also request for the issue of NCD certificates in denomination of one NCD ("Market Lot"). In case of NCDs held under different Options/Series, by an NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the NCDs held under each Option.

It is, however, distinctly to be understood that the NCDs pursuant to this Tranche I Issue shall be traded only in dematerialized form.

In respect of Consolidated Certificates, only upon receipt of a request from the NCD Holder, the Consolidated Certificates would be split into smaller denominations, subject to the minimum of Market Lot. No fee would be charged for splitting of NCD certificates in Market Lots, but stamp duty payable, if any, would be borne by the NCD Holder. The request for splitting should be accompanied by the original NCD certificate, which would then be treated as cancelled.

### **Procedure for redemption by NCD Holders**

The procedure for redemption is set out below:

***NCDs held in electronic form***

No action is required on the part of NCD Holder(s) at the time of redemption of NCDs.

***NCDs held in physical form on account of rematerialisation***

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the NCDs without the requirement of surrendering of the NCD.

**Payment on redemption**

The manner of payment of redemption is set out below:

***NCDs held in physical form on account of re-materialization***

The payment on redemption of the NCDs will be made by way of cheque/pay order/ electronic modes in accordance with applicable laws. However, if our Company so requires, the aforementioned payment would only be made on the surrender of NCD certificates, duly discharged by the sole holder/ all the joint-holders (signed on the reverse of the NCD certificates). Dispatch of cheques/ pay orders, etc. in respect of such payment will be made on the redemption date or (if so, requested by our Company in this regard) within a period of 30 days from the date of receipt of the duly discharged NCD certificate.

In case we decide to do so, the redemption proceeds in the manner stated above would be paid on the redemption date to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. Hence the transferees, if any, should ensure lodgment of the transfer documents with us at least seven days prior to the Record Date. In case the transfer documents are not lodged with us at least 7 days prior to the Record Date and we dispatch the redemption proceeds to the transferor, claims in respect of the redemption proceeds should be settled amongst the parties inter se and no claim or action shall lie against us or the Registrar to the Issue.

Our liability to NCD Holders towards their rights including for payment or otherwise shall stand extinguished from the redemption in all events and when we dispatch the redemption amounts to the NCD Holders.

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

***NCDs held in electronic form***

On the redemption date, redemption proceeds would be paid by cheque /pay order / electronic mode to those NCD Holders whose names appear on the list of beneficial owners given by the Depositories to us. These names would be as per the Depositories' records on the Record Date fixed for the purpose of redemption. These NCDs will be simultaneously extinguished to the extent of the amount redeemed through appropriate debit corporate action upon redemption of the corresponding value of the NCDs. It may be noted that in the entire process mentioned above, no action is required on the part of NCD Holders.

Our liability to NCD Holder(s) towards his/their rights including for payment or otherwise shall stand extinguished from the date of redemption in all events and when we dispatch the redemption amounts to the NCD Holder(s).

Further, we will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the NCD(s).

## **Right to Reissue NCD(s)**

Subject to the provisions of the Companies Act, 2013 and other applicable laws, where we have fully redeemed or repurchased any NCD(s), we shall have and shall be deemed always to have had the right to keep such NCDs in effect without extinguishment thereof, for the purpose of resale or reissue and in exercising such right, we shall have and be deemed always to have had the power to resell or reissue such NCDs either by reselling or reissuing the same NCDs or by issuing other NCDs in their place. The aforementioned right includes the right to reissue original NCDs.

## **Transfer/ Transmission of NCDs**

### **For NCDs held in physical form on account of rematerialisation**

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of Companies Act, 2013 applicable as on the date of the Shelf Prospectus, this Tranche I Prospectus and all other applicable laws. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles and the relevant provisions of the Companies Act, 2013 applicable as on the date of the Shelf Prospectus, this Tranche I Prospectus, and all applicable laws including FEMA and the rules and regulations thereunder, shall apply, mutatis mutandis (to the extent applicable to debentures) to the NCDs as well. In respect of the NCDs held in physical form on account of rematerialisation, a common form of transfer shall be used for the same. The NCDs held in dematerialised form shall be transferred subject to and in accordance with the rules/ procedures as prescribed by NSDL/ CDSL and the relevant Depository Participants of the transferor and the transferee and any other applicable laws and rules notified in respect thereof. The transferees should ensure that the transfer formalities are completed prior to the Record Date. In the absence of the same, interest will be paid/ redemption will be made to the person, whose name appears in the register of debenture holders, or the records as maintained by the Depositories on Record Date. In such cases, claims, if any, by the transferees would need to be settled with the transferors and not with the Issuer or Registrar.

### ***For NCDs held in electronic form***

The normal procedure followed for transfer of securities held in dematerialised form shall be followed for transfer of the NCDs held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to his depository participant.

In case the transferee does not have a Depository Participant account, the transferor can rematerialise the NCDs and thereby convert his dematerialised holding into physical holding. Thereafter these NCDs can be transferred in the manner as stated above for transfer of NCDs held in physical form.

Any trading of the NCDs issued pursuant to this Tranche I Issue shall be compulsorily in dematerialised form only.

## **Sharing of Information**

Our Company may, at its option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us, if any and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

## **Notices**

All notices to the NCD Holder(s) required to be given by us or the Debenture Trustee shall be published in one English language newspaper having wide circulation and one regional language daily newspaper at the place where the registered office of the Company is situated and/or will be sent by speed post/ courier or through email or other electronic media to the Registered Holders of the NCD(s) from time to time.

## **Future Borrowings**

Our Company will be entitled to borrow/raise loans or avail of financial assistance in whatever form as also to issue debentures/ NCDs/other securities in any manner by creating a charge on any assets, subject to applicable consents, approvals or permissions that may be required under any statutory/regulatory/contractual requirement, or as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents, provided stipulated security cover is maintained on the NCDs and the Company is in compliance of all the terms of the Transaction Documents.

## **Impersonation**

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of sub-section(1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who - (a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or (b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or (c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447 of the Companies Act, 2013.”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakh or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakh or with both.

## **Pre-closure**

Our Company, in consultation with the Lead Managers reserves the right to close this Tranche I Issue at any time prior to the Tranche I Issue Closing Date, subject to receipt of minimum subscription or as may be specified in this Tranche I Prospectus. Our Company shall allot NCDs with respect to the Applications received until the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements. In the event of such early closure of this Tranche I Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure is published on or before such early date of closure or the Tranche I Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre-issue advertisement have been given.

## **Issue of duplicate NCD certificate(s)**

If NCD certificate(s), issued pursuant to rematerialisation, is/ are mutilated or defaced or the cages for recording transfers of NCDs are fully utilised, the same may be replaced by us against the surrender of such certificate(s). Provided, where the NCD certificate(s) are mutilated or defaced, the same will be replaced as aforesaid only if the certificate numbers and the distinctive numbers are legible.

If any NCD certificate is destroyed, stolen or lost then upon production of proof thereof to our satisfaction and upon furnishing such indemnity/ security and/or documents as we may deem adequate, duplicate NCD certificates shall be issued. Upon issuance of a duplicate NCD certificate, the original NCD certificate shall stand cancelled.

## **Minimum subscription**

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size for this Tranche I Issue, the entire blocked Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Tranche I Issue Closing Date. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

Under Section 39(3) of the Companies Act, 2013 and Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount is not received within the specified period, the application money received is to be credited only to the bank account from which the subscription amount was remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or Registrar will follow the guidelines prescribed by SEBI in this regard included in the SEBI Master Circular.

## **Market Lot and Trading Lot**

The NCDs shall be allotted in dematerialized form. As per the SEBI NCS Regulations, the trading of the NCDs is in dematerialised form and the tradable lot is one NCD.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the applicable interest for such NCDs) prior to redemption of the NCDs.

Allotment in this Tranche I Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the section “*Issue Procedure*” beginning on page 99.

#### **Utilisation of Application Amount**

The sum received in respect of this Tranche I Issue will be kept in separate bank account(s) and we will have access to such funds only upon allotment of the NCDs, execution of Debenture Trust Deeds and on receipt of listing and trading approval from the Stock Exchange as per applicable provisions of law(s), regulations and approvals.

#### **Utilisation of Issue Proceeds**

- a. All monies received pursuant to the issue of NCDs to public shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013 and the SEBI NCS Regulations and our Company will comply with the conditions as stated therein, and these monies will be transferred to Company’s bank account after receipt of listing and trading approvals.
- b. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised; and
- c. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d. Our Company shall utilize this Tranche I Issue proceeds only up on (i) receipt of minimum subscription; (ii) completion of Allotment in compliance with Section 40 of the Companies Act, 2013; (ii) receipt of listing and trading approval from Stock Exchange and (iii) execution of the documents for creation of security.
- e. This Tranche I Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- f. Details of all utilized and unutilized monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized and the securities or other forms of financial assets in which such unutilized monies have been invested.
- g. The allotment letter shall be issued, or application money shall be refunded in accordance with the Applicable Law failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;
- h. If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 6 Working Days from the Tranche I Issue Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Applicants in accordance with applicable laws;
- i. The Tranche I Issue proceeds shall be utilized in compliance with various guidelines, regulations and clarifications issued by RBI, SEBI or any other regulatory or statutory authority from time to time. Further the Tranche I Issue proceeds shall be utilized only for the purpose and objects stated in the Tranche I Prospectus.

#### **Filing of the Shelf Prospectus and this Tranche I Prospectus with the RoC**

A copy of the Shelf Prospectus and this Tranche I Prospectus has been filed with the RoC, in accordance with Section 26 and Section 31 of Companies Act, 2013.

#### **Pre-Issue Advertisement**

Subject to Section 30 of the Companies Act, 2013, our Company will issue a statutory advertisement on or before the Tranche I Issue Opening Date. This advertisement will be issued in compliance with the Regulation 30(1) of SEBI NCS Regulations and shall contain the information as prescribed in the SEBI NCS Regulations and Section 30 of the Companies Act, 2013.

Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche I Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations.

### **Payment of Interest**

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see “*Issue Procedure - Rejection of Applications*” beginning on page 126.

### **Listing**

The NCDs offered through this Tranche I Prospectus are proposed to be listed on BSE. Our Company has obtained an ‘in-principle’ approval for the Issue from the BSE *vide* their letter bearing reference number DCS/BM/PI-BOND/022/22-23 dated March 15, 2023. For the purposes of Tranche I Issue, BSE shall be the Designated Stock Exchange. Final Application for listing of the NCDs will be made to the Stock Exchange in terms of SEBI NCS Regulations and the SEBI Master Circular for the Tranche I Issue.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchange, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche I Prospectus.

Our Company will use best efforts to ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchange are taken within 6 Working Days of the Tranche I Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

### **Guarantee/ Letter of Comfort**

The Security proposed for this Tranche I Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent

### **Monitoring and Reporting of Utilisation of Issue Proceeds**

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. The Audit Committee shall monitor the utilization of the proceeds of this Tranche I Issue. Our Company, in accordance with the timeline prescribed in SEBI Listing Regulations, submit to the stock exchange, a statement indicating the utilization of issue proceeds of this Tranche I Issue under a separate head along with details, if any, in relation to all such proceeds of this Tranche I Issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of this Tranche I Issue.

### **Lien**

Our Company will have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD Holder or deposits held in the account of the NCD holders whether in single name or joint name, to the extent of all outstanding dues, if any by the NCD Holder to our Company subject to applicable law.

### **Lien on Pledge of NCDs**

Subject to applicable law, our Company, at its discretion, may record a lien on pledge of NCDs if such pledge of NCDs is accepted by any bank or institution for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding.

**Recovery Expense Fund**

Our Company shall create a recovery expense fund in the manner as specified by SEBI in SEBI Debenture Trustee Master Circular as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange and inform the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Kindly note, any default committed by the Company in terms of the NCDs proposed to be issued shall be reckoned at each respective International Securities Identification Number level assigned to the respective Option(s)/Series of NCDs issued.

**Settlement Guarantee Fund**

Our Company will deposit amounts in the settlement guarantee fund in the manner as specified in the SEBI Master Circular. This fund has been created under the SEBI Master Circular to ensure upfront collection of charges from eligible issuers at the time of allotment of debt securities.

## ISSUE PROCEDURE

*This section applies to all Applicants. Specific attention of all Applicants is invited to the SEBI Master Circular, which provides, inter-alia, that for all public issues of debt securities all Applicants shall mandatorily use the ASBA facility for participating in this Tranche I Issue. ASBA Applicants and Applicants applying through the Direct Online Application Mechanism (as defined hereinafter) should note that the ASBA process and the Direct Online Application Mechanism involve application procedures that are different from the procedure applicable to all other Applicants. Please note that all Applicants are required to pay the full Application Amount or ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. Further in terms of the SEBI Master Circular retail individual investor may use the Unified Payment Interface (“UPI”) to participate in the public issue for an amount up to ₹ 5,00,000 through the app/web interface of the Stock Exchange or through intermediaries (Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants).*

*Applicants should note that they may submit their Applications to the Designated Intermediaries at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche I Prospectus.*

*Please note that this section has been prepared based on the SEBI Master Circular and the notifications issued by BSE and NSE, in relation to the UPI Mechanism.*

*ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount.*

*Specific attention is drawn to the SEBI Master Circular which provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchange, as opposed to the date and time of upload of each such application.*

*Our Company and the Lead Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Tranche I Prospectus. Investors are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws.*

*Further, the Company and the Lead Managers are not liable for any adverse occurrences' consequent to the UPI Mechanism for application in this Tranche I Issues.*

**PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THIS TRANCHE I PROSPECTUS, THE TRANCHE I ISSUE OPENING DATE AND THE TRANCHE I ISSUE CLOSING DATE.**

***THE LEAD MANAGERS, THE CONSORTIUM MEMBERS AND OUR COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF TRADING MEMBERS/DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATION FORMS IN RESPECT OF THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE WILL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBERS/DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.***

**Please note that for the purposes of this section, the term “Working Day” shall mean all days on which the commercial banks in Mumbai are open for business, except with reference to announcement of Bid/Tranche I Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business. Furthermore, for the purpose of post issue period, i.e., period beginning from Tranche I Issue Closing Date to listing of the NCDs, Working Days shall mean all trading days of the stock exchanges excluding Saturdays, Sundays and bank holidays as specified by SEBI.**

The information below is given for the benefit of the investors. Our Company and the Members of Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus.

## **PROCEDURE FOR APPLICATION**

### **Who can apply?**

The following categories of persons are eligible to apply in this Tranche I Issue.

#### **Category I (Institutional Investors)**

- Public financial institutions, scheduled commercial banks, Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 2,500 lakh, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 50,000 lakh as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

#### **Category II (Non-Institutional Investors)**

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009).
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

#### **Category III (High Net-worth Individual Investors)**

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 10,00,000 across all options of NCDs in this Tranche I Issue

#### **Category IV (Retail Individual Investors)**

- Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 10,00,000 across all options of NCDs in this Tranche I Issue and shall include Retail Individual Investors, who have submitted bid for an amount not more than UPI Application Limit in any of the bidding options in this Tranche I Issue (including HUFs applying through their Karta and does not include NRIs) though UPI Mechanism.

**Please note that it is clarified that persons resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.**

Note: Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

**Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.**

**Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/ consents/ approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Tranche I Issue.**

The Members of Consortium and its respective associates and affiliates are permitted to subscribe in the Issue.

**Applications cannot be made by:**

The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected:

- i. Minors without a guardian name\* (A guardian may apply on behalf of a minor. However, the name of the guardian will also need to be mentioned on the Application Form);
- ii. Foreign nationals, NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- iii. Persons resident outside India and other foreign entities;
- iv. Foreign Institutional Investors;
- v. Foreign Portfolio Investors;
- vi. Non Resident Indians;
- vii. Qualified Foreign Investors;
- viii. Overseas Corporate Bodies\*\*;
- ix. Foreign Venture Capital Funds; and
- x. Persons ineligible to contract under applicable statutory/ regulatory requirements.

*\* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872*

*The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange by the Designated Intermediaries.*

*Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchange.*

*\*\*The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Tranche I Issue.*

The information below is given for the benefit of Applicants. Our Company and the Lead Managers are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus.

## **How to apply?**

### **Availability of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus, Abridged Prospectus, and Application Forms**

Physical copies of the Abridged Prospectus containing the salient features of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus together with Application Forms and copies of the Shelf Prospectus and Tranche I Prospectus may be obtained from

- i. Our Registered Office and Corporate Office,
- ii. Any other office of the Company,
- iii. Office of the Lead Managers,
- iv. Office of the Consortium Members,
- v. Office of the Registrar to the Issue,
- vi. Designated RTA Locations for RTAs,
- vii. Designated CDP Locations for CDPs and
- viii. Designated Branches of the SCSBs.

Additionally, Electronic copies of the Shelf Prospectus, this Tranche I Prospectus along with the downloadable version of the Application Forms will be available

- for download on the website of BSE at [www.bseindia.com](http://www.bseindia.com) and the website of the Lead Managers at [www.jmfl.com](http://www.jmfl.com) and [www.nuvama.com](http://www.nuvama.com).
- at the designated branches of the SCSBs and the Syndicate Members at the Specified Locations.

Electronic Application Forms will also be available on the website of the Stock Exchange Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Managers and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A unique application number (“UAN”) will be generated for every Application Form downloaded from the websites of the Stock Exchange. Further, Application Forms will also be provided to Designated Intermediaries at their request.

Our Company may also provide Application Forms for being downloaded and filled at such website as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchange can download Application Forms from the website of the Stock Exchange. Further, Application Forms will be provided to Trading Members of the Stock Exchange at their request.

**Please note that there is a single Application Form for, persons resident in India.**

**Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.**

### **Method of Application**

In terms of the SEBI Master Circular an eligible investor desirous of applying in this Tranche I Issue can make Applications through the ASBA mechanism only.

Applicants are requested to note that in terms of the SEBI Master Circular, SEBI has mandated issuers to provide, through a recognized Stock Exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the SEBI Master Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application

Mechanism infrastructure for the implementation of the SEBI Master Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Master Circular.

All Applicants shall mandatorily apply in this Tranche I Issue through the ASBA process only. Applicants intending to subscribe in this Tranche I Issue shall submit a duly filled Application form to any of the Designated Intermediaries.

Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a Retail Individual Investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants should submit the Application Form only at the Bidding Centers, i.e., to the respective Syndicate Members at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centers, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchange and submit these Application Forms with the SCSB (except Application Form from RIBs using the UPI Mechanism) with whom the relevant ASBA Accounts are maintained.

For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds.

For Applicants who submit the Application Form, in physical mode, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchange wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Our Company, the Directors, affiliates, associates and their respective directors and officers, Lead Managers and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Tranche I Issue should be made by Applicants directly to the Stock Exchange.

In terms of the SEBI Master Circular, an eligible investor desirous of applying in this Tranche I Issue can make Applications through the following modes:

- 1. Self-Certified Syndicate Bank (SCSB) or intermediaries (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)**
  - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e., investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
  - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

- c. An investor may submit the bid-cum-application form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 Lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.

## **2. Through Stock Exchange**

- a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.
- b. The Stock Exchange have extended their web-based platforms i.e., 'BSE Direct' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value upto ₹ 5 Lakh. To place bid through 'BSEDirect' platform mobile app the eligible investor is required to register himself/ herself with BSE Direct.
- c. An investor may use the following links to access the web-based interface developed by the Stock Exchange to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>;
- d. The BSE Direct mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' on Google Playstore for downloading mobile applications.
- e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 and May 19, 2022 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. [https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220519\\_34](https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20220519_34).

### **Application Size**

Each Application should be for a minimum of 10 NCDs and multiples of one NCD thereof.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

Applicants are advised to ensure that applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

### **APPLICATIONS BY VARIOUS APPLICANT CATEGORIES**

#### **Applications by Mutual Funds**

Pursuant to the SEBI circular SEBI/HO/IMD/IMD-PoD-1/P/CIR/2023/74 dated May 19, 2023 ("SEBI Mutual Funds Master Circular"), mutual funds are required to ensure that the total exposure of debt schemes (excluding investments in Bank CDs, triparty repo on Government securities or treasury bills, G-Secs, TBills, short term deposits of Scheduled Commercial Banks and AAA rated securities issued by Public Financial Institutions and Public Sector Banks) shall not exceed 20% of the net assets of the scheme. Further, the additional exposure to financial services sector (over and above the limit of 20%) not exceeding 10% of the net assets of the scheme shall be allowed only by way of increase in exposure to Housing Finance Companies (HFCs), which are rated AA and above and are registered with the National Housing Bank. Further, an additional exposure of 5% of the net assets of the scheme has been allowed for investments in securitized debt instruments based on retail housing loan portfolio and/or affordable housing loan portfolio. However, the overall exposure in HFCs shall not exceed the sector exposure limit of 20% of the net assets of the scheme.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must be also accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (ii) a resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories.

**Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

**Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks**

Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks can apply in this Tranche I Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) a letter of authorisation.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.

**Pursuant to SEBI Master Circular SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.**

**Application by Non-Banking Financial Companies**

Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (ii) specimen signatures of authorised signatories.

Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.

**Application by Insurance Companies**

Insurance companies registered with the IRDAI can apply in this Tranche I Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) certificate registered with IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Application by Insurance Companies**

Insurance companies registered with the IRDAI can apply in this Tranche I Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) certificate registered with IRDAI, (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason thereof.**

**Applications by Indian Alternative Investments Funds**

Applications made by 'alternative investment funds' eligible to invest in accordance with the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, as amended (the "SEBI AIF Regulations") for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The Alternative Investment Funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment**

In case of Applications made by Applications by Associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) Power of Attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche I Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and/ or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason, therefore.**

**Applications by Trusts**

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to this Tranche I Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications by Public Financial Institutions or statutory corporations, which are authorized to invest in the NCDs**

The Application must be accompanied by certified true copies of: (i) any Act/ Rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) any act/ rules under which they are incorporated; (ii) Board Resolution authorising investments; and (iii) Specimen signature of authorized person.

**Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.**

**Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs**

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008**

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications under a power of attorney by limited companies, corporate bodies and registered societies**

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

**Failing this, our Company reserves the right to accept or reject any Application in whole or in part, in either case, without assigning any reason therefor.**

In case of Applications made pursuant to a power of attorney by Applicants from Category III and Category IV, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form.

**Failing this our Company, in consultation with the Lead Managers, reserves the right to reject such Applications.**

**Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Managers may deem fit.**

Brokers having online demat account portals may also provide a facility of submitting the Application Forms online to their account holders. Under this facility, a broker receives an online instruction through its portal from the Applicant for making an Application on his or her behalf. Based on such instruction, and a power of attorney granted by the Applicant to authorise the broker, the broker makes an Application on behalf of the Applicant.

**Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs**

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof, (ii) a board resolution authorising investments; (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (iv) specimen signature of authorized person; (v) a certified copy of the registered instrument for creation of such fund/trust; and (vi) any tax exemption certificate issued by Income Tax authorities.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

**Applications by National Investment Funds**

Application made by a National Investment Fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons.

**Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason therefor.**

### **Applications by Systematically Important Non-banking financial companies**

Applications made by systematically important non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) memorandum and articles of association/charter of constitution; (ii) power of attorney;(iii) board Resolution authorising investments; and (iii) specimen signature of authorized person.

Failing this, our Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

The Syndicate Members and their respective associates and affiliates are permitted to subscribe in this Tranche I Issue.

### **Payment instructions**

#### **Payment mechanism for Applicants**

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to designated intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

An Applicant (belonging to Category IV) may also submit the Application Form with a SCSB, or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is ₹5 lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchange wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within 5 (five) Working Days of the Tranche I Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Tranche I Issue or until rejection of the Application, as the case may be.

For ASBA Applications submitted to the Lead Managers or Consortium Members or Trading Members of the Stock Exchange at the Specified Cities, the ASBA Application will be uploaded onto the electronic system of the Stock Exchange and deposited with the relevant branch of the SCSB at the Specified City named by such SCSB to accept such ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). The relevant branch of the SCSB shall perform verification procedures and block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application.

For ASBA Applications submitted directly to the SCSBs, the relevant SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the ASBA Application, before entering the ASBA Application into the electronic system of the Stock Exchange. SCSBs may provide the electronic mode of application either through an internet enabled application and banking facility or such other secured, electronically enabled mechanism for application and blocking of funds in the ASBA Account.

**Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application**

### **Amount at the time of blocking the ASBA Account is liable to be rejected.**

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Tranche I Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, the Registrar to this Tranche I Issue shall send an appropriate request to the controlling branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount pertaining to NCDs allotted to the successful Applicants to the Public Issue Account(s). The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 5 Working Days of the Tranche I Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of this Tranche I Issue or until rejection of the ASBA Application, as the case may be. In case of withdrawal/ failure of this Tranche I Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

### **Payment mechanism for Direct Online Applicants**

In case Direct Online Application facility by the Stock Exchange, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

### **Additional information for Applicants**

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Form do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and May 19, 2022 before investing through the through the app/ web interface of Stock Exchange(s).

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchange or through its Trading Members.

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

**Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.**

### **Filing of the Shelf Prospectus and this Tranche I Prospectus with ROC**

A copy of the Shelf Prospectus and this Tranche I Prospectus shall be filed with the ROC in accordance with Section 26

and Section 31 of the Companies Act, 2013.

### **Pre-Issue Advertisement**

Our Company will issue a statutory advertisement on or before the Tranche I Issue Opening Date. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche I Prospectus with ROC and the date of release of the statutory advertisement will be included in the statutory advertisement information as prescribed under SEBI NCS Regulations

### **Instructions for completing the Application Form**

1. Applications must be made in the prescribed Application Form.
2. Application Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Tranche I Prospectus and the Application Form. Incomplete Application Forms are liable to be rejected. Applicants should note that the Designated Intermediaries will not be liable for errors in data entry due to incomplete or illegible Application Forms.
3. Applications are required to be for a minimum of such NCDs and in multiples of one NCD thereafter as specified in the Issue Documents.
4. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.
5. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details and Applications should be made by Karta in case the Applicant is an HUF. Applicants are required to ensure that the PAN Details of the HUF are mentioned and not those of the Karta.
6. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
7. Applicants applying for Allotment must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of the Stock Exchange by the Designated Intermediaries, as the case may be, the Registrar to the Issue will obtain from the Depository the Demographic Details. Invalid accounts suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
8. Applicants must ensure that their Application Forms are made in a single name.
9. All Applicants should check if they are eligible to apply as per the terms of the Prospectus and applicable laws.
10. The minimum number of Applications and minimum application size shall be of 10 NCDs. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
11. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder also, in accordance with the instructions provided in the Application Form.
12. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant's bank records.
13. All Applicants are required to tick the relevant column in the "Category of Investor" box in the Application Form.
14. It shall be mandatory for subscribers to the Issue to furnish their Permanent Account Number and any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction.
15. Applications for all the series of the NCDs may be made in a single Application Form only.
16. The Applicants should ensure that they have been given a TRS and an acknowledgment as proof of having accepted the Application Form.
17. Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.
18. ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism.
19. ASBA Application should ensure that the Application Form is signed by the ASBA Account holder in case the ASBA Applicant is not the account holder.

20. ASBA Applicants should ensure that they receive an acknowledgement from the Designated Branch or the concerned Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, for the submission of the Application Form.

**Additional Instructions for Retail Individual Investors using the UPI mechanism:**

1. Before submission of the application form with the Designated Intermediary, the Retail Individual Investor shall download the mobile app for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available.
2. The Retail Individual Investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface.
3. The Designated Intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the Stock Exchange(s) bidding platform using appropriate protocols.
4. Once the bid has been entered in the bidding platform, the Stock Exchange(s) shall undertake validation of the PAN and Demat account combination details of investor with the depository.
5. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to Stock Exchange(s) which would be shared by the Stock Exchange(s) with the Designated Intermediaries through its platform, for corrections, if any.
6. Once the bid details are uploaded on the Stock Exchange(s) platform, the Stock Exchange(s) shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next Working Day.
7. Post undertaking validation with the Depository, the Stock Exchange(s) shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the Company.
8. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorize blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment.
9. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
10. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the bid details submitted by such investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by the Sponsor Bank would be a one-time mandate for each application in this Tranche I Issue.
11. The investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the Tranche I Issue period or any other modified closure date of the Tranche I Issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next Working Day.
12. The investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
13. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 (T being the Tranche I Issue Closing Date) modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 (T being the Tranche I Issue Closing Date) day till 1 pm
14. The facility of Re-initiation/ Resending the UPI mandate shall be available only till 5 pm on the day of bidding.
15. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.

16. The information containing status of block request (e.g., accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange(s). The block request status would also be displayed on the Stock Exchange(s) platform for information of the intermediary.
17. The information received from Sponsor Bank, would be shared by Stock Exchange(s) with the Registrar to the Issue in the form of a file for the purpose of reconciliation.
18. Post closure of this Tranche I Issue, the Stock Exchange(s) shall share the bid details with the Registrar to the Issue. Further, the Stock Exchange(s) shall also provide the Registrar to the Issue, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
19. The allotment of debt securities shall be done as per SEBI Master Circular.
20. The RTA, based on information of bidding and blocking received from the Stock Exchanges, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
21. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchanges) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
22. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
23. Thereafter, Stock Exchanges will issue the listing and trading approval.
24. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
  - i. Investor shall check the Issue details before placing desired bids;
  - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
  - iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/integration of UPI on Debt Public Issue System;
  - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
  - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
  - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and
  - vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.

**The series, mode of allotment, PAN, demat account number, etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.**

**Applicants should note that neither the Members of the Consortium nor the other Designated Intermediaries, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche I Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.**

**Applicants' PAN, Depository Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDS SHOULD MENTION THEIR DP ID, CLIENT ID, PAN AND UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM) IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, CLIENT ID PAN AND UPI ID GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID, PAN AND UPI ID AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

**On the basis of the DP ID, Client ID, PAN and UPI ID provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.**

**Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.**

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche I Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

Allotment Advice would be mailed by post or e-mail at the address of the Applicants in accordance with the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Managers shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche I Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche I Issue will be made into the accounts of the Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the four parameters, namely, DP ID, Client ID, PAN and UPI ID then such Applications are liable to be rejected.

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for Retail Individual Investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

#### **APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALIZED FORM**

### ***Submission of Applications***

Applicants can apply for NCDs only using the ASBA facility pursuant to SEBI Master Circular. ASBA Applications can be submitted through either of the following modes:

- (a) Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of ASBA Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Investor's bank records, as mentioned in the ASBA Application, prior to uploading such ASBA Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such ASBA Application and shall not upload such ASBA Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the ASBA Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application in the electronic mode, the Applicant shall submit the ASBA Application either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly register such ASBA Applications.
- (b) Physically through the Consortium Members, Lead Managers, or Trading Members of the Stock Exchange only at the Specified Cities i.e., Syndicate ASBA. Kindly note that ASBA Applications submitted to the Consortium Members, Lead Managers or Trading Members of the Stock Exchange at the Specified Cities will not be accepted if the SCSB where the ASBA Account is maintained, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Consortium Members, Lead Managers or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).
- (c) A UPI Investor making an Application in this Tranche I Issue under the UPI Mechanism, where the Application Amount is upto ₹ 5 lakh, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism.

A UPI Investor may also submit the Application Form for this Tranche I Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchange and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Specified City, named by such SCSB to accept such ASBA Applications from the Designated Intermediaries (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the ASBA Application, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the ASBA Form. If sufficient funds are not available in the ASBA Account, the relevant ASBA Application is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the ASBA Application. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Tranche I Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI

Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

- (a) Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Lead Managers and Trading Members of the Stock Exchange at the Specified Cities; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchange at least one day prior to the Tranche I Issue Opening Date. Application Forms will also be provided to the Trading Members of the Stock Exchange at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the Shelf Prospectus and this Tranche I Prospectus are made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- (b) The Designated Branches of the SCSBs shall accept ASBA Applications directly from Applicants only during the Tranche I Issue Period. The SCSB shall not accept any ASBA Applications directly from Applicants after the closing time of acceptance of Applications on the Tranche I Issue Closing Date. However, in case of Syndicate ASBA, the relevant branches of the SCSBs at Specified Cities can accept ASBA Applications from the Lead Managers or Trading Members of the Stock Exchange, as the case may be, after the closing time of acceptance of Applications on the Tranche I Issue Closing Date. For further information on this Tranche I Issue programme, please see section titled “*Issue Related Information*” on page 70.
- (c) In case of Applications through Syndicate ASBA, the physical Application Form shall bear the stamp of the Lead Managers or Consortium Members or Trading Members of the Stock Exchange, as the case maybe, if not, the same shall be rejected. Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

## **INSTRUCTIONS FOR FILLING-UP THE APPLICATION FORM**

### **General Instructions**

#### **A. General instructions for completing the Application Form**

- Applications must be made in prescribed Application Form only;
- Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
- Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/ Recognised-Intermediaries>)
- Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchange, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.
- Application Forms must be completed in block letters in English, as per the instructions contained in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus, the Abridged Prospectus and the Application Form.

- Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- Applicants must apply for Allotment in dematerialised form and must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs.
- The minimum number of Applications and minimum application size shall be specified in this Tranche I Prospectus. Applicants may apply for one or more series of NCDs Applied for in a single Application Form.
- Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta.
- Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Lead Managers, Consortium Members, Trading Members of the Stock Exchange or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Lead Managers, Consortium Members, Trading Member of the Stock Exchange or the Designated Branch of the SCSBs, as the case may be.
- The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- Every Applicant should hold valid Permanent Account Number (PAN) and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount.
- All Applicants are required to tick the relevant column of "Category of Investor" in the Application Form.

- ASBA will be the default “Mode of Application” as per the SEBI Master Circular.
- Applicants should correctly mention the ASBA Account number and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form to the Designated Branch and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected.
- Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchange by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account
- For Applicants, the Applications in physical mode should be submitted to the SCSBs or a members of the Syndicate or to the Trading Members of the Stock Exchange on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- Application Forms should bear the stamp of the Members of the Syndicate, Trading Members of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- Application Forms should bear the stamp of the Members of the Syndicate, Trading Members of the Stock Exchange, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- ASBA Applicants need to give the correct details of their ASBA Account including bank account number/ bank name and branch/ UPI ID in case of applying through UPI Mechanism.
- Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant’s bank records.
- The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Lead Managers, Consortium Members, Trading Members of the Stock Exchange in the data entries as such data entries will be considered for allotment.

**Applicants should note that neither the Designated Intermediaries nor SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms.**

Our Company would allot the Series IV NCDs, as specified in this Tranche I Prospectus to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

#### **B. Applicant’s Beneficiary Account and Bank Account Details**

**ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDs SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.**

Applicants applying for Allotment in dematerialized form must mention their DP ID ,Client ID, PAN and UPI ID

(in case applying through UPI Mechanism) in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialized form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialized form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialized form, whose beneficiary accounts are inactive, will be rejected.

On the basis of the DP ID and Client ID provided by the Applicant in the Application Form for Allotment in dematerialized form and entered into the electronic system of the Stock Exchange, the Registrar to the Issue will obtain from the Depositories the Demographic Details of the Applicant including PAN, address, bank account details for printing on refund orders/sending refunds through electronic mode, Magnetic Ink Character Recognition ("MICR") Code and occupation. These Demographic Details would be used for giving Allotment Advice and refunds (including through physical refund warrants, direct credit, NACH, NEFT and RTGS), if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details as appearing on the records of the DP and ensure that they are true and correct, and carefully fill in their Beneficiary Account details in the Application Form. Failure to do so could result in delays in dispatch/credit of refunds to Applicants and delivery of Allotment Advice at the Applicants' sole risk, and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Bank(s), SCSBs, Registrar to the Issue nor the Stock Exchange will bear any responsibility or liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchange by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

The Demographic Details would be used for correspondence with the Applicants including mailing of the Allotment Advice and printing of bank particulars on the refund orders, or for refunds through electronic transfer of funds, as applicable. Allotment Advice and physical refund orders (as applicable) would be mailed at the address of the Applicant as per the Demographic Details received from the Depositories. Applicants may note that delivery of refund orders/ Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Applicant in the Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Applicants sole risk and neither our Company, the Lead Managers, Trading Members of the Stock Exchange, Public Issue Account Banks, SCSBs, Registrar to the Issue nor the Stock Exchange shall be liable to compensate the Applicant for any losses caused to the Applicant due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche I Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under power of attorney, our Company in its absolute discretion, reserves the right to permit the holder of Power of Attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of refund orders/ Allotment Advice, the demographic details obtained from the Depository of the Applicant shall be used. By signing the Application Form, the Applicant would have deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche I Issue.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche I Issue will be made into the accounts of such Applicants. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, Client ID and PAN, then such Application are liable to be rejected.

*Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated*

*as incomplete and will be rejected.*

### **C. Permanent Account Number (PAN)**

The Applicant should mention his or her Permanent Account Number (PAN) allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the Central or State Government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008, and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006, may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir-05/2007 dated April 27, 2007, issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground.

However, the exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e., either Sikkim category or exempt category.

### **D. Joint Applications**

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form

### **E. Additional/ Multiple Applications**

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, subject to a minimum application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in this Tranche I Prospectus. Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected. However, multiple Applications by the same individual Applicant aggregating to a value exceeding ₹1,000,000 shall be deemed such individual Applicant to be a HNI Applicant and all such Applications shall be grouped in the HNI Portion, for the purpose of determining the basis of allotment to such Applicant. However, any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a Hindu Undivided family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under this Tranche I Issue, Applications shall be grouped based on the PAN, i.e., Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN of the sole or the first Applicant is one and the same.

### **F. Unified Payments Interface (UPI)**

Pursuant to the SEBI Master Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

### **Electronic registration of Applications**

- (a) The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchange. Direct Online Applications will be registered by

Applicants using the online platform offered by the Stock Exchange. The Lead Managers, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchange or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Members, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms. In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- (b) The Stock Exchange will offer an electronic facility for registering Applications for this Tranche I Issue. This facility will be available on the terminals of Designated Intermediaries and the SCSBs during the Tranche I Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Issue Closing Date. On the Tranche I Issue Closing Date, Designated Intermediaries and Designated Branches of SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchange. This information will be available with the Syndicate Members and the other Designated Intermediaries on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Tranche I Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please see “*Issue Structure*” on page 70.
- (c) Based on the aggregate demand for Applications registered on the electronic facilities of the Stock Exchange, a graphical representation of consolidated demand for the NCDs, as available on the websites of the Stock Exchange, would be made available at the Application centres as provided in the Application Form during the Tranche I Issue Period.
- (d) At the time of registering each Application, the Designated Intermediaries, shall enter the details of the Applicant, such as the Application Form number, PAN, Applicant category, DP ID, Client ID, number and Option(s) of NCDs applied, Application Amounts and any other details that may be prescribed by the online uploading platform of the Stock Exchange.

With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:

- i. Application Form number
- ii. PAN (of the first Applicant, in case of more than one Applicant)
- iii. Investor category and sub-category
- iv. DP ID
- v. Client ID
- vi. UPI ID (if applicable)
- vii. Number of NCDs applied for
- viii. Price per NCD
- ix. Bank code for the SCSB where the ASBA Account is maintained.
- x. Bank account number
- xi. Application amount

With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:

- i. Application Form number
- ii. PAN (of the first Applicant, in case of more than one Applicant)
- iii. Investor category and sub-category
- iv. DP ID
- v. Client ID

- vi. UPI ID (if applicable)
  - vii. Number of NCDs applied for
  - viii. Price per NCD
  - ix. Bank code for the SCSB where the ASBA Account is maintained.
  - x. Location
  - xi. Application amount
- (e) A system generated Acknowledgement Slip will be given to the Applicant as a proof of the registration of his Application. It is the Applicant's responsibility to obtain the Acknowledgement Slip from the Syndicate Members or the other Designated Intermediaries, as the case may be. The registration of the Applications by the Designated Intermediaries does not guarantee that the NCDs shall be allocated/ Allotted by our Company. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.
- (f) The permission given by the Stock Exchange to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, and/or the Lead Managers are cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche I Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchange.
- (g) In case of apparent data entry error by the Designated Intermediaries, in entering the Application Form numbers in their respective schedules, other things remaining unchanged, the Application Form may be considered as valid, or such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchange.

Only Applications that are uploaded on the online system of the Stock Exchange shall be considered for Allotment. The Designated Intermediaries shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchange. In order that the data so captured is accurate, Designated Intermediaries will be given up to one Working Day after the Tranche I Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Tranche I Issue Period after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

#### **General Instructions**

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form.

#### ***Do's***

1. Check if you are eligible to apply as per the terms of the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and applicable law;
2. Read all the instructions carefully and complete the Application Form in the prescribed form;
3. Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to this Tranche I Issue
4. Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
5. Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;

Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;

6. Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Intermediaries, as the case may be.

7. Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
8. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchange as per the procedures and requirements prescribed by the Stock Exchange, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012, issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during this Tranche I Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes.
9. Ensure that signatures other than in the languages specified in the Eighth Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;

10. Ensure that the DP ID, the Client ID and the PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange, match with the DP ID, Client ID and PAN available in the Depository database;
11. In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN of the HUF should be mentioned in the Application Form and not that of the Karta;
12. Ensure that the Applications are submitted to the Lead Managers, Consortium Members, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche I Issue Closing Date. For further information on this Tranche I Issue programme, please see "*Issue Related Information*" on page 70.
13. Ensure that the Demographic Details including PAN are updated, true and correct in all respects;

Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;

14. Permanent Account Number: Except for Application (i) on behalf of the Central or State Government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the Central or State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
15. Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
16. All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form;
17. Tick the series of NCDs in the Application Form that you wish to apply for;.
18. Check if you are eligible to Apply under ASBA;
19. Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of ₹

500,000;

20. Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form;
21. Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface;
22. Ensure that you give the correct details of your ASBA Account including bank account number/ bank name and branch;
23. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment;
24. Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at

[www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40](http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40)

Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;

In terms of SEBI Master Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Master Circular stipulates the time between closure of this Tranche I Issue and listing at six Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

#### **Don'ts:**

1. Do not apply for lower than the minimum application size;
2. Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
3. Do not send Application Forms by post; instead submit the same to the Consortium Members, sub-consortium members, Trading Members of the Stock Exchange or Designated Branches of the SCSBs, as the case may be;

Do not submit the Application Form to any non-SCSB bank or our Company;

Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be;

4. Do not fill up the Application Form such that the NCDs applied for exceeds this Tranche I Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
5. Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
6. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
7. Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are

available for blocking in the relevant ASBA Account;

8. Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
9. Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
10. Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;  
Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
11. Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
12. Do not apply if you are a person ineligible to apply for NCDs under this Tranche I Issue including Applications by Persons Resident Outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
13. Do not make an application of the NCD on multiple copies taken of a single form;
14. Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted under the ASBA process;
15. Do not send your physical Application Form by post. Instead submit the same to a Designated Branch or the Lead Managers or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities;
16. Do not submit more than five Application Forms per ASBA Account;
17. If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID;
18. Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI; and
19. Do not submit a bid using UPI ID, if you are not a Retail Individual Investor and if the Application is for an amount more than ₹ 5,00,000;

**Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).**

Please see “*Rejection of Applications*” on page 126 for information on rejection of Applications.

### **Submission of completed Application Forms**

For details in relation to the manner of submission of Application Forms, see “*Issue Procedure*” beginning on page 99.

## **OTHER INSTRUCTIONS**

### **Depository Arrangements**

Our Company has made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

1. Tripartite Agreement dated July 28, 2021 between us, the Registrar to the Issue and CDSL for offering depository option to the Applicants.
2. Tripartite Agreement dated December 28, 2018 between us, the Registrar to the Issue and NSDL for offering depository option to the Applicants.

3. An Applicant must have at least one beneficiary account with any of the Depository Participants (DPs) of NSDL or CDSL prior to making the Application.
4. The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
5. NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
6. Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
7. It may be noted that NCDs in electronic form can be traded only on Stock Exchange having electronic connectivity with NSDL or CDSL. The Stock Exchange have connectivity with NSDL and CDSL.
8. Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
9. The trading of the NCDs on the floor of the Stock Exchange shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under the Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

**PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGE SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.**

For further information relating to Applications for Allotment of the NCDs in dematerialised form, please see the section titled "*Issue Procedure*" on page 99.

### **Communications**

All future communications in connection with Applications made in this Tranche I Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre-Issue related problems and/or Post-Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository's beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchange in case of any Post-Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository's beneficiary account/ etc.

Grievances relating to Direct Online Applications may be addressed to the Registrar to the Issue, with a copy to the relevant Stock Exchange.

### **Interest in case of Delay**

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

### **Undertaking by our Company**

- a. All monies received pursuant to the Issue of NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013;
- b. Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised;

- c. Details of all unutilised monies out of issue of NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d. The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested;
- e. We shall utilize the Issue proceeds only upon creation of security as stated in this Tranche I Prospectus in the section titled “*Terms of the Issue*” on page 79 and after (a) permissions or consents for creation of pari passu charge have been obtained from the creditors who have pari passu charge over the assets sought to be provided as Security; (b) receipt of the minimum subscription of 75% of the Base Issue amount; (c) completion of Allotment and refund process in compliance with Section 40 of the Companies Act, 2013; (d) creation of security and confirmation of the same in terms of NCDs and (e) receipt of listing and trading approval from the Stock Exchange;
- f. The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property.
- g. The allotment letter shall be issued, or application money shall be unblocked within 15 days from the closure of the Issue, or such lesser time as may be specified by SEBI, or else the application money shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period;

The Experts named in the Shelf Prospectus, this Tranche I Prospectus are not, and has not been, engaged or interested in the formation or promotion or management, of the Company.

#### *Other Undertakings by our Company*

Our Company undertakes that:

- a. Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily;
- b. Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the NCDs are outstanding;
- c. Our Company will take necessary steps for the purpose of getting the NCDs listed within the specified time, i.e., within six Working Days of the Issue Closing Date;
- d. Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- e. Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the current statutory auditor, to the Debenture Trustee as per applicable law;
- f. Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of this Tranche I Issue as contained in this Tranche I Prospectus;
- g. We shall make necessary disclosures/reporting under any other legal or regulatory requirement as may be required by our Company from time to time;
- h. We undertake that the assets / receivables on which charge is created, are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor, wherever applicable;
- i. Our Company will disclose the complete name and address of the Debenture Trustee in its annual report and website.

#### **Rejection of Applications**

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, the Board of Directors and/or any committee of our Company reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

***Application may be rejected on one or more technical grounds, including but not restricted to:***

- Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;
- Applications not being signed by the sole/joint Applicant(s);

Applications not made through the ASBA facility;

Number of NCDs applied for or Applications for an amount being less than the minimum Application size;

Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;

- Investor Category in the Application Form not being ticked;
- Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum application size;

ASBA Bank account details to block Application Amount not provided in the Application Form;

- Applications where a registered address in India is not provided for the Applicant;
- In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partners(s);
- Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- PAN not mentioned in the Application Form, except for Applications by or on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participants. In case of minor Applicants applying through guardian when PAN of the Applicant is not mentioned;
- DP ID and Client ID not mentioned in the Application Form;
- GIR number furnished instead of PAN;
- Applications by OCBs;
- Applications for an amount below the minimum application size;
- Submission of more than five ASBA Forms per ASBA Account;
- Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- In case of Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;

- Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- Date of Birth for first/sole Applicant for persons applying for Allotment not mentioned in the Application Form.
- Application Forms not being signed by the ASBA Account holder if the account holder is different from the Applicant.
- If the signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB Bank's records where the ASBA Account mentioned in the Application Form is maintained;
- Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- ASBA Applications not having details of the ASBA Account to be blocked;
- In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID and PAN or if PAN is not available in the Depository database;
- Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the ASBA Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- If an authorization to the SCSB or Sponsor Bank for blocking funds in the ASBA Account or acceptance of UPI Mandate Request raised has not been provided;
- The UPI Mandate Request is not approved by the Retail Individual Investor;
- SCSB making an ASBA application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- Applications by any person outside India;
- Applications by other persons who are not eligible to apply for NCDs under this Tranche I Issue under applicable Indian or foreign statutory/regulatory requirements;
- Applications not uploaded on the online platform of the Stock Exchange;
- Applications uploaded after the expiry of the allocated time on the Tranche I Issue Closing Date, unless extended by the Stock Exchange, as applicable;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Draft Shelf Prospectus, Shelf Prospectus and Tranche I Prospectus;

- Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010;
- Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchange, are not as per the records of the Depositories;
- Applications providing an inoperative demat account number;
- ASBA Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Banker to the Issue (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- Category not ticked;
- Forms not uploaded on the electronic software of the Stock Exchange and/or in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus, this Tranche I Prospectus and as per the instructions in the Application Form;
- UPI Mandate Request is not approved by Retail Individual Investors.

**Kindly note that ASBA Applications submitted to the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Managers, or Trading Members of the Stock Exchange, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit ASBA Applications (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).**

For information on certain procedures to be carried out by the Registrar to the Offer for finalization of the basis of allotment, please see below “*Issue Procedure - Information for Applicants*”.

## **Information for Applicants**

### **Unblocking of funds**

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

In case of ASBA Applications submitted to the SCSBs, in terms of the RTA Master Circular, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected.

In case of Applicants submitted to the Lead Managers, Consortium Member and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar’s validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Managers and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

### **Mode of making refunds**

The Registrar to the Issue shall instruct the relevant SCSB or in case of Bids by Retail Individual Investors applying through the UPI Mechanism to the Sponsor Bank, to revoke the mandate and to unblock the funds in the relevant ASBA Account to the extent of the Application Amount specified in the Application Forms for withdrawn, rejected or unsuccessful or partially successful Applications within six Working Days of the Tranche I Issue Closing Date.

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further, Allotment of NCDs in this Tranche I Issue shall be made within the time period stipulated by SEBI. Credit to dematerialized accounts will be given within one Working Day from the Date of Allotment.

Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Issue Closing Date, for the delay beyond five Working days; and

Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

### **Retention of oversubscription**

Our Company shall have an option to retain over-subscription up to this Tranche I Issue limit.

### **Basis of Allotment**

The Registrar will aggregate the Applications, based on the applications received through an electronic book from the Stock Exchange and determine the valid Applications for the purpose of drawing the Basis of Allotment.

### **Grouping of Applications and allocation ratio**

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, ("**Institutional Portion**");
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, ("**Non-Institutional Portion**").
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, ("**High Net Worth Individual Investors Portion**").
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, ("**Retail Individual Investors Portion**").

For removal of doubt, the terms "**Institutional Portion**", "**Non-Institutional Portion**", "**High Net Worth Individual Investors Portion**" and "**Retail Individual Investors Portion**" are individually referred to as "**Portion**" and collectively referred to as "**Portions**".

For the purposes of determining the number of NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of NCDs to be allotted over and above the Base Issue Size, in case our Company opts to retain any oversubscription in this Tranche I Issue up to the amount specified under this Tranche I Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue Size, (in case our Company opts to retain any oversubscription in this Tranche I Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as the "**Overall Issue Size**".

## Allocation Ratio

Particulars	Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
% of Tranche I Issue Size	25%	25%	25%	25%
Base Issue Size (in ₹ lakh)	3,750.00	3,750.00	3,750.00	3,750.00
Total Tranche I Issue Size (in ₹ lakh)	7,500.00	7,500.00	7,500.00	7,500.00

### a) Allotments in the first instance:

- i. Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 25% of the Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- ii. Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 25% of the Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- iii. Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange;
- iv. Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchange.

As per the SEBI Master Circular, in consultation with the Designated Stock Exchange, the allotment in this Tranche I Issue is required to be made on date priority basis, i.e., first come first serve basis, based on the date of upload of each application into the electronic book of the Stock Exchange, in each portion subject to the Allocation Ratio indicated herein above. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

- b) **Under Subscription :** If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non Institutional Portion, followed by the Institutional Portion on a first come first serve basis. If there is under subscription in the Tranche I Issue Size due to undersubscription in each Portion, all valid Applications received till the end of last day of the Tranche I Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.
- c) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchange would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchange exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.
- d) Minimum Allotments of 10 Secured NCDs and in multiples of 1 Secured NCD thereafter would be made in case of each valid Application to all Applicants.
- e) **Allotments in case of oversubscription:** In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the Secured NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of Secured NCDs to the applicants from the date of oversubscription and thereafter (based on the date of upload of each Application on the electronic platform of the Stock Exchange, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- i. In case of an oversubscription in all Portions resulting in an oversubscription in Tranche I Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date

falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription and thereafter in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchange in each Portion). The date of oversubscription for each category will be determined as per the bucket size based on the allocation ratio stated above not taking into account any spill overs due to undersubscription in other categories.

- ii. In case there is oversubscription in the Tranche I Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
  - a) All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchange till the end of the last day of the Tranche I Issue Period, shall receive full and firm allotment.
  - b) In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchange. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Tranche I Issue period.
  - c) For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Tranche I Issue Period.

**f) Proportionate Allotments:**

For each Portion, from the date of oversubscription and thereafter:

- i. Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
- ii. If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche I Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
- iii. In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

**Applicant applying for more than one Series of NCDs**

If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as appropriate in consultation with the Lead Managers and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the Six Series and in case such Applicant cannot be allotted all the Six Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 24 months followed by Allotment of NCDs with tenor of 36 months and 60 months.

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Tranche I Issue shall be taken by our Company in consultation with the Lead Managers, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche I Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Managers.

Our Company would allot Series IV NCDs to all valid applications, wherein the applicants have not indicated their choice of the relevant series of the NCDs.

## **Information for Applicants**

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

## **Unblocking of Funds**

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

## **Issuance of Allotment Advice**

Our Company shall ensure dispatch of Allotment Advice as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within upon approval of Basis of Allotment.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities and approvals for the commencement of trading at the Stock Exchange where the NCDs are proposed to be listed are taken within 5 Working Days from the Tranche I Issue Closing Date.

Allotment Advice shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche I Issue Closing Date or such lesser time as may be specified by SEBI or else the application amount shall be unblocked in the ASBA Accounts of the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of fifteen per cent. per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

## **Investor Withdrawals and Pre-closure**

*Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Issue Closing Date.*

*Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Tranche I Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Tranche I Issue Closing Date or early closure date, as applicable.*

*Pre-closure/ Early Closure: Our Company, in consultation with the Lead Managers reserves the right to close this Tranche I Issue at any time prior to the Tranche I Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche I Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.*

*In the event of such early closure of this Tranche I Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche I Issue Closing Date, as applicable, through advertisement(s) in all those newspapers in which pre- advertisement and advertisement for opening or closure of this Tranche I issue have been given.*

*Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche I Issue Closing Date.*

*Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.*

If our Company does not receive the minimum subscription of 75% of Base Issue Size prior to the Tranche I Issue Closing

Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within 8 (eight) working days from the Tranche I Issue Closing Date, provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within 6 (six) working days from the Issue Closing Date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

### **Revision of Applications**

As per the notice no: 20120831-22 dated August 31, 2012, issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Tranche I Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Tranche I Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchange as per the procedures and requirements prescribed by each relevant Stock Exchange, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche I Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Tranche I Issue Closing Date (till 1:00 PM) to modify/ verify certain selected fields uploaded in the online system during the Tranche I Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

## **SECTION IV - MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected on Working Days at the Registered Office of our Company situated at 2504, 2505, 2506, 25th Floor, One Lodha Place, Lodha World Towers, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, India between 10.00 am to 5.00 pm on any Working Days from the date of filing of this Tranche I Prospectus until the Tranche I Issue Closing Date.

### **MATERIAL CONTRACTS**

1. Issue Agreement dated March 6, 2023 and Addendum to the Issue Agreement dated November 27, 2023 executed between our Company and the Lead Managers.
2. Registrar Agreement dated March 3, 2023 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated March 3, 2023 executed between our Company and the Debenture Trustee.
4. Public Issue Account Agreement dated November 28, 2023, executed between our Company, the Registrar, the Public Issue Account Bank, Refund Bank and Sponsor Bank, and the Lead Managers.
5. Consortium Agreement dated November 28, 2023, executed between our Company, the Consortium Members and the Lead Managers.
6. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
7. Tripartite agreement dated July 28, 2021 among our Company, the Registrar to the Issuer and CDSL.
8. Tripartite agreement dated December 28, 2018 among our Company, the Registrar to the Issuer and NSDL.

### **MATERIAL DOCUMENTS**

1. Memorandum and Articles of Association of our Company, as amended to date.
2. Certificate of Incorporation of our Company, issued in name of Kirloskar Capital Limited by Registrar of Companies, Maharashtra, at Mumbai.
3. Fresh Certificate of Incorporation of the Company dated June 28, 2019 for change in name to Arka Fincap Limited, by Registrar of Companies, Mumbai, Maharashtra.
4. Certificate of Registration as an NBFC dated October 29, 2018 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934 in the name of Kirloskar Capital Limited.
5. Fresh Certificate of Registration as an NBFC dated July 25, 2019 issued by RBI u/s 45 IA of the Reserve Bank of India, 1934 in name of Arka Fincap Limited under registration number N-13.02282.
6. Copy of shareholders' resolution on June 16, 2023 under Section 180(1)(c) and under Section 180(1)(a) of the Companies Act, 2013 on overall borrowing and security creation limits by the Board of Directors of our Company.
7. Copy of the resolution passed by the Board of Directors dated July 22, 2022 approving the issue of NCDs and copy of shareholders' resolution on November 22, 2022 approving the issue of NCDs through public issue.
8. Copy of the resolution passed by the Asset Liability Committee at its meeting held on March 6, 2023 approving the Draft Shelf Prospectus.
9. Copy of the resolution passed by the Asset Liability Committee at its meeting held on November 28, 2023 approving the Shelf Prospectus, this Tranche I Prospectus.
10. Trademark/ Service Mark License Agreement and License Agreement between our Company and Kirloskar Proprietary Limited, each dated August 3, 2023.

11. Credit Rating letter dated October 9, 2023 and further revalidated vide letter dated November 3, 2023 by CRISIL Ratings Limited assigning a rating of CRISIL AA-/Positive (pronounced as CRISIL double A minus rating with Positive outlook). The rating has been reaffirmed and outlook revised from CRISIL AA-/ Stable (Pronounced as CRISIL double A minus rating with Stable outlook) for an amount of ₹ 50,000 lakh, originally issued vide their rating letter dated January 20, 2023.
12. Consents of the Directors, Chief Financial Officer, Company Secretary and Compliance Officer, Lead Managers to the Issue, Legal Advisor to the Issue, Credit Rating Agency for the Issue, Bankers to our Company, Registrar to the Issue and the Debenture Trustee for the NCDs to include their names in the Shelf Prospectus and this Tranche I Prospectus in their respective capacity and the Bankers to the Tranche I Issue and Consortium Members to include their names in this Tranche I Prospectus, in their respective capacities.
13. Consent of CARE Advisory Research & Training Limited as the agency issuing the consent letter dated November 21, 2023, forming part of the Industry Overview chapter.
14. Consent dated November 28, 2023 from P G BHAGWAT LLP our Statutory Auditor, to include their name as required under section 26 (1) of the Companies Act, 2013 read with SEBI NCS Regulations, in this Tranche I Prospectus, and as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as our Statutory Auditor, and in respect of (i) their report dated April 28, 2023 and April 26, 2022 on the Audited Financial Statements for Fiscal 2023 and the Audited Financial Statements for Fiscal 2022, respectively, included in the Shelf Prospectus (ii) their report dated October 25, 2023 on the Unaudited Financial Results included in the Shelf Prospectus and (ii) their report dated November 28, 2023 on the statement of special tax benefits included in this Tranche I Prospectus.
15. Consent letter from the previous statutory auditor, M/s. B S R & Co LLP, Chartered Accountants dated March 6, 2023 for inclusion of their report dated April 28, 2021 on the Audited Financial Statements for Fiscal 2021.
16. The reports on statement of possible tax benefits dated November 28, 2023 issued by P G BHAGWAT LLP.
17. Annual Report of our Company for the last three financial years ended March 31, 2023, 2022 and 2021.
18. Limited review report dated October 25, 2023 of our Company for the Unaudited Financial Results in relation to the quarter and half year ended September 30, 2023.
19. Due Diligence certificate dated November 28, 2023 filed by the Debenture Trustee to the Issue.
20. In-principle listing approval from BSE by its letter no. DCS/BM/PI-BOND/022/22-23 dated March 15, 2023.
21. Due Diligence Certificate dated November 28, 2023 filed by the Lead Managers with SEBI.

## DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Tranche I Issue including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be and other competent authorities in this respect, from time to time have been complied with and no statement made in this Tranche I Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Tranche I Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material information which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche I Prospectus does not contain any misstatements. Furthermore, all the monies received under this Tranche I Issue shall be used only for the purposes and objects indicated in this Tranche I Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche I Prospectus thereto is true, correct and complete and is as per the original records maintained by the Promoter subscribing to the Memorandum of Association and Articles of Association.

### Signed by the Directors of our Company

\_\_\_\_\_  
Vimal Bhandari  
Executive Vice Chairman and Chief Executive Officer  
DIN: 00001318

\_\_\_\_\_  
Yogesh Kapur  
Independent Director  
DIN: 00070038

\_\_\_\_\_  
Mahesh Ramchand Chhabria  
Non-Executive Non- Independent Director  
DIN: 00166049

\_\_\_\_\_  
Harish Hansubhai Engineer  
Independent Director  
DIN: 01843009

\_\_\_\_\_  
Gauri Atul Kirloskar  
Non-Executive Non- Independent Director  
DIN: 03366274

\_\_\_\_\_  
Sivanandhan Dhanushkodi  
Independent Director  
DIN: 03607203

\_\_\_\_\_  
Vijay Chugh  
Independent Director  
DIN: 07112794

\_\_\_\_\_  
Ramanathan Gurumurthy  
Additional Independent Director  
DIN: 10366010

Date: November 28, 2023

Place: Mumbai

**ANNEXURE A**  
**RATING, RATIONALE AND PRESS RELEASE**

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RL/ARFILI/331126/NCD/1123/72627/138232675

November 03, 2023

**Mr. Amit Gupta**  
 Chief Financial Officer  
**ARKA Fincap Limited**  
 One Indiabulls Centre,  
 Tower 2B, Floor 12B,  
 Senapati Bapat Marg,  
 Mumbai City - 400013  
 9619475839



Dear Mr. Amit Gupta,

**Re: Review of CRISIL Rating on the Rs.500 Crore Non Convertible Debentures<sup>&</sup> of ARKA Fincap Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA-/Positive (pronounced as CRISIL double A minus rating with Positive outlook) rating to the captioned Debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings 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 Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings 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 at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

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

With warm regards,

Yours sincerely,

Subha Sri Narayanan  
 Director - CRISIL Ratings

Nivedita Shibu  
 Associate Director - CRISIL Ratings



& For public issuance

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

**CRISIL Ratings Limited**

A subsidiary of CRISIL Limited, an S&P Global Company  
 Corporate Identity Number: U67100MH2019PLC326247

## Rating Rationale

November 03, 2023 | Mumbai

### ARKA Fincap Limited

'CRISIL AA-/Positive' assigned to Subordinated Debt

#### Rating Action

<b>Total Bank Loan Facilities Rated</b>	<b>Rs.2310 Crore</b>
<b>Long Term Rating</b>	<b>CRISIL AA-/Positive (Reaffirmed)</b>
<b>Rs.75 crore Subordinated Debt</b>	<b>CRISIL AA-/Positive (Assigned)</b>
<b>Rs.300 Crore Non Convertible Debentures</b>	<b>CRISIL AA-/Positive (Reaffirmed)</b>
<b>Rs.60 Crore Subordinated Debt</b>	<b>CRISIL AA-/Positive (Reaffirmed)</b>
<b>Rs.200 Crore Non Convertible Debentures</b>	<b>CRISIL AA-/Positive (Reaffirmed)</b>
<b>Rs.500 Crore Non Convertible Debentures<sup>&amp;</sup></b>	<b>CRISIL AA-/Positive (Reaffirmed)</b>
<b>Rs.250 Crore Commercial Paper</b>	<b>CRISIL A1+ (Reaffirmed)</b>
<b>Long Term Principal Protected Market Linked Debentures Aggregating Rs.205 Crore (Reduced from Rs.250 Crore)</b>	<b>CRISIL PPMLD AA-/Positive (Reaffirmed)</b>
<b>Non Convertible Debentures Aggregating Rs.325 Crore (Reduced from Rs.395.5 Crore)</b>	<b>CRISIL AA-/Positive (Reaffirmed)</b>

<sup>&</sup> For public issuance

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AA-/Positive**' rating to the Rs 75 crore of subordinated debt of ARKA Fincap Limited (Arka) while reaffirming its ratings on outstanding debt instruments and bank facilities at 'CRISIL AA-/CRISIL PPMLD AA-/Positive/CRISIL A1+'.

CRISIL Ratings has also **withdrawn** its rating on the unutilised Rs. 70.5 crore non-convertible debentures and Rs 45 crore of Long Term Principal Protected Market Linked Debentures, (see the 'Annexure - Details of Rating Withdrawn' for details) at the request of the company, in line with its withdrawal policy.

The rating is driven by expected strengthening of the credit risk profile of Kirloskar Oil Engines Ltd (KOEL). It also factors steady scale up in operations of Arka, as seen in the growth in the AUM. Consolidated operating income of KOEL grew by 22% to Rs 4,649 crore during fiscal 2023 with Earnings before interest, tax, depreciation and amortisation (EBITDA) margin improving to 9.6% as compared to 7.1% during fiscal 2022. The healthy traction in operating performance continued in the first quarter of fiscal 2024 with operating income growing 27% y/y to Rs 1,415 crore with EBITDA margin improving to Rs 168 crore at 11.9% margin with support from pre-buy of sunset CPCB 2 engines. Operating performance improvement was broad based with growth across segments and end-user industries, increased exports and lagged- impact of price increases taken since last fiscal as well as moderating raw material prices this fiscal. Margins were impacted in fiscal 2022 owing to substantial increase in raw material prices which the company was only able to pass-on partially to customers primarily in price conscious small pumps business of its subsidiary, La Gajjar Machineries Pvt Ltd (LGMPL; 'CRISIL A+/Positive/CRISIL A1').

The company (KOEL) has undertaken '2X3Y' strategic plan implemented since August-2022 to double its standalone revenue from fiscal 2022 levels while maintaining double digits EBITDA margins over the next three years. CRISIL Ratings expects revenue growth to be healthy at 15-20% during this fiscal while EBITDA margin is expected to remain at double-digits. Sustenance of healthy revenue growth while maintaining double-digit EBITDA margins over the medium term, remains a key monitorable. Furthermore, the financial risk profile remains robust, supported by strong capital structure with low debt, strong debt protection metrics and healthy liquidity.

For the first three months of fiscal 2024, on a consolidated basis (including ARKA), net profit was Rs 125 crore on operating income of Rs 1,543 crore, against Rs 82 crore and Rs 1,197 crore, respectively, in the corresponding period of the previous fiscal.

CRISIL Ratings' ratings on the bank facilities and debt instruments of Arka continue to factor in the expectation of strong support from the ultimate parent, Kirloskar Oil Engines Ltd (KOEL; rated 'CRISIL AA/Positive/CRISIL A1+'), because of strategic importance and strong moral obligations. The ratings also factor in adequate capitalisation for the initial stages of operations. These strengths are partially offset by the nascent stage of operations.

As KOEL aims to expand into other financial services businesses, it had formed a holding company, Arka Financial Holdings Pvt Ltd (AFHPL) which is the holding company for all financial services businesses of KOEL. KOEL has transferred 100% of its stake in Arka to AFHPL. KOEL, nevertheless, will continue to ultimately hold 100% stake in Arka and will remain the majority shareholder over the medium term. KOEL has infused around Rs 1000 crore in ARKA till date

### **Analytical Approach**

For arriving at the ratings, CRISIL Ratings has assessed the standalone credit risk profile of Arka, and factored in the support expected from ultimate parent, KOEL, given the strategic importance of Arka to the former, 100% ultimate shareholding, and the strong moral and financial obligations to support it.

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

- **Strategic importance to, and expectation of strong support from, KOEL**

Arka derives strong support from its ultimate parent, KOEL, in the form of high strategic importance and strong moral obligations, being its step-down subsidiary. The financial services entity has been identified as a focus area for the parent's overall diversification plans. KOEL has already infused around Rs 1000 crores till date (Rs 125 crore and Rs 130 crore were infused in fiscal 2021 and fiscal 2022 respectively; Rs 149 crore were infused in fiscal 2023), depicting strong financial support towards its subsidiary. KOEL wholly owns Arka and is expected to remain the majority shareholder over the medium term. Moreover, 3 out of 8 directors on Arka's board are also on KOEL's board. Promoters of KOEL also have representation in most of the key committees of Arka, viz., credit, asset liability, IT steering, risk management, etc. Arka is expected to benefit from the Kirloskar group's expertise, especially in small and medium enterprise (SME) lending.

The rating also factors in the strong support from the ultimate parent KOEL, demonstrated by the articulation of its intention to support Arka by way of: (i) its intention to maintain majority shareholding in Arka in the foreseeable future, (ii) Arka, being core to overall business strategy of growth of which diversification into financial services is an integral part, and, (iii) KOEL, making it best efforts to conduct Arka's business in line with Kirloskar group's philosophy, so that it meet its obligations on a timely basis.

- **Adequate capitalisation for initial stages of operations**

Arka benefits from funding support from the ultimate parent and has adequate capitalisation for initial stages of operations. KOEL has already infused around Rs. 1000 crore till date. Capital support from the parent, is expected to keep capitalisation of Arka adequate (Net worth of Rs 1049 crore and Capital Adequacy ratio of 25.5% as on March 31, 2023, and Rs 837 crore and 30.9% as on March 31, 2022), with low gearing of 3 times as on March 31, 2023 (2.1 times as on March 31, 2022) in the initial stages of operation. Networth and gearing was Rs 1,142 crore and 2.8 times, respectively, as on September 30, 2023.

#### **Weaknesses:**

- **Nascent stage of operations**

As operations have only commenced in April 2019, they are still in the initial stage. The total loan book stood at Rs 3,961 crore as on March 31, 2023 (Rs 2,380 crore as on March 31, 2022, and Rs 1,124 crore as on March 31, 2021) with a mix of corporate (40%), real estate (30%) and SME/micro-SME exposure (30%). As on September 30, AUM increased to Rs 4,034 crore. Going ahead, Arka plans to build a loan book with a healthy mix of corporate, real estate and MSME segments. The company's ability to scale up operations with a healthy loan book, while maintaining its asset quality over the medium term would be a key monitorable

### **Liquidity: Strong**

Arka had overall borrowings of Rs 3116 crore as on March 31, 2023 (Rs 3,154 crore as on September 30, 2023) which was Rs 1,734 crore as on March 31, 2022. The company's liquidity is adequate with around Rs 586 crore of cash and cash equivalents (Rs 119 crore), liquid investments (Rs 291 crore) and unutilized bank lines (Rs 176 crore) as on September 30, 2023. Against this, outflow on account of debt repayments in next three months (Oct'23-Dec'23) is ~ Rs 381 crore Liquidity is further supported by expectation of financial assistance from parent, in case of any requirement.

### **Outlook: Positive**

CRISIL Ratings believes Arka will remain strategically important to KOEL and will continue to benefit from its strong support and high moral obligations from the ultimate parent over the medium term.

### **Rating Sensitivity factors**

#### **Upward Factors:**

- Upward revision in the rating of its ultimate parent, KOEL, by 1 notch
- Ability to significantly scale up the loan book while maintaining asset quality, and improvement in earnings profile on a sustained basis

#### **Downward Factors:**

- Downward revision in the rating of its ultimate parent, KOEL, by 1 notch or any material change in the shareholding or support philosophy of KOEL for Arka; and/or
- Deterioration in the asset quality (GNPA >5%), on a sustained basis, thereby also impacting its profitability

### About the Company

Arka is a non-deposit taking systemically important non-banking financial company (NBFC). It is promoted by the Kirloskar group and is a step-down subsidiary of KOEL. Arka was originally incorporated as Kirloskar Capital Ltd, however, the name was subsequently changed to Arka Fincap Ltd in August 2019. In January 2022, KOEL transferred its 99.41% stake in Arka to AFHPL (wholly owned subsidiary of KOEL) and the remaining stake was transferred in March 2022. Arka commenced its operations from April 2019. It has senior leadership and experienced management team on board and has also put in place various policies for smooth operations of its business. Arka aims to build a loan book with a mix of corporate, real estate and SME/MSME segment.

### About the Group

KOEL, one of the flagship companies of the Kirloskar group, manufactures and services diesel engines (primarily between 2.5-740 horsepower) and diesel generator sets (mainly between 2-1,010 kilo-volt-ampere). The company also makes diesel-, petrol-, and kerosene-based pump sets. It has manufacturing units in Pune, Kagal, and Nashik (all in Maharashtra). KOEL caters to the agriculture, power generation, and industrial sectors. On August 01, 2017, it acquired 76% stake in La-Gajjar Machineris Pvt Ltd and is likely to acquire the balance stake in the next five years, in line with the share purchase agreement. KOEL has set up an NBFC business through ARKA, with equity infusion of Rs 1000 crore till date.

### Key Financial Indicators

For the year /period ended	Unit	Sep-23 (UA)	2023 (A)	2022 (A)
Total assets	Rs crore	4,512	4338	2,627
Total income	Rs crore	258	373	203
PAT	Rs crore	35	61	33
Gross stage 3	%	0.2	0.01	Nil
Return on assets	%	1.6	1.8	1.6
Gearing	Times	2.8	3.0	2.1

UA: Unaudited; A: Audited

**Any other information:** Not applicable

### Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

### Annexure - Details of Instrument(s)

ISIN	Name of the instrument/lenders	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crores)	Complexity level	Rating Assigned with outlook
INE03W107082	Non-convertible debentures	26-Nov-21	8.4	26-Nov-24	75	Simple	CRISIL AA-/Positive
INE03W107090	Non-convertible debentures	9-Feb-22	8.3	09-Feb-25	100	Simple	CRISIL AA-/Positive
INE03W107124	Non-convertible debentures	06-Sep-22	8.2	06-Mar-24	50	Simple	CRISIL AA-/Positive
INE03W107140	Non-convertible debentures	29-Sep-22	8.75	29-Sep-25	50	Simple	CRISIL AA-/Positive
INE03W107173	Non-convertible debentures	30-Jan-23	9.35	31-Mar-25	200	Simple	CRISIL AA-/Positive
INE03W107199	Non-convertible debentures	23-Mar-23	9.35	17-Mar-25	50	Simple	CRISIL AA-/Positive
INE03W107181	Non-convertible debentures	23-Mar-23	9.35	17-Sep-26	250	Simple	CRISIL AA-/Positive
INE03W107207	Non-convertible debentures	28-Mar-23	9.3	28-Jun-26	50	Simple	CRISIL AA-/Positive
NA	Non-convertible debentures (for	NA	NA	NA	500	Simple	CRISIL AA-/Positive

	Public issuance)*						
INE03W107132	Long term principal protected market linked debentures	09-Sep-22	Linked to 10-year government security	06-Dec-24	25	Highly Complex	CRISIL PP-MLD AA-/Positive
INE03W107157	Long term principal protected market linked debentures	23-Sep-22	Linked to 10-year government security	23-Oct-24	30	Highly Complex	CRISIL PP-MLD AA-/Positive
INE03W107108	Long term principal protected market linked debentures	22-Mar-22	Linked to 10-year government security	19-Mar-25	50	Highly Complex	CRISIL PP-MLD AA-/Positive
INE03W107116	Long term principal protected market linked debentures	27-Jun-22	Linked to 10-year government security	27-Jun-24	25	Highly Complex	CRISIL PP-MLD AA-/Positive
INE03W107165	Long term principal protected market linked debentures	06-Jan-23	Linked to 10-year government security	05-Feb-26	75	Highly Complex	CRISIL PP-MLD AA-/Positive
NA	Subordinated debt*	NA	NA	NA	75	Complex	CRISIL AA-/Positive
INE03W108015	Subordinated debt	25-Aug-22	10.25	25-Feb-28	60	Complex	CRISIL AA-/Positive
NA	Term loan@	NA	NA	28-Jun-24	10	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	28-Jun-24	12.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	29-Mar-26	42.86	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	27-Dec-26	110	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	04-Sep-23	18.75	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	22-May-25	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	20-Mar-26	57	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jun-23	7.33	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	01-Mar-25	33.94	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	01-Apr-26	55	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Nov-24	65.63	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	26-Jul-23	12.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-26	42	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	05-Sep-26	22.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Nov-26	46.88	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Nov-23	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	31-Dec-23	8.75	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Aug-25	45.83	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	03-Apr-24	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	04-Mar-24	7.27	NA	CRISIL AA-/Positive

NA	Term loan@	NA	NA	15-Dec-25	36.67	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Mar-24	18.17	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-26	7.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-26	7.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Feb-24	11.46	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	25-Mar-23	36	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	21-Oct-23	5.83	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	29-Sep-24	15	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	09-Jul-24	18	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-May-24	11.35	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jun-25	18.73	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	26-Sep-25	31.24	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jun-26	40.62	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	31-Aug-25	41.67	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	16-Feb-26	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jan-24	35.69	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	01-Jul-25	90	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	21-Dec-23	7.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jul-24	33.75	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	31-Dec-24	29.15	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Nov-25	45.81	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	20-Dec-26	49.99	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	02-Mar-25	33.33	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Sep-25	83.31	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	29-Mar-26	100	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Mar-25	33.34	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	24-Mar-26	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jun-25	45	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	01-Jul-24	37.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Aug-27	94.73	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	23-Mar-26	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	10-Mar-25	50	NA	CRISIL AA-/Positive

NA	Working capital facility <sup>#</sup>	NA	NA	NA	76.00	NA	CRISIL AA-/Positive
NA	Proposed long term bank loan facility <sup>^</sup>	NA	NA	NA	266.42	NA	CRISIL AA-/Positive
NA	Commercial Paper	NA	NA	7 to 365 Days	250	Simple	CRISIL A1+

<sup>@</sup>Term loan facility is as per outstanding as on March 31, 2023

<sup>^</sup>Interchangeable with short term bank loan facility; includes undrawn bank line from Bajaj Finance Limited

<sup>#</sup>Working capital facility is based on sanctioned amount

<sup>\*</sup>Yet to be issued

#### Annexure - Details of Rating withdrawn

ISIN	Name of the instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crores)	Complexity level	Rating Assigned with outlook
NA	Non-convertible debentures	NA	NA	NA	70.5	Simple	Withdrawn
NA	Long term principal protected market linked debentures	NA	NA	NA	45	Highly Complex	Withdrawn

#### Annexure - Rating History for last 3 Years

Instrument	Current			2023 (History)		2022		2021		2020		Start of 2020
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	2310.0	CRISIL AA-/Positive	09-10-23	CRISIL AA-/Positive	12-12-22	CRISIL AA-/Stable	29-09-21	CRISIL AA-/Stable	23-12-20	CRISIL AA-/Stable	CRISIL A1+ / CRISIL AA-/Stable
			--	27-04-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	16-06-21	CRISIL AA-/Stable	29-10-20	CRISIL AA-/Stable	--
			--	24-02-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	29-05-21	CRISIL AA-/Stable	19-10-20	CRISIL AA-/Stable	--
			--	07-02-23	CRISIL AA-/Stable	05-08-22	CRISIL AA-/Stable	03-05-21	CRISIL AA-/Stable	25-06-20	CRISIL A1+ / CRISIL AA-/Stable	--
			--	20-01-23	CRISIL AA-/Stable	04-08-22	CRISIL AA-/Stable	23-03-21	CRISIL AA-/Stable	29-05-20	CRISIL A1+ / CRISIL AA-/Stable	--
			--	--	--	08-06-22	CRISIL AA-/Stable	--	--	--	--	--
			--	--	--	15-03-22	CRISIL AA-/Stable	--	--	--	--	--
			--	--	--	27-01-22	CRISIL AA-/Stable	--	--	--	--	--
			Commercial Paper	ST	250.0	CRISIL A1+	09-10-23	CRISIL A1+	12-12-22	CRISIL A1+	29-09-21	CRISIL A1+
--	27-04-23	CRISIL A1+				19-10-22	CRISIL A1+	16-06-21	CRISIL A1+	29-10-20	CRISIL A1+	--
--	24-02-23	CRISIL A1+				18-10-22	CRISIL A1+	29-05-21	CRISIL A1+	19-10-20	CRISIL A1+	--
--	07-02-23	CRISIL A1+				05-08-22	CRISIL A1+	03-05-21	CRISIL A1+	25-06-20	CRISIL A1+	--
--	20-01-23	CRISIL A1+				04-08-22	CRISIL A1+	23-03-21	CRISIL A1+	29-05-20	CRISIL A1+	--
--	--	--				08-06-22	CRISIL A1+	--	--	--	--	--
--	--	--				15-03-22	CRISIL A1+	--	--	--	--	--
--	--	--				27-01-22	CRISIL A1+	--	--	--	--	--
Non Convertible Debentures	LT	1325.0				CRISIL AA-/Positive	09-10-23	CRISIL AA-/Positive	12-12-22	CRISIL AA-/Stable	29-09-21	CRISIL AA-/Stable
			--	27-04-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	16-06-21	CRISIL AA-/Stable	29-10-20	CRISIL AA-/Stable	--

			--	24-02-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	29-05-21	CRISIL AA-/Stable	19-10-20	CRISIL AA-/Stable	--
			--	07-02-23	CRISIL AA-/Stable	05-08-22	CRISIL AA-/Stable	03-05-21	CRISIL AA-/Stable	25-06-20	CRISIL AA-/Stable	--
			--	20-01-23	CRISIL AA-/Stable	04-08-22	CRISIL AA-/Stable	23-03-21	CRISIL AA-/Stable	29-05-20	CRISIL AA-/Stable	--
			--		--	08-06-22	CRISIL AA-/Stable		--		--	--
			--		--	15-03-22	CRISIL AA-/Stable		--		--	--
			--		--	27-01-22	CRISIL AA-/Stable		--		--	--
<b>Subordinated Debt</b>	LT	135.0	CRISIL AA-/Positive	09-10-23	CRISIL AA-/Positive	12-12-22	CRISIL AA-/Stable		--		--	--
			--	27-04-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable		--		--	--
			--	24-02-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable		--		--	--
			--	07-02-23	CRISIL AA-/Stable	05-08-22	CRISIL AA-/Stable		--		--	--
			--	20-01-23	CRISIL AA-/Stable		--		--		--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	205.0	CRISIL PPMLD AA-/Positive	09-10-23	CRISIL PPMLD AA-/Positive	12-12-22	CRISIL PPMLD AA- r /Stable	29-09-21	CRISIL PPMLD AA- r /Stable		--	--
			--	27-04-23	CRISIL PPMLD AA-/Stable	19-10-22	CRISIL PPMLD AA- r /Stable	16-06-21	CRISIL PPMLD AA- r /Stable		--	--
			--	24-02-23	CRISIL PPMLD AA-/Stable	18-10-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--	07-02-23	CRISIL PPMLD AA-/Stable	05-08-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--	20-01-23	CRISIL PPMLD AA- r /Stable	04-08-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	08-06-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	15-03-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	27-01-22	CRISIL PPMLD AA- r /Stable		--		--	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility <sup>^</sup>	0.9	Not Applicable	CRISIL AA-/Positive
Proposed Long Term Bank Loan Facility <sup>^</sup>	265.52	Not Applicable	CRISIL AA-/Positive
Term Loan <sup>@</sup>	40.88	IndusInd Bank Limited	CRISIL AA-/Positive
Term Loan <sup>@</sup>	71.86	Bank of Maharashtra	CRISIL AA-/Positive
Term Loan <sup>@</sup>	125.69	State Bank of India	CRISIL AA-/Positive
Term Loan <sup>@</sup>	50	AU Small Finance Bank Limited	CRISIL AA-/Positive

Term Loan@	83.34	Canara Bank	CRISIL AA-/Positive
Term Loan@	45	DCB Bank Limited	CRISIL AA-/Positive
Term Loan@	37.5	Bandhan Bank Limited	CRISIL AA-/Positive
Term Loan@	41.25	HDFC Bank Limited	CRISIL AA-/Positive
Term Loan@	18	IDFC FIRST Bank Limited	CRISIL AA-/Positive
Term Loan@	216.64	Bank of Baroda	CRISIL AA-/Positive
Term Loan@	94.73	Indian Bank	CRISIL AA-/Positive
Term Loan@	29.15	Union Bank of India	CRISIL AA-/Positive
Term Loan@	161.38	Tata Capital Financial Services Limited	CRISIL AA-/Positive
Term Loan@	20.83	Bajaj Finance Limited	CRISIL AA-/Positive
Term Loan@	96.27	Aditya Birla Finance Limited	CRISIL AA-/Positive
Term Loan@	43.94	Axis Bank Limited	CRISIL AA-/Positive
Term Loan@	78.13	Kotak Mahindra Bank Limited	CRISIL AA-/Positive
Term Loan@	30.08	The Karnataka Bank Limited	CRISIL AA-/Positive
Term Loan@	134.48	IndusInd Bank Limited	CRISIL AA-/Positive
Term Loan@	50	Small Industries Development Bank of India	CRISIL AA-/Positive
Term Loan@	50	YES Bank Limited	CRISIL AA-/Positive
Term Loan@	54.58	The Federal Bank Limited	CRISIL AA-/Positive
Term Loan@	125.75	ICICI Bank Limited	CRISIL AA-/Positive
Term Loan@	95.8	Punjab National Bank	CRISIL AA-/Positive
Term Loan@	91.67	Indian Overseas Bank	CRISIL AA-/Positive
Term Loan@	33.17	Punjab and Sind Bank	CRISIL AA-/Positive
Term Loan@	47.46	Utkarsh Small Finance Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	10	Kotak Mahindra Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	5	The Federal Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	10	IDFC FIRST Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	1	Bandhan Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	25	IndusInd Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	25	ICICI Bank Limited	CRISIL AA-/Positive

@Term loan facility is as per outstanding as on March 31, 2023

^Interchangeable with short term bank loan facility; includes undrawn bank line from Bajaj Finance Limited

#Working capital facility is based on sanctioned amount

## Criteria Details

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

**CRISILs Criteria for rating short term debt**

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RL/ARFILI/328628/NCD/1023/71227/138232675  
October 09, 2023



**Mr. Amit Gupta**  
Chief Financial Officer  
**ARKA Fincap Limited**  
One Indiabulls Centre,  
Tower 2B, Floor 12B,  
Senapati Bapat Marg,  
Mumbai City - 400013  
9619475839

Dear Mr. Amit Gupta,

**Re: Review of CRISIL Rating on the Rs.500 Crore Non Convertible Debentures<sup>&</sup> of ARKA Fincap Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed the CRISIL AA- (pronounced as CRISIL double A minus rating) rating for the captioned Debt Instrument, and revised the outlook to Positive from Stable. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

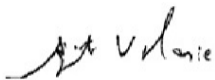
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Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Ajit Velonie  
Senior Director - CRISIL Ratings



Nivedita Shibu  
Associate Director - CRISIL Ratings



*&For public issuance*

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Corporate Identity Number: U67100MH2019PLC326247

## Rating Rationale

October 09, 2023 | Mumbai

### ARKA Fincap Limited

Rating outlook revised to 'Positive'; Ratings Reaffirmed

#### Rating Action

Total Bank Loan Facilities Rated	Rs.2310 Crore
Long Term Rating	CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.300 Crore Non Convertible Debentures	CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.60 Crore Subordinated Debt	CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.200 Crore Non Convertible Debentures	CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.500 Crore Non Convertible Debentures <sup>&amp;</sup>	CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Rs.250 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Long Term Principal Protected Market Linked Debentures Aggregating Rs.250 Crore (Reduced from Rs.325 Crore)	CRISIL PPMLD AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)
Non Convertible Debentures Aggregating Rs.395.5 Crore (Reduced from Rs.502 Crore)	CRISIL AA-/Positive (Outlook revised from 'Stable'; Rating Reaffirmed)

<sup>&</sup>For public issuance

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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has revised its outlook on the bank facilities and long term debt instruments of ARKA Fincap Limited (Arka) to 'Positive' from 'Stable' while reaffirming its ratings at 'CRISIL AA-/CRISIL PPMLD AA-'. The commercial paper has been reaffirmed at 'CRISIL A1+'.

CRISIL Ratings has also **withdrawn** its rating on the Rs.106.5 crore non-convertible debentures and Rs.75 crore of Long Term Principal Protected Market Linked Debentures, (see the 'Annexure – Details of Rating Withdrawn' for details) on receipt of independent confirmation that these instruments are fully redeemed and at the request of the company, in line with its withdrawal policy.

The revision in the outlook is driven by expected strengthening of the credit risk profile of Kirloskar Oil Engines Ltd (KOEL). It also factors steady scale up in operations of Arka, as seen in the growth in the AUM. Consolidated operating income of KOEL grew by 22% to Rs 4,649 crore during fiscal 2023 with Earnings before interest, tax, depreciation and amortisation (EBITDA) margin improving to 9.6% as compared to 7.1% during fiscal 2022. The healthy traction in operating performance continued in the first quarter of fiscal 2024 with operating income growing 27% y/y to Rs 1,415 crore with EBITDA margin improving to Rs 168 crore at 11.9% margin with support from pre-buy of sunset CPCB 2 engines. Operating performance improvement was broad based with growth across segments and end-user industries, increased exports and lagged- impact of price increases taken since last fiscal as well as moderating raw material prices this fiscal. Margins were impacted in fiscal 2022 owing to substantial increase in raw material prices which the company was only able to pass-on partially to customers primarily in price conscious small pumps business of its subsidiary, La Gajjar Machinerics Pvt Ltd (LGMPL; 'CRISIL A+/Positive/CRISIL A1').

The company (KOEL) has undertaken '2X3Y' strategic plan implemented since August-2022 to double its standalone revenue from fiscal 2022 levels while maintaining double digits EBITDA margins over the next three years. CRISIL Ratings expects revenue growth to be healthy at 15-20% during this fiscal while EBITDA margin is expected to remain at double-digits. Sustenance of healthy revenue growth while maintaining double-digit EBITDA margins over the medium term, remains a key

monitorable. Furthermore, the financial risk profile remains robust, supported by strong capital structure with low debt, strong debt protection metrics and healthy liquidity.

For the first three months of fiscal 2024, on a consolidated basis (including ARKA), net profit was Rs 125 crore on operating income of Rs 1,543 crore, against Rs 82 crore and Rs 1,197 crore, respectively, in the corresponding period of the previous fiscal.

CRISIL Ratings' ratings on the bank facilities and debt instruments of Arka continue to factor in the expectation of strong support from the ultimate parent, Kirloskar Oil Engines Ltd (KOEL; rated 'CRISIL AA/Positive/CRISIL A1+'), because of strategic importance and strong moral obligations. The ratings also factor in adequate capitalisation for the initial stages of operations. These strengths are partially offset by the nascent stage of operations.

As KOEL aims to expand into other financial services businesses, it had formed a holding company, Arka Financial Holdings Pvt Ltd (AFHPL) which is the holding company for all financial services businesses of KOEL. KOEL has transferred 100% of its stake in Arka to AFHPL. KOEL, nevertheless, will continue to ultimately hold 100% stake in Arka and will remain the majority shareholder over the medium term. KOEL has infused around Rs 1000 crore in ARKA till date.

### **Analytical Approach**

For arriving at the ratings, CRISIL Ratings has assessed the standalone credit risk profile of Arka, and factored in the support expected from ultimate parent, KOEL, given the strategic importance of Arka to the former, 100% ultimate shareholding, and the strong moral and financial obligations to support it.

### **Key Rating Drivers & Detailed Description**

#### **Strengths:**

#### **Strategic importance to, and expectation of strong support from, KOEL**

Arka derives strong support from its ultimate parent, KOEL, in the form of high strategic importance and strong moral obligations, being its step-down subsidiary. The financial services entity has been identified as a focus area for the parent's overall diversification plans. KOEL has already infused around Rs 1000 crores till date (Rs 125 crore and Rs 130 crore were infused in fiscal 2021 and fiscal 2022 respectively; Rs 149 crore were infused in fiscal 2023), depicting strong financial support towards its subsidiary. KOEL wholly owns Arka and is expected to remain the majority shareholder over the medium term. Moreover, 3 out of 7 directors on Arka's board are also on KOEL's board. Promoters of KOEL also have representation in most of the key committees of Arka, viz., credit, asset liability, IT steering, risk management, etc. Arka is expected to benefit from the Kirloskar group's expertise, especially in small and medium enterprise (SME) lending.

The rating also factors in the strong support from the ultimate parent KOEL, demonstrated by the articulation of its intention to support Arka by way of: (i) its intention to maintain majority shareholding in Arka in the foreseeable future, (ii) Arka, being core to overall business strategy of growth of which diversification into financial services is an integral part, and, (iii) KOEL, making it best efforts to conduct Arka's business in line with Kirloskar group's philosophy, so that it meet its obligations on a timely basis.

#### **Adequate capitalisation for initial stages of operations**

Arka benefits from funding support from the ultimate parent and has adequate capitalisation for initial stages of operations. KOEL has already infused around Rs. 1000 crore till date. Capital support from the parent, is expected to keep capitalisation of Arka adequate (Net worth of Rs 1049 crore and Capital Adequacy ratio of 25.5% as on March 31, 2023, and Rs 837 crore and 30.9% as on March 31, 2022), with low gearing of 3 times as on March 31, 2023 (2.1 times as on March 31, 2022) in the initial stages of operation.

#### **Weakness:**

#### **Nascent stage of operations**

As operations have only commenced in April 2019, they are still in the initial stage. The total loan book stood at Rs 3,961 crore as on March 31, 2023 (Rs 2,380 crore as on March 31, 2022, and Rs 1,124 crore as on March 31, 2021) with a mix of corporate (40%), real estate (30%) and SME/micro-SME exposure (30%). Going ahead, Arka plans to build a loan book with a healthy mix of corporate, real estate and MSME segments. The company's ability to scale up operations with a healthy loan book, while maintaining its asset quality over the medium term would be a key monitorable

#### **Liquidity: Strong**

Arka had overall borrowings of Rs 3116 crore as on March 31, 2023 (Rs 2,877 crore as on June 30, 2023) which was Rs 1,734 crore as on March 31, 2022. The company's liquidity is adequate with around Rs 710 crore of cash and cash equivalents (Rs 203 crore) and liquid investments (Rs 507 crore) as on August 31, 2023. Against this, outflow on account of debt repayments in next six months (Oct'23-Mar'24) is ~ Rs 637 crore. Liquidity is further supported by expectation of financial assistance from parent, in case of any requirement.

#### **Outlook: Positive**

CRISIL Ratings believes Arka will remain strategically important to KOEL and will continue to benefit from its strong support and high moral obligations from the ultimate parent over the medium term.

### **Rating Sensitivity Factors**

#### **Upward Factor:**

- Upward revision in the rating of its ultimate parent, KOEL, by 1 notch
- Ability to significantly scale up the loan book while maintaining asset quality, and improvement in earnings profile on a sustained basis

#### **Downward Factor:**

- Downward revision in the rating of its ultimate parent, KOEL, by 1 notch or any material change in the shareholding or support philosophy of KOEL for Arka; and/or
- Deterioration in the asset quality (GNPA >5%), on a sustained basis, thereby also impacting its profitability

### About the Company

Arka is a non-deposit taking systemically important non-banking financial company (NBFC). It is promoted by the Kirloskar group and is a step-down subsidiary of KOEL. Arka was originally incorporated as Kirloskar Capital Ltd, however, the name was subsequently changed to Arka Fincap Ltd in August 2019. In January 2022, KOEL transferred its 99.41% stake in Arka to AFHPL (wholly owned subsidiary of KOEL) and the remaining stake was transferred in March 2022. Arka commenced its operations from April 2019. It has senior leadership and experienced management team on board and has also put in place various policies for smooth operations of its business. Arka aims to build a loan book with a mix of corporate, real estate and SME/MSME segment.

### About the Group

KOEL, one of the flagship companies of the Kirloskar group, manufactures and services diesel engines (primarily between 2.5-740 horsepower) and diesel generator sets (mainly between 2-1,010 kilo-volt-ampere). The company also makes diesel-, petrol-, and kerosene-based pump sets. It has manufacturing units in Pune, Kagal, and Nashik (all in Maharashtra). KOEL caters to the agriculture, power generation, and industrial sectors. On August 01, 2017, it acquired 76% stake in La-Gajjar Machineris Pvt Ltd and is likely to acquire the balance stake in the next five years, in line with the share purchase agreement. KOEL has set up an NBFC business through ARKA, with equity infusion of Rs 1000 crore till date.

### Key Financial Indicators

For the year /period ended	Unit	Jun-23	2023	2022
Total assets	Rs crore	4191	4338	2,627
Total income	Rs crore	129	373	203
PAT	Rs crore	16	61	33
Gross stage 3	%	0.02	0.01	Nil
Return on assets	%	1.5	1.8	1.6
Gearing	Times	2.6	3.0	2.1

**Any other information:** Not applicable

### Note on complexity levels of the rated instrument:

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings` complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

### Annexure - Details of Instrument(s)

ISIN	Name of the instrument/lenders	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crores)	Complexity level	Rating Assigned with outlook
INE03W107082	Non-convertible debentures	26-Nov-21	8.4	26-Nov-2024	75	Simple	CRISIL AA-/Positive
INE03W107090	Non-convertible debentures	9-Feb-22	8.3	09-Feb-2025	100	Simple	CRISIL AA-/Positive
INE03W107124	Non-convertible debentures	06-Sep-22	8.2	06-Mar-2024	50	Simple	CRISIL AA-/Positive
INE03W107140	Non-convertible debentures	29-Sep-22	8.75	29-Sep-2025	50	Simple	CRISIL AA-/Positive
INE03W107173	Non-convertible debentures	30-Jan-23	9.35	31-Mar-2025	200	Simple	CRISIL AA-/Positive
INE03W107199	Non-convertible debentures	23-Mar-23	9.35	17-Mar-2025	50	Simple	CRISIL AA-/Positive
INE03W107181	Non-convertible debentures	23-Mar-23	9.35	17-Sep-2026	250	Simple	CRISIL AA-/Positive
INE03W107207	Non-convertible debentures	28-Mar-23	9.3	28-Jun-26	50	Simple	CRISIL AA-/Positive
NA	Non-convertible debentures*	NA	NA	NA	70.5	Simple	CRISIL AA-/Positive
NA	Non-convertible debentures (for Public issuance)*	NA	NA	NA	500	Simple	CRISIL AA-/Positive
INE03W107132	Long term principal protected market linked debentures	09-Sep-22	Linked to 10-year government security	06-Dec-2024	25	Highly Complex	CRISIL PPMLD AA-/Positive

INE03W107157	Long term principal protected market linked debentures	23-Sep-22	Linked to 10-year government security	23-Oct-2024	30	Highly Complex	CRISIL PPMLD AA-/Positive
INE03W107108	Long term principal protected market linked debentures	22-Mar-22	Linked to 10-year government security	19-Mar-2025	50	Highly Complex	CRISIL PPMLD AA-/Positive
INE03W107116	Long term principal protected market linked debentures	27-Jun-22	Linked to 10-year government security	27-Jun-2024	25	Highly Complex	CRISIL PPMLD AA-/Positive
INE03W107165	Long term principal protected market linked debentures	06-Jan-23	Linked to 10-year government security	05-Feb-2026	75	Highly Complex	CRISIL PPMLD AA-/Positive
NA	Long term principal protected market linked debentures*	NA	NA	NA	45	Highly Complex	CRISIL PPMLD AA-/Positive
INE03W108015	Subordinated debt	25-Aug-22	10.25	25-Feb-2028	60	Complex	CRISIL AA-/Positive
NA	Term loan@	NA	NA	28-Jun-2024	10	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	28-Jun-2024	12.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	29-Mar-2026	42.86	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	27-Dec-2026	110	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	04-Sep-2023	18.75	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	22-May-2025	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	20-Mar-2026	57	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Jun-2023	7.33	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	01-Mar-2025	33.94	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	01-Apr-2026	55	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Nov-2024	65.63	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	26-Jul-2023	12.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-2026	42	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	05-Sep-2026	22.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Nov-2026	46.88	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Nov-2023	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	31-Dec-2023	8.75	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Aug-2025	45.83	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	03-Apr-2024	50	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	04-Mar-2024	7.27	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-2025	36.67	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	30-Mar-2024	18.17	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-2026	7.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Dec-2026	7.5	NA	CRISIL AA-/Positive
NA	Term loan@	NA	NA	15-Feb-2024	11.46	NA	CRISIL AA-/Positive

NA	Term loan <sup>@</sup>	NA	NA	25-Mar-2023	36	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	21-Oct-2023	5.83	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	29-Sep-2024	15	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	09-Jul-2024	18	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-May-2024	11.35	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Jun-2025	18.73	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	26-Sep-2025	31.24	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Jun-2026	40.62	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	31-Aug-2025	41.67	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	16-Feb-2026	50	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Jan-2024	35.69	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	01-Jul-2025	90	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	21-Dec-2023	7.5	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Jul-2024	33.75	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	31-Dec-2024	29.15	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Nov-2025	45.81	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	20-Dec-2026	49.99	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	02-Mar-2025	33.33	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Sep-2025	83.31	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	29-Mar-2026	100	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Mar-2025	33.34	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	24-Mar-2026	50	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Jun-2025	45	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	01-Jul-2024	37.5	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	30-Aug-2027	94.73	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	23-Mar-2026	50	NA	CRISIL AA-/Positive
NA	Term loan <sup>@</sup>	NA	NA	10-Mar-2025	50	NA	CRISIL AA-/Positive
NA	Working capital facility <sup>#</sup>	NA	NA	NA	76.00	NA	CRISIL AA-/Positive
NA	Proposed long term bank loan facility <sup>^</sup>	NA	NA	NA	266.42	NA	CRISIL AA-/Positive
NA	Commercial Paper	NA	NA	7 to 365 Days	250	Simple	CRISIL A1+

<sup>@</sup>Term loan facility is as per outstanding as on March 31, 2023

<sup>^</sup>Interchangeable with short term bank loan facility; includes undrawn bank line from Bajaj Finance Limited

<sup>#</sup>Working capital facility is based on sanctioned amount

<sup>\*</sup>Yet to be issued

#### Annexure - Details of Rating withdrawn

ISIN	Name of the instrument/lenders	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Crores)	Complexity level	Rating Assigned with outlook
INE03W107017	Non-convertible debentures	03-Jun-20	9.878	03-Jun-2023	30	Simple	Withdrawn

INE03W107025	Non-convertible debentures	09-Jun-20	9.876	09-Jun-2023	25	Simple	Withdrawn
INE03W107033	Non-convertible debentures	19-Jun-20	9.88	19-Jun-2023	50	Simple	Withdrawn
INE03W107058	Non-convertible debentures	03-Jul-20	9.75	03-Jul-2023	1.5	Simple	Withdrawn
INE03W107074	Long term principal protected market linked debentures	04-Aug-21	Linked to 10-year government security	04-Aug-2023	75	Highly Complex	Withdrawn

## Annexure - Rating History for last 3 Years

Instrument	Current			2023 (History)		2022		2021		2020		Start of 2020
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
<b>Fund Based Facilities</b>	LT	2310.0	CRISIL AA-/Positive	27-04-23	CRISIL AA-/Stable	12-12-22	CRISIL AA-/Stable	29-09-21	CRISIL AA-/Stable	23-12-20	CRISIL AA-/Stable	CRISIL A1+ / CRISIL AA-/Stable
			--	24-02-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	16-06-21	CRISIL AA-/Stable	29-10-20	CRISIL AA-/Stable	--
			--	07-02-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	29-05-21	CRISIL AA-/Stable	19-10-20	CRISIL AA-/Stable	--
			--	20-01-23	CRISIL AA-/Stable	05-08-22	CRISIL AA-/Stable	03-05-21	CRISIL AA-/Stable	25-06-20	CRISIL A1+ / CRISIL AA-/Stable	--
			--		--	04-08-22	CRISIL AA-/Stable	23-03-21	CRISIL AA-/Stable	29-05-20	CRISIL A1+ / CRISIL AA-/Stable	--
			--		--	08-06-22	CRISIL AA-/Stable	--	--	--	--	--
			--		--	15-03-22	CRISIL AA-/Stable	--	--	--	--	--
			--		--	27-01-22	CRISIL AA-/Stable	--	--	--	--	--
<b>Commercial Paper</b>	ST	250.0	CRISIL A1+	27-04-23	CRISIL A1+	12-12-22	CRISIL A1+	29-09-21	CRISIL A1+	23-12-20	CRISIL A1+	CRISIL A1+
			--	24-02-23	CRISIL A1+	19-10-22	CRISIL A1+	16-06-21	CRISIL A1+	29-10-20	CRISIL A1+	--
			--	07-02-23	CRISIL A1+	18-10-22	CRISIL A1+	29-05-21	CRISIL A1+	19-10-20	CRISIL A1+	--
			--	20-01-23	CRISIL A1+	05-08-22	CRISIL A1+	03-05-21	CRISIL A1+	25-06-20	CRISIL A1+	--
			--		--	04-08-22	CRISIL A1+	23-03-21	CRISIL A1+	29-05-20	CRISIL A1+	--
			--		--	08-06-22	CRISIL A1+	--	--	--	--	--
			--		--	15-03-22	CRISIL A1+	--	--	--	--	--
			--		--	27-01-22	CRISIL A1+	--	--	--	--	--
<b>Non Convertible Debentures</b>	LT	1395.5	CRISIL AA-/Positive	27-04-23	CRISIL AA-/Stable	12-12-22	CRISIL AA-/Stable	29-09-21	CRISIL AA-/Stable	23-12-20	CRISIL AA-/Stable	--
			--	24-02-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	16-06-21	CRISIL AA-/Stable	29-10-20	CRISIL AA-/Stable	--
			--	07-02-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	29-05-21	CRISIL AA-/Stable	19-10-20	CRISIL AA-/Stable	--
			--	20-01-23	CRISIL AA-/Stable	05-08-22	CRISIL AA-/Stable	03-05-21	CRISIL AA-/Stable	25-06-20	CRISIL AA-/Stable	--
			--		--	04-08-22	CRISIL AA-/Stable	23-03-21	CRISIL AA-/Stable	29-05-20	CRISIL AA-/Stable	--
			--		--	08-06-22	CRISIL AA-/Stable	--	--	--	--	--
			--		--	15-03-22	CRISIL AA-/Stable	--	--	--	--	--
			--		--	27-01-22	CRISIL AA-/Stable	--	--	--	--	--
<b>Subordinated Debt</b>	LT	60.0	CRISIL AA-/Positive	27-04-23	CRISIL AA-/Stable	12-12-22	CRISIL AA-/Stable	--	--	--	--	--
			--	24-02-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	--	--	--	--	--
			--	07-02-23	CRISIL AA-/Stable	18-10-22	CRISIL AA-/Stable	--	--	--	--	--

			--	20-01-23	CRISIL AA-/Stable	05-08-22	CRISIL AA-/Stable		--	--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	250.0	CRISIL PPMLD AA-/Positive	27-04-23	CRISIL PPMLD AA-/Stable	12-12-22	CRISIL PPMLD AA- r /Stable	29-09-21	CRISIL PPMLD AA- r /Stable	--	--
			--	24-02-23	CRISIL PPMLD AA-/Stable	19-10-22	CRISIL PPMLD AA- r /Stable	16-06-21	CRISIL PPMLD AA- r /Stable	--	--
			--	07-02-23	CRISIL PPMLD AA-/Stable	18-10-22	CRISIL PPMLD AA- r /Stable		--	--	--
			--	20-01-23	CRISIL PPMLD AA- r /Stable	05-08-22	CRISIL PPMLD AA- r /Stable		--	--	--
			--		--	04-08-22	CRISIL PPMLD AA- r /Stable		--	--	--
			--		--	08-06-22	CRISIL PPMLD AA- r /Stable		--	--	--
			--		--	15-03-22	CRISIL PPMLD AA- r /Stable		--	--	--
			--		--	27-01-22	CRISIL PPMLD AA- r /Stable		--	--	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
<b>Proposed Long Term Bank Loan Facility^</b>	<b>265.52</b>	<b>Not Applicable</b>	<b>CRISIL AA-/Positive</b>
<b>Proposed Long Term Bank Loan Facility^</b>	<b>0.9</b>	<b>Not Applicable</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>41.25</b>	<b>HDFC Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>18</b>	<b>IDFC FIRST Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>216.64</b>	<b>Bank of Baroda</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>94.73</b>	<b>Indian Bank</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>29.15</b>	<b>Union Bank of India</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>161.38</b>	<b>Tata Capital Financial Services Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>91.67</b>	<b>Indian Overseas Bank</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>33.17</b>	<b>Punjab and Sind Bank</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>47.46</b>	<b>Utkarsh Small Finance Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>20.83</b>	<b>Bajaj Finance Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>96.27</b>	<b>Aditya Birla Finance Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>43.94</b>	<b>Axis Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>78.13</b>	<b>Kotak Mahindra Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>30.08</b>	<b>The Karnataka Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>134.48</b>	<b>IndusInd Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>50</b>	<b>Small Industries Development Bank of India</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>50</b>	<b>YES Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>54.58</b>	<b>The Federal Bank Limited</b>	<b>CRISIL AA-/Positive</b>
<b>Term Loan@</b>	<b>45</b>	<b>DCB Bank Limited</b>	<b>CRISIL AA-/Positive</b>

Term Loan@	37.5	Bandhan Bank Limited	CRISIL AA-/Positive
Term Loan@	40.88	IndusInd Bank Limited	CRISIL AA-/Positive
Term Loan@	71.86	Bank of Maharashtra	CRISIL AA-/Positive
Term Loan@	125.69	State Bank of India	CRISIL AA-/Positive
Term Loan@	50	AU Small Finance Bank Limited	CRISIL AA-/Positive
Term Loan@	83.34	Canara Bank	CRISIL AA-/Positive
Term Loan@	125.75	ICICI Bank Limited	CRISIL AA-/Positive
Term Loan@	95.8	Punjab National Bank	CRISIL AA-/Positive
Working Capital Facility#	25	IndusInd Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	25	ICICI Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	5	The Federal Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	10	IDFC FIRST Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	1	Bandhan Bank Limited	CRISIL AA-/Positive
Working Capital Facility#	10	Kotak Mahindra Bank Limited	CRISIL AA-/Positive

@Term loan facility is as per outstanding as on March 31, 2023

^Interchangeable with short term bank loan facility; includes undrawn bank line from Bajaj Finance Limited

#Working capital facility is based on sanctioned amount

## Criteria Details

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

[CRISILs Criteria for rating short term debt](#)

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**CONFIDENTIAL**RL/ARFILI/312743/NCD/0223/53315/138232675  
February 24, 2023**Mr. Amit Gupta**  
Chief Financial Officer  
**ARKA Fincap Limited**  
One Indiabulls Centre,  
Tower 2B, Floor 12B,  
Senapati Bapat Marg,  
Mumbai City - 400013  
9619475839

Dear Mr. Amit Gupta,

**Re: Review of CRISIL Rating on the Rs.500 Crore Non Convertible Debentures<sup>&</sup> of ARKA Fincap Limited**

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

CRISIL Ratings has, after due consideration, reaffirmed its CRISIL AA-/Stable (pronounced as CRISIL double A minus rating with Stable outlook) rating on the captioned debt instrument. Securities with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such securities carry very low credit risk.

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings 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 Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.As per SEBI circular (reference number: CIR/IMD/DF/17/2013; dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN; along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crisil.com](mailto:debtissue@crisil.com). This will enable CRISIL Ratings 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 at [debtissue@crisil.com](mailto:debtissue@crisil.com) for any clarification you may need.

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

With warm regards,

Yours sincerely,

Subhasri Narayanan  
Director - CRISIL RatingsNivedita Shibu  
Associate Director - CRISIL Ratings

&amp; For public issuance

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RL/ARFILI/310006/NCD/0123/51052/138232675

January 20, 2023

**Mr. Amit Gupta**  
Chief Financial Officer  
**ARKA Fincap Limited**  
One Indiabulls Centre,  
Tower 2B, Floor 12B,  
Senapati Bapat Marg,  
Mumbai City - 400013  
9619475839



Dear Mr. Amit Gupta,

**Re: CRISIL Rating on the Rs. 500 Crore Non Convertible Debentures<sup>&</sup> of ARKA Fincap Limited**

We refer to your request for a rating for the captioned Debt instrument.

CRISIL Ratings has, after due consideration, assigned a CRISIL AA-/Stable (pronounced as CRISIL double A minus rating with Stable outlook) rating to the captioned Debt instrument. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.

Further, in view of your decision to accept the CRISIL Ratings, we request you to apprise us of the instrument details (in the enclosed format) as soon as it has been placed. In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.

As per our Rating Agreement, CRISIL Ratings 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 Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit [www.crisilratings.com](http://www.crisilratings.com) and search with the name of the rated entity to access the latest rating/s.

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

With warm regards,

Yours sincerely,

Subhasri Narayanan  
Director - CRISIL Ratings

Nivedita Shibu  
Associate Director - CRISIL Ratings



*& For public issuance*

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Details of the Rs. 500 Crore Non Convertible Debentures of  
ARKA Fincap Limited

	<i>1st tranche</i>		<i>2nd tranche</i>		<i>3rd tranche</i>	
<i>Instrument Series:</i>						
<i>Amount Placed:</i>						
<i>Maturity Period:</i>						
<i>Put or Call Options (if any):</i>						
<i>Coupon Rate:</i>						
<i>Interest Payment Dates:</i>						
<i>Principal Repayment Details:</i>	Date	Amount	Date	Amount	Date	Amount
<i>Investors:</i>						
<i>Trustees:</i>						

***In case there is an offer document for the captioned Debt issue, please send us a copy of it.***

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## Rating Rationale

February 24, 2023 | Mumbai

### ARKA Fincap Limited

'CRISIL AA- / Stable' assigned to Non Convertible Debentures

#### Rating Action

Total Bank Loan Facilities Rated	Rs.1810 Crore
Long Term Rating	CRISIL AA-/Stable (Reaffirmed)

Rs.300 Crore Non Convertible Debentures	CRISIL AA-/Stable (Assigned)
Rs.200 Crore Non Convertible Debentures	CRISIL AA-/Stable (Reaffirmed)
Rs.500 Crore Non Convertible Debentures <sup>&amp;</sup>	CRISIL AA-/Stable (Reaffirmed)
Rs.60 Crore Subordinated Debt	CRISIL AA-/Stable (Reaffirmed)
Rs.250 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Non Convertible Debentures Aggregating Rs.502 Crore	CRISIL AA-/Stable (Reaffirmed)
Long Term Principal Protected Market Linked Debentures Aggregating Rs.325 Crore	CRISIL PPMLD AA-/Stable (Reaffirmed)

<sup>&</sup> For public issuance

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1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

#### Detailed Rationale

CRISIL Ratings has assigned its '**CRISIL AA-/Stable**' rating to the Rs 300 crore Non-convertible debenture of ARKA Fincap Limited (Arka) while reaffirming the ratings on outstanding debt instruments and bank facilities at 'CRISIL AA-/CRISIL PPMLD AA-/Stable/CRISIL A1+'.

CRISIL Ratings on the bank facilities and debt instruments of Arka continue to factor in the expectation of strong support from the ultimate parent, Kirloskar Oil Engines Ltd (KOEL; rated 'CRISIL AA/Stable/CRISIL A1+'), because of strategic importance and strong moral obligations. The ratings also factor in adequate capitalisation for the initial stages of operations. These strengths are partially offset by the nascent stage of operations.

As KOEL aims to expand into other financial services business, it has formed a holding company, Arka Financial Holdings Pvt Ltd (AFHPL) which will be the holding company for all financial services businesses of KOEL. KOEL has transferred 100% of its stake in Arka to AFHPL. KOEL, nevertheless, will continue to ultimately holds 100% stake in Arka and will remain the majority shareholder over the medium term. KOEL has infused around Rs 930 crore in ARKA till date.

#### Analytical Approach

For arriving at the ratings, CRISIL Ratings has assessed the standalone credit risk profile of Arka, and factored in the support expected from ultimate parent, KOEL, given the strategic importance of Arka to the former, 100% ultimate shareholding, and the strong moral and financial obligations to support it.

#### Key Rating Drivers & Detailed Description

##### Strengths:

- Strategic importance to, and expectation of strong support from, KOEL**

Arka derives strong support from its ultimate parent, KOEL, in the form of high strategic importance and strong moral obligations, being its step-down subsidiary. The financial services entity has been identified as a focus area for the parent's overall diversification plans. KOEL has already infused around Rs 930 crores till date (Rs 125 crore and Rs 130 crore were infused in fiscal 2021 and fiscal 2022 respectively; Rs 149 crore were infused in fiscal 2023 till date), depicting strong financial support towards its subsidiary. KOEL wholly owns Arka and is expected to remain the majority shareholder over the medium term. Moreover, 3 out of 7 directors on Arka's board are also on KOEL's board. Promoters of KOEL also have representation in most of the key committees of Arka, viz., credit, asset liability, IT steering, risk management, etc. Arka is expected to benefit from the Kirloskar group's expertise, especially in small and medium enterprise (SME) lending.

The rating also factors in the strong support from the ultimate parent KOEL, demonstrated by the articulation of its intention to support Arka by way of: (i) its intention to maintain majority shareholding in Arka in the foreseeable future, (ii) Arka, being core to overall business strategy of growth of which diversification into financial services is an integral part,

and, (iii) KOEL, making it best efforts to conduct Arka's business in line with Kirloskar group's philosophy, so that it meet its obligations on a timely basis.

- **Adequate capitalisation for initial stages of operations**

Arka benefits from funding support from the ultimate parent and has adequate capitalisation for initial stages of operations. KOEL has already infused around Rs. 930 crore till date. Capital support from the parent, is expected to keep capitalisation of Arka adequate (Net worth of Rs 1,036 crore and Capital Adequacy ratio of 29.8% as on December 31, 2022 and Rs 837 crore and 30.9% as on March 31, 2022), with low gearing of 2.4 times as on December 31, 2022 (2.1 times as on March 31, 2022) in the initial stages of operation.

**Weakness:**

- **Nascent stage of operations**

As operations have only commenced in April 2019, they are still in the initial stage. The total loan book stood at Rs 3,390 crore as on December 31, 2022 (Rs 2,380 crore as on March 31, 2022 and Rs 1,124 crore as on March 31, 2021) with a mix of corporate (45%), real estate (32%) and SME/micro-SME exposure (23%). Going ahead, Arka plans to build a loan book with a healthy mix of corporate, real estate and MSME segments. The company's ability to scale up operations with a healthy loan book, while maintaining its asset quality over the medium term would be a key monitorable.

**Liquidity : Adequate**

Arka had overall borrowings of Rs 2,441 crore as on December 31, 2022 (Rs 1,734 crore as on March 31, 2022). The company's liquidity is adequate with around Rs 379 crore of cash/cash equivalents and liquid investments as on January 31, 2023. Against this, outflow on account of debt repayments in next four months (February'23 till May'23) is ~Rs 384 crore. Liquidity is further supported by expectation of financial assistance from ultimate parent, in case of any requirement.

**Outlook Stable**

CRISIL Ratings believes Arka will remain strategically important to KOEL and will continue to benefit from its strong support and high moral obligations from the ultimate parent over the medium term.

**Rating Sensitivity factors**

**Upward factors:**

- Upward revision in the rating of its ultimate parent, KOEL, by 1 notch
- Ability to significantly scale up the loan book while maintaining asset quality, and improvement in earnings profile on a sustained basis

**Downward factors:**

- Downward revision in the rating of its ultimate parent, KOEL, by 1 notch or any material change in the shareholding or support philosophy of KOEL for Arka; and/or
- Deterioration in the asset quality (GNPA >5%), on a sustained basis, thereby also impacting its profitability

**About the Company**

Arka is a non-deposit taking systemically important non-banking financial company (NBFC). It is promoted by the Kirloskar group and is a step-down subsidiary of KOEL. Arka was originally incorporated as Kirloskar Capital Ltd, however, the name was subsequently changed to Arka Fincap Ltd in August 2019. In January 2022, KOEL transferred its 99.41% stake in Arka to AFHPL (wholly owned subsidiary of KOEL) and the remaining stake was transferred in March 2022. Arka commenced its operations from April 2019. It has senior leadership and experienced management team on board and has also put in place various policies for smooth operations of its business. Arka aims to build a loan book with a mix of corporate, real estate and SME/MSME segment.

**About the KOEL**

KOEL, one of the flagship companies of the Kirloskar group, manufactures and services diesel engines (primarily between 2.5-740 horsepower) and diesel generator sets (mainly between 2-1,010 kilo-volt-ampere). The company also makes diesel-, petrol-, and kerosene-based pump sets. It has manufacturing units in Pune, Kagal, and Nashik (all in Maharashtra). KOEL caters to the agriculture, power generation, and industrial sectors. On August 01, 2017, it acquired 76% stake in La-Gajjar Machineris Pvt Ltd and is likely to acquire the balance stake in the next five years, in line with the share purchase agreement. KOEL has set up an NBFC business through ARKA, with equity infusion of Rs 880 crore till date.

For fiscal 2022, on a standalone basis, net profit was Rs 208 crores on revenue of Rs 3,300 crores, against Rs 170 crores and Rs 2,694 crores, respectively, in the previous fiscal.

**Key Financial Indicators**

For the year ended March 31,	Unit	2022	2021
Total assets	Rs crore	2,627	1,366
Total income	Rs crore	203	103
PAT	Rs crore	33	17
Gross stage 3	%	Nil	Nil
Return on assets	%	1.6	1.7
Gearing	Times	2.1	1.0

For the nine months ended December 31,	Unit	2022	2021
Total assets	Rs crore	3,613	2,157
Total income	Rs crore	259	139
PAT	Rs crore	49	26

<b>Gross stage 3</b>	<b>%</b>	<b>0.004</b>	<b>Nil</b>
<b>Return on assets (annualized)</b>	<b>%</b>	<b>2.1</b>	<b>2.0</b>
<b>Gearing</b>	<b>Times</b>	<b>2.4</b>	<b>1.5</b>

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL Ratings` complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

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**Annexure - Details of Instrument(s)**

ISIN	Name of the instrument/lenders	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs. Crores)	Complexity level	Rating Assigned with outlook
INE03W107017	Non-convertible debentures	03-Jun-20	9.878	03-Jun-23	30	Simple	CRISIL AA-/Stable
INE03W107025	Non-convertible debentures	09-Jun-20	9.876	09-Jun-23	25	Simple	CRISIL AA-/Stable
INE03W107033	Non-convertible debentures	19-Jun-20	9.88	19-Jun-23	50	Simple	CRISIL AA-/Stable
INE03W107058	Non-convertible debentures	03-Jul-20	9.75	03-Jul-23	1.5	Simple	CRISIL AA-/Stable
INE03W107082	Non-convertible debentures	26-Nov-21	8.4	26-Nov-24	75	Simple	CRISIL AA-/Stable
INE03W107090	Non-convertible debentures	09-Feb-22	8.3	09-Feb-25	100	Simple	CRISIL AA-/Stable
INE03W107124	Non-convertible debentures	06-Sep-22	8.2	06-Mar-24	50	Simple	CRISIL AA-/Stable
INE03W107140	Non-convertible debentures	29-Sep-22	8.75	29-Sep-25	50	Simple	CRISIL AA-/Stable
INE03W107173	Non-convertible debentures	30-Jan-23	9.35	31-Mar-25	200	Simple	CRISIL AA-/Stable
NA	Non-convertible debentures*	NA	NA	NA	120.5	Simple	CRISIL AA-/Stable
NA	Non-convertible debentures*	NA	NA	NA	300	Simple	CRISIL AA-/Stable
NA	Non-convertible debentures (for Public issuance)*	NA	NA	NA	500	Simple	CRISIL AA-/Stable
INE03W107132	Long term principal protected market linked debentures	09-Sep-22	Linked to 10-year government security	06-Dec-24	26	Highly Complex	CRISIL PPMLD AA-/Stable
INE03W107157	Long term principal protected market linked debentures	23-Sep-22	Linked to 10-year government security	23-Oct-24	30	Highly Complex	CRISIL PPMLD AA-/Stable
INE03W107074	Long term principal protected market linked debentures	04-Aug-21	Linked to 10-year government security	04-Aug-23	75	Highly Complex	CRISIL PPMLD AA-/Stable
INE03W107108	Long term principal protected market linked debentures	22-Mar-22	Linked to 10-year government security	19-Mar-25	50	Highly Complex	CRISIL PPMLD AA-/Stable
INE03W107116	Long term principal protected market linked debentures	27-Jun-22	Linked to 10-year government security	27-Jun-24	25	Highly Complex	CRISIL PPMLD AA-/Stable
INE03W107165	Long term principal protected market linked debentures	06-Jan-23	Linked to 10-year government security	05-Feb-26	75	Highly Complex	CRISIL PPMLD AA-/Stable

NA	Long term principal protected market linked debentures*	NA	NA	NA	44	Highly Complex	CRISIL PPMLD AA-/Stable
INE03W108015	Subordinated debt	25-Aug-22	10.25	25-Feb-28	60	Complex	CRISIL AA-/Stable
NA	Term loan@	NA	NA	02-Jan-23	7.5	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	28-Jun-24	12.5	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	28-Jun-24	15	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	29-Mar-26	46.4	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	27-Dec-26	110	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	04-Sep-23	28.1	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	22-May-25	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Jun-23	7.3	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	01-Mar-25	38.2	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Nov-24	75	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	26-Jul-23	18.8	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	15-Dec-26	23.3	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	05-Sep-26	45	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	15-Nov-26	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	15-Nov-23	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	31-Dec-23	11.7	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Aug-25	50.4	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	03-Apr-24	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	04-Mar-24	9.1	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	15-Dec-25	40	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Mar-24	22.7	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	15-Feb-24	14.6	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	21-Oct-23	8.3	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	29-Sep-24	18.3	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	09-Jul-24	21	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-May-24	13.6	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Jun-25	20.8	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	26-Sep-25	34.4	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Jun-26	43.7	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	31-Aug-25	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	16-Feb-26	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Jan-24	50	NA	CRISIL AA-/Stable

NA	Term loan@	NA	NA	01-Jul-25	100	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	21-Dec-23	10	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Jul-24	39.4	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	31-Dec-24	33.3	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Nov-25	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	20-Dec-26	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	02-Mar-25	37.5	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Sep-25	91.7	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Mar-25	41.7	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Jun-25	50	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	01-Jul-24	43.8	NA	CRISIL AA-/Stable
NA	Term loan@	NA	NA	30-Aug-27	100	NA	CRISIL AA-/Stable
NA	Working capital facility#	NA	NA	NA	76	NA	CRISIL AA-/Stable
NA	Proposed long term bank loan facility^	NA	NA	NA	0.9	NA	CRISIL AA-/Stable
NA	Commercial Paper	NA	NA	7 to 365 Days	250	Simple	CRISIL A1+

@Term loan facility is as per outstanding as on December 31, 2022

^Interchangeable with short term bank loan facility

#Working capital facility is based on sanctioned amount

\*Yet to be issued

#### Annexure - Rating History for last 3 Years

Instrument	Current			2023 (History)		2022		2021		2020		Start of 2020
	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	1810.0	CRISIL AA-/Stable	07-02-23	CRISIL AA-/Stable	12-12-22	CRISIL AA-/Stable	29-09-21	CRISIL AA-/Stable	23-12-20	CRISIL AA-/Stable	CRISIL A1+ / CRISIL AA-/Stable
			--	20-01-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	16-06-21	CRISIL AA-/Stable	29-10-20	CRISIL AA-/Stable	--
			--		--	18-10-22	CRISIL AA-/Stable	29-05-21	CRISIL AA-/Stable	19-10-20	CRISIL AA-/Stable	--
			--		--	05-08-22	CRISIL AA-/Stable	03-05-21	CRISIL AA-/Stable	25-06-20	CRISIL A1+ / CRISIL AA-/Stable	--
			--		--	04-08-22	CRISIL AA-/Stable	23-03-21	CRISIL AA-/Stable	29-05-20	CRISIL A1+ / CRISIL AA-/Stable	--
			--		--	08-06-22	CRISIL AA-/Stable		--		--	--
			--		--	15-03-22	CRISIL AA-/Stable		--		--	--
			--		--	27-01-22	CRISIL AA-/Stable		--		--	--
Commercial Paper	ST	250.0	CRISIL A1+	07-02-23	CRISIL A1+	12-12-22	CRISIL A1+	29-09-21	CRISIL A1+	23-12-20	CRISIL A1+	CRISIL A1+
			--	20-01-23	CRISIL A1+	19-10-22	CRISIL A1+	16-06-21	CRISIL A1+	29-10-20	CRISIL A1+	--
			--		--	18-10-22	CRISIL A1+	29-05-21	CRISIL A1+	19-10-20	CRISIL A1+	--
			--		--	05-08-22	CRISIL A1+	03-05-21	CRISIL A1+	25-06-20	CRISIL A1+	--
			--		--	04-08-22	CRISIL A1+	23-03-21	CRISIL A1+	29-05-20	CRISIL A1+	--
			--		--	08-06-22	CRISIL A1+		--		--	--

			--		--	15-03-22	CRISIL A1+		--		--	--
			--		--	27-01-22	CRISIL A1+		--		--	--
<b>Non Convertible Debentures</b>	LT	1502.0	CRISIL AA-/Stable	07-02-23	CRISIL AA-/Stable	12-12-22	CRISIL AA-/Stable	29-09-21	CRISIL AA-/Stable	23-12-20	CRISIL AA-/Stable	--
			--	20-01-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable	16-06-21	CRISIL AA-/Stable	29-10-20	CRISIL AA-/Stable	--
			--		--	18-10-22	CRISIL AA-/Stable	29-05-21	CRISIL AA-/Stable	19-10-20	CRISIL AA-/Stable	--
			--		--	05-08-22	CRISIL AA-/Stable	03-05-21	CRISIL AA-/Stable	25-06-20	CRISIL AA-/Stable	--
			--		--	04-08-22	CRISIL AA-/Stable	23-03-21	CRISIL AA-/Stable	29-05-20	CRISIL AA-/Stable	--
			--		--	08-06-22	CRISIL AA-/Stable		--		--	--
			--		--	15-03-22	CRISIL AA-/Stable		--		--	--
			--		--	27-01-22	CRISIL AA-/Stable		--		--	--
<b>Subordinated Debt</b>	LT	60.0	CRISIL AA-/Stable	07-02-23	CRISIL AA-/Stable	12-12-22	CRISIL AA-/Stable		--		--	--
			--	20-01-23	CRISIL AA-/Stable	19-10-22	CRISIL AA-/Stable		--		--	--
			--		--	18-10-22	CRISIL AA-/Stable		--		--	--
			--		--	05-08-22	CRISIL AA-/Stable		--		--	--
<b>Long Term Principal Protected Market Linked Debentures</b>	LT	325.0	CRISIL PPMLD AA-/Stable	07-02-23	CRISIL PPMLD AA-/Stable	12-12-22	CRISIL PPMLD AA- r /Stable	29-09-21	CRISIL PPMLD AA- r /Stable		--	--
			--	20-01-23	CRISIL PPMLD AA- r /Stable	19-10-22	CRISIL PPMLD AA- r /Stable	16-06-21	CRISIL PPMLD AA- r /Stable		--	--
			--		--	18-10-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	05-08-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	04-08-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	08-06-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	15-03-22	CRISIL PPMLD AA- r /Stable		--		--	--
			--		--	27-01-22	CRISIL PPMLD AA- r /Stable		--		--	--

All amounts are in Rs.Cr.

#### Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
<b>Proposed Long Term Bank Loan Facility<sup>&amp;</sup></b>	<b>0.9</b>	<b>Not Applicable</b>	<b>CRISIL AA-/Stable</b>
<b>Term Loan<sup>^</sup></b>	<b>78.13</b>	<b>ICICI Bank Limited</b>	<b>CRISIL AA-/Stable</b>
<b>Term Loan<sup>^</sup></b>	<b>93.75</b>	<b>Kotak Mahindra Bank Limited</b>	<b>CRISIL AA-/Stable</b>
<b>Term Loan<sup>^</sup></b>	<b>45.51</b>	<b>Aditya Birla Finance Limited</b>	<b>CRISIL AA-/Stable</b>
<b>Term Loan<sup>^</sup></b>	<b>49.09</b>	<b>Axis Bank Limited</b>	<b>CRISIL AA-/Stable</b>

Term Loan <sup>^</sup>	41.67	Canara Bank	CRISIL AA-/Stable
Term Loan <sup>^</sup>	129.18	Bank of Baroda	CRISIL AA-/Stable
Term Loan <sup>^</sup>	50	DCB Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	43.75	Bandhan Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	100	Indian Bank	CRISIL AA-/Stable
Term Loan <sup>^</sup>	50	AU Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	78.12	Bank of Maharashtra	CRISIL AA-/Stable
Term Loan <sup>^</sup>	149.98	State Bank of India	CRISIL AA-/Stable
Term Loan <sup>^</sup>	49.38	HDFC Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	33.32	Union Bank of India	CRISIL AA-/Stable
Term Loan <sup>^</sup>	99.98	Punjab National Bank	CRISIL AA-/Stable
Term Loan <sup>^</sup>	108.33	Tata Capital Financial Services Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	21	IDFC FIRST Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	100	Indian Overseas Bank	CRISIL AA-/Stable
Term Loan <sup>^</sup>	34.44	The Karnataka Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	62.09	The Federal Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	60	Tata Capital Financial Services Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	22.71	Punjab and Sind Bank	CRISIL AA-/Stable
Term Loan <sup>^</sup>	14.58	Utkarsh Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	26.66	Bajaj Finance Limited	CRISIL AA-/Stable
Term Loan <sup>^</sup>	191.43	IndusInd Bank Limited	CRISIL AA-/Stable
Working Capital Facility <sup>@</sup>	10	Kotak Mahindra Bank Limited	CRISIL AA-/Stable
Working Capital Facility <sup>@</sup>	25	ICICI Bank Limited	CRISIL AA-/Stable
Working Capital Facility <sup>@</sup>	1	Bandhan Bank Limited	CRISIL AA-/Stable
Working Capital Facility <sup>@</sup>	5	The Federal Bank Limited	CRISIL AA-/Stable
Working Capital Facility <sup>@</sup>	10	IDFC FIRST Bank Limited	CRISIL AA-/Stable
Working Capital Facility <sup>@</sup>	25	IndusInd Bank Limited	CRISIL AA-/Stable

This Annexure has been updated on 24-Feb-23 in line with the lender-wise facility details as on 15-Mar-22 received from the rated entity

& - Interchangeable with short term bank loan facility

<sup>^</sup> - Term loan facility is as per outstanding as on December 31, 2022

<sup>@</sup> - Working capital facility is based on sanctioned amount

## Criteria Details

### Links to related criteria

[CRISILs Bank Loan Ratings - process, scale and default recognition](#)

[Rating Criteria for Finance Companies](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

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CTL/MUM/22-23/7379

20<sup>th</sup> February 2023

**Arka Fincap Limited,**

Regd, & Corp Office: One World Center, 1202B,  
Tower 2B, Floor 12B, Jupiter Mills Compound,  
Senapati Bapat Marg,  
Mumbai – 400013

Dear Ma'am/Sir

**Sub: Proposed public issue by Arka Fincap Limited ("Company" or "Issuer") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- each ("NCDs") for an amount aggregating up to ₹ 500,00,00,000 ("Issue").**

We, the undersigned, hereby consent to be named as the Debenture Trustee to the Issue and to our name being inserted as the Debenture Trustee to the Issue in (i) the draft shelf prospectus ("**Draft Shelf Prospectus**") to be filed with the BSE Limited ("**BSE**") for the purpose of receiving public comments and to be submitted with the Securities and Exchange Board of India ("**SEBI**") for record purposes; (ii) the shelf prospectus proposed to be filed with the Registrar of Companies, Maharashtra at Mumbai ("**RoC**") and to be submitted with SEBI and BSE in relation to the Issue ("**Shelf Prospectus**"); (iii) the relevant tranche prospectuses proposed to be filed with the RoC and to be submitted with SEBI and BSE in relation to the Issue ("**Tranche Prospectuses**"); (iv) the abridged prospectuses; and (v) all advertisements/documents and communications in connection with the Issue ("**Issue Related Material**").

The following details with respect to us may be disclosed Draft Shelf prospectus, Shelf prospectus, Tranche Prospectuses, abridged prospectuses and/or Issue Related Material:



Logo:

Name:

Catalyst Trusteeship Limited

Address:

GDA House', Plot No. 85, Bhusari Colony (Right), Kothrud,  
Pune – 411038, Maharashtra

Tel:

022 4922 0555

Fax:

022 4922 0505

Email:

ComplianceCTL-Mumbai@ctltrustee.com

Investor Grievance email:

grievance@ctltrustee.com

Website:

www.catalysttrustee.com

Contact Person:

Mr. Umesh Salvi

Compliance Officer:

Ms. Rakhi Kulkarni

SEBI Registration No:

IND0000000034

CIN:

U74999PN1997PLC110262



We confirm that we are registered with the SEBI as a debenture trustee and that such registration is valid as on the date of this letter. We enclose a copy of our registration certificate herein as **Annexure A** and declaration regarding our registration with SEBI as **Annexure B**.

We also confirm that we have not been prohibited by SEBI or any other regulatory/statutory authority from acting as an intermediary in capital market issues. We also confirm that we have not been debarred from functioning as Debenture Trustee by any regulatory/statutory authority, court or tribunal.

We further confirm that no enquiry/investigation is presently being conducted by SEBI on us. We confirm that the information in relation to us in this letter together with the annexures is true, correct and complete in all respect and may be disclosed in the Draft Shelf Prospectus, Shelf Prospectus, Tranche Prospectus, abridged prospectuses and/or Issue Related Material.

We hereby authorise you to deliver this letter of consent to the RoC, pursuant to the provisions of Section 26 and Section 31 of the Companies Act, 2013, as amended, the SEBI, the BSE and any other applicable laws or any other regulatory/statutory authorities as required by law.

We also agree to keep strictly confidential, until such time as the proposed Issue is publicly announced by the Company (i) the nature and scope of the Issue; and (ii) our knowledge of the proposed Issue.

We confirm that we will immediately inform the Company and the Lead Managers of any change, in writing, to the above information until the date when the proposed Public Issue of NCDs commence trading on the BSE. In the absence of any such communication from us, the above information should be taken as accurate and updated information until the NCDs commence trading on the BSE.

This letter may be relied upon by you, the Lead Managers and the legal advisor to the Issue in respect of the Issue.

Sincerely

For **Catalyst Trusteeship Limited**



Authorised Signatory  
Name: **Ramanujam Y**  
Designation: **Manager**

CC:

**Lead Managers**  
**JM Financial Limited**  
7<sup>th</sup> Floor, Cnergy,  
Appasaheb Marathe Marg,  
Prabhadevi, Mumbai 400 025  
Maharashtra, India

## Edelweiss Financial Services Limited

Edelweiss House, Off. C.S.T Road,  
Kalina, Mumbai 400098

## Khaitan & Co

One World Centre  
10<sup>th</sup> & 13<sup>th</sup> Floor, Tower 1C,  
Senapati Bapat Marg,  
Mumbai 400 013  
Maharashtra, India



## Annexure A

<b>डिबेंचर ट्रास्टी</b>	FORM-B	<b>DEBENTURE TRUSTEE</b>
<b>भारतीय प्रतिभूति और विनियम बोर्ड</b> <b>SECURITIES AND EXCHANGE BOARD OF INDIA</b> (डिबेंचर ट्रास्टी) विनियम, 1993 (DEBENTURE TRUSTEE) REGULATIONS, 1993 (विनियम 8) (Regulation 8) <b>रजिस्ट्रेशन प्रमाणपत्र</b> <b>CERTIFICATE OF REGISTRATION</b>		
<p>1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड (विनियम, 1992) के अंतर्गत डिबेंचर ट्रास्टी के लिए दस्तावेज प्रमाणपत्र प्रदान करने के लिए अनुमत है।</p> <p>1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to</p>		
<p><b>Catalyst Trusteeship Limited</b>  <b>GDA House, First Floor, Plot No. 85,</b>  <b>S. No. 94 &amp; 95, Bhusari Colony (Right), Kothrud,</b>  <b>Pune- 411038, Maharashtra</b></p>		
<p>को विनियमों में जहाँ के अधीन रहने हुए और विनियमों के अनुसार डिबेंचर ट्रास्टी के रूप में रजिस्ट्रेशन का प्रमाणपत्र प्रदान करने के लिए।</p> <p>as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.</p>		
<p>2) डिबेंचर ट्रास्टी के लिए रजिस्ट्रेशन कोड</p> <p>2) Registration Code for the debenture trustee is <b>IND000000034</b></p>		
<p>3) जब तक नवीकृत न किया जाए, रजिस्ट्रेशन का प्रमाणपत्र</p> <p>3) Unless renewed, the certificate of registration is valid from</p> <p style="text-align: center;"><b>This Certificate of Registration shall be valid from 13/04/2022 for permanent, unless suspended or cancelled by the Board</b></p>		
		<p>भारतीय प्रतिभूति और विनियम बोर्ड</p> <p>के लिए और उसके पक्ष में</p> <p>By order</p> <p>For and on behalf of</p> <p><b>Securities and Exchange Board of India</b></p> <p><i>(Signature)</i></p> <p><b>DINESH JOSHI</b></p> <p>अधिकृत हस्ताक्षरकर्ता / Authorized Signatory</p>
स्थान Place:	Mumbai	
तारीख Date:	April 18, 2022	

(R)

## Annexure B

[Date]

**Arka Fincap Limited,**  
 Regd, & Corp Office: One World Center, 1202B,  
 Tower 2B, Floor 12B, Jupiter Mills Compound,  
 Senapati Bapat Marg,  
 Mumbai – 400013

Dear Ma'am/Sir

**Sub: Proposed public issue by Arka Fincap Limited ("Company" or "Issuer") of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000/- each ("NCDs") for an amount aggregating up to ₹ 500,00,00,000 ("Issue").**

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

1. Registration Number	IND000000034
2. Date of registration/ Renewal of registration	April 18, 2022
3. Date of expiry of registration	Permanent Registration
4. If applied for renewal, date of application	Not Applicable
5. Any communication from SEBI prohibiting the entity from acting as an intermediary	NIL
6. Any enquiry/ investigation being conducted by SEBI	NIL
7. Period up to which registration/ renewal fees has been paid:	March 28, 2027
8. Details of any penalty imposed by SEBI	NIL

For Catalyst Trusteeship Limited



Authorized Signatory  
 Name: **Ramanujam**  
 Designation: **Manager**

**ANNEXURE B**  
**DEBENTURE TRUSTEE CONSENT LETTER**

*[Page has been intentionally kept blank]*

**ANNEXURE C**

**ILLUSTRATIVE CASH FLOW AND DAY COUNT CONVENTION**

**ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS**

**SERIES I**

<b>24 Months - Quarterly Coupon Payment</b>	
Face Value per NCD (in ₹)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	Wednesday, December 27, 2023
Tenor	24 Months
Coupon Rate for all Categories of Investors (p.a.)	9.00%
Redemption Date/Maturity Date (assumed)	Saturday, December 27, 2025
Frequency of interest payment	Quarterly
Effective Yield for all Categories of Investor	9.29%
Day Count Convention	Actual/Actual

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Wednesday, December 27, 2023	Wednesday, December 27, 2023	-	-1,000.00
Coupon/Interest 1	Wednesday, March 27, 2024	Wednesday, March 27, 2024	91	22.38
Coupon/Interest 2	Thursday, June 27, 2024	Thursday, June 27, 2024	92	22.62
Coupon/Interest 3	Friday, September 27, 2024	Friday, September 27, 2024	92	22.62
Coupon/Interest 4	Friday, December 27, 2024	Friday, December 27, 2024	91	22.38
Coupon/Interest 5	Thursday, March 27, 2025	Thursday, March 27, 2025	90	22.19
Coupon/Interest 6	Friday, June 27, 2025	Friday, June 27, 2025	92	22.68
Coupon/Interest 7	Saturday, September 27, 2025	Monday, September 29, 2025	92	22.68
Coupon/Interest 8 + Principal	Saturday, December 27, 2025	Friday, December 26, 2025	91	1,022.44

**SERIES II**

<b>24 Months - Annual Coupon Payment</b>	
Face Value per NCD (in ₹)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	Wednesday, December 27, 2023
Tenor	24 Months
Coupon Rate for all Categories of Investors (p.a.)	9.30%
Redemption Date/Maturity Date (assumed)	Saturday, December 27, 2025
Frequency of interest payment	Annual
Effective Yield for all Categories of Investor	9.29%
Day Count Convention	Actual/Actual

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Wednesday, December 27, 2023	Wednesday, December 27, 2023	-	-1,000.00
Coupon/Interest 1	Friday, December 27, 2024	Friday, December 27, 2024	366	93.00
Coupon/Interest 2 + Principal	Saturday, December 27, 2025	Friday, December 26, 2025	365	1,093.00

**SERIES III**

<b>36 Months - Quarterly Coupon Payment</b>	
Face Value per NCD (in ₹)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	Wednesday, December 27, 2023
Tenor	36 Months
Coupon Rate for all Categories of Investors (p.a.)	9.30%
Redemption Date/Maturity Date (assumed)	Sunday, December 27, 2026
Frequency of interest payment	Quarterly
Effective Yield for all Categories of Investor	9.62%
Day Count Convention	Actual/Actual

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Wednesday, December 27, 2023	Wednesday, December 27, 2023	-	-1,000.00
Coupon/Interest 1	Wednesday, March 27, 2024	Wednesday, March 27, 2024	91	23.12
Coupon/Interest 2	Thursday, June 27, 2024	Thursday, June 27, 2024	92	23.38
Coupon/Interest 3	Friday, September 27, 2024	Friday, September 27, 2024	92	23.38
Coupon/Interest 4	Friday, December 27, 2024	Friday, December 27, 2024	91	23.12
Coupon/Interest 5	Thursday, March 27, 2025	Thursday, March 27, 2025	90	22.93
Coupon/Interest 6	Friday, June 27, 2025	Friday, June 27, 2025	92	23.44
Coupon/Interest 7	Saturday, September 27, 2025	Monday, September 29, 2025	92	23.44
Coupon/Interest 8	Saturday, December 27, 2025	Friday, December 26, 2025	91	23.19
Coupon/Interest 9	Friday, March 27, 2026	Friday, March 27, 2026	90	22.93
Coupon/Interest 10	Saturday, June 27, 2026	Monday, June 29, 2026	92	23.44
Coupon/Interest 11	Sunday, September 27, 2026	Monday, September 28, 2026	92	23.44
Coupon/Interest 12 + Principal	Sunday, December 27, 2026	Friday, December 25, 2026	91	1,023.19

**SERIES IV**

<b>36 Months - Annual Coupon Payment</b>	
Face Value per NCD (in ₹)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	Wednesday, December 27, 2023
Tenor	36 Months
Coupon Rate for all Categories of Investors (p.a.)	9.65%
Redemption Date/Maturity Date (assumed)	Sunday, December 27, 2026
Frequency of interest payment	Annual
Effective Yield for all Categories of Investor	9.64%
Day Count Convention	Actual/Actual

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Wednesday, December 27, 2023	Wednesday, December 27, 2023	-	-1,000.00
Coupon/Interest 1	Friday, December 27, 2024	Friday, December 27, 2024	366	96.50
Coupon/Interest 2	Saturday, December 27, 2025	Monday, December 29, 2025	365	96.50
Coupon/Interest 3 + Principal	Sunday, December 27, 2026	Friday, December 25, 2026	365	1,096.50

**SERIES V**

<b>60 Months - Quarterly Coupon Payment</b>	
Face Value per NCD (in ₹)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	Wednesday, December 27, 2023
Tenor	60 Month
Coupon Rate for all Categories of Investors (p.a.)	9.65%
Redemption Date/Maturity Date (assumed)	Wednesday, December 27, 2028
Frequency of interest payment	Quarterly
Effective Yield for all Categories of Investor	9.99%
Day Count Convention	Actual/Actual

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (₹)
Deemed date of allotment	Wednesday, December 27, 2023	Wednesday, December 27, 2023	-	-1,000
Coupon/Interest 1	Wednesday, March 27, 2024	Wednesday, March 27, 2024	91	23.99
Coupon/Interest 2	Thursday, June 27, 2024	Thursday, June 27, 2024	92	24.26
Coupon/Interest 3	Friday, September 27, 2024	Friday, September 27, 2024	92	24.26
Coupon/Interest 4	Friday, December 27, 2024	Friday, December 27, 2024	91	23.99
Coupon/Interest 5	Thursday, March 27, 2025	Thursday, March 27, 2025	90	23.79
Coupon/Interest 6	Friday, June 27, 2025	Friday, June 27, 2025	92	24.32
Coupon/Interest 7	Saturday, September 27, 2025	Monday, September 29, 2025	92	24.32
Coupon/Interest 8	Saturday, December 27, 2025	Monday, December 29, 2025	91	24.06
Coupon/Interest 9	Friday, March 27, 2026	Friday, March 27, 2026	90	23.79
Coupon/Interest 10	Saturday, June 27, 2026	Monday, June 29, 2026	92	24.32
Coupon/Interest 11	Sunday, September 27, 2026	Monday, September 28, 2026	92	24.32
Coupon/Interest 12	Sunday, December 27, 2026	Monday, December 28, 2026	91	24.06
Coupon/Interest 13	Saturday, March 27, 2027	Monday, March 29, 2027	90	23.79
Coupon/Interest 14	Sunday, June 27, 2027	Monday, June 28, 2027	92	24.32
Coupon/Interest 15	Monday, September 27, 2027	Monday, September 27, 2027	92	24.32
Coupon/Interest 16	Monday, December 27, 2027	Monday, December 27, 2027	91	24.06
Coupon/Interest 17	Monday, March 27, 2028	Monday, March 27, 2028	91	23.99
Coupon/Interest 18	Tuesday, June 27, 2028	Tuesday, June 27, 2028	92	24.26
Coupon/Interest 19	Wednesday, September 27, 2028	Wednesday, September 27, 2028	92	24.26
Coupon/Interest 20 + Principal	Wednesday, December 27, 2028	Wednesday, December 27, 2028	91	1,023.99

**SERIES VI**

<b>60 Months - Annual Coupon Payment</b>	
Face Value per NCD (in ₹)	1,000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	Wednesday, December 27, 2023
Tenor	60 Months
Coupon Rate for all Categories of Investors (p.a.)	10.00%
Redemption Date/Maturity Date (assumed)	Wednesday, December 27, 2028
Frequency of interest payment	Annual
Effective Yield for all Categories of Investor	9.99%
Day Count Convention	Actual/Actual

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I,II, III & IV Investors (₹)
Deemed date of allotment	Wednesday, December 27, 2023	Wednesday, December 27, 2023	-	-1,000

Cashflows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I,II, III & IV Investors (₹)
Coupon/Interest 1	Friday, December 27, 2024	Friday, December 27, 2024	366	100.00
Coupon/Interest 2	Saturday, December 27, 2025	Monday, December 29, 2025	365	100.00
Coupon/Interest 3	Sunday, December 27, 2026	Monday, December 28, 2026	365	100.00
Coupon/Interest 4	Monday, December 27, 2027	Monday, December 27, 2027	365	100.00
Coupon/Interest 5 + Principal	Wednesday, December 27, 2028	Wednesday, December 27, 2028	366	1100.00

Assumptions:

- i. *The Deemed Date of Allotment is assumed to be Wednesday, December 27, 2023. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.*
- ii. *In case of the leap year (February 29, 2024 & February 29, 2028) falling during the tenor of the NCD, the number of days have been reckoned as 366 days for the entire year irrespective of whether the coupon is payable quarterly or annually.*
- iii. *In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.*
- iv. *Coupon Payments falling on working Saturdays will be made on the same day.*