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

Serial No.: 06/2022-23

Date: November 11, 2022

PLACEMENT MEMORANDUM

(FOR PRIVATE PLACEMENT)

by

SK FINANCE LIMITED

(Formerly known as Ess Kay Fincorp Limited)

A Public Limited Company incorporated under the Companies Act, 1956 (registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.

Corporate Identification Number (CIN): U65923RJ1994PLC009051
Permanent Account Number (PAN): AAACE5115F
Date of Incorporation: November 21, 1994
Place of Incorporation: Rajasthan
Registration number issued by the Reserve Bank of India: B-10.00080
Registered Office: G 1-2, New Khasa Kothi, Jaipur - 302001(Rajasthan)

Corporate Office: Plot No. 36, Dhuleshwar Garden, Jaipur-302001, Rajasthan
Telephone No.: 0141-4161300/400; **Fax No**.: +91-141-4012809
Compliance Officer: Ms. Anagha Bangur (available at 0141-4161300/400)
Email: Anagha.Bangur@skfin.in
Website: www.skfin.in

Placement Memorandum for issue of Debentures on a private placement basis under the Companies Act, 2013 read with Schedule II of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 in relation to the issue of 1,000 (one thousand) rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 100,00,00,000 (Indian Rupees One Hundred Crore) on a private placement basis. Certain details of the Debentures are as follows:

(a) **Rating**: The Debentures are rated as "CRISIL A+ (Stable)" by CRISIL Ratings Limited pursuant to the letter/press release dated November 04, 2022. Please refer Annexure II for the rating rationale and the press release.
(b) **Listing**: The Debentures are proposed to be listed on the Wholesale Debt Market (WDM) of the BSE Limited within the time period prescribed under the SEBI Listing Timelines Requirements (as defined below).
(c) **Eligible Investors**: Please refer Section 10.14 of the Placement Memorandum.
(d) **Coupon related details**: Please refer Section 8.1 (*Summary Terms*) for details about coupon/dividend rate, coupon/dividend payment frequency, redemption date, redemption amount.
(e) **Underwriting**: The Issue is not underwritten.
(f) **Electronic Book Provider Platform**: BSE BOND platform of BSE Limited.

Issue Schedule

Issue Opening on: November 15, 2022
Issue Closing on: November 15, 2022
Date of earliest closing of the issue, if any: N.A.
Deemed Date of Allotment: November 16, 2022

The Issue shall be open as per the mechanism detailed herein below.

Registrar and Transfer Agent
KFIN Technologies Limited
Address: KFintech, Tower – B, Plot No 31 & 32, Selenuim Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032
Tel: +91- 040 – 67162222
Fax: N.A. **Website**: www.kfintech.com
Email: compliance.corp@kfintech.com

Debenture Trustee
Vardhman Trusteeship Private Limited
Address: Vardhman Trusteeship Private Limited. The Capital, A Wing, 412A, Bandra Kurla Complex, Bandra (East) Mumbai 400 051
Tel.: +91- 9820024538
Contact Person: Mr. Nilesh Palav
Email: nilesh@vardhmantrustee.com

Rating Agency
CRISIL Ratings Limited
Address: Crisil House, Central Avenue, ranandani Business Park, Powai, Mumbai-400076
Tel: +91- 9958813854
Contact Person: Mr. Vaibhav Arora
Email: vaibhav.arora@crisil.com

Issuer's Compliance Officer:
Ms. Anagha Bangur
Tel: 0141-4161300/400
Email: Anagha.Bangur@skfin.in

Issuer's Company Secretary:
Ms. Anagha Bangur
Tel: 0141-4161300/400
Email: Anagha.Bangur@skfin.in

Issuer's Chief Financial Officer:
Mr. Atul Arora
Tel: 0141-4161300
Email: Atul@skfin.in

Issuer's Promoters:
Mr. Rajendra Kumar Setia
Tel: 0141-4161300
Email: Rajendra@skfin.in

BACKGROUND

This Placement Memorandum is related to the Debentures to be issued by SK Finance Limited *(formerly known as Ess Kay Fincorp Limited)* (the "**Issuer**" or "**Company**") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Placement Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on March 11, 2022 and the Board of Directors of the Issuer on February 09, 2022 and November 04, 2022 to be read with the resolution passed by the Executive Committee of the Board of Directors dated November 10, 2022 and the Memorandum and Articles of Association of the Company. The present issue of Debentures in terms of this Placement Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

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

DISCLAIMER

- This Placement Memorandum contains no unsubstantiated forward-looking statements. To the extent there are any unsubstantiated forward-looking statements under this Placement Memorandum, such statements shall be considered to be null and void.

- This Issue does not form part of non-equity regulatory capital mentioned under Chapter V of Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021. The face value of each debt security issued on private placement basis under this Issue is INR 10,00,000 (Indian Rupees Ten Lakh).

- The Debentures are subject to model risk i.e., the securities are created on the basis of complex mathematical models involving multiple derivative exposures which may or may not be hedged and the actual behavior of the securities selected for hedging may significantly differ from the returns predicted by the mathematical models.

- In case of principal/capital protected market linked debt securities, the principal amount is subject to the credit risk of the Issuer whereby the investor may or may not recover all or part of the funds in case of default by the Issuer.

TABLE OF CONTENTS

SECTION 1:	**DEFINITIONS AND ABBREVIATIONS**	**4**
SECTION 2	**NOTICE TO INVESTORS AND DISCLAIMERS**	**14**
SECTION 3	**DETAILS OF PROMOTERS OF THE ISSUER**	**18**
SECTION 4	**GENERAL RISKS**	**20**
SECTION 5	**FINANCIAL STATEMENTS**	**27**
SECTION 6	**REGULATORY DISCLOSURES**	**28**
SECTION 7	**UNDERTAKINGS AND DISCLOSURES BY THE ISSUER AND DIRECTORS**	**63**
SECTION 8	**TERMS OF THE ISSUE**	**65**
SECTION 9	**SPECIFIC DISCLOSURES FOR NBFCS**	**114**
SECTION 10	**OTHER INFORMATION AND APPLICATION PROCESS**	**128**
SECTION 11	**DECLARATION**	**138**
ANNEXURE I	**TERM SHEET**	**139**
ANNEXURE II	**RATING LETTER, RATING RATIONALE AND PRESS RELEASE FROM THE RATING AGENCY**	**140**
ANNEXURE III	**CONSENT LETTER FROM THE DEBENTURE TRUSTEE**	**156**
ANNEXURE IV	**APPLICATION FORM**	**157**
ANNEXURE V	**FINANCIAL STATEMENTS (INCLUDING BALANCE SHEETS, PROFIT AND LOSS STATEMENTS, AND CASH FLOW STATEMENTS) OF THE ISSUER FOR THE FY ENDED MARCH 31, 2020 (AUDITED), MARCH 31, 2021 (AUDITED), MARCH 31, 2022 (AUDITED) AND SEPTEMBER 30, 2022(UNAUDITED**	**163**
ANNEXURE VI	**ILLUSTRATION OF BOND CASH FLOWS**	**228**
ANNEXURE VII	**BOARD RESOLUTION AND COMMITTEE RESOLUTION**	**230**
ANNEXURE VIII	**SHAREHOLDERS' RESOLUTION**	**233**
ANNEXURE IX	**DUE DILIGENCE CERTIFICATES**	**239**
ANNEXURE X	**DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR**	**241**
ANNEXURE XI	**IN-PRINCIPLE APPROVAL FROM BSE**	**245**
ANNEXURE XII	**SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2022**	**247**
ANNEXURE XIII	**FINALISED FORM OF THE PPOA (ALONG WITH ALL DISCLOSURES)**	**248**
ANNEXURE XIV	**UNDERTAKING FOR CHAPTER V OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021**	**249**

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

Capitalised terms used herein and not defined shall have the meanings given to them in the Transaction Documents. Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Placement Memorandum.

GENERAL DEFINITIONS

Act/Companies Act	means the Companies Act, 2013, and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Applicable Accounting Standards	means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable, and includes Indian Accounting Standards (IND-AS).
Applicant	means a person who has submitted a completed Application Form to the Issuer.
Application Form	means the application form for subscription of the Debentures annexed to this Placement Memorandum and marked as Annexure IV.
Application Money	means the subscription amounts paid by the Debenture Holders at the time of submitting the Application Form.
Beneficial Owners	means the holders of the Debentures in dematerialised form whose names are recorded as such with the Depository(ies) in the Register of Beneficial Owners.
Board / Board of Directors	The Board of Directors of the Issuer.
BSE	means BSE Limited
CDSL	Central Depository Services (India) Limited.
CERSAI	means Central Registry of Securitisation Asset Reconstruction and Security Interest of India.
Company/Issuer	means SK Finance Limited (formerly known as Ess Kay Fincorp Limited).
Conditions Precedent	means the conditions precedent set out in Section 8.1 (*Summary Terms*).
Conditions Subsequent	means the conditions subsequent set out in Section 8.1 (*Summary Terms*).
Crore / Cr. / Crs.	Ten Million
Debentures/NCDs	means 1,000 (one thousand) rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures denominated in Indian Rupees, having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 100,00,00,000 (Indian Rupees One Hundred Crore).
Debenture Trustee Agreement	means the agreement executed / to be executed by and between the Debenture Trustee and the Issuer *inter alia* for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustees Regulations/ SEBI Debenture Trustees Regulations	means the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended, modified, supplemented or restated from time to time.

Debenture Trust Deed/DTD	means the debenture trust deed executed / to be executed by and between the Debenture Trustee and the Company *inter alia* recording the terms and conditions upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Debt Disclosure Documents	means, collectively, the PPOA and this Placement Memorandum, and "Debt Disclosure Document" means any one of them.
Debt Listing Regulations/ SEBI Debt Listing Regulations	means the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, modified, supplemented or restated from time to time.
Deed of Hypothecation	has the meaning given to it in Section 8.1 (*Summary Terms*).
Deemed Date of Allotment	means November 16, 2022
Demat	means the dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	means the Depositories Act, 1996, as amended from time to time.
Depositories	means the depositories with whom the Company has made arrangements for dematerialising the Debentures, being NSDL and CDSL, and "Depository" means any one of them.
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	means the director(s) of the Issuer.
DP ID	Depository Participant Identification Number.
DRR	has the meaning given to it in Section 6.28 (*Other details*) of this Placement Memorandum.
Effective Date	means the date of execution of the DTD.
EFT	Electronic Fund Transfer
Eligible Investors	has the meaning given to it in Section 8.1 (*Summary terms*) below.
Issue	means this issue of the Debentures on a private placement basis pursuant to this Placement Memorandum.
Issue Closing Date	means November 15, 2022
Issue Opening Date	means November 15, 2022
Listed NCDs Operational Circular	means the circular issued by SEBI bearing the reference number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "*Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper*", as amended, modified, supplemented or restated from time to time.
Listing Period	has the meaning given to it under Section 8.1 (*Summary Terms*) below
LODR Regulations/SEBI LODR Regulations	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, modified, supplemented or restated from time to time.
MFI	Micro Finance Institution
NBFC Directions	means the Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 and/or the Non-Banking Financial Company - Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 dated September 1, 2016 as may be applicable read with the RBI's circular no. DOR

	(NBFC).CC.PD.No.109/22.10.106/2019-20 dated March 13, 2020 on "*Implementation of Indian Accounting Standards*", each as amended, modified, supplemented or restated from time to time.
N.A.	Not Applicable
NBFC	Non-banking financial company
NSDL	National Securities Depository Limited
PAN	Permanent Account Number
Placement Memorandum/PM/Offer Document	means this placement memorandum issued by the Issuer in respect of the Debentures proposed to be issued.
Private Placement Offer cum Application Letter(s)/PPOA	means the private placement offer cum application letter(s) prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014, issued by the Issuer in respect of the Debentures.
Purpose	has the meaning given to it in Section 8.1 (*Summary Terms*) below.
Rating	means the credit rating for the Debentures from the Rating Agency, which has affirmed a rating of "CRISIL A+ (Stable)" to the Issue through its letter dated November 04, 2022.
Rating Agency	means CRISIL Ratings Limited.
RBI	Reserve Bank of India.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (fifteen) calendar days prior to any Due Date.
Recovery Expense Fund	means the recovery expense fund established/to be established and maintained by the Issuer in accordance with the provisions of the SEBI Recovery Expense Fund Circular.
Register of Beneficial Owners	means the register of beneficial owners of the Debentures maintained in the records of the Depositories.
Register of Debenture Holders	means the register maintained by the Issuer in accordance with Section 88 of the Act.
R&T Agent/Registrar	means the registrar and transfer agent appointed for the issue of Debentures, being KFIN Technologies Limited.
ROC	means the jurisdictional registrar of companies.
Rs. / INR	Indian National Rupees.
RTGS	Real Time Gross Settlement.
SEBI	means the Securities and Exchange Board of India.
SEBI Defaults (Procedure) Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 on "*Standardisation of procedure to be followed by Debenture Trustee(s)in case of 'Default' by Issuers of listed debt securities*", as amended, modified, supplemented or restated from time to time.
SEBI DLT Monitoring Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2022/3 dated March 29, 2022 on "Operational guidelines for 'Security and Covenant Monitoring' using Distributed Ledger Technology (DLT)" read with the SEBI circular bearing reference number SEBI/HO/MIRSD/MIRSD_CRADT/CIR/P/2021/618 dated August 13, 2021 on "*Security and Covenant Monitoring' using Distributed Ledger Technology*" and the SEBI circular bearing reference number SEBI/HO/DDHS/RACPOD1/CIR/P/2022/136 dated October 3, 2022 on

	"*Extension of timeline for entering the details of the existing outstanding non-convertible securities in the 'Security and Covenant Monitoring' system hosted by Depositories*", each as amended, modified, supplemented or restated from time to time.
SEBI Due Diligence Circulars	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/218 dated November 3, 2020 on "*Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)*" read with the SEBI circular bearing reference number SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/106 dated August 4, 2022 on "*Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence*", each as amended, modified, supplemented or restated from time to time.
SEBI Listed Debentures Circulars	means, collectively, the SEBI Defaults (Procedure) Circular, the SEBI Due Diligence Circulars, the SEBI Monitoring Circulars, the SEBI DLT Monitoring Circular, the SEBI Recovery Expense Fund Circular, the Listed NCDs Operational Circular, and the LODR Regulations (to the extent applicable).
SEBI Listing Timelines Requirements	means the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (*Standardization of timelines for listing of securities issued on a private placement basis*) of the Listed NCDs Operational Circular.
SEBI Monitoring Circulars	means the SEBI's circular bearing reference number SEBI/ HO/MIRSD/CRADT/CIR/P/2020/23 dated November 12, 2020 on "*Monitoring and Disclosures by Debenture Trustee(s)*" read with SEBI's circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2022/67 dated May 19, 2022 on "*Revised format of security cover certificate, monitoring and revision in timelines*" and SEBI's circular bearing reference no. SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/106 dated August 4, 2022 on "*Enhanced guidelines for debenture trustees and listed issuer companies on security creation and initial due diligence*", each as amended, modified, supplemented or restated from time to time.
SEBI Recovery Expense Fund Circular	means the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on "*Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund"*", as amended, modified, supplemented or restated from time to time.
Stressed Assets Framework	means the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "*Prudential Framework for Resolution of Stressed Assets*", as may be amended, modified, supplemented or restated from time to time.
Tax	means any present or future tax, levy, duty, charge, fees, deductions, withholdings, surcharges, cess, turnover tax, transaction tax, stamp tax or other charge of a similar nature (including any penalty or interest payable on account of any failure to pay or delay in paying the same), now or hereafter, imposed pursuant to any Applicable Law or by any Governmental Authority and as maybe applicable in relation to the payment obligations of the Issuer under the DTD.
Tax Deduction	means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
TDS	Tax Deducted at Source.
Transaction Documents	means: (a) the DTD; (b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the Debt Disclosure Documents; (e) the letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (f) each tripartite agreement between the Issuer, the Registrar and the relevant Depository;

	(g) the resolutions passed by the Issuer in relation to the issuance of Debentures; and (h) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, and "Transaction Document" means any of them.
WDM	Wholesale Debt Market
Wilful Defaulter	means an issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such.

TRANSACTION SPECIFIC DEFINITIONS

Adjusted Financial Indebtedness	means, at any time, the Financial Indebtedness of the Issuer as reduced by the amount of subordinated debt availed and outstanding that has an original tenure of at least 5 (five) years and residual maturity of at least 3 (three) years as determined on each Quarterly Date.
Applicable Law	means all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Assets	means, for any date of determination, the assets of the Issuer on such date as the same would be determined in accordance with the Applicable Accounting Standards.
Business Day	means: (a) subject to (b) and (c) below, means any day on which commercial banks in Mumbai, India are open for business; (b) for the period commencing on the Issue Opening Date until the Issue Closing Date, any day (other than a Saturday, Sunday or a public holiday under Section 25 of the Negotiable Instruments Act, 1881), on which commercial banks in Mumbai, India are open for business; and (c) for the period commencing on the Issue Closing Date until the listing of the Debentures in accordance with the DTD, any trading day of BSE, other than a Saturday, Sunday or a bank holiday, as specified by SEBI.
Capital Adequacy Ratio	means the capital adequacy ratio determined in accordance with the circulars/directions prescribed by the RBI (including the NBFC Directions).
Client Loan	means each loan disbursed by the Issuer as a lender, and "Client Loans" shall be construed accordingly.
Constitutional Documents	means the certificate of incorporation of the Issuer, the memorandum of association and articles of association of the Issuer and the certificate of registration issued by the RBI to the Issuer.
Control	has the meaning given to it in the Companies Act, 2013
Debenture Holder(s) / Investors	each person who is:

	(a) registered as a Beneficial Owner; and (b) registered as a debenture holder in the Register of Debenture Holders. (a) and (b) above shall be deemed to include transferees of the Debentures registered with the Issuer and the Depository from time to time, and in the event of any inconsistency between (a) and (b) above, (a) shall prevail.
Debenture Trustee/Trustee	means Vardhman Trusteeship Private Limited
Due Date	means, collectively, each Interest Payment Date, each Redemption Date, the Final Redemption Date, and all other dates on which any interest, additional interest or liquidated damages and/or any other amounts, are due and payable, and "Due Date" shall be construed accordingly
Early Redemption Event(s)	means the occurrence of any one or more of the following events: (a) the Capital Adequacy Ratio of the Issuer falls below 18% (eighteen percent); (b) the Tier I Capital component of the Capital Adequacy Ratio of the Issuer falls below 14% (fourteen percent); (c) the ratio of A:B exceeds 5: 1, where A is the Adjusted Financial Indebtedness and B is the Net Worth of the Issuer; (d) the value of the Gross Stage 3 Assets of the Issuer exceeds 6% (six percent) of the aggregate value of all Client Loans; (e) the value of the Net Stage 3 Assets of the Issuer exceeds 3.5% (three decimal five percent) of the aggregate value of all Client Loans; (f) any Client Loan having the maximum loan amount of more than INR 1,00,00,000 (Indian Rupees One Crore) is provided by the Issuer; (g) the Issuer incurs loss (determined in accordance with the Applicable Accounting Standards) in any financial quarter; (h) the rating of the Issuer is downgraded to "BBB+" or below by any rating agency; or (i) the failure of the Issuer to comply with any of the covenants set out in any other financing documents to which the Issuer is a party beyond the cure period (if any) prescribed therein and which result in any acceleration of Financial Indebtedness of the Issuer, which, in the aggregate, exceeds 5% (five percent) of the on-balance sheet liabilities of the Issuer.
EBP Platform	has the meaning given to it under the EBP Requirements.
EBP Requirements	means the requirements with respect to electronic book mechanism prescribed in Chapter VI (*Electronic Book Provider platform*) of the Listed NCDs Operational Circular and the operational guidelines issued by the relevant Electronic Book Provider, as may be restated, amended, modified, supplemented or updated from time to time.
Electronic Book Provider / EBP	has the meaning given to it under the EBP Requirements.
Event of Default	means the events set out in Section 8.2.6.2 (*Events of Default*).

Final Redemption Date	means the date occurring on the expiry of a period of 24 (twenty four) months from the Deemed Date of Allotment, being November 16, 2024.
Final Settlement Date	means the date on which all Secured Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Holders.
Financial Indebtedness	means any indebtedness for or in respect of: (a) moneys borrowed; (b) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialised equivalent; (c) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, loan stock or any similar instrument; (d) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with the Applicable Accounting Standards, be treated as a finance or capital lease; (e) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); (f) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; (g) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account); (h) shares which are expressed to be redeemable or shares which are the subject of a put option or any form of guarantee; (i) any obligation under any put option in respect of any securities; (j) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution; (k) any corporate/personal guarantee, a letter of comfort or any other similar contractual comfort issued or incurred in respect of a liability incurred by any other third person; and (l) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) to (k) above.
Financial Year/ FY	means each period of 12 (twelve) months commencing on April 1 of any calendar year and ending on March 31 of the subsequent calendar year.

Governmental Authority	means any government (central, state or otherwise) or any governmental agency, semi-governmental or judicial or quasi-judicial or administrative entity, department or authority, agency or authority including any stock exchange or any self-regulatory organization, established under any Applicable Law, and "Governmental Authorities" shall be construed accordingly.
Gross Loan Portfolio	means the outstanding principal amounts of all Client Loans originated by the Issuer on its own books (including managed portfolio).
Gross Stage 3 Assets	shall be determined in accordance with the Applicable Accounting Standards and the NBFC Directions.
Hypothecated Assets	has the meaning given to it in Section 8.1 (*Summary Terms*).
ICCL	means the Indian Clearing Corporation Limited.
Information Utility	means the National E-Governance Services Limited or any other entity registered as an information utility under the Insolvency and Bankruptcy Board of India (Information Utilities) Regulations, 2017.
Interest Payment Dates	means the dates on which interest on the Debentures will be payable by the Company. The illustrative cash flows are set out in Annexure VI below, and "Interest Payment Date" shall be construed accordingly.
Interest Rate/Coupon Rate	means 9.10% (nine decimal one zero percent) (XIRR).
Majority Debenture Holders	means such number of Debenture Holders collectively holding at least 51% (fifty one percent) of the value of the Outstanding Principal Amounts of the Debentures.
Majority Resolution	means a resolution approved by the Majority Debenture Holders.
Management Control	means the right to appoint majority of the directors or to control the management or policy decisions of the Issuer, exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders' agreements or voting agreements or in any other manner. PROVIDED THAT a director or officer of the Issuer shall not be considered to have Management Control over the Issuer merely by virtue of holding such position.
Material Adverse Effect	means the effect or consequence of an event, circumstance, occurrence or condition which has caused or could reasonably be expected to cause, as of any date of determination, a material and adverse effect: (a) on the condition (financial or otherwise), business, property, assets, prospects, or operations of the Issuer (which in the opinion of the Debenture Holders) is prejudicial to the ability of the Issuer to perform its obligations under the Transaction Documents; (b) on the ability of the Issuer to perform its obligations under the Transaction Documents; (c) on the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder);

	(d) on the rights or remedies or interests of the Debenture Holders or the Debenture Trustee (acting for the benefit of the Debenture Holders) hereunder or under any other Transaction Document; (e) on the ability of the Debenture Trustee or the Debenture Holders to exercise or enforce any right, benefit, privilege or remedy under the Transaction Documents; or (f) in the sole opinion of the Debenture Trustee, on the international or domestic commercial banks, loan syndication, financial or capital markets, political socio-political, or economic conditions in India or any other relevant jurisdiction or currency exchange rates or exchange controls
Net Stage 3 Assets	means the amount calculated on the basis of the Gross Stage 3 Assets less the provisioning for the expected credit loss (ECL) on Stage 3 Assets.
Net Worth	(a) in respect of any body corporate that is a non-banking financial company, means the net worth of such body corporate determined in accordance with the Companies Act, the NBFC Directions and the Applicable Accounting Standards; and (b) in respect of any body corporate that is not a non-banking financial company, has the meaning given to it in the Act.
Outstanding Amounts	means, at any date, the Outstanding Principal Amounts together with any interest, additional interest, costs, fees, charges, and other amounts payable by the Issuer in respect of the Debentures.
Outstanding Principal Amounts	means, at any date, the principal amounts outstanding under the Debentures.
Payment Default	means any event, act or condition which, with notice or lapse of time, or both, would constitute an Event of Default under Section 8.2.6.2(a).
Purpose	has the meaning given to it in Section 8.1 (*Summary Terms*).
Quarterly Date	means each of March 31, June 30, September 30 and December 31 of a calendar year, and "Quarterly Dates" shall be construed accordingly.
Redemption Dates	means the dates on which the Outstanding Principal Amounts on the Debentures will be payable by the Company. The illustrative cash flows are set out in Annexure VI below, and "Redemption Date" shall be construed accordingly.
Secured Obligations	means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) of the Issuer to the Debenture Holders or the Debenture Trustee under the Transaction Documents, including without limitation, the making of payment of any interest, redemption of principal amounts, the interest, default interest, additional interest, liquidated damages and all costs, charges, expenses and other amounts payable by the Issuer in respect of the Debentures.
Security Cover	has the meaning given to it in Section 8.1 (*Summary Terms*).
Special Majority Debenture Holders	means such number of Debenture Holders collectively holding more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures.

Special Resolution	means resolution approved by the Special Majority Debenture Holders.
Stage 3 Assets	means the Client Loans identified as "Stage 3 Assets" in accordance with the Applicable Accounting Standards and the NBFC Directions.
Step Up	means the payment of interest at the Step Up Rate in accordance with Section 8.1 (*Summary Terms*) below.
Step Up Rate	has the meaning given to it in Section 8.1 (*Summary Terms*).
Tier I Capital	has the meaning given to it in the NBFC Directions.
Tier II Capital	has the meaning given to it in the NBFC Directions.
Total Assets	means, as on any date of determination, the total Assets of the Issuer on such date.
Transaction Security	has the meaning given to it in Section 8.1 (*Summary Terms*).
XIRR	means the internal rate of return calculated using the XIRR function in Microsoft Excel software.

SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

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

As per the applicable provisions, it is not necessary for a copy of this Placement Memorandum to be filed or submitted to the SEBI for its review and/or approval. This Placement Memorandum has been prepared in conformity with the SEBI Debt Listing Regulations as amended from time to time and applicable RBI regulations governing private placements of debentures by NBFCs. This Placement Memorandum has been prepared solely to provide general information about the Issuer to Eligible Investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Placement Memorandum does not purport to contain all the information that any Eligible Investor may require. Further, this Placement Memorandum has been prepared for informational purposes relating to this transaction only and upon the express understanding that it will be used only for the purposes set forth herein.

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

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

This Placement Memorandum, the Private Placement Offer cum Application Letter(s) and the respective contents hereof respectively, are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Placement Memorandum and/or

the Private Placement Offer cum Application Letter(s) are intended to be used only by those Investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.

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

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

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

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

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

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

that the Issuer's Debentures will be listed or will continue to be listed on the BSE; nor does the BSE take any responsibility for the soundness of the financial and other conditions of the Issuer, its promoters, its management or any scheme or project of the Issuer.

2.3 DISCLAIMER CLAUSE OF RBI

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

2.4 DISCLAIMER CLAUSE OF SEBI

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

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

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

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

The Debentures will be issued in dematerialised form. The Issuer has made arrangements with the Depositories for the issue of the Debentures in dematerialised form. Investors will have to hold the Debentures in dematerialised form as per the provisions of Depositories Act. The Issuer shall take necessary steps to credit the Debentures allotted to the

beneficiary account maintained by the Investors with their respective depositary participant. The Issuer will make the Allotment to the Investors on the Deemed Date of Allotment after verification of the Application Form, the accompanying documents and on realisation of the application money.

SECTION 3: DETAILS OF PROMOTERS OF THE ISSUER

The details of the Promoters of the Issuer are set out below:

1. Mr. Rajendra Setia



(a) Date of Birth: 01/07/1969

(b) Age: 53 years

(c) Personal Address: 2-CH-12, Jawahar Nagar, Jaipur-302004, RJ IN

(d) Educational Qualifications: BSC

(e) Experience in the business or employment: 30+ years of experience

(f) Positions/posts held in the past: Managing Director

(g) Directorships held: NIL

(h) Other ventures of the promoter: NIL

(i) Special achievements: NIL

(j) Their business and financial activities: He is the Managing Director in the SK Finance Limited since 1997.

(k) Permanent Accountant Number: AGWPS0094A

(l) Other Details: NIL

The Issuer hereby confirms and declares that Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to BSE, at the time of filing the draft Placement Memorandum.

SECTION 4: GENERAL RISKS

GENERAL RISK

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 4 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential Investors should carefully consider all the risk factors stated in this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures but does not represent that the statements below regarding risks of holding the Debentures are exhaustive. Potential Investors should also read the detailed information set out elsewhere in this Placement Memorandum and/or the Private Placement Offer cum Application Letter(s) and reach their own views prior to making any investment decision.

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

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

4.2 RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES; THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID; LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON THE STOCK EXCHANGES.

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

4.3 CREDIT RISK & RATING DOWNGRADE RISK

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

4.4 [INTENTIONALLY LEFT BLANK]

4.5 **TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS**

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

4.6 **ACCOUNTING CONSIDERATIONS**

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

4.7 **RISKS IN RELATION TO THE SECURITY; SECURITY MAY BE INSUFFICIENT TO REDEEM THE DEBENTURES; RISKS IN RELATION TO MAINTENANCE OF SECURITY COVER OR FULL RECOVERY OF THE SECURITY IN CASE OF ENFORCEMENT**

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

Fluctuations in the market values of the assets over which security has been provided in respect of loans provided by the Issuer could affect the Issuer's liquidity and reduce the Issuer's ability to enforce the security, which could adversely affect the Issuer's result of operations and financial condition. The Issuer may not accurately identify changes in the value of assets over which security has been provided caused by changes in market prices, and the Issuer's assessments, assumptions or estimates may prove inaccurate.

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

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

4.9 **LEGALITY OF PURCHASE**

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

4.10 **POLITICAL AND ECONOMIC RISK IN INDIA**

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

4.11 **RISKS RELATED TO THE BUSINESS OF THE ISSUER**

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

A majority of the Issuer's loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact the Issuer's results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk.

As on September 30, 2022, the gross NPA was INR 179.49 Crores (Indian Rupees One Hundred Seventy Nine decimal Forty Nine Crore Only) on a gross portfolio of INR 5862.47 (Indian Rupees Five Thousand Eight Hundred and Sixty Two Decimal forty seven Crores Only) (excluding managed / securitized portfolio of INR 312.04 (Indian Rupees three hundred twelve Decimal zero four Crores Only).

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

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

The clients are from different industries spread across several geographies with limited access to finance and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where the Issuer's members live. Moreover, there is no precise method for predicting loan and credit losses, and the Issuer cannot assure that it's monitoring and risk management procedures will effectively predict such losses or that

loan loss reserves will be sufficient to cover actual losses. If the Issuer are unable to control or reduce the level of its NPAs or poor credit quality loans, its financial condition and results of its operations could be materially and adversely affected.

(b) ***Lending to small businesses poses unique risks not generally associated with other forms of lending in India, and, as a result, the Issuer may experience increased levels of NPAs and related provisions and write-off that negatively impact results of operations.***

Issuer's core business is to provide loans to Micro, Small and Medium Enterprise ("MSME") segments primarily in the urban and semi-urban areas. Any downturn in the area of activity by borrowers could adversely affect the ability of borrowers to make loan repayment on time and in turn negatively impact the Issuer's operation. Due to the precarious circumstances of borrowers and non-traditional lending practices the Issuer may, in the future experience increased level of non-performing loans and related provisions and write-offs that negatively impact its business and results of operations.

The Issuer has separated sales from credit risk department. This helps in better credit evaluation of the customer. A credit enhancement happens by the way of hypothecation of stocks/machineries and or mortgage of immovable property. The ability to repay the loan is taken care of by the internal credit evaluation and intention to repay is taken care of by the collaterals obtained.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to guidelines issued by the RBI, the Issuer is required to maintain its status as a NBFC. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-ND. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change, and the Issuer may not be aware of or comply with all requirements all of the time. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-ND/NBFC-ICC that is subject to numerous conditions.

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

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

4.12 **TRADING OF THE NCDS MAY BE LIMITED BY TEMPORARY EXCHANGE CLOSURES, BROKER DEFAULTS, SETTLEMENT DELAYS, STRIKES BY BROKERAGE FIRM EMPLOYEES AND DISPUTES.**

The Indian stock exchanges have experienced temporary exchange closures, broker defaults, settlement delays and strikes by brokerage firm employees. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time, disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

4.13 **REFUSAL OF LISTING OF ANY SECURITY OF THE ISSUER DURING LAST THREE YEARS BY ANY OF THE STOCK EXCHANGES IN INDIA OR ABROAD**

As on the date of this Placement Memorandum, no stock exchange in India or abroad has refused listing of any equity or debt security issued by the Issuer.

4.14 **IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS:**

ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED: As on the date of this Placement Memorandum, the Issuer has not committed any default in compliance with the material covenants such as creation of security as per terms agreed in respect of any outstanding borrowings.

DEFAULT IN PAYMENT OF INTEREST: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest in respect of any outstanding borrowings.

DEFAULT IN REDEMPTION OR REPAYMENT: As on the date of this Placement Memorandum, the Issuer has not committed any default in redemption or repayment in respect of any outstanding borrowings.

NON-CREATION OF DEBENTURE REDEMPTION RESERVE: Pursuant Rule 18 (7) of the Companies (Share Capital and Debentures) Rules, 2014, an NBFC is not required to maintain debenture redemption reserve for debentures issued on a private placement basis.

DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE: As on the date of this Placement Memorandum, the Issuer has not committed any default in payment of interest penal in respect of any outstanding borrowings.

OTHERS: A failure to observe the covenants under the Issuer's financing arrangements or to obtain necessary consents required thereunder may lead to the termination of the Issuer's credit facilities, acceleration of all amounts due under such facilities and the enforcement of any security provided. Any acceleration of amounts due under such facilities may also trigger cross default provisions under the Issuer's other financing agreements. If the obligations under any of the Issuer's financing documents are accelerated, the Issuer may have to dedicate a substantial portion of the Issuer's cash flow from operations to make payments under such financing documents, thereby reducing the availability of cash for the Issuer's working capital requirements and other general corporate purposes. Further, during any period in which the Issuer is in default, the Issuer may be unable to raise, or face difficulties raising, further financing. Any of these circumstances could adversely affect the Issuer's business, credit rating and financial condition, cash flows and results of operations. If the Issuer fails to meet its debt service obligations or covenants provided under the financing agreements, the relevant lenders could declare the Issuer to be in default under the terms of the Issuer's agreements or accelerate the maturity of the Issuer's obligations. The Issuer cannot assure the Investors that, in the event of any such acceleration, the Issuer will have sufficient resources to repay the borrowings.

SECTION 5: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the Financial Year ended March 31, 2020, March 31, 2021 March 31, 2022, and the limited review financial statements as on September 30, 2022 are set out in **Annexure V** hereto.

SECTION 6: REGULATORY DISCLOSURES

This Placement Memorandum is prepared in accordance with the provisions of SEBI Debt Listing Regulations and in this section, the Issuer has set out the details required as per the SEBI Debt Listing Regulations (including Schedule II thereof).

6.1 **The Issuer shall file the following documents along with the listing application to the stock exchange and with the Debenture Trustee:**

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

(a) Placement Memorandum;
(b) Memorandum of Association and Articles of Association;
(c) Copy of the requisite board/ committee resolutions authorizing the borrowing and list of authorised signatories for the allotment of securities;
(d) Copy of last three years Annual Reports;
(e) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
(f) An undertaking from the issuer stating that the necessary documents for creation of the charge, wherever applicable, including the Trust Deed has been executed within the time frame prescribed in the relevant regulations/Act/rules etc. and the same would be uploaded on the website of the designated stock exchange, where such securities have been proposed to be listed;
(g) In case of debt securities, an undertaking that permission / consent from the prior creditor for a second or pari-passu charge being created, wherever applicable, in favour of the debenture trustee to the proposed issue has been obtained;
(h) Any other particulars or documents that the recognized stock exchange may call for as it deems fit;
(i) Due diligence certificate from the Debenture Trustee in the format as specified in Schedule IV of the Debt Listing Regulations; and
(j) Due diligence certificate from the Debenture Trustee as per the format specified in Annexure B of the SEBI Due Diligence Circular.

6.2 **The following documents have been / shall be submitted to BSE at the time of filing the draft of this Placement Memorandum:**

Due diligence certificate from the Debenture Trustee as per the format specified in Annexure A of the SEBI Due Diligence Circular and the format as specified in Schedule IV of the Debt Listing Regulations.

6.3 **Details of credit rating, along with the latest press release of the Credit Rating Agency in relation to the issue and declaration that the rating is valid as on the date of issuance and listing. Such press release shall not be older than one year from the date of opening of the issue:**

The Debentures have been rated "CRISIL A+ (Stable)" by CRISIL Ratings Limited. The rating letter, press release and the rating rationale from the Rating Agency is provided in **Annexure II**.

6.4 **Name(s) of the stock exchange(s) where the non-convertible securities are proposed to be listed and the details of their in-principle approval for listing obtained from these stock exchange(s).**

The Debentures are proposed to be listed on the WDM segment of BSE within 4 (four) Business Days from the Issue Closing Date. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

The Recovery Expense Fund has been created by the Issuer with BSE.

The in-principle approval from BSE is provided in **Annexure XI**.

6.5 **Issue Schedule:**

PARTICULARS	DATE
Issue Opening Date	November 15, 2022
Issue Closing Date	November 15, 2022
Pay In Date	November 16, 2022
Deemed Date of Allotment	November 16, 2022

6.6 **Name, logo, addresses, website URL, email address, telephone number and contact person of:**

(a) **Debenture Trustee to the Issue**

Name	Vardhman Trusteeship Pvt Ltd
Logo	VARDHMAN TRUSTEESHIP PVT LTD
Address	Vardhman Trusteeship Pvt Ltd. **The Capital, A Wing, 412A,** Bandra Kurla Complex, Bandra (East) Mumbai 400 051
Website	**https://vardhmantrustee.com/**
E-mail address	nilesh@vardhmantrustee.com
Telephone Number	8657900674.
Contact Person Details	Mr. Nilesh Palav

(b) **Credit Rating Agency for the Issue**

Name	CRISIL Ratings Limited
Logo	CRISIL An S&P Global Company

Address	Crisil House, Central Avenue, Hiranandani Business Park, Powai, Mumbai-400076
Website	https://www.crisil.com/
E-mail address	**vaibhav.arora@crisil.com**
Telephone Number	+91 9958813854
Contact Person Details	Mr. Vaibhav Arora

(c) **Registrar the Issue**

Name	KFin Technologies Limited
Logo	
Address	KFintech, Tower – B, Plot No 31 & 32, Selenuim Building, Financial District, Nanakramguda, Gachibowli, Hyderabad – 500 032
Website	https://www.kfintech.com/
E-mail address	compliance.corp@kfintech.com
Telephone Number	+91- 040 – 67162222
Contact Person Details	Mr. Hanumantha Rao Patni

(d) **Statutory Auditors**

Name	S.R. Batliboi & Associates LLP
Logo	N.A.
Address	2nd and 3rd Floor, Golf View Corporate Tower-B, Sector Road, Sector - 42, Gurugram -122002
Website	N.A.
E-mail address	srba@srb.in
Telephone Number	+91 2268190000
Contact Person Details	Amit Kabra

(e) **Legal Counsel**

Name	N. A. The Issuer has been advised by its in-house legal and compliance team.
Logo	N. A
Address	N. A
Website	N. A
E-mail address	N. A
Telephone Number	N. A
Contact Person Details	N. A

(f) **Guarantor**

Name	N. A
Logo	N. A
Address	N. A
Website	N. A
E-mail address	N. A
Telephone Number	N. A
Contact Person Details	N. A

(g) **Arrangers**

Name	N. A
Logo	N. A
Address	N. A
Website	N. A
E-mail address	N. A
Telephone Number	N. A
Contact Person Details	N. A

6.7 **About the Issuer**

(A brief summary of the business/ activities of the Issuer and its subsidiaries with the details of branches or units if any and its line of business containing at least following information)

(a) ***Overview of the business of the Issuer***

The Issuer is registered as an Investment and Credit Company Non-Banking Financial Corporation (NBFC-ICC) with the RBI. It was incorporated in 1994 and is primarily engaged in financing of commercial vehicles – mostly light commercial vehicles and multi utility vehicles. Its corporate and registered office is in Jaipur, Rajasthan.

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

(b) ***Corporate Structure of the Issuer***

The Issuer was incorporated as a private limited company under the Companies Act, 1956 ("1956 Act") on November 21, 1994 and converted from a private limited to public limited company under the 1956 Act on October 18, 1996 and thereafter converted from a public limited to private limited company under the 1956 Act on March 20, 1998 and thereafter Company registered itself with the RBI as a non-deposit accepting non-banking financial company ("NBFC") and thereafter company changed its name from Ess Kay Auto Finance Private Limited to Ess Kay Fincorp Private Limited on October 07, 2016 and later converted from a private limited to public limited company under the Companies Act, 2013 ("Act") on September 04, 2017 and thereafter Company changed its name from Ess Kay Fincorp Limited to SK Finance Limited on September 07, 2021.

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

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

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

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

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

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

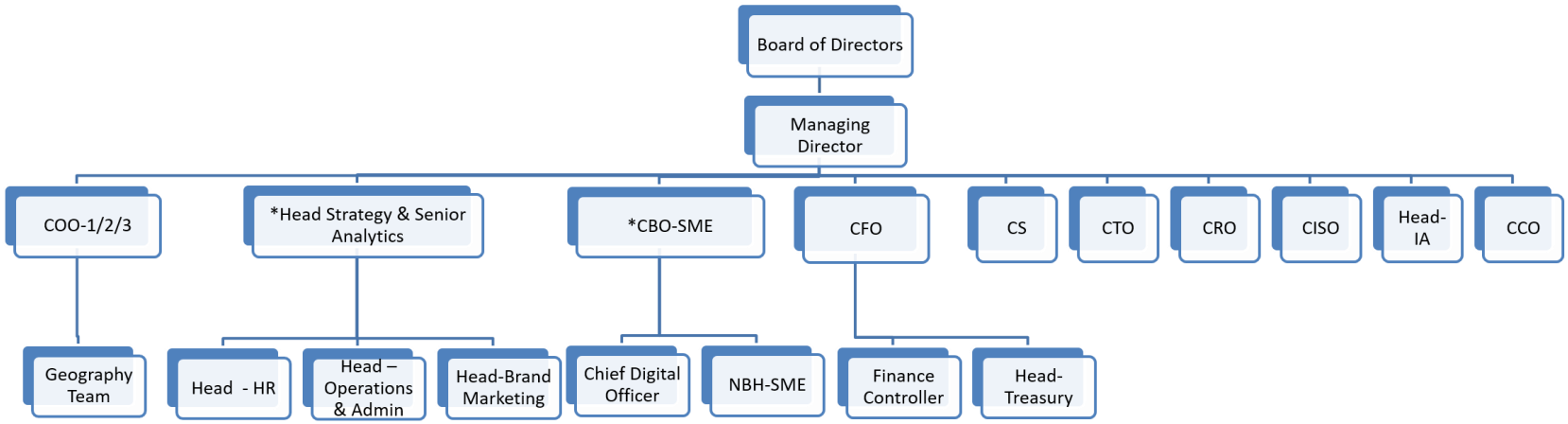
Business Segments

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

Product Details:

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

The graphic description/organogram of the corporate structure of the Issuer is as follows:



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

6.8 **Financial Information**

(a) ***A columnar representation of the audited financial statements (i.e. Profit & Loss statement, Balance Sheet and Cash Flow statement) both on a standalone and a consolidated basis** for a period of three completed years which shall not be more than six months old from the date of the placement memorandum or issue opening date, as applicable:***

Rs. In Lakhs

Profit and Loss Statement (INR)	**31.03.2020**	**31.03.2021**	**31.03.2022**	**30.09.2022**
	Audited	Audited	Audited	Unaudited
Interest Income	54,544.50	65,388.40	77,525.35	53,309.96
Less: Interest Expenses	23,248.45	29,701.27	34,681.51	23,432.50
Net Interest Income	31,296.05	35,687.13	42,843.84	29,877.46
Other Income	3,695.77	3,729.93	4,543.37	6,201.69
Total Income	34,991.82	39,417.06	47,387.21	36,079.15
Operating Expenses	14,625.84	16,663.35	26,416.94	16,589.80
Provisions & Write Offs	8,997.98	9,278.75	1,628.53	5,547.52
Operating Profit	11,368.00	13,474.96	19,341.74	13,941.83
Depreciation	817.53	1,133.31	1,581.42	1,100.57
Profit Before Tax	10,550.47	12,341.65	17,760.32	12,841.26
Provisions for tax	2,696.80	3,233.24	3,472.91	3,145.92
Profit After Tax	7,853.67	9,108.41	14,287.41	9,695.34

Balance Sheet (INR)	**31.03.2020**	**31.03.2021**	**31.03.2022**	**30.09.2022**
	Audited	Audited	Audited	Unaudited
Equity capital	503.9	521.78	581.66	581.81
Reserve & Surplus	87,368.85	96,625.93	1,59,062.23	169151.4216
TNW (A)	87,872.75	97,147.71	1,59,643.89	169733.2316

Total Non-Current Liabilities	2,64,771.24	3,33,055.54	4,64,260.97	585680.24
Current Liabilities+ Provisions	-	-	-	-
Total Outside Liabilities (B)	2,64,771.24	3,33,055.54	4,64,260.97	585680.24
Total Liabilities (A + B)	3,52,643.99	4,30,203.25	6,23,904.86	755413.47
Fixed assets (Net)	4,559.70	5,733.75	9,737.78	11112.87
Investments	13,836.90	25,887.65	78,184.25	77111.39
Gross Advances	2,96,760.51	3,44,238.24	4,76,481.96	586246.83
Less: Loan Loss Reserve	11,759.47	16,248.64	12,151.77	-14,471.04
Net Loan Outstanding	2,85,001.04	3,27,989.60	4,64,330.19	571775.79
Cash / Liquid Investments	43,281.83	61,841.63	62,269.96	77341.86
Deferred Tax Assets	1,931.92	3,888.27	3,617.78	3312.49
Intangible Assets	50.55	118.15	583.66	721.19
Other current assets	3,982.05	4,744.20	5,181.24	14037.88
Other Non-Current Assets	-	-		-
Total Assets	3,52,643.99	4,30,203.25	6,23,904.86	755413.47

Cash Flow Statement: As per IND-AS

(Rs. In lakhs)

Particulars	**31.03.2020**	**31.03.2021**	**31.03.2022**	**30.09.2022**
	Audited	Audited	Audited	Unaudited
Cash flow from operating activities				
Profit before tax	10,550.00	12,342.00	17,760.00	12,841.26
Adjustments for				
(Profit)/loss on sale of fixed asset	-	20.00	22.00	(1.91)
Finance cost incurred	21,825.00	29,701.00	34,682.00	23,432.50
Interest income accrued	(52,084.00)	(65,388.00)	(77,525.00)	(53,309.96)
Impact on derecognition of loans sold under direct assignment transaction	(1,037.00)	(111.00)	575.00	(2,197.67)
Net (gain)/loss on FVTPL investments and derivatives	(753.00)	(815.00)	(1,336.00)	(676.72)

Remeasurements of the defined benefit plans	-	-	-	-
Impairment on financial instruments	8,998.00	9,279.00	1,629.00	5,547.52
Employee share based payment expenses	179.00	133.00	72.00	378.59
Depreciation and amortization	818.00	1,133.00	1,581.00	1,100.57
Operating cash flow before working capital changes	(11,505.00)	(13,705.00)	(22,541.00)	(12,885.82)
Adjustments for working capital changes:				
Decrease in trade receivables	2.00	(447.00)	224.00	(1,227.02)
Increase in loans	(1,09,346.00)	(49,473.00)	(1,37,822.00)	(1,11,590.02)
Decrease/(Increase) in other financial assets	696.00	(660.00)	(582.00)	(1,426.50)
Increase in other non-financial assets	(70.00)	85.00	(72.00)	(239.62)
Increase/(decrease) in other financial liabilities	(405.00)	1,846.00	4,416.00	(545.42)
Increase in provisions	169.00	(182.00)	212.00	255.28
Increase in other non-financial liabilities	10.00	269.00	205.00	133.10
Increase/(decrease) in trade payables	-	-		
Finance cost paid	(24,122.00)	(30,430.00)	(35,198.00)	(27,786.33)
Interest income received	48,100.00	60,841.00	74,772.00	49,053.87
Cash generated from operations	(96,470.00)	(31,856.00)	(1,16,385.00)	(1,06,018.86)
Direct taxes paid (net of refunds)	(3,641.00)	(4,772.00)	(4,807.00)	(4,306.13)
Net cash used in operating activities (A)	(1,00,111.00)	(36,629.00)	(1,21,193.00)	(1,10,324.99)
Cash flow from investing activities				
Purchase of property plant and equipment, capital work in progress and other intangible assets	(2,163.00)	(2,423.00)	(6,107.00)	(2,623.65)

Proceeds from sale of property plant and equipment	14.00	28.00	18.00	14.52
Investment in Fixed deposits	(88,022.00)	(1,00,399.00)	(49,845.00)	(89,038.29)
Proceeds from redemption of fixed deposits	75,428.00	1,00,688.00	46,627.00	91,920.32
Purchase of Investments	(41,110.00)	(45,432.00)	(3,88,681.00)	(2,63,350.43)
Proceeds from redemptions of investments	29,255.00	34,196.00	3,37,721.00	2,65,100.01
Net cash used in investing activities (B)	(26,598.00)	(13,343.00)	(60,267.00)	2,022.48
Cash flow from financing activities				
Proceeds from issue of shares and securities premium	23,500.00	30.00	48,209.00	18.99
Expenses for share issuance				
Debt securities issued	90,250.00	1,01,830.00	18,500.00	32,400.00
Debt securities repaid	(35,317.00)	(75,987.00)	(24,252.00)	(5,933.59)
Borrowings other than debt securities taken	87,230.00	1,46,464.00	1,86,378.00	82,097.31
Borrowings other than debt securities repaid	(40,124.00)	(1,05,271.00)	(53,249.00)	(46,262.58)
Subordinated debts repaid	-	-		-
Net cash generated from financing activities (C)	1,25,539.00	67,066.00	1,75,585.00	62,320.13
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(1,169.00)	17,095.00	(5,875.00)	(45,982.38)
Add : cash and cash equivalents as at the beginning of the year	7,406.00	6,237.00	23,331.00	17,455.85
Cash and cash equivalents as at the end of the year*	6,237.00	23,331.00	17,456.00	(28,526.53)
*Components of cash and cash equivalents				
Balances with banks	6,136.00	5,869.00	15,676.00	17,080.33

Fixed deposits on hand	31.00	16,696.00	801.00	12,608.46
Cash on hand	70.00	766.00	979.00	970.13
	6,237.00	23,331.00	17,456.00	30,658.92

** The Issuer does not maintain the above information on a consolidated basis.

Note: Listed issuers (whose debt securities or specified securities are listed on recognised stock exchange(s)) in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, may disclose unaudited financial information for the stub period in the format as prescribed therein with limited review report in the placement memorandum, as filed with the stock exchanges, instead of audited financial statements for stub period, subject to making necessary disclosures in this regard in placement memorandum including risk factors: The latest audited financial statements for the financial year ended March 31, 2022 and the limited review financial statements for the period ended September 30, 2022 have been disclosed.

(b) ***Issuers other than unlisted REITs / unlisted InvITs desirous of issuing debt securities on private placement basis and who are in existence for less than three years may disclose financial statements mentioned at (a) above for such period of existence, subject to the following conditions:***
i. The issue is made on the EBP platform irrespective of the issue size; and
ii. The issue is open for subscription only to Qualified Institutional Buyers

N.A.

(c) ***The above financial statements shall be accompanied with the Auditor's Report along with the requisite schedules, footnotes, summary etc.***

Please refer **Annexure V** for the audited financial statements of the Issuer for the Financial Year ended March 31, 2022, March 31, 2021 and March 31, 2020, and the limited review financial statements as of September 30, 2022 along with the auditor's report along with the requisite schedules, footnotes, summary etc.

(d) ***Key Operational and Financial Parameters on a consolidated basis** and standalone basis (in INR, in Lakh)***

Standalone basis

Particulars	31.03.2020	31.03.2021	31.03.2022	30.09.2022
	Audited	Audited	Audited	Unaudited
Balance Sheet				
Net Fixed assets	4,610.25	5,851.90	10337.87	11,848.34

Current assets	2,13,337.07	2,07,667.81	3,10,815.14	3,38,105.72
Non-current assets	1,34,747.22	2,16,801.69	3,02,751.86	4,05,459.41
Total assets	3,52,643.99	4,30,203.25	6,23,904.86	7,55,413.47
Non-Current Liabilities	1,95,931.29	1,35,825.09	2,43,191.21	2,44,391.01
(including maturities of long-term borrowings and short-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)				
Provisions				
Deferred tax liabilities (net)				
Other non-current liabilities				
Current Liabilities	1,37,124.25	1,28,946.15	2,21,069.76	341,289.22
(including maturities of long-term borrowings)				
Financial (borrowings, trade payables, and other financial liabilities)				
Provisions				
Current tax liabilities (net)				
Other current liabilities				
Equity (equity and other equity)	87,872.75	97,147.71	1,59,643.89	169,733.23
Total equity and liabilities	3,52,643.99	4,30,203.25	6,23,904.86	755413.47
Profit and Loss				
Total revenue	57,248.96	68,154.88	81,438.23	59109.95
From operations				
Other income	991.31	963.45	630.49	401.7
Total Expenses	47,689.80	56,776.68	64,308.40	46670.39
Total comprehensive income	7,859.67	9,111.81	14,215.08	9691.76
Profit / loss	7,853.67	9,108.41	14,287.41	9695.34
Other comprehensive income	6	3.4	-72.33	-3.58
Profit / loss after tax	7,853.67	9,108.41	14,287.41	9695.34
Earnings per equity share:				
(a) basic; and	33	36.14	50.47	33.33
(b) diluted	32.68	35.8	49.85	32.72

Continuing operations				
Discontinued operations				
Total Continuing and discontinued operations				
Cash Flow				
Net cash generated from operating activities	-1,00,110.52	-36,628.72	-1,21,192.55	-110,324.99
Net cash used in / generated from investing activities	-26,598.21	-13,342.84	-60,267.48	2,022.48
Net cash used in financing activities	1,25,539.29	67,066.20	1,75,584.93	121,505.58
Cash and cash equivalents	6,236.85	23,331.49	17,456.39	30,658.92
Balance as per statement of cash flows	6,236.85	23,331.49	17,456.39	30,658.92
Additional Information				
Net worth	87,872.75	97,147.71	1,59,643.89	169733.2316
Cash and Cash Equivalents	6,236.85	23,331.49	17,456.39	30,658.92
Current Investments	13,736.90	25,887.65	78,184.25	77111.39
Assets Under Management	3,07,665.10	3,52,657.17	4,76,481.96	586246.83
Off Balance Sheet Assets	12,832.22	10,421.08	8,210.61	31203.9192
Total Debts to Total assets	0.73	0.75	0.72	0.75
Debt Service Coverage Ratios	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Interest Income	54,544.50	65,388.40	77,525.35	53309.96
Interest Expense	22,250.17	27,509.32	34,612.19	23432.5
Interest service coverage ratio	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Provisioning & Write-offs	8,997.98	9,278.75	1,628.53	5547.52
Bad debts to Account receivable ratio	0.8	1.04	0.74	0.8
Gross NPA (%)	4.04%	2.32%	2.83%	3.06%
Net NPA (%)	2.42%	1.08%	2.04%	2.19%
Tier I Capital Adequacy Ratio (%)	30.62%	26.99%	29.79%	26.31%
Tier II Capital Adequacy Ratio (%)	1.04%	0.68%	0.63%	0.66%

** The Issuer does not maintain the above information on a consolidated basis.

(e) ***Debt: Equity Ratio of the Issuer***

Before the issue	3.36*
After the issue	3.42**

******Taken as on* September 30, 2022

***Calculated on the basis of Debt of* September 30*, 2022 and taking effect in the same of the current Issue*

6.9 **Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability**

Particulars		**For the year ended September 30, 2022**	**For the year ended March 31, 2022**
(i) Contingent liabilities:-			
(a) Claims against the Company not acknowledged as debt;			
- Indirect tax matter		**1,612.72**	1,304.40
- Direct tax matter		**33.46**	-
(b) Guarantees:-			
- Corporate guarantees towards securitization transaction		**990.99**	500.00
- towards law suits, claims and proceedings, including collection and repossession related matters, which arise in the ordinary course of business.		**9.93**	8.69
		2,647.10	**1,813.09**
(ii) Commitments:-			
(a) Estimated amount of contracts remaining to be executed on capital account and not provided		**-**	-
(b) Other commitments		**-**	100.00
		-	**100.00**
Demand raised by the office of commissioner, central excise, Jaipur for the period December 2010 to June 2017 (net of amount paid under protest and provided), for non-payment of service tax on services rendered towards collection of receivables and liquidity facilities in respect of securitization / direct assignments transactions is Rs. 1,355.50 lakhs. Company have filed an appeal against this order with the CESTAT, New Delhi and has deposited an amount equal to 7.5% of the tax demand i.e. Rs. 51.10 lakhs under protest.			
The Assistant Commissioner, Income Tax, through an order dated March 31, 2022, has confirmed the demand of income tax of Rs. 33.46 lakhs from the Company and thereby reducing the amount of refund with the same in relation to under reporting of income. The Company have filled the appeal for the same on April 23, 2022 to commissioner of income-tax (Appeals).			
The Company's pending litigations comprises of claims against the Company by the customer and proceedings pending with other authorities. The Company have reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed the contingent liabilities where applicable, in the financial statements. The Company do not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.			

Demand raised by the office of commissioner, central goods and service tax, Jaipur for the financial year 2017-18 and 2018-19 for non-payment of GST on deemed commission for personal guarantee given by director on various loan taken is Rs. 205.98 lakhs.

6.10 **A brief history of the Issuer since its incorporation giving details of its following activities:**

(a) ***Details of Share Capital as on last quarter end, i.e., September 30, 2022****:*

SHARE CAPITAL	**AMOUNT**
Authorised Share Capital	
150,000,000 equity shares of INR 2 each	30,00,00,000/--
TOTAL	**30,00,00,000/-**
Issued and Subscribed Share Capital	
2,92,17,872 equity shares of INR 2 each	5,84,35,744/-
TOTAL	**5,84,35,744/-**
Paid-Up Share Capital	
2,92,17,872 equity shares of INR 2 each	5,81,81,382.25/-
TOTAL	**5,81,81,382.25/-**

(b) ***Changes in its capital structure as on last quarter end i.e., September 30, 2022, for the last three years:***

Date of Change (AGM/ EGM)	**Change in authorized Share Capital**		**Particulars**
	Existing	**Revised**	**Change in capital**
September 11,2018	5.75 (E.S)	5.75 (E.S)	Each ES of Rs. 100 was split into 50 ES of Rs. 02 each.
August 18, 2021	5.75 (E.S)	7.50 (E.S)	+1.75 (E.S)
September 22, 2021	7.50 (E.S)	30.00 (E.S)	+22.5 (E.S)

Note: E.S. stands for Equity Share Capital and P.S. stands for Preference Share Capital.

(c) ***Equity Share Capital History of the Company for the last three years:***

DATE OF ALLOTMENT	**NO. OF EQUITY SHARES**	**FACE VALUE (IN INR)**	**ISSUE PRICE (IN INR)**	**CONSIDERATION AMOUNT (in INR)**	**CONSIDERATION (CASH, OTHER THAN CASH, ETC)**	**NATURE OF ALLOTMENT**	**CUMULATIVE**	**REMARKS**

							NO. OF EQUITY SHARES	EQUITY SHARE CAPITAL	EQUITY SHARE PREMIUM	
11.09.2018	NA	2	NA	NA	Cash	Equity	1,75,45,950	3,50,91,900	NA	Split
13.10.2018	754650	2	NA	NA	Cash	Equity	1,83,00,600	3,66,01,200	NA	Conversion of Warrants
31.10.2018	167703	2	596.29	9,99,99,621.87	Cash	Equity	1,84,68,303	3,69,36,606	NA	Purchase from RKS
31.10.2018	2904835	2	596.29	173,21,24,062.15	Cash	Equity	1,87,56,447	3,75,12,894	2,80,23,91,729.41	Fresh Allotment
31.10.2018	455847	2	596.29	27,18,17,007.63	Cash	Equity	2,16,61,282	4,33,22,564		
31.10.2018	1354847	2	596.29	80,78,81,717.63	Cash	Equity	2,30,16,129	4,60,32,258		
21.11.2019	1316497	2	1078.62	141,99,99,994.14	Cash	Equity	2,43,32,626	4,86,652	2,34,56,42,760.20	Fresh Allotment
21.11.2019	630435	2	1078.62	679999799.70	Cash	Equity	24,96,63,061	4,99,261		
21.11.2019	231778	2	1078.62	250000386.36	Cash	Equity	2,51,94,839	50,38,9678		
27.07.2020	3,750	2	249.35	9,35,062.50	Cash	Equity	2,51,98,589	5,03,97,178	9,27,562.5	ESOP Allotment
31.03.2021	1017447*	2	725.59	20,34,894	Cash	Equity	2,62,16,036	5,21,77,710.25	2,54,361.75	Preferential Issue
12.05.2021	150011	2	1466.56	22,00,00,132.16	Cash	Equity	2,63,66,047	5,24,77,732.25	21,97,00,110.16	Fresh Allotment
12.05.2021	112,084	2	1466.56	1,65,00,03,191.04	Cash	Equity	2,74,91,131	5,47,27,900.25	164,77,53,023.04	
12.05.2021	852336	2	1466.56	1,25,00,01,884.16	Cash	Equity	2,83,43,467	5,64,32,572.25	124,82,97,212.16	
12.05.2021	170467	2	1466.56	25,00,00,083.52	Cash	Equity	2,85,13,934	5,67,73,506.25	24,96,59,149.52	
12.08.2021	3500	2	596.29	20,87,015	Cash	Equity	2,85,17,434	5,67,80,506.25	20,80,015.00	ESOP Allotment
18.10.2021	3625	2	249.35	903893.75	Cash	Equity	2,85,21,059	5,67,87,756.25	8,96,643.75	ESOP Allotment
23.12.2021	341222	2	2197.98	74,99,99,131.56	Cash	Equity	2,88,62,281	5,74,70,200.25	74,93,16,687.56	Fresh Allotment
23.12.2021	276617	2	2197.98	60,79,98,633.66	Cash	Equity	2,91,38,898	5,80,23,434.25	60,74,45,399.66	
23.12.2021	64607	2	2197.98	14,20,04,893.86	Cash	Equity	2,92,03,505	5,81,52,648.25	14,18,75,679.86	
06.01.2022	750	2	249.35	1,87,012.50	Cash	Equity	2,92,04,255	5,81,54,148.25	1,85,512.50	ESOP Allotment
12.02.2022	3500	2	596.29	20,87,015	Cash	Equity	2,92,07,755	5,81,61,148.25	20,80,015	ESOP Allotment
31.03.2022	2500	2	249.35	6,23,375	Cash	Equity	2,92,10,255	5,81,66,148.25	6,18,375	ESOP Allotment

20.05.2022	4812	2	249.35	11,99,872.20	Cash	Equity	29,215,067	58,175,772.25	1,190,248.2	ESOP Allotment
16.06.2022	375	2	249.35	93,506.25	Cash	Equity	29,215,442	58,176,522.25	92,756.25	ESOP Allotment
30.09.2022	2430	2	249.35	605920.5	Cash	Equity	2,92,17,872	5,81,81,382.25	601060.5	ESOP Allotment

***** Mr. Rajendra Kumar Setia, promoter of the Company, holds 10,17,447 partly paid equity shares of the Company.

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

Not Applicable

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

Not Applicable

TYPE OF EVENT	DATE OF ANNOUNCEMENT	DATE OF COMPLETION	DETAILS
N.A.	N.A.	N.A.	N.A.
N.A.	N.A.	N.A.	N.A.

(f) ***Details of the shareholding of the Company as at the latest quarter end, as per the format specified under the listing regulations****:*

The shareholding pattern of the Issuer as of September 30, 2022, prepared in accordance with the LODR Regulations is set out in **Annexure XII**.

(g) ***List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. September 30, 2022****:*

S. NO.	NAME OF THE SHAREHOLDERS	TOTAL NUMBER OF EQUITY SHARES	NUMBER OF SHARES IN DEMAT FORM	TOTAL SHAREHOLDING AS PERCENTAGE (%) OF TOTAL NO. OF EQUITY SHARES
1.	Rajendra Kumar Setia	11257463*	11257463*	38.26%
2.	Norwest Venture Partners X-Mauritius	7128818	7128818	24.51%
3.	TPG Growth IV SF Pte Limited	5514119	5514119	18.95%
4.	Baring Private Equity India AIF	1358414	1358414	4.67%
5.	Evolvence Coinvest I	1217201	1217201	4.18%

6.	IIFL Special Opportunities Fund Series 9	7,95,276	7,95,276	2.73%
7.	Massachusetts Institute of Technology	553234	553234	1.90%
8.	Karma Holdings Mauritius Limited	464850	464850	1.60%
9.	Evolvence India Fund III Ltd.	402245	402245	1.38%
10.	IIFL Special Opportunities Fund Series 10	254110	254110	0.86%

***** Mr. Rajendra Kumar Setia, promoter of the Company, holds 1,12,57,463 equity shares, out of which 10,17,447 are partly paid equity shares.

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

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

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

NAME	DESIGNATION	DIN	AGE	ADDRESS	DATE OF APPOINTMENT	DETAILS OF OTHER DIRECTORSHIPS	WHETHER WILLFUL DEFAULTER (YES/NO)
Rajendra Kumar Setia	*Managing Director*	00957374	53 Years	2 Cha 12 Jawahar Nagar, Jaipur	21.11.1994	NIL	NO
Shalini Setia	*Whole-time director*	02817624	50 Years	2 Cha 12 Jawahar Nagar, Jaipur	01.01.2010	NIL	NO
Anand Raghavan	*Independent Director*	00243485	61 Years	22/1, Warren Road, Mylapore, Chennai 600004	07.04.2018	ii. Five-Star Business Finance Limited iii. Chennai International Centre iv. Nani Palkhivala Arbitration Centre v. Jasmine Concrete Exports Private Limited	NO
Amar Lal Daultani	*Independent Director*	05228156	67 Years	A 503, Evershine Sapphire CHS, Chandivali Farm Road, Near SBI Bank Chandivali Branch, Mumbai- 400072 (Maharashtra)	01.04.2016	i. Ativir Financial Services Private Limited; Raghav Productivity Enhancers Limited;	NO

Akshay Tanna	*Nominee Director*	02967021	39 Years	A/72, Darshan Apts, Mount Pleasant Road, Malabar Hill, Near Chief Ministers Bungalow, Mumbai- 400006, Maharashtra	03.06.2020	i. Dodla Dairy Limited ii. Big Tree Entertainment Private Limited iii. Landmark Insurance Brokers Private Limited iv. Landmark Cars Limited v. Logx Venture Partners LLP vi. Brainbees Solutions Private Limited vii. Swastik Hospitality Products Private Limited viii. Busybees Logistics Solutions Private Limited	NO
Debanshi Basu	*Nominee Director*	07135074	40 Years	Somerset Apartments, Flat no 71, 58 Nargis Dutt Road, Pali Hill, Bandra West, Mumbai, 400050	09.11.2020	i. Infrasoft Technologies Limited ii. Nehat Tech Solutions Private Limited	NO

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

NAME	DESIGNATION	DIN	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE	REMARKS
R Anand	Independent Director	00243485	07.04.2018	-	-	Appointment
Gaurav Trehan	Nominee Director	03467781	31.10.2018	-	22.05.2020	Resignation
Akshay Tanna	Additional Director	02967021	03.06.2020	-	-	Appointment
Akshay Tanna	Nominee Director	02967021	24.09.2020	-	-	Change in Designation
Debanshi Basu	Nominee Director	07135074	09.11.2020	-	-	Appointment

6.12 **Following details regarding the auditors of the Issuer:**

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

NAME OF THE AUDITOR	ADDRESS	AUDITOR SINCE
M/s S. R. Batliboi & Associates LLP	2nd & 3rd Floor, Golf View Corporate Tower-B, Sector - 42, Sector Road, Gurugram-122002, HR IN	18.08.2021

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

NAME OF THE AUDITOR	ADDRESS	DATE OF APPOINTMENT	DATE OF CESSATION, IF APPLICABLE	DATE OF RESIGNATION, IF APPLICABLE
B S R & Co. LLP	14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East)	11.09.2018	NA	NA
B S R & Co. LLP	14th Floor, Central B Wing and North C Wing, Nesco IT Park 4, Nesco Center, Western Express Highway, Goregaon (East)	12.10.2018	-	18/08/2021
M/s S. R. Batliboi & Associates LLP	2nd & 3rd Floor, Golf View Corporate Tower-B, Sector - 42, Sector Road, Gurugram-122002, HR IN	18.08.2021	-	-

6.13 **Details of borrowings of the Company, as at the end of the last quarter or if available, a later date:**

The information set out in (a) to (f) below has been disclosed as of September 30, 2022.

(a) ***Details of Outstanding Secured Loan Facilities*:**

Name of the Lender	Type of Facility	Date of Sanction	Sanctioned Amount (in INR, in Crore)	Principal Amount Outstanding (IN INR, in Crore) as on 30.09.2022	Repayment Date/ Schedule/ Tenure	Overdue	Security Cover (in respect of security provided by

							way of hypothecation of receivables)
RBL Bank Limited	Term Loan	26-Mar-21	75.00	37.50	36 Months	No	125%
HDFC Bank Limited	Term Loan	21-Sep-20	25.00	10.47	36 months	No	125%
HDFC Bank Limited	Term Loan	18-Nov-20	25.00	11.89	36 months	No	125%
HDFC Bank Limited	Term Loan	21-Jun-21	50.00	31.94	36 months	No	125%
HDFC Bank Limited	Term Loan	24-Nov-21	100.00	82.97	42 Months	No	125%
The South Indian Bank Limited	Term Loan	16-Mar-20	10.00	1.80	36 months	No	120%
The South Indian Bank Limited	Term Loan	17-Sep-21	24.00	20.00	42 months	No	110%
Punjab National Bank (earlier OBC)	Term Loan	03-Apr-19	15.00	3.20	48 months	No	118%
Indusind Bank Limited	Term Loan	01-Oct-18	15.00	2.22	48 Months	No	120%
Ujjivan Small Finance Bank Ltd	Term Loan	24-Dec-19	20.00	1.67	36 months	No	120%
Bank of Maharashtra	Term Loan	11-Jun-19	15.00	3.73	48 months	No	133%
IDFC First Bank Limited	Term Loan	24-Jun-19	100.00	7.69	42 months	No	120%
Capital Small Finance Bank Ltd	Term Loan	16-Sep-19	10.00	0.83	39 months	No	125%
Utkarsh Small Finance Bank	Term Loan	25-Nov-19	15.00	0.83	36 months	No	115%
Dcb Bank Limited	Term Loan	08-Jan-20	15.00	2.13	36 months	No	133%
Dcb Bank Limited	Term Loan	27-Oct-20	15.00	5.45	36 months	No	133%
Dcb Bank Limited	Term Loan	22-Sep-21	10.00	6.67	36 months	No	115%
Indusind Bank Limited	Term Loan	06-Jan-20	35.00	13.12	48 Months	No	125%
Indusind Bank Limited	Term Loan	29-Sep-21	30.00	22.81	48 Months	No	125%
CSB	Term Loan	21-Oct-21	30.00	27.86	48 Months	No	110%
AU Small Finance bank	Term Loan	14-Oct-21	55.00	39.72	36 months	No	110%
Federal Bank Limited	Term Loan	17-Sep-20	20.00	4.00	30 Months	No	125%
Kotak Mahindra Bank Limited	Term Loan	24-Sep-20	25.00	5.00	30 Months	No	120%
Bank of Baroda	Term Loan	26-May-20	25.00	13.89	48 Months	No	133%
Axis Bank	Term Loan	18-Mar-20	30.00	15.00	39 Months	No	120%

Capital Small Finance Bank Ltd	Term Loan	07-Dec-20	8.00	3.57	36 Months	No	125%
Capital Small Finance Bank Ltd	Term Loan	23-Dec-21	15.00	12.89	48 Months	No	111%
Axis Bank	Term Loan	21-Nov-20	10.00	5.00	39 Months	No	120%
Axis Bank	Term Loan	09-Sep-21	75.00	56.25	39 Months	No	110%
Ujjivan Small Finance Bank Ltd	Term Loan	24-Dec-20	20.00	8.33	36 Months	No	120%
Ujjivan Small Finance Bank Ltd	Term Loan	18-Dec-21	30.00	22.50	36 Months	No	110%
Utkarsh Small Finance Bank	Term Loan	23-Dec-20	18.00	7.50	36 months	No	115%
Utkarsh Small Finance Bank	Term Loan	29-Nov-21	21.00	15.17	36 months	No	115%
Suryoday Small Finance Bank	Term Loan	19-Jan-21	20.00	10.62	37 Months	No	110%
IDFC First Bank Limited	Term Loan	01-Mar-21	100.00	62.50	48 Months	No	110%
IDFC First Bank Limited	Term Loan	24-Sep-21	100.00	66.67	36 months	No	110%
Yes Bank	Term Loan	06-Mar-21	50.00	30.00	42 Months	No	120%
Indian Bank	Term Loan	04-Feb-21	25.00	19.44	60 Months	No	111%
Federal Bank Limited	Term Loan	16-Mar-21	100.00	40.00	30 Months	No	125%
Karnataka Bank	Term Loan	30-Mar-21	25.00	15.00	34 Months	No	125%
DBS Bank	Term Loan	02-Mar-21	30.00	17.27	36 Months	No	125%
Kotak Mahindra Bank Limited	Term Loan	25-Aug-21	50.00	35.36	42 Months	No	115%
Karnataka Bank	Term Loan	04-Aug-21	25.00	17.50	34 Months	No	110%
Karnataka Bank	Term Loan	29-Dec-21	25.00	22.50	34 Months	No	110%
Federal Bank Limited	Term Loan	16-Sep-21	50.00	36.36	36 Months	No	120%
Canara Bank	Term Loan	15-Nov-21	50.00	47.22	60 Months	No	125%
Karur Vysya Bank	Term Loan	30-Dec-21	30.00	25.00	39 Months	No	110%
Indian Bank	Term Loan	30-Dec-21	40.00	40.00	60 Months	No	111%
Yes Bank	Term Loan	17-Jan-22	40.00	34.15	42 months	No	120%
Kotak Mahindra Bank Limited	Term Loan	10-Feb-22	50.00	42.68	42 months	No	115%
State Bank of India	Term Loan	10-Feb-22	150.00	138.75	60 months	No	125%
Federal Bank Limited	Term Loan	01-Mar-22	75.00	68.18	36 months	No	115%
Indian Overseas Bank	Term Loan	04-Mar-22	25.00	25.00	60 months	No	125%
Bank of Baroda	Term Loan	08-Mar-22	75.00	67.50	60 months	No	110%

Canara Bank	Term Loan	29-Mar-22	45.00	45.00	60 months	No	125%
DBS Bank	Term Loan	25-Mar-22	30.00	27.27	36 months	No	125%
RBL Bank Limited	Term Loan	16-Mar-22	100.00	83.33	36 months	No	115%
Dhanlaxmi Bank Limited	Term Loan	02-Jun-22	25.00	23.44	48 Months	No	110%
Axis Bank	Term Loan	29-Jun-22	100.00	100.00	42 Months	No	110%
Indusind Bank Limited	Term Loan	22-Jun-22	75.00	70.83	48 Months	No	115%
The South Indian Bank Limited	Term Loan	22-Jul-22	30.00	30.00	48 Months	No	110%
Utkarsh Small Finance Bank	Term Loan	29-Jul-22	21.50	20.31	36 Months	No	115%
Equitas Small Finance Bank	Term Loan	21-Jul-22	35.00	35.00	36 Months	No	110%
Kotak Mahindra Bank Limited	Term Loan	17-Aug-22	25.00	25.00	42 Months	No	115%
UCO Bank	Term Loan	01-Sep-22	20.00	20.00	60 Months	No	110%
Bandhan Bank	Term Loan	01-Sep-22	125.00	125.00	48 Months	No	110%
Woori Bank	Term Loan	16-Sep-22	60.00	60.00	36 Months	No	110%
IDFC First Bank Limited	Term Loan	12-Sep-22	200.00	100.00	48 Months	No	110%
State Bank of India	Term Loan	12-Sep-22	200.00	100.00	60 Months	No	125%
Bank of Maharashtra	Term Loan	23-Sep-22	100.00	100.00	60 Months	No	110%
Union Bank of India	Term Loan	28-Sep-22	50.00	20.00	60 Months	No	125%
Mudra	Term Loan	10-Jul-20	50.00	10.00	36 months	No	120%
Mudra	Term Loan	01-Nov-21	100.00	81.70	39 Months	No	110%
Hinduja Leyland Finance Limited	Term Loan	21-Feb-20	22.00	4.19	36 Months	No	110%
Bajaj Finance Limited -III	Term Loan	27-Feb-20	25.00	3.47	36 months	No	120%
Bajaj Finance Limited -IV	Term Loan	25-Jan-21	40.00	17.90	36 months	No	120%
Nabkisan Finance Limited	Term Loan	22-Jan-19	7.75	2.70	63 months	No	110%
Nabsamruddhi Finance Limited	Term Loan	13-Mar-20	20.00	7.50	48 months	No	110%
Sundaram Finance Limited	Term Loan	12-Jan-21	30.00	14.47	36 months	No	118%
Maanaveeya Development And Finance Pvt. Ltd.	Term Loan	26-Feb-21	40.00	21.82	36 Months	No	110%
Aditya Birla Finance Limited	Term Loan	24-Mar-21	25.00	14.20	36 months	No	120%
Tata Capital Finance Service Limited	Term Loan	25-Mar-21	30.00	17.92	36 months	No	110%

Bajaj Finance Limited	Term Loan	27-Dec-21	60.00	46.67	36 months	No	110%
Nabkisan Finance Limited	Term Loan	18-Feb-22	45.00	37.50	36 months	No	110%
Tata Capital Finance Service Limited	Term Loan	29-Mar-22	40.00	34.57	36 months	No	110%
Sundaram Finance Limited	Term Loan	27-May-22	75.00	69.47	36 Months	No	118%
Mahindra & Mahindra Finance Tranche 1	Term Loan	23-Jun-22	100.00	46.34	36 Months	No	110%
Mahindra & Mahindra Finance Tranche 2	Term Loan	23-Jun-22		47.58	42 Months	No	110%
RBL Bank Limited	CC	24-Sep-15	5.00	0.00	On demand	No	133%
HDFC Bank Limited	CC	14-Feb-18	10.00	0.00	On demand	No	133%
Au Small Finance Bank	CC	28-Mar-17	20.00	0.00	On demand	No	110%
Axis Bank	CC	22-Mar-17	10.00	0.00	On demand	No	120%
Indusind Bank	CC	06-Jan-20	4.00	0.00	On demand	No	125%
Kotak Mahindra Bank Limited	CC	24-Sep-20	10.00	0.00	On demand	No	133%
Federal Bank Limited	CC	16-Sep-21	10.00	0.00	On demand	No	120%
The South Indian Bank Limited	CC	17-Sep-21	0.50	0.00	On demand	No	110%
IDFC First Bank Limited	CC	01-Mar-21	25.00	0.00	On demand	No	110%
DCB Bank	WCDL	27-Oct-20	5.00	5.00	On demand	No	133%
Indusind Bank	WCDL	06-Jan-20	6.00	6.00	On demand	No	125%
Indian Bank	CC	04-Feb-21	10.00	0.00	On demand	No	111%
Global Climate Partnership Fund S.A	ECB	30-Dec-20	73.31	73.31	72 Months	No	110%
Worldbusiness Capital Inc	ECB	20-Dec-21	112.28	112.27	84 Months	No	125%
Northern Arc Capital Limited	Unsec NCD	29-Dec-21	35.00	24.50	30 Months	No	NA
IFMR Capital Finance Private Limited- NCD	Tier II	31-Jan-17	20.00	20.00	72 month	No	NA

(b) ***Details of Outstanding Unsecured Loan Facilities*:** Not Applicable

NAME OF LENDER	TYPE OF FACILITY	AMOUNT SANCTIONED (IN INR)	PRINCIPAL AMOUNT OUTSTANDING (IN INR)	REPAYMENT DATE/SCHEDULE

NIL	NIL	NIL	NIL	NIL

(c) ***Details of Outstanding Non-Convertible Securities*:**

SERIES OF NCS	TENOR/PERIOD OF MATURITY	COUPON (RATE OF INTEREST)	AMOUNT (IN INR, IN CRORE)	DATE OF ALLOTMENT	REDEMPTION DATE/ SCHEDULE	CREDIT RATING	SECURED/ UNSECURED	SECURITY
192386-192585	72 months	13.50%	20.00	31-01-2017	03-02-2023	CARE BBB-	Unsecured	NIL
215936-5215935	63 Months	11.1610% coupon (equivalent to 11.75% XIRR)	50.00	21st December 2018	5th March 2024	CARE A-	Secured	Secured by way of hypothecation of book debts which shall be maintained at 100% of debentures outstanding.

5229436-5231935	36 months	0-6 months-11.00% 7-12 months-11.25% 13-18 months-11.50% 19-24 months-11.75% 25-30 months-12.00% 31–36 Months-12.25%	25.00	16.08.2019	16.08.2022	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 120.0% of debentures outstanding.
5232436-5235335	1857 Days	10.44%	217.50	11.12.2019	10.01.2025	NA	Secured	Secured by way of hypothecation of book debts which shall be maintained at 115.0% of debentures outstanding.
5235336-5236195	72 Months	12.05% p.a net of withholding tax and payable semi-annually	86.00	23.12.2019	23.12.2025	CRISIL A Stable	Secured	Secured by way of hypothecation of book debts which shall be maintained at 110.0% of debentures outstanding.

5236596-5237095	36 months	RBI repo rate plus 6.85%	33.33	02-06-2020	02-06-2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5237096-5237195	36 Months	11.25%	10.00	08-06-2020	08-06-2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.20x times of security cover over the book debts.
5237196-5237595	36 Months	11.25%	11.67	12-06-2020	12-06-2023	CRISIL AA	Senior, Secured	As per Vivriti Omega Trust
5237596-5238095	36 Months	11.00%	50.00	16-06-2020	16-06-2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
5238096-5238345	36 Months	11.00%	25.00	18-06-2020	18-06-2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
5238346-5238595	36 Months	11.00%	25.00	22-06-2020	22-06-2023	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
5239096-5239195	36 Months	11%	10.00	02-Jul-20	02-Jul-23	CRISIL A	Senior, Secured	The value of security at all times equal to 1.25x times of security cover over the book debts.
5239196-5239945	2 years 8 Months 9 Days	10.90%	75.00	13-Jul-20	21-Apr-23	CRISIL A	Senior, Secured	The value of security at all times equal to 1.33x times of

								security cover over the book debts.
5240246-5240945	72 months	11.40%	61.25	29-Sep-20	29-Sep-26	CRISIL A	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5240946-5246945	824 days	Market Linked	53.90	28-Oct-20	30-Jan-23	CRISIL PP-MLD Ar/Stable	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5247546-5249045	36 months	9.80%	108.33	19-Nov-20	19-Nov-24	ICRA AA+ (CE) Stable	Senior, Secured	The value of security at all times equal to 1.21x times of security cover over the book debts.
5249296-5250495	42 Months	Market Linked	50.90	28-Jan-21	28-Jul-24	ICRA AA+ (CE) Stable	Senior, Secured	The value of security at all times equal to 1.30x times of security cover over the book debts.
5250496-5251995	33 Months	10.12%	43.50	25-Feb-21	25-Nov-23	CRISIL A Stable	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5251996-5264495	60 months	Market Linked	125.00	09-Mar-21	09-Mar-26	ICRA AA+ (CE) Stable	Senior, Secured	The value of security at all times equal to 1.30x times of security cover over the book debts.

5264496-5265495	36 Months	10.00%	100.00	31-Mar-21	31-Mar-24	CRISIL A Stable	Senior, Secured	The value of security at all times equal to 1.20x times of security cover over the book debts.
5265496-5266995	26 months	Market linked	150	12-Nov-2021	12-Jan-24	ICRA A (Stable)	Senior, Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5266996-5267345	30 months	9.25%	35	29-Dec-2021	29-Jun-24	ICRA A (Stable)	Unsubordinated Unsecured	NIL
5267346-5268335	36 Months	Floating	99	29/04/2022	29 April 2025	CRISIL A+/ Stable	Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5268336-5318335	36 Months	9.00%	50	11/05/2022	11 May 2025	CRISIL A+/ Stable	Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5318336 - 5320085	36 Months	Market linked	175	26/05/2022	26 May 2024	ACUITE PP-MLD AA-	Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.
5320086-5321835	24 Months	8.25	172	08/08/2022	08 Aug 2024	CRISIL A+ Stable	Secured	The value of security at all times equal to 1.10x times of security cover over the book debts.

								The value of security at all times equal to 1.10x times of security cover over the book debts.
5321836-5323335	26 months	Market Linked	175	22/09/2022	22 Nov 2024	CRISIL PPMLD A+	Secured	

(d) ***List of Top 10 holders of non-convertible securities in terms of value (in cumulative basis)***

SR. NO.	NAME OF HOLDER OF NON-CONVERTIBLE SECURITIES	AMOUNT (IN INR IN CR)	% OF TOTAL NON-CONVERTIBLE SECURITIES OUTSTANDING
1	Nederlandse Financierings-Maatschappij voor (FMO)	290.00	38.26%
2	SKFL MLD 05 2024 6.10% GSEC2031	175.00	24.51%
3	SKFL NCD 08 2022	172.00	18.95%
4	6.10% GSEC2031 SKFL/2024	150.00	4.67%
5	SKFL MLD 09 2022 6.10% GSEC2031	150.00	4.18%
6	SKFL/02/18/2020-21	125.00	2.73%
7	Ess NCD 03 2021	100.00	1.90%
8	SKFL NCD 04 2022	99.00	1.60%
9	Responsibility	86.00	1.38%
10	EKFL/01/12/2020-21	53.90	0.86%

(e) ***Details of Outstanding Commercial Paper as at the end of the last quarter, i.e., September 30, 2022, in the following format:*** Not Applicable

(f) ***Details of the Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares):*** Not Applicable

NAME OF PARTY (IN CASE OF FACILITY)/ NAME OF INSTRUMENT	TYPE OF FACILITY / INSTRUMENT	AMOUNT SANCTIONED/ ISSUED	PRINCIPAL AMOUNT OUTSTANDING	DATE OF REPAYMENT/ SCHEDULE	CREDIT RATING	SECURED/ UNSECURED	SECURITY
N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

6.14 **Details of any outstanding borrowings taken/ debt securities issued for consideration other than cash. This information shall be disclosed whether such borrowing/ debt securities have been taken/ issued: (i) in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option or not:**

Not Applicable

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

S. NO.	PARTICULARS OF DISCLOSURE	DETAILS
1.	**Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) by NBFC**	**Lending Policy**: Please refer Section 9. **Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc**: Please refer Section 9. **Classification of loans into several maturity profile denominations**: Please refer Section 9. **Aggregated exposure to top 20 borrowers**: Please refer Section 9. **Details of loans, overdue and classified as Non performing assets (NPA)**: Please refer Section 9.
2.	**Details of borrowings made by NBFC**	**Portfolio Summary of borrowings made by NBFC**: Please refer Section 9. **Quantum and percentage of Secured vs. Unsecured borrowings**: Please refer Section 9.

3.	**Details of change in shareholding**	**Any change in promoters holding in NBFC during last financial year beyond the threshold prescribed by Reserve Bank of India**: Please refer Section 9.
4.	**Disclosure of Assets under management**	**Segment wise break up and Type of loans**: Please refer Section 9.
5.	**Details of borrowers**	**Geographical location wise**: Please refer Section 9.
6.	**Details of Gross NPA**	**Segment wise**: Please refer Section 9.
7.	**Details of Assets and Liabilities**	**Residual maturity profile wise into several bucket**: Please refer Section 9.
8.	**Additional details of loans made by, Housing Finance Company**	N.A.
9.	**Disclosure of latest ALM statements to stock exchange**	Please refer Section 9.

6.16 **Details of all default/s and/or delay in payments of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company, in the past 3 years including the current financial year:**

Nil

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

Nil

6.18 **Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the Company:**

(i) The Promoters in their capacity as director of the Company have received a notice dated June 11, 2018 from the RoC under Section 297 of the Companies Act, 1956. In this regard the Company filed an application with the Regional Director on February 19, 2019 for compounding of the non-compliance with Section 297 of the Companies Act, 1956. The Regional Director has passed an order dated April 16, 2019 directing the Company to file a fresh compounding application. The compounding application was dismissed vide order dated July 5, 2019 since the said matter is pending with Hon'ble Court.

(ii) The Promoters in their capacity as directors of the company have received a notice dated June 11, 2018 from the RoC under Section 297 of the Companies Act, 1956. In this regard the Company filed an application with the Regional Director on July 28, 2021 for compounding of the non-compliance with Section 297 of the Companies Act, 1956 and has obtained a compounding order imposing a penalty of Rs. 10,000/- (Rupees Ten Thousand only) each on the Company, Mr. Rajendra Setia and Mrs. Shalini Setia.

(iii) The Promoters in their capacity as directors of the company have received a notice dated June 11, 2018 from the RoC under section 211 of the Companies Act, 1956. In this regard the Company and promoters has filed an application with the Regional Director on February 15, 2019 for compounding of the noncompliance with Section 211 of the Companies Act, 1956 and has obtained a compounding order imposing a penalty of Rs. 5,000/- (Rupees Five Thousand only) on the Managing Director of the Company. The Managing Director of the Company has paid the said penalty.

(iv) The Promoters in their capacity as directors of the company have received a notice dated June 11, 2018 from the RoC under section 211 of the Companies Act, 1956. In this regard the Company and its promoters has filed an application with the Regional Director on June 27, 2020 for compounding of the non-compliance with Section 211 of the Companies Act, 1956 and has obtained a compounding order imposing a penalty of Rs. 10,000/- (Rupees Ten Thousand only) on the Wholetime Director of the Company. The Wholetime Director of the Company has paid the said penalty.

6.19 **Details of default and non-payment of statutory dues**

Nil

6.20 **The names of the debenture trustee(s) shall be mentioned with statement to the effect that debenture trustee(s) has given its consent for appointment along with the copy of the consent letter from the debenture trustee.**

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

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

Not Applicable.

6.22 **Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention:** Please refer Annexure VI.

(a) ***The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed:*** Interest and all other charges shall accrue based on an actual/actual basis.

(b) ***Procedure and time schedule for allotment and issue of securities should be disclosed****:* Please refer Section 6.5 and Section 10.

(c) ***Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration****:* Please refer Annexure VI.

6.23 **Disclosures pertaining to wilful defaulter:**

(a) **The following disclosures shall be made if the issuer or its promoter or director is declared wilful defaulter**:

(i) ***Name of the bank declaring as a wilful defaulter:*** NA

(ii) ***The year in which it was declared as a wilful defaulter:*** NA

(iii) ***Outstanding amount when declared as a wilful defaulter:*** NA

(iv) ***Name of the entity declared as a wilful defaulter:*** NA

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

(vi) ***Other disclosures, as deemed fit by the issuer in order to enable investors to take informed decisions:*** NA

(vii) ***Any other disclosure as specified by the Board***: NA

(b) **The fact that the issuer or any of its promoters or directors is a wilful defaulter shall be disclosed prominently on the cover page with suitable cross-referencing to the pages**: NA

6.24 **Undertaking by the Issuer**: Please refer Section 7.1.

6.25 **Risk Factors**: Please refer Section 4.

6.26 **Attestation by Directors**: Please refer Section 7.3.

6.27 **Disclosure in case of non-convertible preference shares**: Not Applicable.

6.28 **Other details:**

(a) ***Creation of Debenture Redemption Reserve (DRR) / Capital Redemption Reserve (CRR) - relevant legislations and applicability:***

(i) It is hereby clarified that as on the date of this Placement Memorandum, pursuant to the Companies (Share Capital and Debenture Rules), 2014, non-banking financial companies registered with the RBI are exempted from the requirement to maintain a debenture redemption reserve ("**DRR**") in case of privately placed debentures.

(ii) The Issuer hereby agrees and undertakes that, if required under Applicable Law, it will create a DRR in accordance with the provisions of the Act (and the rules and regulations made thereunder) and the guidelines issued by the relevant Governmental Authorities.

(iii) If during the tenor of the Debentures, any guidelines are formulated (or modified or revised) by any Governmental Authority in respect of creation of the DRR, the Issuer shall abide by such guidelines and shall do all deeds, acts and things as may be required by the Debenture Trustee.

(iv) Where applicable, the Issuer shall submit to the Debenture Trustee a certificate duly certified by a chartered accountant certifying that the Issuer has transferred the required amount to the DRR at the end of each Financial Year.

(v) In addition to the foregoing, to the extent required by Applicable Law, the Issuer shall invest or deposit amounts up to such thresholds, and in such form and manner and within the time periods, as may be prescribed by Applicable Law, in respect of any amounts of the Debentures maturing in any Financial Year.

(b) ***Issue/instrument specific regulations - relevant details (Companies Act, Reserve Bank of India guidelines, etc.):***

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the relevant notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations, the Debenture Trustees Regulations, the SEBI Listed Debentures Circulars, and other RBI guidelines and SEBI guidelines applicable to issuance of non-convertible debentures by NBFCs on a private placement basis.

(c) ***Default in Payment:***

Please refer the sections named "*Default Interest Rate*" and "*Additional Disclosures (Default in Payment)*" of Section 8.1 (*Summary Terms*) in respect of the additional interest in the event of a Payment Default.

Please also refer Section 8.2.6.2(a) in respect of an event of default, each arising due to a non-payment by the Issuer.

(d) ***Delay in Listing:***

Please refer the section named "*Listing (name of stock Exchange(s) where it will be listed and timeline for listing)*" of Section 8.1 (*Summary Terms*) in relation to the listing requirements in respect of the Debentures and section named "*Additional Disclosures (Delay in Listing)*" of Section 8.1 (*Summary Terms*) in respect of the default interest in the event of delay in listing.

(e) ***Delay in allotment of securities:***

(i) The Company shall ensure that the Debentures are allotted to the respective Debenture Holders and are credited into the demat accounts of the relevant Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements**.**

(ii) The Debentures have been deemed to be allotted to the Debenture Holders on November 16, 2022 ("**Deemed Date of Allotment**"). All benefits relating to the Debentures are available to the Debenture Holders from the Deemed Date of Allotment.

(iii) If the Company fails to allot the Debentures to the Applicants within 60 (sixty) calendar days from the date of receipt of the Application Money ("**Allotment Period**"), it shall repay the Application Money to the Applicants within 15 (fifteen) calendar days from the expiry of the Allotment Period ("**Repayment Period**").

(iv) If the Company fails to repay the Application Money within the Repayment Period, then Company shall be liable to repay the Application Money along with interest at 12% (twelve percent) per annum, gross of withholding taxes, from the expiry of the Allotment Period.

(f) ***Issue details*****:** Please refer Section 8.

(g) ***Application process*****:** *The* application process for the Issue is as provided in Section 10 of this Placement Memorandum.

(h) ***Disclosure prescribed under PAS-4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 but not contained in this schedule, if any*****:** The finalised form of the PPOA prepared in accordance with the Form PAS 4 prescribed under the Companies (Prospectus and Allotment of Securities) Rules, 2014 is provided as **Annexure XIII**. Please refer **Annexure XIII** for all disclosures required under the Companies (Prospectus and Allotment of Securities) Rules, 2014 are set out therein.

(i) ***Project details: gestation period of the project; extent of progress made in the project; deadlines for completion of the project; the summary of the project appraisal report (if any), schedule of implementation of the project***: Not applicable.

6.29 **Details in case of non-convertible redeemable preference shares issue**: Not Applicable.

6.30 **Summary Terms**: Please refer Section 8.1.

SECTION 7: UNDERTAKINGS AND DISCLOSURES BY THE ISSUER AND DIRECTORS

7.1 UNDERTAKING BY THE ISSUER

(a) Investors are advised to read the risk factors (set out in Section 4) carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risks involved. The securities/Debentures have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document.

Specific attention of investors is invited to the statement of 'Risk factors' given on page number 20 under the section 'General Risks'.

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

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

7.2 UNDERTAKING ON SECURITY

(a) The assets over which security is proposed to be created to secure the Debentures are sole and absolute property of the Issuer and are free from any mortgage, charge or encumbrance and are not subject to any lis pendens, attachment, or other order or process issued by any Governmental Authority.

(b) The assets over which security is proposed to be created to secure the Debentures to meet the hundred percent security cover or higher security cover are free from any encumbrances and in case the assets are encumbered, the permissions or consent to create any further charge on the assets has been obtained from the existing creditors to whom the assets are charged, prior to creation of the charge.

7.3 ATTESTATION BY DIRECTORS

The directors of the Issuer hereby attest as follows:

(a) The Issuer is in compliance with the provisions of Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act, 2013 and the rules and regulations made thereunder.

(b) The compliance with the Companies Act, 2013 and the rules does not imply that payment of dividend or interest or repayment of non-convertible securities, is guaranteed by the Central Government.

(c) The monies received under the offer shall be used only for the purposes and objects indicated in the Offer Document/Placement Memorandum.

(d) Whatever is stated in this form/Placement Memorandum and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form/Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

(e) General Risk:

Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under Section 4 of this Placement Memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.

On behalf of the directors of the Issuer:
For SK Finance Limited

RAJENDRA KUMAR SETIA

Digitally signed by RAJENDRA KUMAR SETIA
Date: 2022.11.11 17:47:51 +05'30'

Name: Mr. Rajendra Kumar Setia
Designation: Managing Director
DIN: 00957374

SECTION 8: TERMS OF THE ISSUE

8.1 SUMMARY TERMS

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	SKFL NCD 11 2022
Issuer	SK Finance Limited
Type of Instrument	Rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Eligible Investors	The following categories of Investors ("**Eligible Investors**"), when specifically approached, and identified upfront by the Issuer, shall be eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form. (a) Mutual Funds (b) NBFCs (c) Provident Funds and Pension Funds (d) Trust inclusive of public charitable trust subject to their investment guidelines (e) Corporates (f) Banks (g) Insurance Companies (h) Individual (i) Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines and as permitted under Applicable Laws. All Eligible Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Note: Participation by potential investors in the issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that

	they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	(a) The Issuer shall submit all duly completed documents to the BSE, SEBI, the jurisdictional registrar of companies or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within the timelines prescribed under the SEBI Listing Timelines Requirements ("**Listing Period**"). (b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) The Issuer shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the rating of the Debentures is not withdrawn until the Final Settlement Date. (d) In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will: (i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed; and (ii) be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).
Rating of the Instrument	"CRISIL A+ (Stable)" by CRISIL Ratings Limited
Issue Size	The aggregate issue size for the Debentures is INR 100,00,00,000 (Indian Rupees One Hundred Crore).
Minimum Subscription	10 (ten) Debentures having value of INR 1,00,00,000 (Indian Rupees One Crore) and in multiples of 1 (one) Debenture thereafter
Option to retain oversubscription (Amount)	N.A.
Objects of the Issue / Purpose for which there is requirement of funds	(a) The funds raised by the Issue shall, after issue related expenses, be utilized by the Issuer for the following purposes ("**Purpose**"): (i) for making/providing loans and other loan disbursements to its clients/borrowers; (ii) for re-financing and repayment of existing Financial Indebtedness of the Issuer (including in relation to interest expenses in respect thereof);

	(iii) for working capital requirements of the Issuer; and/or (iv) for general corporate purposes of the Issuer. The amount equivalent to 100% of the funds raised by the Issue will be utilized towards the objects set out in paragraphs (i) to (iv) above. The Issuer has not, as of the date of the Placement Memorandum, determined the specific allocation between the objects set out in paragraphs (i) to (iv) above. (b) The funds raised by the Issue shall be utilised by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards: (i) any equity capital market instruments, and equity linked instruments or any other equity capital market related activities (whether directly or indirectly; (ii) any speculative purposes; (iii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iv) any purposes which have been restricted or declared unlawful by any Governmental Authority (including without limitation, the Government of India and the relevant state governments); (v) providing any loans to any group companies of the Issuer; and (vi) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI). (c) Until the funds raised by the Issue are utilized for the Purpose, the funds raised by the Issue may be held by the Issuer either in the form of cash, or by way of investments in money market instruments, liquid debt instruments, liquid mutual funds and fixed deposits held with scheduled commercial banks.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable.

Details of the utilization of the Proceeds	(a) The funds raised by the Issue shall, after issue related expenses, be utilized by the Issuer for the following purposes ("**Purpose**"): (i) for making/providing loans and other loan disbursements to its clients/borrowers; (ii) for re-financing and repayment of existing Financial Indebtedness of the Issuer (including in relation to interest expenses in respect thereof); (iii) for working capital requirements of the Issuer; and/or (iv) for general corporate purposes of the Issuer. The amount equivalent to 100% of the funds raised by the Issue will be utilized towards the objects set out in paragraphs (i) to (iv) above. The Issuer has not, as of the date of the Placement Memorandum, determined the specific allocation between the objects set out in paragraphs (i) to (iv) above. (b) The funds raised by the Issue shall be utilized by the Issuer solely for the Purpose and the Issuer shall not use the proceeds of the Issue towards: (i) any equity capital market instruments, and equity linked instruments or any other equity capital market related activities (whether directly or indirectly; (ii) any speculative purposes; (iii) investment in the real estate sector/real estate business (including the acquisition/purchase of land); (iv) any purposes which have been restricted or declared unlawful by any Governmental Authority (including without limitation, the Government of India and the relevant state governments); (v) providing any loans to any group companies of the Issuer; and (vi) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the RBI and SEBI). (c) Until the funds raised by the Issue are utilized for the Purpose, the funds raised by the Issue may be held by the Issuer either

	in the form of cash, or by way of investments in money market instruments, liquid debt instruments, liquid mutual funds and fixed deposits held with scheduled commercial banks.
Coupon/Dividend Rate	9.10% (nine decimal one zero percent) (XIRR)
Step Up/Step Down Coupon Rate	If the rating of the Debentures is downgraded below the Rating, the Interest Rate shall be increased by 0.25% (zero decimal two five percent) for each downgrade of 1 (one) notch from the Rating, and the Interest Rate/Coupon Rate shall stand increased accordingly for each such downgrade in the Rating (the "**Step Up Rate**"). Such increased Interest Rate/Coupon Rate shall be applicable on the Outstanding Principal Amounts from the date of such downgrade. Step Up, in accordance with this sub-section shall not require any notice, intimation or action on behalf of the Debenture Trustee or the Debenture Holders.
Coupon/Dividend Payment Frequency	Monthly. The illustrative interest payment schedule is set out in Annexure VI.
Coupon/Dividend Payment Dates	The illustrative interest payment schedule is set out in Annexure VI.
Cumulative / non-cumulative, in case of dividend	Not Applicable.
Coupon Type (Fixed, floating or other structure)	Fixed.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable.
Day Count Basis (Actual/Actual)	Interest and all other charges shall accrue based on an actual/actual basis.
Interest on Application Money	(i) No interest on the Application Money is required to be paid by the Issuer to the Applicants. (ii) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the Applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant.
Default Interest Rate	(a) The Issuer agrees to pay additional interest rate of 2% (two percent) per annum above the Interest Rate on the Outstanding

	Principal Amounts from the date of the occurrence of a Payment Default, until such Payment Default is cured or the Debentures are fully redeemed by the Issuer (whichever is earlier), on each Interest Payment Date occurring during the aforementioned period. (b) In case of a breach of any covenants, representations or warranties as set out in the DTD (including without limitation, the financial covenants set out under Section 8.2.2 (*Financial Covenants*)) which is not cured within a period of 30 (thirty) days, the Issuer agrees to pay additional interest rate of 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts from the expiry of the abovementioned cure period until such breach is cured or the Debentures are fully redeemed by the Issuer (whichever is earlier), on each Interest Payment Date occurring during the aforementioned period. PROVIDED THAT no additional interest will be payable pursuant to this paragraph (b) if any additional interest is being paid by the Issuer pursuant to paragraph (a) above and/or Section 8.2.4(n) (*Execution of Transaction Documents/Creation of Security*).
Tenor	24 (twenty four) months from the Deemed Date of Allotment
Redemption Date	November 16, 2024
Redemption Amount	(a) The Debentures shall be redeemed on a pari passu basis by the Issuer by making payment of the Outstanding Principal Amounts on each Redemption Date and the Final Redemption Date by no later than 5:00 PM (Indian Standard Time) on such Redemption Date and the Final Redemption Date. (b) Without prejudice to anything contained in the Transaction Documents, the Issuer shall, on the Final Redemption Date, promptly pay all Outstanding Amounts and discharge all outstanding Secured Obligations. The illustrative interest payment schedule is set out in Annexure VI.
Redemption Premium/Discount	Not applicable.
Issue Price	INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture.
Discount at which security is issued and the effective yield as result of such discount	Not Applicable.
Put Date	Not Applicable.
Put Price	Not Applicable.
Call Date	Not Applicable.

Call Price	Not Applicable.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable.
Face Value	INR 10,00,000 (Indian Rupees Ten Lakh) per Debenture.
Minimum subscription amount and in multiples thereafter	Minimum application shall not be less than INR 1,00,00,000 (Indian Rupees One Crore) (being 10 (ten) Debenture(s)) and in multiples of 1 (one) Debenture thereafter.
Issue Timing	
1. Issue Opening Date	November 15, 2022
2. Issue Closing Date	November 15, 2022
3. Date of earliest closing of the issue, if any.	N.A.
4. Pay-in Date	November 16, 2022
5. Deemed Date of Allotment	November 16, 2022
Settlement Mode of the Instrument	The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL set out in Section 10.10 below and in the Application Form.
Depository	NSDL and CDSL
Disclosure of Interest/Dividend/ redemption dates	Please refer Annexure VI below for the indicative cash flows.
Record Date	For the purposes of any payments in respect of the Debentures, the Debenture Holders set out in the Register of Debenture Holder/Register of Beneficial Owners as of the date occurring 15 (fifteen) calendar days prior to each Due Date shall be considered.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	To be more particularly set out in the DTD and the other Transaction Documents.

	Please also refer Section 8.2 (*Terms of the Transaction Documents*) below for an indicative list of representations and warranties of the Issuer, financial covenants, reporting covenants, affirmative covenants, and negative covenants, and acceleration on event of default. All other covenants prescribed by/commercially agreed with the proposed investors are set out in this Section 8.1 (*Summary Terms*).
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 to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Placement Memorandum	I. **SECURITY** (a) ***Hypothecated Assets*** The Debentures shall be secured on or prior to the Deemed Date of Allotment by way of (i) a first ranking exclusive and continuing charge to be created in favour of the Debenture Trustee pursuant to an unattested deed of hypothecation, dated on or about the Effective Date, executed or to be executed and delivered by the Issuer in a form acceptable to the Debenture Trustee ("**Deed of Hypothecation**") over the receivables (both present and future) arising, *inter alia*, out of identified book debts/loans of the Issuer, identified non-convertible debentures/debt instruments/short-term instruments subscribed to by the Issuer, and identified fixed deposits placed by the Issuer, as set out in the Deed of Hypothecation (the "**Hypothecated Assets**"), and (ii) such other security interest as may be agreed between the Issuer and the Debenture Holders ((i) and (ii) above are collectively referred to as the "**Transaction Security**"). (b) ***Security Cover and Maintenance*** (i) The charge over the Hypothecated Assets shall at all times, commencing from the Deemed Date of Allotment and until the Final Settlement Date, be at least 1.1 (one decimal one) times the value of the Outstanding Amounts (the "**Security Cover**") and shall be maintained at all times until the Final Settlement Date. (ii) The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Issuer. (c) ***Filings and other information*** (i) The Issuer shall create the charge over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such security by filing Form CHG-9 with the ROC and by ensuring and procuring that the Debenture Trustee files Form I with CERSAI in respect thereof within the time period prescribed under the Deed of Hypothecation. (ii) Within 10 Business Days of receipt of a request from the Debenture Trustee, the Issuer shall authenticate any

information relating to the Debentures, to be submitted by the Debenture Trustee with the Information Utility.

(d) **Others**

The Issuer further agrees, declares and covenants as follows:

(i) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;

(ii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;

(iii) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;

(iv) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover. Such list shall be provided by the Debenture Trustee to the Debenture Holders on the same day as receipt;

(v) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets, in accordance with the Deed of Hypothecation, so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents;

(vi) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;

(vii) the security interest created on the Hypothecated Assets shall be a continuing security; and

(viii) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation.

II. **SPECIFIC DISCLOSURES**

	(a) **Type of security**: Receivables (both present and future) arising, *inter alia*, out of identified book debts/loans of the Issuer, identified non-convertible debentures/debt instruments/short-term instruments subscribed to by the Issuer, and identified fixed deposits placed by the Issuer. (b) **Type of charge**: Hypothecation. (c) **Date of creation of security/ likely date of creation of security**: On or prior to the Deemed Date of Allotment. (d) **Minimum security cover**: At least 1.1 (one decimal one) times the value of the Outstanding Amounts. (e) **Revaluation**: N.A. (f) **Replacement of security**: The Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets, in accordance with the Deed of Hypothecation, so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents. (g) **Interest over and above the coupon rate**: In the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either: (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created and perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier).
Transaction Documents	means: (a) the DTD;

	(b) the Debenture Trustee Agreement; (c) the Deed of Hypothecation; (d) the Debt Disclosure Documents; (e) the letters issued by the, and each memorandum of understanding/agreement entered into with, the Rating Agency, the Debenture Trustee and/or the Registrar; (f) each tripartite agreement between the Issuer, the Registrar and the relevant Depository; (g) the resolutions passed by the Issuer in relation to the issuance of Debentures; and (h) any other document that may be designated as a Transaction Document by the Debenture Trustee or the Debenture Holders, and "Transaction Document" means any of them.
Conditions precedent to Disbursement	The Issuer shall, prior to the Deemed Date of Allotment, fulfil the following conditions precedent, each in a form and manner satisfactory and acceptable to the Debenture Trustee/the Applicants: **AUTHORISATIONS** (a) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by an authorised official of the Issuer; (b) copies of the authorisations, approvals and licenses (governmental or otherwise) received by the Issuer from the RBI or any other Governmental Authority in relation to (i) the business of the Issuer, and (ii) the execution, delivery and performance of the Issuer's obligations under the Transaction Documents (if any); (c) a copy of the resolution of the Issuer's board of directors and any resolution of any committee of the board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an authorised official of the Issuer; (d) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the Companies Act approving the borrowing contemplated under the Transaction Documents certified as correct, complete and in full force

	and effect by an authorised official of the Issuer; (e) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the Companies Act approving the creation of Transaction Security in accordance with the terms of the Transaction Documents certified as correct, complete and in full force and effect by an authorised official of the Issuer; (f) a copy of the resolution of the shareholders of the Issuer in accordance with Section 42 of the Companies Act approving issuance of non-convertible debentures by the Issuer on a private placement basis certified as correct, complete and in full force and effect by an authorised official of the Issuer; **TRANSACTION DOCUMENTS** (g) execution, delivery and stamping of the Transaction Documents in a form and manner satisfactory to the Debenture Trustee; **CERTIFICATES AND CONFIRMATIONS** (h) a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures; (i) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures; (j) a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures; (k) a copy of the tripartite agreement(s) executed between the Issuer, the Registrar and the relevant Depository; **OTHERS** (l) evidence that all "know your customer" requirements prescribed by the Debenture Trustee and the Applicants have been provided/fulfilled; (m) the audited financial statements of the Issuer for the Financial Year ended March 31, 2022 and the unaudited financial statements of the Issuer for the most recent half-year or financial quarter (as available); (n) a copy of the in-principle approval provided by the BSE in respect of the listing of the Debentures; (o) a certificate from the authorised signatories of the Issuer addressed to the Debenture Trustee confirming as on the Deemed

	Date of Allotment/the date of the certificate: (i) the persons authorised to sign the Transaction Documents and any document to be delivered under or in connection therewith, on behalf of the Issuer, together with the names, titles and specimen signatures of such authorised signatories; (ii) the Issuer has the necessary power under the Constitutional Documents to borrow monies by way of the issuance of the Debentures and create the Transaction Security to secure such Debentures; (iii) the issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Issuer to be exceeded; (iv) no consents and approvals are required by the Issuer from its creditors or any Governmental Authority or any other person for the issuance of the Debentures and creation of security under the Deed of Hypothecation; (v) the representations and warranties contained in the DTD are true and correct in all respects; (vi) no Event of Default has occurred or is subsisting; (vii) no Material Adverse Effect has occurred; and (viii) no investor or shareholder consent/approval, pursuant to the articles of association of the Issuer or any shareholders' agreements or other documents/instruments entered into by the Issuer and its shareholders and investors, is required for the Issuer to enter into or perform its obligations under the Transaction Documents; (p) evidence that all fees, costs and expenses payable by the Issuer prior to the Deemed Date of Allotment pursuant to the Transaction Documents have been or will be paid prior to the Deemed Date of Allotment; and (q) such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Applicants may request in connection with the transactions contemplated under the Transaction Documents.
Conditions Subsequent to Disbursement	The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, following the Deemed Date of Allotment: (a) the Issuer shall ensure that the Debentures are allotted to the respective Debenture Holders and arrangements for credit

	of the Debentures into the demat accounts of the relevant Debenture Holders have been made within the timelines prescribed under the SEBI Listing Timelines Requirements, and provide evidence of the foregoing and the payment of the stamp duty on the Debentures, in the form and manner acceptable to the Debenture Trustee; (b) the Issuer shall make the application for listing of the Debentures and obtain listing of the Debentures within the time period prescribed under the SEBI Listing Timelines Requirements, and provide evidence of the foregoing in the form and manner acceptable to the Debenture Trustee; (c) the Issuer shall file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) calendar days of the allotment of the Debentures along with a list of the Debenture Holders and with the prescribed fee; (d) if so required, the Issuer shall maintain and file a copy of Form PAS-5 in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures; (e) the Issuer shall, in respect of the Deed of Hypothecation, file a copy of Form CHG-9 with ROC and shall ensure and procure that the Debenture Trustee files the prescribed Form I with CERSAI, each within 30 (thirty) days from the date of execution of the Deed of Hypothecation; (f) the Issuer shall, within 1 (one) Business Day of receipt of the certificate of registration of charge issued by the ROC in relation to the charges filed pursuant to paragraph (e) above, provide a certified true copy of the certificate of registration of charge issued by the ROC; (g) if so required, the Issuer shall, within such time period as may be prescribed by the Debenture Trustee, provide to the Debenture Trustee evidence satisfactory to the Debenture Trustee, that the Issuer has registered with an Information Utility and made all filings with such Information Utility as may be required under the Insolvency and Bankruptcy Code, 2016 in respect of the Debentures and the Transaction Security; and (h) comply with such other condition and provide such other information and documents as the Debenture Holders may reasonably request or as may be required under Applicable Law (including without limitation, the Act, and any guidelines/circulars issued by the SEBI).
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	Please refer Section 8.2.6 below.

Creation of recovery expense fund	The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under the SEBI Recovery Expense Fund Circular, establish and maintain the Recovery Expense Fund in such manner/mode as is prescribed under the SEBI Recovery Expense Fund Circular.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer sections named "*Default Interest Rate*" and Section 8.2 (*Terms of the Transaction Documents*) below.
Provisions related to Cross Default	The below is an Event of Default. (i) The Issuer: (A) defaults in any payment of any Financial Indebtedness beyond the period of grace, if any, provided in the instrument or agreement under which such Financial Indebtedness was created; or (B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable. (ii) Any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by (A) a regularly scheduled required prepayment, or (B) the mutual agreement between the Issuer and the relevant provider of the Financial Indebtedness, in each case prior to the stated maturity thereof.
Roles and Responsibilities of the Debenture Trustee	In addition to the powers conferred on the Debenture Trustee in the DTD and Applicable Law, and without limiting the liability of the Debenture Trustee, it is agreed as follows: (a) the Debenture Trustee may, in relation to the DTD and the other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise; (b) subject to the approval of the Debenture Holders by way of a Majority Resolution passed at a meeting of the Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise

	thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (c) with a view to facilitating any dealing under any provisions of the DTD or the other Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions); and (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD; (d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures; (e) the Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders; (f) the Debenture Trustee and each receiver, attorney, manager, agent or other person appointed by it shall, subject to the provisions of the Companies Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; (g) subject to the approval of the Debenture Holders by way of a Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee shall not be liable for any of its actions or deeds in relation to the Transaction Documents; (h) subject to the approval of the Debenture Holders by way of Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee and in the absence of fraud, gross negligence, willful misconduct or breach of trust, the Debenture Trustee, shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained herein or in enforcing the covenants contained herein or in giving notice to any person of the execution hereof or in taking any other steps which may be necessary, expedient or desirable

	or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid given in writing by the Majority Debenture Holders or by a Majority Resolution duly passed at a meeting of the Debenture Holders. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing such amounts and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction; (i) notwithstanding anything contained to the contrary in the DTD, the Debenture Trustee shall, before taking any action on behalf of the Debenture Holders or providing any consent on behalf of the Debenture Holders, obtain the written consent of the Majority Debenture Holders; (j) without prejudice to anything contained in this sub-section, the Debenture Trustee shall oversee and monitor the transaction contemplated in the Transaction Documents for and on behalf of the Debenture Holders; (k) the Debenture Trustee shall forward to the Debenture Holders copies of any information or documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving such information or document from the Issuer; and (l) the Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular. PROVIDED THAT nothing contained in this sub-section shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.
Risk factors pertaining to the issue	Please refer Section 4 (*Risk Factors*).
Governing Law & Jurisdiction	The Transaction Documents shall be governed by and will be construed in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at New Delhi, India, and as more particularly provided for in the respective Transaction Documents.
Early Redemption	(a) On the occurrence of an Early Redemption Event, the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall have the option (but not the obligation) to require the Issuer to, subject to Applicable Law, redeem all the Debentures and repay all other Outstanding Amounts, in accordance with this sub-section named "*Early Redemption*".

	(b) For the purposes of making any premature redemption/re-purchase pursuant to this sub-section named "*Early Redemption*": (i) the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall notify/confirm to the Issuer in writing within 2 (two) Business Days of the occurrence of any Early Redemption Event ("**Prepayment Confirmation**"); (ii) the Debenture Trustee shall provide a notice of 21 (twenty one) days commencing from the date of the Prepayment Confirmation, requiring the Issuer to prepay the Debentures and all other Outstanding Amounts thereof; (iii) the Issuer shall make payment of all the Outstanding Amounts within the exercise period that is no less than 3 (three) Business Days commencing on the expiry of a period of 21 (twenty one) Business Days following the providing of a notice pursuant to paragraph (b)(ii) above and expiring on the expiry of a period of 30 (thirty) calendar days from the providing of a notice pursuant to paragraph (b)(ii) above, to such accounts as may be prescribed by the Debenture Trustee or the Debenture Holders; and (iv) the Issuer will comply with such other conditions as may be prescribed by the Debenture Trustee/Debenture Holders. (c) No prepayment penalty or prepayment premium will be applicable to any redemption in accordance with this sub-section named "*Early Redemption*".
Voluntary Redemption	(a) Following the expiry of a period of 12 (twelve) months and 1 (one) day from the Deemed Date of Allotment, on any date prior to the Final Settlement Date, the Issuer shall have the option (but not the obligation) to redeem/buy-back any or all of the Debentures held by any one of more Debenture Holders, at par, in part or in full, in accordance with paragraph (b) below, subject to: (i) no Event of Default having occurred and be continuing; (ii) no Event of Default occurring due to any voluntary redemption pursuant to this sub-section named "*Voluntary Redemption*"; (iii) Applicable Law (including without limitation, the SEBI Listed Debentures Circulars and NBFC Directions); (iv) the Issuer providing a written notice to the Debenture Trustee and the Debenture Holders in respect of the

	proposed premature redemption/buy-back of Debentures, at least 15 (fifteen) days prior to such date; and (v) the consent of the relevant Debenture Holders in respect of the Debentures proposed to be prematurely redeemed being obtained by the Issuer, at least 10 (ten) days prior to such date. (b) For the purposes of making any premature redemption pursuant to this sub-section named "*Voluntary Redemption*", the Issuer shall be required to: (i) following the receipt of consent of the relevant Debenture Holders in accordance with paragraph (a)(v) above, provide a notice of 21 (twenty one) days commencing from the date of receipt of such consent; (ii) make payment of all the Outstanding Amounts within the exercise period of 3 (three) Business Days occurring on the expiry of a period of 21 (twenty one) days following the providing of a notice pursuant to paragraph (i) above to such accounts as may be prescribed by the Debenture Trustee or the Debenture Holders. It is clarified that such payment to the Debenture Holders will be made in proportion to the Debentures held by the relevant Debenture Holders; (iii) pay such premature redemption premium as may be mutually agreed between the Issuer and the Debenture Trustee (acting on the instructions of Debenture Holders) on such part of the Outstanding Principal Amounts of the Debentures that are proposed to be prematurely redeemed; and (iv) comply with such other conditions as may be prescribed by the Debenture Trustee/Debenture Holders.
Business Day Convention	(a) Interest and all other charges shall accrue based on an actual/actual basis. (b) All payments in respect of the Debentures required to be made by the Issuer shall be made on a Business Day. (c) If any Due Date on which any interest or additional interest is payable falls on a day which is a Sunday or is not a Business Day, the payment to be made on such Due Date shall be made on the succeeding Business Day. (d) If any other Due Date on which any Outstanding Principal Amounts are payable falls on a day which is a Sunday or is not a Business Day, the payment to be made on such Due Date shall be made on the preceding Business Day. (e) If the Final Redemption Date falls on a day which is a Sunday or is not a Business Day, the payment of any amounts in respect

	of the Debentures to be made shall be made on the preceding Business Day. (f) In the absence of anything to the contrary set out in the DTD or any other Transaction Document, if any day for performance of any acts under the Transaction Documents (other than those set out in paragraphs (c) to (e) above) falls on a day which is not a Business Day, such acts shall be performed shall be made on the succeeding Business Day.
Multiple Issuances	Subject to Applicable Law, the Issuer reserves the right to make multiple issuances under the same the International Security Identification Number ("**ISIN**") with reference to Chapter VIII (*Specifications related to ISIN for debt securities*) of the Listed NCDs Operational Circular. Such issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium/par/discount as the case may be in accordance with the Applicable Law (including Chapter VIII (*Specifications related to ISIN for debt securities*) of the Listed NCDs Operational Circular).
Right to repurchase Debentures	(a) The Issuer, subject to the Applicable Law, shall have the option from time to time to repurchase a part or all of the Debentures from the secondary market or otherwise, upon obtaining prior mutual consent from the Debenture Holders, at any time prior to the Final Settlement Date. (b) In the event any or all of the Debentures are repurchased, or redeemed under any circumstances whatsoever, the Issuer shall have, and shall be deemed to have had, subject to Applicable Law, the power to re-issue the Debentures either by re-issuing the same Debentures or by issuing other non-convertible debentures in their place. (c) In respect of any repurchased/redeemed Debenture, the Issuer shall have the power to (either for a part or all of the Debenture) cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as is permitted under Applicable Law.
Additional Disclosures (Security Creation)	In the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either: (i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or (ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created and perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier).

Additional Disclosures (Default in Payment)	The Issuer agrees to pay additional interest rate of 2% (two percent) per annum above the Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default, until such Payment Default is cured or the Debentures are fully redeemed by the Issuer (whichever is earlier), on each Interest Payment Date occurring during the aforementioned period.
Additional Disclosures (Delay in Listing)	In the event there is any delay in listing of the Debentures beyond the Listing Period, the Issuer will: (i) pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the Deemed Date of Allotment until the listing of the Debentures is completed; and (ii) be permitted to utilise the issue proceeds of its 2 (two) subsequent privately placed issuances of securities only after receiving final listing approval from the stock exchange(s).

Note:

a. If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.

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

c. While the debt securities are secured to the tune of at least 100% of the principal and interest amount or as per the terms of Placement Memorandum, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.

d. The issuer shall provide granular disclosures in their placement memorandum, with regards to the "Object of the Issue" including the percentage of the issue proceeds earmarked for each of the "object of the issue".

8.2 TERMS OF THE TRANSACTION DOCUMENTS

8.2.1. Representations and Warranties of the Issuer

The Issuer makes the representations and warranties set out in this Section 8.2.1 to the Debenture Trustee for the benefit of the Debenture Holders as on the Effective Date, which representations shall be deemed to be repeated on each day until the Final Settlement Date.

(a) ***Status***

(i) It is a company, duly incorporated, registered and validly existing under Applicable Law.

(ii) It is a non-deposit accepting or holding non-banking financial company registered with the RBI.

(iii) It has the power to own its Assets and carry on its business as it is being conducted.

(b) ***Binding obligations***

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

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

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

(i) conflict with, or result in a breach or material violation of or default under, any Applicable Law (including but not limited to laws and regulations regarding anti-money laundering or terrorism financing and similar financial sanctions);

(ii) conflict with, or result in a breach of, its Constitutional Documents;

(iii) conflict with, or result in a breach or violation of or default under, or give rise to any right to termination under, any agreement or instrument binding upon it or any of its Assets, including but not limited to any terms and conditions of the existing Financial Indebtedness of the Issuer; or

(iv) constitute an act of bankruptcy, preference, insolvency or fraudulent conveyance under any Applicable Law.

(d) ***Power and authority***

It has the power to enter into, perform and deliver, and has taken all necessary action to authorize (i) its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by such Transaction Documents, and (ii) the issuance of Debentures by the Issuer.

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

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

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

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

(C) for it to carry on its business,

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

(ii) The issuance of the Debentures and the creation of security over the Hypothecated Assets will not cause any limit, including any borrowing or security providing limit binding on the Issuer (statutory or otherwise) to be exceeded.

(f) ***No default***

(i) No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(ii) No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

(iii) No other event or circumstance would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures, which constitutes a default or termination event (however described) under any other agreement or instrument which is binding on the Issuer or any of its Assets or which might have a Material Adverse Effect.

(g) ***Ranking***

The Debentures rank *pari passu inter se*, and the payment obligations of the Issuer under the Transaction Documents rank at least *pari passu* with the claims of all of its other senior secured creditors, except for obligations mandatorily preferred by Applicable Law applying to companies generally.

(h) ***No proceedings pending***

Other than as disclosed by the Issuer in any Debt Disclosure Document or otherwise, no litigation, arbitration, investigation, or administrative proceedings of or before any court, arbitral body or agency have been commenced or threatened against the Issuer or its business or any part thereof, which if determined adversely, may have a Material Adverse Effect.

(i) ***No misleading information***

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

(j) ***Compliance***

(i) The Issuer has complied with Applicable Law (including but not limited to environmental, social and taxation related laws for the Issuer to carry on its business, all directions issued by the RBI in respect of issuance of non-convertible debentures).

(ii) There has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of any Governmental Authority issued or outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated against the Issuer which would have a Material Adverse Effect.

(iii) No notice or other communication (official or otherwise) from any Governmental Authority has been issued or is outstanding or to the best of the Issuer's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such Applicable Law or requiring them to take or omit any action.

(iv) The Issuer shall complete all necessary formalities including all filings with the relevant regulatory authorities, including but not limited to the SEBI, the BSE, CERSAI and the ROC and obtain all consents and approvals required for the completion of the Issue.

(k) ***Assets***

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

(l) ***Financial statements***

(i) Its audited financial statements most recently supplied to the Debenture Trustee as of March 31, 2022 are complete and accurate, and were prepared in accordance with Applicable Accounting Standards consistently applied save to the extent expressly disclosed in such financial statements.

(ii) Its audited financial statements as of March 31, 2022 provided to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the Financial Year save to the extent expressly disclosed in such financial statements.

(m) ***Solvency***

(i) The Issuer is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of Applicable Law, nor will it become unable to pay its debts for the purposes of Applicable Law as a consequence of entering into the DTD or any other Transaction Document.

(ii) The Issuer, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more

of its creditors with a view to rescheduling its Financial Indebtedness.

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

(iv) The Issuer has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(v) No insolvency or bankruptcy process has commenced under Applicable Law in respect of the Issuer (including pursuant to the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time).

(vi) No reference has been made, or enquiry or proceedings commenced, in respect of the Issuer, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework).

(n) ***Hypothecated Assets***

(i) The Hypothecated Assets are the sole and absolute property of the Issuer and are free from any other mortgage, charge or encumbrance and are not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority.

(ii) None of the Hypothecated Assets have been previously hypothecated, sold, transferred or assigned to any other bank or financial institution.

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

(o) ***Material Adverse Effect***

(i) No fact or circumstance, condition, proceeding or occurrence exists that has, or which will with the passing of time have, a Material Adverse Effect.

(ii) No Material Adverse Effect has occurred or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.

(p) ***Illegality***

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

(q) ***No filings or stamp taxes***

There are no stamp duties, registration, filings, recordings or notarizations before or with any Governmental Authority required to be carried out in India in relation to the execution and delivery of the Transaction Documents by the Issuer other than:

(i) stamping of the Transaction Documents (on or prior to execution in New Delhi, India) in accordance with the Indian Stamp Act, 1899 (as applicable to New Delhi, India);

(ii) payment of the stamp duty in respect of the Debentures;

(iii) filing of the return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC;

(iv) filing of the Debt Disclosure Documents with the ROC and SEBI;

(v) filing of Form CHG 9 with the ROC within 30 (thirty) days from the date of creation of security interest; and

(vi) filing of Form I with CERSAI in respect of each instance of creation of security interest.

(r) ***Confirmations pursuant to the Debt Listing Regulations***

With effect from the date of filing of the draft Placement Memorandum with the BSE, as on the date of filing of the draft Placement Memorandum with the BSE in accordance with the Debt Listing Regulations:

(i) the Issuer, the promoters (as defined in the Debt Listing Regulations) of the Issuer, the promoter group (as defined in the Debt Listing Regulations) of the Issuer or the directors of the Issuer have not been debarred from accessing the securities market or dealing in securities by SEBI;

(ii) no promoter (as defined in the Debt Listing Regulations) of the Issuer or director of the Issuer is a promoter or director of any another company which is debarred from accessing the securities market or dealing in securities by SEBI;

(iii) no promoter (as defined in the Debt Listing Regulations) of the Issuer or director of the Issuer is a fugitive economic offender; and

(iv) no fines or penalties levied by SEBI or any of the stock exchanges is pending to be paid by the Issuer.

(s) ***SCORES Authentication***

The Issuer has received the Securities and Exchange Board of India Complaints Redress System (SCORES) authentication prior to the Deemed Date of Allotment.

8.2.2. **Financial Covenants**

Until the Final Settlement Date, the Issuer shall fulfill such financial covenants as may be agreed between the Issuer and the Debenture Trustee from time to time.

The financial covenants set out in this Section 8.2.2 (*Financial Covenants*) shall be tested, until the Final Settlement Date, on a quarterly basis, i.e., as on each Quarterly Date, on the basis of consolidated and standalone financial statements of the Issuer.

8.2.3. **Reporting Covenants**

The Issuer shall provide or cause to be provided to the Debenture Trustee, and to any Debenture Holder (if so requested by such Debenture Holder), including on any online reporting platform notified to the Issuer, in form and substance reasonably satisfactory to the Debenture Trustee, each of the following items:

(a) as soon as available, and in any event within 120 (one hundred and twenty) calendar days after the end of each Financial Year of the Issuer:

(i) certified copies of its audited consolidated and non-consolidated (if any) financial statements for its most recently completed Financial Year, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow.

All such information shall be complete and correct in all material respects and shall fairly represent the financial condition, results of operation and changes in cash flow and a list comprising all material financial liabilities of the Issuer whether absolute or contingent as of the date thereof; and

(ii) a certificate from an authorized officer of the Issuer confirming that there is no existing potential Event of Default or Event of Default;

(b) as soon as available, and in any event on or prior to September 30 of each Financial Year, a certified copy of its annual report for the preceding Financial Year;

(c) promptly on receipt of approval from the board of directors of the Issuer, any financial statements (whether annual, semi-annual or quarterly, as the case may be) approved by the board of directors of the Issuer;

(d) within 45 (forty five) calendar days after each Quarterly Date:

(i) certified copies of its un-audited consolidated and non-consolidated (if any) quarterly financial statements for the preceding fiscal quarter, prepared in accordance with Applicable Accounting Standards including its balance sheet, income statement and statement of cash flow;

(ii) the list of the board of directors of the Issuer;

(iii) the shareholding pattern of the Issuer;

(iv) a certificate signed by an authorised signatory of the Issuer stating that the Issuer is in compliance with all the financial covenants prescribed in Section 8.2.2; and

(v) copies of the quarterly returns filed with the RBI and SEBI;

(e) as soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any event or circumstance that could reasonably be expected to result in a Material Adverse Effect;

(f) as soon as practicable, and in any event within 15 (fifteen) Business Days after the Issuer obtains actual knowledge thereof, any notices, orders or directions any court or tribunal in relation to any dispute, litigation, investigation or other proceeding affecting the Issuer or its property or operations (including the Hypothecated Assets), which, if adversely determined, could result in a Material Adverse Effect;

(g) as soon as practicable, and in any event within 5 (five) calendar days after the Issuer obtains actual knowledge thereof, notice of the occurrence of any Event of Default or potential Event of Default including any steps taken to cure such event;

(h) as soon as practicable, and in any event within 5(five) Business Days, any prepayment, or the receipt of notice of any Financial Indebtedness of the Issuer declared to be due and payable or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof;

(i) as soon as practicable, and in any event within 5 (five) Business Days after such default, notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness by the Issuer or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity in respect of the Issuer;

(j) as soon as practicable, and in any event within 5 (five) calendar days of receiving (A) any notice of any application for winding up or insolvency process or any statutory notice of winding up or insolvency process under the provisions of the Companies Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time), or (B) any other notice under any other statute relating to the commencement/initiation of winding up or insolvency process or otherwise of any suit or other legal process relating to the commencement/initiation of winding up or insolvency process against the Issuer;

(k) without prejudice to any other provision under this Section 8.2.3, as soon as practicable and in any event within 15 (fifteen) Business Days from the occurrence of such event, provide the information/details with respect to the following, in the form and manner prescribed by the Debenture Trustee:

(i) any change in the shareholding pattern of the Issuer;

(ii) any change in the composition of the board of directors of the Issuer;

(iii) any change in the accounting policy of the Issuer which has a Material Adverse Effect. PROVIDED THAT the foregoing does not apply to a change in the accounting policy of the Issuer pursuant to Applicable Law;

(iv) any change in senior management officials of the Issuer being the chief executive officer, the chief financial officer or any other official discharging similar functions and responsibilities;

(v) details of the occurrence of any fraud amounting to more than 1% (one percent) of Gross Loan Portfolio; and

(vi) any changes/amendments to the Constitutional Documents of the Issuer;

(l) without prejudice to (m) below, as soon as practicable and in any event within 30 (thirty) calendar days of receipt of a request, such additional documents or information as the Debenture Trustee or the Debenture Holders, may reasonably request from time to time; and

(m) as soon as practicable and in any event within the timelines prescribed by the Debenture Trustee (and Applicable Law), such other information, notifications, details, documents, reports, statements and certificates (including from chartered accountants, auditors and/or directors of the Issuer) as may be required by the Debenture Trustee from time to time, to ensure compliance with the provisions of the Applicable Law, including but not limited to the Debenture Trustees Regulations and the Companies (Share Capital and Debentures) Rules, 2014.

8.2.4. **Affirmative Covenants**

(a) ***Use of Proceeds***

The Issuer shall use the proceeds of the Issue only for the Purpose and in accordance with Applicable Law and the Transaction Documents, and shall not use the proceeds for the purposes set out in restricted under the Transaction Documents.

(b) ***Notice of Winding up or other Legal Process***

The Issuer shall, within the timelines prescribed in Section 8.2.3(j), inform the Debenture Trustee if it has received:

(i) any notice of any application for winding up or insolvency process or any statutory notice of winding up or insolvency process under the provisions of the Companies Act or any other Applicable Law (including the (Indian) Insolvency and Bankruptcy Code, 2016, the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time); or

(ii) any other notice under any other statute relating to the commencement/initiation of winding up or insolvency process or otherwise of any suit or other legal process relating to the commencement/initiation of winding up or insolvency process against the Issuer.

(c) ***Loss or Damage by Uncovered Risks***

The Issuer shall promptly inform the Debenture Trustee and the Debenture Holders of any material loss or significant damage which the Issuer may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Issuer may not have insured its properties.

(d) ***Costs and Expenses***

The Issuer shall pay all reasonable costs, charges and expenses in any way incurred by the Debenture Trustee towards protection of the Debenture Holders' interests, including traveling and other allowances and such taxes, duties, costs, charges and expenses in connection with or relating to the Debentures subject to such expenses, costs or charges being approved in writing by the Issuer before they are incurred and shall not include any foreign travel costs.

(e) ***Payment of Rents, etc.***

The Issuer shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Issuer as and when such amounts are payable.

(f) ***Preserve Corporate Status***

The Issuer shall:

(i) diligently preserve and maintain its corporate existence and status and all rights, privileges, and concessions now held or hereafter acquired by it in the conduct of its business;

(ii) comply with all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any Governmental Authority; and

(iii) not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the Outstanding Amounts might or would be hindered or delayed.

(g) ***Pay Stamp Duty***

The Issuer shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Issuer may be required to pay according to the applicable state laws. In the event the Issuer fails to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee shall be at liberty (but shall not be bound) to pay such amounts and the Issuer shall reimburse the aforementioned amounts to the Debenture Trustee on

demand.

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

The Issuer shall:

(i) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require on any matters relating to the business of the Issuer or to investigate the affairs of the Issuer;

(ii) allow the Debenture Trustee to make such examination and investigation as and when deemed necessary and shall furnish the Debenture Trustee with all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(iii) provide to the Debenture Trustee or its nominee(s)/agent(s) such information/copies of relevant extracts as they may require for the purpose of filing any relevant forms with any Governmental Authority (including but not limited to the CERSAI) in relation to the Debentures and the Hypothecated Assets;

(iv) within 45 (forty five) days of each Quarterly Date or within 7 (seven) days of any relevant meeting of the board of directors, whichever is earlier, furnish reports/quarterly reports to the Debenture Trustee (as may be required in accordance with Applicable Law) containing the following particulars:

(A) updated list of the names and addresses of the Debenture Holders along with the number of Debentures held by each Debenture Holder;

(B) details of the interest due, but unpaid and reasons thereof;

(C) the number and nature of grievances received from the Debenture Holders and resolved and unresolved by the Issuer along with the reasons for the same;

(D) a statement that the Hypothecated Assets are sufficient to discharge the claims of the Debenture Holders as and when they become due; and

(E) any other details prescribed by the Debenture Trustee; and

(v) inform and provide the Debenture Trustee with applicable documents in respect of the following:

(A) notice of any Event of Default or potential Event of Default; and

(B) any and all information required to be provided to the Debenture Holders under Applicable Law and the listing agreement to be entered into between the Issuer and the BSE;

(vi) (to the extent applicable) promptly inform the Debenture Trustee of any major or significant change in composition of the board of directors of the Issuer, which may result in a change in control of the Issuer in accordance with the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(vii) inform the Debenture Trustee of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Issuer; and

(viii) within 45 (forty five) days of each Quarterly Date or within 7 (seven) days of any relevant meeting of the board of directors approving the financial results of the Issuer (whichever is earlier), provide a certificate from an independent chartered accountant certifying such information as may be mutually agreed between the Parties.

(i) ***Redressal of Grievances***

The Issuer shall:

(A) promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders; and

(B) promptly comply with the suggestions and directions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance.

(j) ***Comply with Investor Education and Protection Fund Requirements***

The Issuer shall comply with the provisions of the Companies Act relating to transfer of unclaimed/ unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund ("**IEPF**"), if applicable to it. The Issuer hereby further agrees and undertakes that until the Final Settlement Date it shall abide by the regulations, rules or guidelines/listing requirements if any, issued from time to time by the Ministry of Corporate Affairs, RBI, SEBI or any other competent Governmental Authority.

(k) ***Corporate Governance; Fair Practices Code***

The Issuer shall comply with any corporate governance requirements applicable to the Issuer (as may be prescribed by the RBI, SEBI, any stock exchange, or any Governmental Authority) and the fair practices code prescribed by the RBI.

(l) ***Further Assurances***

The Issuer shall:

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

(ii) comply with any monitoring and/or servicing requests from Debenture Holders;

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

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

(v) comply with:

(A) all Applicable Law (including but not limited to the Companies Act, the SEBI Listed Debentures Circulars, the environmental, social and taxation related laws, all directions issued by the RBI to non-banking financial companies), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time;

(B) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 of the Debenture Trustees Regulations thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;

(C) the provisions of the Companies Act in relation to the Issue;

(D) procure that the Debentures are rated and continue to be rated until the Final Settlement Date;

(E) ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Issuer shall do so in the manner that is most tax efficient for the Debenture Holders but without, in any way requiring the Issuer to incur any additional costs, expenses or taxes and the Issuer shall avail of all the benefits available under any treaty applicable to the Issuer and/or the Debenture Holders; and

(F) if so required, the requirements prescribed under Chapter XI (*Operational framework for transactions in defaulted debt securities post maturity date/ redemption date*) of the Listed NCDs Operational Circular, and provide all details/intimations to the Debenture Trustee, the Depositories, and BSE (as the case may be) in accordance with the aforementioned requirements;

(vi) to the extent applicable, it will submit to the Debenture Trustee, on a half yearly basis, a certificate from the statutory auditor of the Issuer giving the value of receivables/book debts including compliance with the covenants set out in the Placement Memorandum in such manner as may be specified by

SEBI from time to time; and

(vii) it will provide all necessary assistance and cooperation to, and permit the Debenture Trustee to conduct periodical checks, verifications, due diligence and other inspections (at such frequency and within such timelines as may be determined by the Debenture Trustee) in respect of the books and accounts of the Issuer and the Hypothecated Assets.

(m) ***Security***

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

(i) the Debentures shall be secured by a first ranking exclusive and continuing security by way of a first ranking exclusive and continuing charge on the Hypothecated Assets in favour of the Debenture Trustee for the benefit of the Debenture Holders on or prior to the Deemed Date of Allotment;

(ii) all the Hypothecated Assets that will be charged to the Debenture Trustee under the Deed of Hypothecation shall always be kept distinguishable and held as the exclusive property of the Issuer specifically appropriated to the Transaction Security and be dealt with only under the directions of the Debenture Trustee;

(iii) the Issuer shall not create any charge, lien or other encumbrance upon or over the Hypothecated Assets or any part thereof except in favour of the Debenture Trustee nor will it do or allow anything that may prejudice the Transaction Security;

(iv) the Debenture Trustee shall be at liberty to incur all costs and expenses as may be necessary to preserve the Transaction Security and to maintain the Transaction Security undiminished and claim reimbursement thereof;

(v) the Issuer shall create the security over the Hypothecated Assets as contemplated in the Transaction Documents on or prior to the Deemed Date of Allotment by executing the duly stamped Deed of Hypothecation;

(vi) the Issuer shall register and perfect the security interest created thereunder by filing Form CHG-9 with the concerned ROC and ensuring and procuring that the Debenture Trustee files the prescribed Form I with CERSAI reporting the charge created to the CERSAI in relation thereto in accordance with the timelines set out in the Deed of Hypothecation;

(vii) the Issuer shall, at the time periods set out in the Deed of Hypothecation, provide a list of the Hypothecated Assets to the Debenture Trustee over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Security Cover. Such list shall be provided by the Debenture Trustee to the Debenture Holders on the same day as receipt;

(viii) the Issuer shall keep the Application Money in a separate bank account in the event the DTD and the other Transaction Documents are not executed on or before the Deemed Date of Allotment;

(ix) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, add fresh receivables to the Hypothecated Assets, in accordance with the Deed of Hypothecation, so as to ensure that the Security Cover is maintained or replace such Hypothecated Assets that do not satisfy the eligibility criteria prescribed in the Transaction Documents;

(x) the Issuer shall, within the timelines prescribed under the Deed of Hypothecation, as and when required by the Debenture Trustee, give full particulars to the Debenture Trustee of all the Hypothecated Assets from time to time;

(xi) the Issuer shall furnish and verify all statements, reports, returns, certificates and information from time to time and as required by the Debenture Trustee in respect of the Hypothecated Assets;

(xii) the Issuer shall furnish and execute all necessary documents to give effect to the Hypothecated Assets;

(xiii) the security interest created on the Hypothecated Assets shall be a continuing security;

(xiv) the Hypothecated Assets shall fulfil the eligibility criteria set out in the Deed of Hypothecation;

(xv) the Issuer shall make all such disclosures and filings, and complete all such actions/formalities in respect of creation, perfection and maintenance of the Transaction Security as may be required by SEBI or any other Governmental Authority within the time period by SEBI or such other Governmental Authority;

(xvi) nothing contained herein shall prejudice the rights or remedies of the Debenture Trustee and/or the Debenture Holders in respect of any present or future security, guarantee obligation or decree for any indebtedness or liability of the Issuer to the Debenture Trustee and/ or the Debenture Holders;

(xvii) the Debenture Holders shall have a beneficial interest in the Hypothecated Assets of the Issuer which have been charged to the Debenture Trustee to the extent of the Outstanding Amounts of the Debentures under the DTD; and

(xviii) to forthwith upon demand by the Debenture Trustee, reimburse to the Debenture Trustee all amounts paid by the Debenture Trustee to reasonably protect the Hypothecated Assets and such amounts shall be deemed to be secured by the Hypothecated Assets.

(n) ***Execution of Transaction Documents/Creation of Security***

In the event of any delay in the execution of any Transaction Document (including the DTD or the Deed of Hypothecation) or the creation and perfection of security in terms thereof, the Issuer will, at the option of the Debenture Holders, either:

(i) if so required by the Debenture Holders, refund the Application Money together with interest (including interest accrued) at the Interest Rate/discharge the Secured Obligations; and/or

(ii) pay to the Debenture Holders additional interest at the rate of 2% (two percent) per annum on the Outstanding Principal Amounts in addition to the Interest Rate until the relevant Transaction Document is duly executed or the security is duly created and perfected in terms thereof or the Secured Obligations are discharged (whichever is earlier).

(o) ***Audit and Inspection***

The Issuer shall permit visits and inspection of books of records, documents and accounts to the Debenture Trustee and representatives of Debenture Holders as and when required by them.

(p) ***Books and Records***

The Issuer shall:

(i) maintain its accounts and records in accordance with Applicable Law; and

(ii) without prejudice to (i) above, make true and proper entries in its books of accounts of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Issuer, and keep such books of account and all other books, registers and other documents relating to the affairs of the Issuer at its registered office or, where permitted by Applicable Law, at other place or places where the books of account and documents of a similar nature may be kept and the Issuer will ensure that all entries in such books of account in relation to the Hypothecated Assets and the business of the Issuer shall at all reasonable times be open for inspection by the Debenture Trustee and its authorised representatives.

(q) ***Access; Periodic Portfolio Monitoring***

The Issuer shall, at the cost of the Issuer, provide the Debenture Trustee and the Debenture Holders and any of their representatives, professional advisers and contractors with access to and/or permit them to:

(i) examine and inspect the books and records, office premises, and the premises of the Issuer;

(ii) portfolio data in the format prescribed by the Debenture Holders from time to time; and

(iii) discuss the affairs, finances and accounts of the Issuer, and be advised as to the same, by the relevant officers/management team of the Issuer.

(r) ***Listing and Monitoring Requirements***

The Issuer shall comply with all covenants, undertakings and requirements set out in Section 8.2.7 (*Listing and Monitoring Requirements*).

8.2.5. **Negative Covenants**

The Issuer shall not take any action in relation to the items set out in this Section 8.2.5 (*Negative Covenants*) without the prior written consent of the Debenture Trustee (acting on the instructions of Majority Debenture Holders). In relation to the consent requirement under this Section 8.2.5 (*Negative Covenants*), it is agreed as follows:

(A) any request for consent under in relation to any matter under this Section 8.2.5 (*Negative Covenants*) shall be sent simultaneously by the Issuer to both the Debenture Trustee and the Debenture Holders. Any request under this Section 8.2.5 (*Negative Covenants*) must be accompanied by all relevant information substantiating the request to enable the Debenture Holders to make a reasoned decision; and

(B) within 15 (fifteen) calendar days after receiving any request mentioned in paragraph (A) above (or such additional time period as may be mutually agreed between the Issuer and the Majority Debenture Holders), the Debenture Holders shall communicate their consent/dissent to the Debenture Trustee and the Issuer.

PROVIDED THAT in respect of any of the matters set out in this Section 8.2.5 (*Negative Covenants*), where no consent/dissent is provided by the Majority Debenture Holders within 15 (fifteen) calendar days from the date of receipt of any request mentioned in paragraph (A) above (or such additional time period as may be mutually agreed between the Issuer and the Majority Debenture Holders), the Issuer may proceed with the action for which consent is required in respect of any of the matters set out in this Section 8.2.5 (*Negative Covenants*) provided such action does not result in an Event of Default.

(a) ***Change of Business***

Any change in the general nature of its business from that which is permitted as a non-deposit accepting or holding non-banking financial company registered with the RBI.

(b) ***Change to constitutional documents***

Any changes to its Constitutional Documents that would result in a Material Adverse Effect. PROVIDED THAT any such changes must not be prejudicial to the interests of the Debenture Holders.

(c) ***Merger, Consolidation, etc.***

Undertake or permit any acquisition or business restructuring of the Issuer (including without limitation, any merger, de-merger, amalgamation, slump sale of assets of the Issuer, scheme of arrangement or compromise with its creditors or shareholders, or reconstruction).

(d) ***Control; Management Control***

(i) Any change in the Management Control, from that subsisting as of the Effective Date.

(ii) Any change in the promoters (as defined in the Debt Listing Regulations) of the Issuer, from that subsisting as of the Effective Date.

(iii) Any change in the board of directors of the Issuer other than any changes in respect of any independent director or any nominee director on the board of directors of the Issuer or otherwise which result in a change in the Management Control, from that subsisting as of the Effective Date.

(e) ***Change in Financial Year***

Change its Financial Year end from March 31 of each year to any other date, unless such change is required pursuant to Applicable Law.

(f) ***Change in Capital Structure***

(i) Permit or undertake any change in capital structure that would lead to a reduction in the paid-up capital or authorized capital of the Issuer.

(ii) Purchase or redeem any of its issued shares or reduce its share capital.

(g) ***Dividend***

If an Event of Default has occurred and is continuing, 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 (to the satisfaction of the Debenture Trustee) all the dues to the Debenture Holders/Debenture Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.

8.2.6. **Events of Default**

8.2.6.1. ***Consequences and Remedies of an Event of Default***

If one or more Events of Default occur(s), the Debenture Trustee may, on the instructions of the Majority Debenture Holders in accordance with the DTD, by a notice in writing to the Issuer initiate the following course of action:

(a) require the Issuer to mandatorily redeem the Debentures and repay the principal amount on the Debentures, along with accrued but unpaid interest and other costs, charges and expenses incurred under or in connection with the DTD and the other Transaction Documents;

(b) accelerate the redemption of the Debentures and declare all or any of the Debentures to be due and payable immediately (or such date as may be prescribed by the Debenture Trustee), whereupon it shall become so due and payable;

(c) enforce the security interest created under the Transaction Documents (including in respect of the Transaction Security) in accordance with the terms of the Transaction Documents;

(d) take any actions in respect of the SEBI Defaults (Procedure) Circular in accordance with the provisions of the DTD;

(e) take all such other action as is expressly permitted under the DTD or in the other Transaction Documents or permitted under Applicable Law; and/or

(f) exercise any other right that the Debenture Trustee and/or the Debenture Holders may have under Applicable Law for the purposes of protecting the interests of the Debenture Holders.

8.2.6.2. ***Events of Default***

Each of the events or circumstances set out in this Section 8.2.6.2 (*Events of Default*) below is an Event of Default.

(a) ***Payment Defaults***

The Issuer does not pay on any Due Date any amount payable pursuant to the DTD and the Debentures at the place and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (Three) Business Days of such Due Date.

(b) ***Insolvency/Inability to Pay Debts***

(i) The Issuer is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.

(ii) Any proceedings for taking the Issuer into liquidation have been admitted by any competent court or tribunal.

(iii) A moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Issuer.

(iv) Any resolution is passed resolving or to consider resolving that the Issuer be wound up voluntarily, or any application is voluntarily filed by the under the Insolvency and Bankruptcy Code, 2016.

(v) The Issuer being determined as insolvent under the Insolvency and Bankruptcy Code, 2016 (read with any rules and regulations framed thereunder from time to time.

(vi) A petition for reorganization, arrangement, adjustment, winding up or composition of debts of the Issuer is filed by the Issuer (voluntary or otherwise) or any other person, or such a petition has been admitted, and such proceedings are not contested by the Issuer/Guarantor for staying, quashing and/or dismissed within 15 (fifteen) calendar days of filing.

(c) ***Business***

(i) The Issuer without obtaining the prior consent of the Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(ii) Any Governmental Authority or any competent court or tribunal requires the Issuer to cease to do business.

(iii) Any approval or consent or authorisation given by any person (including any Governmental Authority or any creditor) to the Issuer in respect of its business is withdrawn or the Issuer fails to obtain or renew any such approval or consent or authorization.

(d) ***Misrepresentation***

Any representation or warranty made by the Issuer in any Transaction Document or in any certificate, financial statement or other document delivered to the Debenture Trustee/Debenture Holders by the Issuer shall prove to have been incorrect, false or misleading in any material respect when made or deemed made.

(e) ***Material Adverse Effect***

The occurrence of a Material Adverse Effect, in the sole determination of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders).

(f) ***Cross Default***

(i) The Issuer:

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

(B) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity, and such Financial Indebtedness of the Issuer is declared to be due and payable.

(ii) Any Financial Indebtedness of the Issuer shall be declared to be due and payable, or required to be prepaid other than by (A) a regularly scheduled required prepayment, or (B) the mutual agreement between the Issuer and the relevant provider of the Financial Indebtedness, in each case prior to the stated maturity thereof.

(g) ***Liquidation, Insolvency or Dissolution of the Issuer / Appointment of Receiver, Resolution Professional or Liquidator***

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

(i) the suspension of payments, a moratorium of any Financial Indebtedness, winding-up, insolvency, liquidation, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer;

(ii) a composition, compromise, assignment or arrangement with any creditor of the Issuer;

(iii) the appointment of a liquidator, receiver, provisional liquidator, supervisor resolution professional, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Issuer or the whole or part of the assets/undertakings of the Issuer;

(iv) the Issuer, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal having a Material Adverse Effect or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the Stressed Assets Framework), unless otherwise contested by the Issuer;

(v) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 read together with the Insolvency and Bankruptcy (Insolvency and Liquidation Proceedings of Financial Service Providers and Application to Adjudicating Authority) Rules, 2019, and any other rules and regulations made thereunder from time to time, or under any other Applicable Law, in respect of the Issuer, unless otherwise contested by the Issuer;

(vi) enforcement of any security over any Assets of the Issuer or any analogous procedure or step is taken in any jurisdiction, other than the cases where counterclaims, suits or proceedings are filed by the Issuer and such counterclaim, suit or proceeding is sub-judice before the competent court, tribunal or authority; or

(vii) any other event occurs or proceeding instituted under any Applicable Law that would have an effect analogous to any of the events listed in (i) to (vi) above.

(h) ***Creditors' Process and Expropriation***

(i) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any of the Hypothecated Assets of the Issuer.

(ii) Any expropriation, attachment, garnishee, sequestration, distress or execution affects any Assets of the Issuer and is not discharged within 75 (seventy five) calendar days or as otherwise provided in any order of any competent court or tribunal relating to the aforementioned actions.

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

(i) ***Judgment Defaults***

One or more judgments or decrees entered against the Issuer involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 10% (ten percent) of the Total Assets of the Issuer provided such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) Business Days.

(j) ***Transaction Documents***

The DTD or any other Transaction Document (in whole or in part), is terminated or ceases to be effective or ceases to be in full force or no longer constitutes valid, binding and enforceable obligations of the Issuer.

(k) ***Unlawfulness***

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

(l) ***Repudiation***

The Issuer repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents.

(m) ***Security in Jeopardy***

In the opinion of the Debenture Trustee any Hypothecated Asset(s) are in jeopardy (including without limitation, as a result of any depreciation in the value of the Hypothecated Assets).

(n) ***Securit*y**

(i) The Issuer fails to create and perfect security within the timelines prescribed in the Transaction Documents and/or in the manner prescribed in the Transaction Documents.

(ii) The value of the Hypothecated Assets is insufficient to maintain the Security Cover or the Issuer fails to maintain the Security Cover (including by way of providing additional/alternate security to the satisfaction of the Debenture Trustee) within the timelines prescribed in the relevant Transaction Documents.

(iii) Any of the Transaction Documents fails to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests fail to have the priority contemplated under the Transaction Documents,

or the security interests become unlawful, invalid or unenforceable.

(iv) The Issuer creates or attempts to create any mortgage, charge, pledge, lien or other security interest securing any obligation of any person or any other agreement or arrangement having similar effect, over the Hypothecated Assets, without the prior consent of the Debenture Trustee.

(o) ***Fraud and Embezzlement***

The Issuer or the management of the Issuer commits any act of fraud (in their professional capacity), embezzlement, misstatement, misappropriation or siphoning off of the funds of the Issuer or revenues or any other act having a similar effect being committed by the management of the Issuer.

(p) ***Breach of other Covenants***

Any breach of any covenant or undertaking of the Issuer in the Transaction Documents (other than as set out in (a) to (o) above), and such breach, to the extent capable of remedy (as determined by the Debenture Trustee (acting on the instructions of the Debenture Holders)), is not remedied within 15 (fifteen) days of the Issuer obtaining knowledge of such breach or such other time period as may be prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders) in its sole discretion.

8.2.6.3. ***Notice on the Occurrence of an Event of Default***

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

(b) In addition to the foregoing, in accordance with the SEBI Defaults (Procedure) Circular, the Debenture Trustee shall send a notice to the Debenture Holders within 3 (three) days of the occurrence of an Event of Default, in accordance with the mode of delivery of notice mentioned therein, convening a meeting within 30 (thirty) days of the occurrence of an Event of Default. PROVIDED THAT if the Event of Default is cured or rectified within the intervening period between the date of the aforementioned notice from the Debenture Trustee to the date the aforementioned meeting is convened, no such meeting of the Debenture Holders shall be required. The Debenture Trustee shall maintain the details of the providing and receipt of such notice in accordance with the SEBI Defaults (Procedure) Circular.

8.2.6.4. ***Additional obligations of the Debenture Trustee***

In respect of the SEBI Defaults (Procedure) Circular, the entering into, and the performance of any obligations under any inter-creditor agreement (pursuant to the Stressed Assets Framework) or any resolution plan shall be subject to the terms of the SEBI Defaults (Procedure) Circular (including without limitation, the resolution plan being finalised within the time period prescribed in the SEBI Defaults (Procedure) Circular, and exiting of the inter-creditor agreement on the occurrence of the matters prescribed under the SEBI Defaults (Procedure) Circular).

8.2.7. **Listing and Monitoring Requirements**

(a) ***Monitoring***

The Issuer will provide all such assistance to the Debenture Trustee as may be required by it, to carry out the necessary due diligence and monitor the security cover in the manner as may be specified by SEBI from time to time. In this regard, in accordance with the SEBI Monitoring Circulars, the Issuer undertakes and agrees to provide all relevant documents/information, as applicable, to enable the Debenture Trustee to submit the following reports/certifications to BSE in accordance with the SEBI Monitoring Circulars:

(i) a security cover certificate on a quarterly basis, within (A) 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant calendar year), and (B) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law, in the format prescribed in the SEBI Monitoring Circulars;

(ii) (to the extent applicable) a statement of the value of the pledged securities on a quarterly basis, within 60 (sixty) days from each Quarterly Date or such other timelines as may be prescribed under Applicable Law;

(iii) (to the extent applicable) a statement of the value of the debt service reserve account or any other form of security offered on a quarterly basis, within 60 (sixty) days from each Quarterly Date or such other timelines as may be prescribed under Applicable Law;

(iv) (to the extent applicable) a net worth certificate of the guarantor who has provided a personal guarantee in respect of the Debentures on a half yearly basis, within 60 (sixty) days from the end of each financial half-year or such other timelines as may be prescribed under Applicable Law;

(v) (to the extent applicable) the financials/value of guarantor prepared on the basis of audited financial statement etc. of the guarantor who has provided a corporate guarantee in respect of the Debentures on an annual basis, within 75 (seventy five) days from the end of each Financial Year or such other timelines as may be prescribed under Applicable Law; and

(vi) (to the extent applicable) the valuation report and title search report for the immovable/movable assets, as applicable, once in 3 (three) years, within 75 (seventy five) days from the end of the Financial Year or such other timelines as may be prescribed under Applicable Law.

(b) ***Recovery Expense Fund***

(i) The Issuer hereby undertakes and confirms that it shall, within the time period prescribed under the SEBI Recovery Expense Fund Circular, establish, maintain and utilize the Recovery Expense Fund in such manner/mode as is prescribed under the SEBI Recovery Expense Fund Circular, to enable the Debenture Trustee to take prompt action in relation to the enforcement/legal proceedings under the Transaction Documents.

(ii) The Issuer shall deposit cash or cash equivalents including bank guarantees towards the contribution to Recovery Expense Fund with the designated stock exchange and submit relevant documents evidencing the same to the Debenture Trustee from time to time.

(iii) The Issuer shall ensure that any bank guarantees provided in respect of the Recovery Expense Fund remain valid for a period of 6 (six) months following the maturity date of the Debentures. The Issuer shall keep the bank guarantees in force and renew the bank guarantees at least 7 (seven) working days before its expiry, failing which the designated stock exchange may invoke such bank guarantee.

(iv) On the occurrence of any Event of Default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement/legal proceedings and shall inform the designated stock exchange of such occurrence and the obtaining of any consent in respect thereof (if any). The amount lying in the Recovery Expense Fund may be released to the Debenture Trustee within such time period and such manner as may be prescribed under the SEBI Recovery Expense Fund Circular. The Debenture Trustee shall keep a proper account of all expenses incurred out of the funds received from Recovery Expense Fund towards enforcement/legal proceedings under the Transaction Documents.

(v) The amounts in the Recovery Expense Fund shall be refunded to the Issuer on repayment/redemption of the Debentures, following which a "no objection certificate" shall be issued by the Debenture Trustee(s) to the designated stock exchange. The Debenture Trustee shall ensure that there is no default on any other listed debt securities of the Issuer before issuing such "no objection certificate".

(c) ***Requirements under the LODR Regulations***

The Issuer agrees, declares and covenants with the Debenture Trustee that it will comply with all relevant requirements prescribed under the LODR Regulations applicable to it (including without limitation, Chapter IV of the LODR Regulations (to the extent applicable) and Chapter V of the LODR Regulations (to the extent applicable)).

(d) ***Due Diligence***

(i) The Issuer acknowledges, understands, and confirms that:

(A) the Debenture Trustee shall carry out due diligence on continuous basis to ensure compliance by the Issuer, with the provisions of the Act, the LODR Regulations, the Debt Listing Regulations, the Debenture Trustees Regulations, the listing agreement of the stock exchange(s) where the Debentures are listed, the Transaction Documents, and any other regulations issued by SEBI pertaining to the Issue;

(B) for the purposes of carrying out the due diligence as required in terms of the SEBI Listed Debentures Circulars, the Debenture Trustee, either through itself or its agents, advisors, consultants, shall have the power to examine the books of account of the Issuer and to have the Issuer's assets inspected by its officers and/or external auditors, valuers, consultants, lawyers, technical experts, management consultants appointed by the Debenture Trustee; and

(C) the Debenture Trustee may at any time through its authorized representatives and agents, inspect books of account, records, registers of Company and the trust property (as set out in the DTD) to the extent necessary for discharging its obligations. The Issuer shall provide full and unimpeded access to the records, registers and books of accounts and facilitate in the inspection and due diligence process. Any fees, costs

expenses incurred in conducting such inspection/due diligence process shall be fully borne by the Issuer. In the event, any fees, costs expenses are borne by the Debenture Trustee, the above shall be reimbursed forthwith by the Issuer upon request.

(ii) The Issuer shall submit documents/ information as the Debenture Trustee may require to conduct continuous and periodical due diligence and monitoring of the Transaction Security or the assets on which security interest/ charge is created, which shall *inter alia*, include:

(A) periodical status/ performance reports from the Issuer within 7 (seven) days of the relevant board meeting of the Issuer or within 45 (forty five) days of the respective quarter, whichever is earlier;

(B) details with respect to defaults, if any, with regard to payment of interest or redemption of Debentures;

(C) details with respect to the implementation of the conditions regarding creation of the Transaction Security for the Debentures, debenture redemption reserve and Recovery Expense Fund;

(D) details with respect to the assets of the Issuer and of the guarantors (to the extent applicable) to ensure that they are sufficient to discharge the interest and principal amount at all times and that such assets are free from any other encumbrances except those which are specifically agreed to by the Debenture Holders;

(E) reports on the utilization of funds raised by the issue of Debentures;

(F) details with respect to conversion or redemption of the Debentures;

(G) (to the extent applicable) details with respect to dispatch of the debenture certificates and interest warrants, credit of the debentures in the demat account of the Debenture Holders and payment of amounts upon redemption of Debentures to the Debenture Holders due to them within the stipulated time period in accordance with the Applicable Law;

(H) (to the extent applicable) reports from the lead bank regarding the progress of the project relating to the proceeds of the Issue;

(I) details regarding monitoring of utilisation of funds raised in the issue of the Debentures;

(J) (to the extent applicable) certificate from the statutory auditors of the Issuer (i) in respect of utilisation of funds during the implementation period of the project relating to the proceeds of the Issue, and (ii) in the case of Debentures issued for financing working capital, at the end of each accounting year; and

(K) such other documents or information as may be required by the Debenture Trustee in accordance with the Applicable Law.

(iii) Without prejudice to any other provision of the DTD and the other Transaction Documents, the Issuer shall:

(A) provide such documents/information and assistance to the Debenture Trustee as may be required by the Debenture Trustee to carry out the necessary due diligence and monitor the security cover on a quarterly basis in the manner as may be specified by SEBI from time to time;

(B) to the extent applicable, submit a certificate from the statutory auditor on a half-yearly basis, regarding the maintenance of security cover in accordance with the terms of the Debt Disclosure Documents and the other Transaction Documents including compliance with the covenants of the Debt Disclosure Documents and the other Transaction Documents in the manner as may be specified by SEBI from time to time;

(C) submit the following reports/certification (to the extent applicable) to the Debenture Trustee within the timelines mentioned below:

REPORTS/CERTIFICATES	TIMELINES FOR SUBMISSION REQUIREMENTS TO THE DEBENTURE TRUSTEE	TIMELINE FOR SUBMISSION OF REPORTS/CERTIFICATIONS BY DEBENTURE TRUSTEE
Security cover certificate	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Parties.	Quarterly basis within (A) 75 (seventy five) days from each Quarterly Date (other than March 31 of the relevant calendar year), and (B) 90 (ninety) days from March 31 of the relevant calendar year or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) A statement of value of pledged securities	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Parties.	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) A statement of value for Debt Service Reserve Account or any other form of security offered	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as prescribed under Applicable Law or as may be mutually agreed between the Parties.	Quarterly basis within 60 (sixty) days from each Quarterly Date or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within such timelines as prescribed under Applicable Law or as may be mutually agreed between the Parties	Half yearly basis within 60 (sixty) days from the end of each financial half-year or such

REPORTS/CERTIFICATES	TIMELINES FOR SUBMISSION REQUIREMENTS TO THE DEBENTURE TRUSTEE	TIMELINE FOR SUBMISSION OF REPORTS/CERTIFICATIONS BY DEBENTURE TRUSTEE
		other timelines as may be prescribed under Applicable Law.
(To the extent applicable) Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor (secured by way of corporate guarantee)	Annual basis within such timelines as prescribed under Applicable Law or as may be mutually agreed between the Parties	Annual basis within 75 (seventy five) days from the end of each Financial Year or such other timelines as may be prescribed under Applicable Law.
(To the extent applicable) Valuation report and title search report for the immovable/movable assets, as applicable	Within such timelines as prescribed under Applicable Law or as may be mutually agreed between the Parties	Once in 3 (three) years, within 75 (seventy five) days from the end of the Financial Year or such other timelines as may be prescribed under Applicable Law.

(iv) comply with all requirements under the SEBI Monitoring Circulars and the SEBI Due Diligence Circulars, and provide all documents/information as may be required in accordance with the SEBI Monitoring Circulars and the SEBI Due Diligence Circulars.

(e) ***Forensic Audit***

In case of initiation of forensic audit (by whatever name called) in respect of the Issuer, the Issuer shall provide following information and make requisite disclosures to the stock exchanges:

(i) the details of initiation of forensic audit along-with name of entity initiating the audit and reasons for such forensic audit, if available; and

(ii) the final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Issuer along with comments of the management of the Issuer, if any.

(f) ***Others***

(i) The Issuer shall ensure due compliance and adherence to the SEBI Listed Debentures Circulars in letter and spirit.

(ii) To the extent applicable and required in terms of the SEBI Defaults (Procedure) Circular, the Debenture Trustee shall execute an "inter creditor agreement" in the manner prescribed under the SEBI Defaults (Procedure) Circular.

(iii) To the extent required/applicable, the Issuer shall provide intimation to the Debenture Trustee regarding (i) any default in timely payment of interest or redemption or both in respect of the non-convertible debt securities issued by the Issuer, and (ii) all covenants of the issue (including side letters, event of default provisions/clauses etc.).

(iv) The Issuer shall promptly disclose and furnish to the Debenture Trustee, all documents/ information about or in relation to the Issuer or the Debentures, as requested by the Debenture Trustee to fulfil its obligations hereunder or to comply with any Applicable Law, including in relation to filing of its reports/ certification to stock exchange within the prescribed timelines.

(v) The Issuer and the Debenture Trustee hereby agree and covenant to comply with the requirements prescribed under the SEBI DLT Monitoring Circular in respect of the Debentures and the transactions contemplated in the Transaction Documents.

SECTION 9: SPECIFIC DISCLOSURES FOR NBFCs

9.1 Details with regard to the lending done by the Issuer out of the issue proceeds of debt securities in last three years, including details regarding the following:

9.1.1. Lending policy: Should contain overview of origination, risk management, monitoring and collections:

Loan sanction process (detailed process from origination to collection)

Business Model & Operational Methodology

Origination / Sourcing	• The Issuer operates through branch network where customer relationship is initiated and managed. Presently the company has 423 branches present in 10 states. • Company has an excellent team of experienced direct marketing executives and relationship officer employed who move in the field and source business. A company has direct sales executives which helps the Issuer to grow its loan portfolio. Relationship Officer (RO) does the marketing activities and with the help of executives/ DSA source the business from the market. • Apart from origination of loans through branch network, company also gets business through following ways: o Referral network o Response to Business Promotion Activities o Tele-callers generating leads through RO database created through marketing activities
Initial Assessment / Verification	Company follows following filtration processes to appraise the credit worthiness of the borrower before providing the loans. **(i) Check by Local Field Investigation (FI) at each location or Branch manager:** • Company's local field investigation officer or branch manager does the following checks before forwarding the report to credit officer for further process. • Collection of application form along with required documents (i.e. identity proof, address proof, income proof, identity and income proof of guarantor, details of immovable properties, details of Bank account etc.) • Understanding customers background & overall profile, • Assessment of synergy & viability between products, customer profile and proposed use • Reference check from existing customers and various other sources like Branch manager or disbursement officer at the Branch level put all the details at the LOS. • Further CIBIL and legal check also get done from the respective departments. **(ii) Approval/Visit by Branch Manager:**

	Every file before going to head office for credit approval and disbursement is checked and approved by branch manager. Branch manager conducts following checks: • Personally, meeting the customer at his residential address • Verifying source of margin money, if any and confirming receipt of margin money from dealers • Confirming completion of pre-disbursement conditions • Confirming Insurance Authentication **(iii) Check by Credit Officer:** Files moves from LOS to Credit personal and Company's credit team verifies all the documents and conducts following checks: • Rechecking all the customers details • Personal Meeting the customer and guarantor and other related persons (PD) • Personal visit to customers house, if required • Inspection of old vehicle to be purchased (if any) • Preparing Credit Appraisal Memo/Credit Financial analysis **(iv) Approval by HO Credit team:** Every file is forwarded with complete documentation and feedback from credit team and branch manager at branch levels to Head office for final approval. Head office performs the following additional checks before giving the approval: • CIBIL Check • Documents verification • Telephone Verification Then after finalisation and verification of all the details, company has approval mechanism and finalise the same according to the approval mechanism.
Valuation	Further, company takes valuation report for old vehicle from third party independent valuers. Company has appointed 2 valuer in each district in which it operates.
Credit Appraisal System	The key factors considered before taking a loan decision are: • Place of the customer – only applicants who are permanent residents of that place or are having a substantially long stay are considered. • Sources of income – Only customers who are having regular source of income are being considered i.e. the applicant must be employed in certain occupation. Further alternate source of income and income of family members/guarantor is also taken into consideration.

	• Market credibility – feedback of the referral, FI executive and marketing executive regarding conduct of the applicant is considered for taking the lending decision. • Guarantor details – As Guarantor is compulsory in each case • Active Bank Account – As company disburse loan amount through account payee cheques only • Assets of the applicant – Generally applicants with own residence and/or agriculture land are preferred.
Disbursement	After receiving the final approval from HO credit team, file is send to the concerned person according to the loan amount. After collection of pre-disbursement documents and fulfilment of all the conditions like RC book hypothecation, amount is disbursed through account payee cheques to the customer and dealer respectively. After disbursement, all cases are checked by Credit team and the team has close monitoring on quality of the cases and thereby maintaining the credit quality. Company also sends regular updates to customers about the account's position through SMS system delivered through server.
Collection	The Issuer has a very sound disbursement and collection system which has helped to maintain the asset quality over the years. The company has a software application made solely for its own use to maintain records of loans and monthly receipts, generating overdue report, delinquency, prepayment report and filtering reports using various criteria.
Delinquency Management	The Issuer has an experienced and efficient recovery team on the payroll who ensures timely action for recovery of over dues. **Recovery Procedure followed is as follows:** • From 1st to 4th of every month collection executive / TL prepare their analysis report on pending collection cases of last month. • Outstanding due EMI's are allocated to collection team members in following manner on 5th of every month & on basis of allocation. Collection team carries out collection of EMI till end of month. **SOP for sale of repossessed vehicles** • Release two paper ads (1.English 2.Local Language) for sale (auction) of the vehicle. • Valuation of the repossessed vehicle has to be done before the auction of vehicle. • Get at least three written quotations from prospective buyers. • Sell the vehicle to the best quote obtained.

	Days past due	**Days past due**
	0 to 60 days	**>60/>90/ >120/>150 days**
Follow up	Tele caller and recovery executive follows up with borrowers for payment of loan installment. Loan originating team receives intimation on default in servicing of the installment.	Collection team physically visits the borrower to collect installment due (significant proportion of the installments are received in cash.

Action	Multiple calls made at pre decided intervals by a senior member reminding borrower on outstanding installment.	Field collection executives visit with RO & BM as required by collection executives
Internal Management	The tele-calling team co-ordinates with the loan origination team and collection team in order to collect dues	Team leader commences co-ordination with the legal team to recover the amount due.
Legal	Default notice issued	Repossession of vehicle if customer has not paid for two consecutive months

BRANCH IDENTIFICATION CRITERIA

Location

- ✓ Located in Tier II/ Tier III towns or villages
- ✓ Min. population of ~8,000 – 10,000

Target Catchment

- ✓ 35 - 40 km for small towns / rural villages
- ✓ Up to 60 km for semi-urban locations

Business Activity

- ✓ Area to have good business activity, with some agriculture business income

Credit Quality

- ✓ Repayment track record of other institutional lenders in the area
- ✓ Checks for community dominance /political interference related defaults

Commercial Vehicle Market

- ✓ 1,000 -1,500 MUV + LCV (nos); or
- ✓ 2,000 MUV + LCV + Tractors (nos.)

Competitor Landscape

Does not enter location which are hyper-competitive

1.1 MIS AND ACCOUNTING

The Issuer has moved to cloud based Finnone IT Platform which assists NBFC in following ways:

1. Rationalization of sales force
2. Real time data capturing leading to faster turnaround
3. Cloud based back up providing real time updates
4. E-KYC updates on a real time basis
5. On the spot data capturing through mobile application for the customer sourcing and credit decision

6. Real time tracking of collections field team

1.2 Finnone IT Platform has three modules

- ✓ Customer Acquisition System (CAS)
  - Enables sales team and Credit and Operational Personal (CROP) for faster file processing
  - Maintains all customer records like loan details, property details, family income etc.
- ✓ Loan Management Systems (LMS)
  - Details on various loan parameters like EMI, IRR, repayment schedule and etc. Maintained here
- ✓ Collections
  - Enables collections team to monitor delinquent cases

M-Collect mobile app with collection FOS for on-field collection processing and Updation

9.1.2. Classification of loans/ advances given to associates, entities/ person relating to board, senior management, promoters, others, etc.:

Not Applicable

9.1.3. Classification of loans/ advances given, according to type of loans, denomination of loan outstanding by loan to value, sectors, denomination of loans outstanding by ticket size, geographical classification of borrowers, maturity profile etc.:

As on September 30, 2022							
Product Name	**Loan Amount**	**Avg. Ticket Size**	**Avg. LTV**	**Avg. Tenure**	**Repayment mode**	**Security/ collateral**	**RoI (%)**
	(In Rs. Crore)	(In Rs. Lakhs.)	(%)	(Month)			(%)
Commercial Vehicle	2835	3.85	82.07	37		Vehicle	20.29
Agriculture Equipment	1000	3.09	80.90	37		Vehicle	21.71
Car	1058	3.49	77.42	38		Vehicle	18.30
MSME	854	4.03	33.67	66		SORP/SOCP	20.83
Two Wheeler	226	0.61	70.02	24	NACH/	Vehicle	22.71

*SORP: Self Occupied Residential Property, SOCP: Self Occupied Commercial Property	5972	2.92	74.16	37			20.85

Please also refer Section 9.3 below.

9.1.4. Aggregated exposure to the top 20 borrowers with respect to the concentration of advances, exposures to be disclosed in the manner as prescribed by RBI in its stipulations on Corporate Governance for NBFCs or HFCs, from time to time:

(Amount in Rs.)

Loan ID	Name of the Borrower	Type of Borrower	Total Sanctioned	Loan Amount	Disbursed Loan Amount	Un-disbursed Loan Amount	Total Principal Outstanding Amount	Total Accrued Interest Amount	Status of Account	Amount Outstanding
5752168	YOGENDRA AGRAWAL	Individual	4000000	40,00,000	40,00,000	-	39,68,940	-	STANDARD	39,68,940
5758188	BHORI LAL	Individual	3600000	36,00,000	36,00,000	-	35,73,676	-	STANDARD	35,73,676
5772025	PRADEEP KUMAR SAINI	Individual	3500000	35,00,000	35,00,000	-	34,86,899	-	STANDARD	34,86,899
5774552	HARJINDER SINGH	Individual	3315000	33,15,000	33,15,000	-	32,81,775	-	STANDARD	32,81,775
5799876	NAVEEN KUMAR SHOORA	Individual	3168009	31,68,009	31,68,009	-	31,68,009	-	STANDARD	31,68,009
5782283	KAMALJEET KAUR	Individual	3200000	32,00,000	32,00,000	-	31,56,030	-	STANDARD	31,56,030
5791311	RANVIR JI	Individual	3038000	30,38,000	30,38,000	-	30,38,000	-	STANDARD	30,38,000

5788720	RUPINDER PAL SINGH	Individual	3037782	30,37,782	30,37,782	-	30,37,782	-	STANDARD	30,37,782
5755695	VIKAS CONSTRUCTION COMPANY	Non-Individual	3100000	31,00,000	31,00,000	-	30,20,633	-	STANDARD	30,20,633
5795855	KAMLESH JI	Individual	3000000	30,00,000	30,00,000	-	30,00,000	-	STANDARD	30,00,000
5796119	MEGHRAJ CONSTRUCTION	Non-Individual	3000000	30,00,000	30,00,000	-	30,00,000	-	STANDARD	30,00,000
5798651	CHHOTU RAM MINA	Individual	3000000	30,00,000	30,00,000	-	30,00,000	-	STANDARD	30,00,000
5800166	SUKHBIR KAUR	Individual	3000000	30,00,000	30,00,000	-	30,00,000	-	STANDARD	30,00,000
5746436	SHAKTI SINGH SENGAR	Individual	3000000	30,00,000	30,00,000	-	29,68,826	-	STANDARD	29,68,826
5765257	NEM PAL	Individual	3000000	30,00,000	30,00,000	-	29,67,139	-	STANDARD	29,67,139
5714487	TARA CHAND AGARWAL	Individual	3000000	30,00,000	30,00,000	-	29,44,116	-	STANDARD	29,44,116
5769858	RS BUILDING MATERIAL SUPPLIERS	Non-Individual	2925000	29,25,000	29,25,000	-	28,87,728	-	STANDARD	28,87,728
5716221	VINOD KUMAR	Individual	3030000	30,30,000	30,30,000	-	28,68,741	-	STANDARD	28,68,741

5755755	NARENDRA SINGH	Individual	2914000	29,14,000	29,14,000	-	28,40,370	-	STANDARD	28,40,370
5799743	NARESH CHAUHAN	Individual	2840000	28,40,000	28,40,000	-	28,40,000	-	STANDARD	28,40,000

9.1.5. Details of loans, overdue and classified as non-performing in accordance with RBI stipulations

(Rs. In Lakhs)

Particulars	Sep-22	Mar-22	Mar-21	Mar-20
Stage III Loans	7,948.91	13,507.76	13,866.81	11,954.29

Please also refer Section 9.3.6.

9.2 In order to allow investors to better assess the debt securities issued by the NBFC/ HFC, the following disclosures shall also be made by such Issuer:

9.2.1. A portfolio summary with regard to industries/ sectors to which borrowings have been made

Breakup of Borrowings as per industries/sectors as on September 30, 2022 is as under (Rs. In cr)

1. Secured Borrowings				
(i) Debentures				**1,990.96**
	(a) Retail Investors		614.50	
	(b) Mutual Funds		172.00	
	(c) Banks		211.67	
	(d) NBFC		807.20	
	(e) ECB		185.58	
(ii) Borrowings from Banks				**2,350.90**
	(a) Term Loan		2,339.90	

	(b) Cash Credit /OD/WCDL		11.00	
(iii) Borrowings from FIs			**488.62**	**488.62**
2. Un-Secured Borrowings				**69.08**
(i) Debentures not in the nature of public deposit				
(a) Subscribed by NBFCs			24.50	
(ii) Commercial Borrowing			24.58	
(iii) Subordinated debts			20.00	

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

(Rs. In crore)

Particulars	Sep-22	Mar-22	Mar-21	Mar-20
Stage III Loans	17,948.91	13,507.76	13,866.81	11,954.29
Provision	5,197.33	3,860.42	7,328.25	4,777.16
Net NPA	12,751.59	9,647.33	6,538.56	7,177.13

9.2.3. Quantum and percentage of secured vis-à-vis unsecured borrowings made:

(Rs. In crore)

Type of Borrowings	Amount	%
Secured	4830.48	98.59%
Unsecured	69.08	1.41%
Total	4899.56	100.00%

9.2.4. Any change in promoters' holdings during the last financial year beyond the threshold, as prescribed by RBI:

No change during the last financial year beyond the threshold, as prescribed by RBI.

9.3 Classification of loans/ advances given according to:

9.3.1. Type of loans:

Details of types of loans

S. No.	Type of loans	INR, Crore
1	Secured	5972.43
2	Unsecured	Nil
	Total assets under management (AUM)*^	5972.43

**Information required at borrower level (and not by loan account as customer may have multiple loan accounts);*
^Issuer is also required to disclose off balance sheet items;

9.3.2. Denomination of loans outstanding by loan-to-value:

Details of LTV

S. No.	LTV (at the time of origination)	Percentage of AUM
1	Upto 50%	14.24%
2	50-60%	4.59%
3	60-70%	6.22%
4	70-80%	16.15%
5	80-90%	40.02%
6	>90%	18.78%
		100.00%

9.3.3. Sectoral exposure:

Details of sectoral exposure

S. No.	Segment-wise break-up of AUM	Percentage of AUM

1	Retail	
(A)	Mortgages (home loans and loans against property)	Nil
(B)	Gold loans	Nil
(C)	Vehicle finance	85.71%
(D)	MFI	Nil
(E)	MSME	14.29%
(F)	Capital market funding (loans against shares, margin funding)	Nil
(G)	Others	Nil
2	Wholesale	Nil
(A)	Infrastructure	Nil
(B)	Real estate (including builder loans)	Nil
(C)	Promoter funding	Nil
(D)	Any other sector (as applicable)	Nil
(E)	Others	Nil
	Total	100.00%

9.3.4. Denomination of loans outstanding by ticket size*:

Details of outstanding loans category wise

S. No.	Ticket size (at the time of origination)	Percentage of AUM
1	Up to INR 2 lakh	9.95%
2	INR 2-4 Lakh	39.06%
3	INR 4-10 Lakh	42.23%
4	INR 10-50 Lakh	8.76%
5	INR 50 Lakh - 1 crore	-
6	INR 1-5 crore	-
7	INR 5-25 crore	-

8	INR 25-100 crore	-
9	> INR 100 crore	-
	Total	100.00%

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

9.3.5. Geographical classification of borrowers:

Top 5 states borrower wise

S. No.	Top 5 States	Percentage of AUM
1	Rajasthan	57.88%
2	Madhya Pradesh	12.99%
3	Gujarat	12.65%
4	Haryana	5.29%
5	Punjab	5.08%
	Total	93.90%

9.3.6. Details of loans overdue and classified as non-performing in accordance with RBI's stipulations:

Movement of gross NPA

Movement of stage 3*	INR, Crore
(As on September 30, 2022 Limited Review)	
Opening Stage 3 (March-22)	135.08
Additions during the Period	100.06
Reductions during the Period	37.35
Write offs during the quarter	18.30

Closing balance of Stage 3(Sept-22)	179.49

** (1) Gross NPA recognition policy (Day's Past Due): 90 days*
(2) The disclosures under this Section 9.3.6 references "Stage 3 Assets" (in line with Applicable Accounting Standards) instead of "NPAs" (as set out in the format prescribed in the Listed NCDs Operational Circular).

Movement of provisions for NPA

Movement of provisions for Stage 3	INR, Crore
Opening balance(March-22)	38.60
Provisions made during the Period	29.08
Reductions during the Period	15.71
Closing balance (Sept-22)	51.97

9.3.7. Segment-wise gross NPA:

Segment wise gross NPA

S. No.	Segment-wise gross NPA	Gross NPA (%)
1.	Retail	
(A)	Mortgages (home loans and loans against property)	NIL
(B)	Gold loans	NIL
(C)	Vehicle loans	2.61%
(D)	MFI	NIL
(E)	MSME	1.00%
(F)	Capital market funding (loans against shares, margin funding)	NIL
(G)	Others	NIL
2.	Wholesale	NIL

(A)	Infrastructure	NIL
(B)	Real estate (including builder loans)	NIL
(C)	Promoter funding	NIL
(D)	Any other sector (as applicable)	NIL
(E)	Others	NIL
	Total	2.38%

9.3.8. Residual maturity profile of assets and liabilities (in line with the RBI format):

Residual maturity profile of assets and liabilities as on March 31, 2022

(Amount in crore)

Category	Up to 30/31 days	>1 month - 2 months	>2 months - 3 months	>3 months - 6 months	>6 months - 1 year	>1 year - 3 years	>3 years - 5 years	> 5 years	Total
Bank & Cash	220.95	-	-	-	0.08	-	-	-	221.03
Advances	212.55	132.21	118.86	516.43	941.01	2,522.46	755.85	129.11	5,328.48
Investments	379.59	162.61	77.65	87.39	153.98	229.77	33.55	15.14	1,139.69
Borrowings	254.95	114.09	179.20	418.30	1,496.41	2,277.04	304.17	31.23	5,075.38
FCA*	-	-	-	-	-	-	-	-	-
FCL*	-	-	-	-	-	-	-	-	-

**FCA – Foreign Currency Assets; FCL – Foreign Currency Liabilities*

9.4 Disclosure of latest ALM statements to stock exchange:

SK Finance Limited does not have to file ALM on stock exchange. However, as part of regulatory reporting we file ALM with Reserve Bank of India (RBI). A summary of latest filed ALM Statement has been provided in Section 9.3.8.

SECTION 10: OTHER INFORMATION AND APPLICATION PROCESS

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

10.1 Mode of Transfer/Transmission of Debentures

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

Subject to the terms of the Debenture Trust Deed, the normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these Debentures held in electronic form. The seller should give delivery instructions containing details of the buyer's Depository Participant account to its Depository Participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures. The seller should give delivery instructions containing details of the buyer's DP account to his DP.

10.2 Debentures held in Dematerialized Form

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

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

10.3 Trustee for the Debenture Holder(s)

The Issuer has appointed Vardhman Trusteeship Limited to act as trustee for the Debenture Holder(s). The Issuer and the Debenture Trustee intends to enter into the Debenture Trustee Agreement and the Debenture Trust Deed *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and the Issuer. The Debenture Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorized officials to do all such acts, deeds, matters and things in respect of or relating to the Debentures as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the

Debenture Holder(s). Any payment made by the Issuer to the Debenture Trustee on behalf of the Debenture Holder(s) shall discharge the Issuer *pro tanto* to the Debenture Holder(s). The Debenture Trustee will protect the interest of the Debenture Holder(s) in regard to the repayment of principal and coupon thereon and they will take necessary action, subject to and in accordance with the Debenture Trustee Agreement and the Debenture Trust Deed, at the cost of the Issuer. No Debenture Holder(s) shall be entitled to proceed directly against the Issuer unless the Debenture Trustee, having become so bound to proceed, fails to do so. The Transaction Documents of shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

10.4 **Sharing of Information**

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

10.5 [INTENTIONALLY LEFT BLANK]

10.6 **Debenture Holder(s) not a Shareholder**

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

10.7 **Modification of Debentures**

Ay Transaction Document may be modified or amended with the written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) by way of an instrument in writing executed by the Issuer and the Debenture Trustee.

10.8 **Right to accept or reject Applications**

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

10.9 **Notices**

Any notice, in respect of the Debentures, may be served by the Issuer upon the Debenture Trustee/Debenture Holders in accordance with the terms of the Transaction Documents.

10.10 **Issue Procedure**

Only Eligible Investors as given hereunder may apply for the Debentures by completing the Application Form in the prescribed format in block letters in English as per the instructions

contained therein. The minimum number of Debentures that can be applied for and the multiples thereof shall be set out in the Application Form. No application can be made for a fraction of a Debenture. Application Forms should be duly completed in all respects and applications not completed in the said manner are liable to be rejected. The name of the applicant's bank, type of account and account number must be duly completed by the Applicant. This is required for the Applicant's own safety and these details will be printed on the refund orders and /or redemptions warrants.

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

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

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	1,000 (one thousand) rated, listed, senior, secured, redeemable, taxable, transferable, non-convertible debentures denominated in INR, having a face value of INR 10,00,000 (Indian Rupees Ten Lakh) each and an aggregate face value of INR 100,00,00,000 (Indian Rupees One Hundred Crore) Green Shoe Option: Not applicable.
Bid opening and closing date	Bid opening date: November 15, 2022 Bid closing date: November 15, 2022
Minimum Bid Lot	10 (ten) Debenture(s) (being INR 1,00,00,000 (Indian Rupees One Crore)), and in the multiples of 1 (one) Debenture thereafter
Manner of bidding in the Issue	Closed bidding
Manner of allotment in the Issue	Fixed Rate
Manner of settlement in the Issue	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank

	account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Allocation Option	Uniform
Settlement Cycle	T+1, where "T" refers to the date of bid opening date / issue opening date. Settlement of the Issue will be on November 16, 2022.

Process flow of settlement:

The Eligible Investors whose bids have been accepted by the Issuer and to whom a signed copy of this Placement Memorandum along with the PPOAL have been issued by the Issuer and who have submitted/shall submit the Application Form ("**Successful Bidders**"), shall make the payments in respect of the Application Money in respect of the Debentures towards the allocation made to them, into the bank account of the ICCL, the details of which are as set out in the section named "INSTRUCTIONS" of the Application Form.

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

Beneficiary Name	SK FINANCE LIMITED
Bank Account No.	409001042376
SWIFT Code	RATN0000088
IFSC Code	RBL Bank Limited
Bank Name	Lower Parel (West), Mumbai
Branch Address	SK FINANCE LIMITED

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

10.11 **Eligible Participants should refer to the Operational Guidelines.**

The details of the Issue shall be entered on the EBP Platform by the Issuer in accordance with the operational guidelines of the relevant EBP. The Issue will be open for bidding for the duration of the bidding window that would be communicated through the Issuer's bidding announcement on the EBP Platform.

10.12 **Application Procedure**

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

10.13 **Fictitious Applications**

All fictitious applications will be rejected.

10.14 **Basis of Allotment**

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

10.15 **Payment Instructions**

The Application Form should be submitted directly. The entire amount of INR 10,00,000/- (Indian Rupees Ten Lakh) per Debenture is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 10.10 above.

10.16 **Post-Allocation Disclosures by the EBP**

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, coupon rate, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the operational guidelines of the relevant EBP. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

10.17 **Procedure for Applying for Dematerialized Facility**

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

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

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

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

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

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

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

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

10.18 **Depository Arrangements**

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

10.19 **List of Beneficiaries**

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

10.20 **Application under Power of Attorney**

A certified true copy of the power of attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories of the Investor and the tax exemption certificate/document of the Investor, if any, must be lodged along with the submission of the completed Application Form. Further

modifications/additions in the power of attorney or authority should be notified to the Issuer or to its agents or to such other person(s) at such other address(es) as may be specified by the Issuer from time to time through a suitable communication.

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

10.21 **Procedure for application by Mutual Funds and Multiple Applications**

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

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

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

10.22 **Applications to be accompanied with Bank Account Details**

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

10.23 **Succession**

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

10.24 **Mode of Payment**

All payments must be made through RTGS. Please refer Section 8.1 and Section 10.10 for further details.

10.25 **Business Day Convention**

Please refer Section 8.1 (*Summary Terms*).

10.26 **Tax Deduction at Source**

(a) All payments to be made by the Issuer to the Debenture Holders under the Transaction Documents shall be made free and clear of and without any Tax Deduction unless the Issuer is required to make a Tax Deduction pursuant to Applicable Law.

(b) The Issuer shall promptly upon becoming aware that it must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify the Debenture Trustee accordingly.

(c) If the Issuer is required to make a Tax Deduction, it shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by Applicable Law.

(d) Within the earlier of (i) 60 (sixty) days of making either a Tax Deduction or any payment required in connection with that Tax Deduction or (ii) 60 (sixty) days of each Due Date, the Issuer shall deliver to the Debenture Trustee evidence reasonably satisfactory to the Debenture Trustee that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

10.27 **Letters of Allotment**

The Company shall ensure that the Debentures are allotted to the respective Debenture Holders within the timelines prescribed under the SEBI Listing Timelines Requirements.

10.28 **Deemed Date of Allotment**

The Deemed Date of Allotment of the Debentures November 16, 2022.

All benefits relating to the Debentures will be available to the investors from the respective Deemed Date of Allotment(s). The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment.

10.29 **Future Borrowing**

The Issuer shall, subject to the maintenance of the Security Cover, be entitled to borrow or raise loans or create encumbrances or avail financial assistance in whatever form, and also issue promissory notes or debentures or other securities, without the consent of, or intimation to the Debenture Holders or the Debenture Trustee so long as any of the abovementioned actions does not result in an Event of Default or a potential Event of Default.

10.30 **Record Date**

Please refer Section 8.1 (*Summary Terms*).

10.31 **Refunds**

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

In case the Issuer has received money from applicants for Debentures in excess of the aggregate of the application money relating to the Debentures in respect of which allotments have been made, the R&T Agent shall upon receiving instructions in relation to the same from the Issuer repay the moneys to the extent of such excess, if any. If the Company fails to allot the Debentures to the applicants within 60 (sixty) calendar days from the date of receipt of the Application Money, it shall repay the Application Money to the applicants within 15 (Fifteen) calendar days from the expiry of the allotment period ("**Repayment Period**"). If the Company fails to repay the Application Money within the Repayment Period, then Company shall be liable to repay the Application Money along with interest at the rate of 12% per annum, from the expiry of the allotment period.

10.32 **Interest on Application Money**

Please refer Section 8.1 (*Summary Terms*).

10.33 **Interest on NCDs**

Please refer Section 8.1 (Summary Terms).

10.34 **Pan Number**

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

10.35 **Redemption**

Please refer Section 8.1 (*Summary Terms*).

10.36 **Payment on Redemption**

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

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

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

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

SECTION 11: DECLARATION

A. The Issuer has complied with the provisions of the Companies Act, 2013 and the rules made hereunder.

B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government.

C. The monies received under the offer shall be used only for the purposes and objects indicated in this Placement Memorandum.

I am authorized by board of directors of the Issuer vide resolution dated April 20, 2022 and February 9, 2022 read with the resolution dated November 10 , 2022 of the Executive Committee of the board of directors of the Issuer to sign this Placement Memorandum and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with.

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

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

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

For **SK Finance Limited (formerly known as Ess Kay Fincorp Limited)**

RAJENDRA KUMAR SETIA

Digitally signed by RAJENDRA KUMAR SETIA
Date: 2022.11.11 17:48:28 +05'30'

Name: Mr. Rajendra Kumar Setia
Title: Managing Director
DIN: 00957374
Place: Jaipur
Date: November 11, 2022

ANNEXURE I: TERM SHEET

As provided in Section 8.1 (*Summary Terms*) above.

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

ANNEXURE II: RATING LETTER, RATING RATIONALE AND PRESS RELEASE FROM THE RATING AGENCY

Ratings

CONFIDENTIAL

CRISIL
An S&P Global Company

RL/ESKAFPL/304892/NCD/1122/45816/128473738
November 04, 2022

Mr. Vivek Singh
Head - Treasury
SK Finance Limited
G-1 & G-2, New Market
Adarsh Plaza Building
Khasa Kothi Circle
Jaipur - 302001

Dear Mr. Vivek Singh,

Re: CRISIL Rating on the Rs. 100 Crore Non Convertible Debentures of SK Finance Limited

We refer to your request for a rating for the captioned Debt instrument.

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

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 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. 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 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,

Rahul Malik
Associate Director - CRISIL Ratings

Nivedita Shibu
Associate Director - CRISIL Ratings

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. 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 or contact Customer Service Helpdesk at CRISILratingdesk@crisil.com or at 1800-267-1301*

CRISIL Ratings Limited
(A subsidiary of CRISIL Limited)
Corporate Identity Number: U67100MH2019PLC326247

Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

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

Ratings

CRISIL
An S&P Global Company

Details of the Rs. 100 Crore Non Convertible Debentures of SK Finance Limited

	1st tranche		2nd tranche		3rd tranche	
Instrument Series:						
Amount Placed:						
Maturity Period:						
Put or Call Options (if any):						
Coupon Rate:						
Interest Payment Dates:						
Principal Repayment Details:	Date	Amount	Date	Amount	Date	Amount
Investors:						
Trustees:						

In case there is an offer document for the captioned Debt issue, please send us a copy of it.

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. 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 or contact Customer Service Helpdesk at CRISIL.ratingdesk@crisil.com or at 1800-267-1301

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Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai- 400 076. Phone: +91 22 3342 3000 | Fax: +91 22 3342 3001
www.crisilratings.com

Ratings
CRISIL Ratings Limited (A subsidiary of CRISIL Limited)

CRISIL
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Rating Rationale
November 04, 2022 | Mumbai

SK Finance Limited
'CRISIL A+/Stable' assigned to Non Convertible Debentures

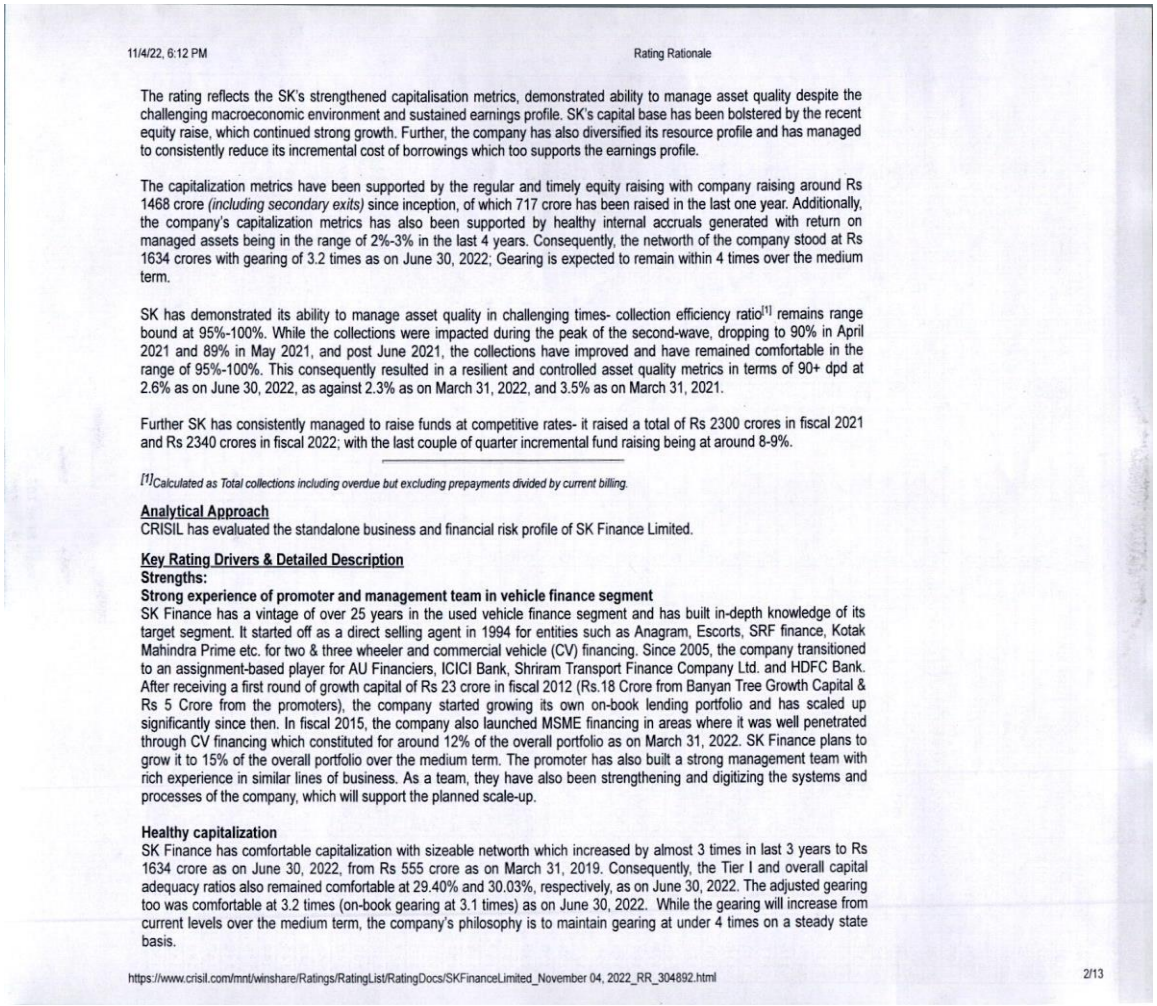
Rating Action

Total Bank Loan Facilities Rated	**Rs.275 Crore**
Long Term Rating	**CRISIL A+/Stable (Reaffirmed)**

Rs.100 Crore Non Convertible Debentures	**CRISIL A+/Stable (Assigned)**
Rs.150 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A+ r /Stable (Reaffirmed)**
Rs.55 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A+ r /Stable (Reaffirmed)**
Rs.40 Crore Long Term Principal Protected Market Linked Debentures	**CRISIL PPMLD A+ r /Stable (Reaffirmed)**
Rs.175 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.50 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.99.9 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.68.5 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.75 Crore Non Convertible Debentures	**CRISIL A+/Stable (Reaffirmed)**
Rs.50 Crore Commercial Paper	**CRISIL A1+ (Reaffirmed)**
Non Convertible Debentures Aggregating Rs.491 Crore	**CRISIL A+/Stable (Reaffirmed)**

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 A+/Stable'** rating to Rs.100 crore non-convertible debentures of SK Finance Limited (SK) and has reaffirmed its ratings on existing debt instruments and bank facilities 'CRISIL A+/Stable/CRISIL A1+'



11/4/22, 6:12 PM Rating Rationale

The rating reflects the SK's strengthened capitalisation metrics, demonstrated ability to manage asset quality despite the challenging macroeconomic environment and sustained earnings profile. SK's capital base has been bolstered by the recent equity raise, which continued strong growth. Further, the company has also diversified its resource profile and has managed to consistently reduce its incremental cost of borrowings which too supports the earnings profile.

The capitalization metrics have been supported by the regular and timely equity raising with company raising around Rs 1468 crore *(including secondary exits)* since inception, of which 717 crore has been raised in the last one year. Additionally, the company's capitalization metrics has also been supported by healthy internal accruals generated with return on managed assets being in the range of 2%-3% in the last 4 years. Consequently, the networth of the company stood at Rs 1634 crores with gearing of 3.2 times as on June 30, 2022; Gearing is expected to remain within 4 times over the medium term.

SK has demonstrated its ability to manage asset quality in challenging times- collection efficiency ratio[1] remains range bound at 95%-100%. While the collections were impacted during the peak of the second-wave, dropping to 90% in April 2021 and 89% in May 2021, and post June 2021, the collections have improved and have remained comfortable in the range of 95%-100%. This consequently resulted in a resilient and controlled asset quality metrics in terms of 90+ dpd at 2.6% as on June 30, 2022, as against 2.3% as on March 31, 2022, and 3.5% as on March 31, 2021.

Further SK has consistently managed to raise funds at competitive rates- it raised a total of Rs 2300 crores in fiscal 2021 and Rs 2340 crores in fiscal 2022; with the last couple of quarter incremental fund raising being at around 8-9%.

[1]Calculated as Total collections including overdue but excluding prepayments divided by current billing.

Analytical Approach
CRISIL has evaluated the standalone business and financial risk profile of SK Finance Limited.

Key Rating Drivers & Detailed Description
Strengths:
Strong experience of promoter and management team in vehicle finance segment
SK Finance has a vintage of over 25 years in the used vehicle finance segment and has built in-depth knowledge of its target segment. It started off as a direct selling agent in 1994 for entities such as Anagram, Escorts, SRF finance, Kotak Mahindra Prime etc. for two & three wheeler and commercial vehicle (CV) financing. Since 2005, the company transitioned to an assignment-based player for AU Financiers, ICICI Bank, Shriram Transport Finance Company Ltd. and HDFC Bank. After receiving a first round of growth capital of Rs 23 crore in fiscal 2012 (Rs.18 Crore from Banyan Tree Growth Capital & Rs 5 Crore from the promoters), the company started growing its own on-book lending portfolio and has scaled up significantly since then. In fiscal 2015, the company also launched MSME financing in areas where it was well penetrated through CV financing which constituted for around 12% of the overall portfolio as on March 31, 2022. SK Finance plans to grow it to 15% of the overall portfolio over the medium term. The promoter has also built a strong management team with rich experience in similar lines of business. As a team, they have also been strengthening and digitizing the systems and processes of the company, which will support the planned scale-up.

Healthy capitalization
SK Finance has comfortable capitalization with sizeable networth which increased by almost 3 times in last 3 years to Rs 1634 crore as on June 30, 2022, from Rs 555 crore as on March 31, 2019. Consequently, the Tier I and overall capital adequacy ratios also remained comfortable at 29.40% and 30.03%, respectively, as on June 30, 2022. The adjusted gearing too was comfortable at 3.2 times (on-book gearing at 3.1 times) as on June 30, 2022. While the gearing will increase from current levels over the medium term, the company's philosophy is to maintain gearing at under 4 times on a steady state basis.

https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/SKFinanceLimited_November 04, 2022_RR_304892.html 2/13

Additionally, SK Finance focus has been on used vehicle financing (greater than 70% of the portfolio over the past three fiscals). This, coupled with the target segment of rural and semi-urban customers, leads to asset quality remaining susceptible to slippages.

Nevertheless, the company has put in place adequate underwriting practices and risk management practices which are separate for both of its segments i.e. Vehicle and MSME Finance. In case of vehicle finance, there are three layers of credit assessment which includes assessment at field, branch and headquarters level whereas in case of MSME finance, credit assessment is looked at from 3 different ways i.e. asset related, customer related and business related. The company has further strengthened its underwriting and risk management practices post Covid-19.

Because of stringent credit assessment procedure, the company has demonstrated its ability to manage asset quality metrics as 90 days past due (dpd) percentage of the company has hovered from 3% to 4% over past 3 fiscals.

The collection efficiencies[2] for the company, post the moratorium period, remained in the range of 95-100% across the months and reached 104% in March 2021. The collections were marginally impacted in second wave and reached 90% in April 2021 and 89% in May 2021, however, the same improved June onwards and remained between 95%-100% with August 2022 collections being at 98%. Consequently the 90+ dpd also remained comfortable at 2.6% as on June 30, 2022, as against 3.5% in the previous fiscal. Additionally, the restructured assets done during the pandemic also remained low 1.0% as on June 30, 2022.

Nevertheless, given the higher geographical concentration in Rajasthan and Gujarat, as the company scale up its operations in the newer geographies, its ability to manage asset quality metrics while scaling up needs to be demonstrated and will remain a key monitorable.

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[2] Calculated as Total collections including overdue but excluding prepayments divided by current billing.

Liquidity: Strong

SK Finance has an adequate ALM profile as on June 30, 2022, with no cumulative negative mismatches in the up to one year buckets (excluding unutilized bank lines) indicating that business inflows also support repayments. As on August 31, 2022, the company had cash and cash equivalents of Rs 956 crore and unutilized CC/WCDL lines of Rs 94 crore against which it had debt repayments (including interest and DA/PTC payouts) of Rs 580 crore for the next three months (Sep-22 to Nov-22). As a policy, the company plans to maintain a liquidity cover of 3 months (excluding collections/prepayments) at all times.

Outlook: Stable

CRISIL believes that SK Finance will benefit from its experienced promoters and management team and will maintain its comfortable capitalisation metrics going ahead. However, asset quality performance will be demonstrated only over time.

Rating Sensitivity Factors

Upward Factors:

- Sustained asset quality metrics and improvement in earnings profile with a significant scale up in the portfolio
- Capitalisation metrics continuing to remain comfortable, with gearing remaining under 4 times.

Downward Factors:

- Any adverse movement in asset quality with 90+dpd increasing beyond 7% and earnings profile of the company getting impacted.
- Stress in capitalisation metrics with significant jump in gearing while scaling up the portfolio.

About the Company

Capitalization metrics have been supported by the regular capital infusions in the past with SK Finance having raised Rs 1468 crores *(including secondary exits)* since inception. Of this, Rs 380 crores was raised in December 2021, of which Rs 150 crore was primary. CRISIL expects capitalisation to remain comfortable supported by internal accruals and regular capital infusion, thus providing a cushion against asset-side risks.

Comfortable earnings profile with the company being profitable since inception
Given the segment of operations, the net Interest Margins (on total income basis) tends to be high and have remained over 10% during the last 3 years driven by the high yields on the portfolio given the inherent borrower profile and improving cost of funds.

With controlled asset quality metrics, SK has been able to control its credit costs which has supported the earnings profit. While the company's credit cost increased in fiscal 2020 to 3% due to additional covid provisioning. However, the company has been able to bring it down to 2.2% in fiscal 2021 and further down to 0.2% in fiscal 2022. While the credit cost increased in the first quarter of fiscal 2023, however, the same conitnued to remain comfortable at 1.7%.

Further, with newer branches achieveing scale and with technological changes made in last 1.5 years, the company has been able to bring down its sourcing/collection costs, leading to operational effiiciencies and improvement in the operating costs.

Consequently, return on managed assets (RoMA) also remained comfortable and stood at 2.3% for the first quarter ending June 30, 2022, as against 2.6% in fiscal 2022 and 2.3% in fiscal 2021. CRISIL also notes that the company has been able to sustain its profitability metrics even during the pandemic period with RoMA remaining range bound between 2%-3% in last four years.

Having said that, while operating expenses have reduced in the past couple of years, however, CRISIL Ratings expects the same to remain elevated as the company further invests in branch expansions in the new geographies. Additionally, with the uncertainty in the environment due to Covid-19, the ability of the company to manage its credit costs will remain a key monitorable.

Diversified resource profile with improving cost of borrowings
SK Finance had an adequately diversified borrowings portfolio as on March 31, 2022, consisting of loans from banks (48%), non-convertible debentures (NCDs, 31%), loans from financial institutions (8%), securitization (8%), external commercial borrowings (ECBs, 4%) and commercial paper (1%). Over the years, SK Finance has also been able to diversify its lender profile, by bringing in more banks under its resource mix, which also led to increase in the share of loans from banks from 19% in March 2019 to 48% in March 2022. The company has also been able to bring its incremental cost of fund significantly down to ~8.5% in Q1FY2023 from 11.99% as on Q1FY2020.

Weaknesses:
Scale up whilst improving the geographical concentration and maintaining the asset quality metrics
The company's scale of operations remained modest with AUM at around Rs 5,312 crores as on June 30, 2022. Portfolio comprised commercial vehicle (48%), tractor (17%), Car (18%), MSME (13%) and two-wheeler (4%) as on June 30, 2022. In the last few years, the company has diversified its geographical composition and currently has a presence in 10 states such as Rajasthan, Gujarat, Madhya Pradesh, Maharashtra, Haryana, Punjab, Chhattisgarh, New Delhi, Uttarakhand and Himachal Pradesh. However, Rajasthan and Gujarat continued to dominate the majority of the portfolio with share of 59% and 13%, respectively, which too has improved from 73% and 16%, respectively, as of March 31, 2019. While CRISIL expects a rapid scale up in the portfolio going forward, however, the ability of the company to further reduce the geographical concentration will remain a key monitorable.

Additionally, SK Finance focus has been on used vehicle financing (greater than 70% of the portfolio over the past three fiscals). This, coupled with the target segment of rural and semi-urban customers, leads to asset quality remaining susceptible to slippages.

Nevertheless, the company has put in place adequate underwriting practices and risk management practices which are separate for both of its segments i.e. Vehicle and MSME Finance. In case of vehicle finance, there are three layers of credit assessment which includes assessment at field, branch and headquarters level whereas in case of MSME finance, credit assessment is looked at from 3 different ways i.e. asset related, customer related and business related. The company has further strengthened its underwriting and risk management practices post Covid-19.

Because of stringent credit assessment procedure, the company has demonstrated its ability to manage asset quality metrics as 90 days past due (dpd) percentage of the company has hovered from 3% to 4% over past 3 fiscals.

The collection efficiencies[2] for the company, post the moratorium period, remained in the range of 95-100% across the months and reached 104% in March 2021. The collections were marginally impacted in second wave and reached 90% in April 2021 and 89% in May 2021, however, the same improved June onwards and remained between 95%-100% with August 2022 collections being at 98%. Consequently the 90+ dpd also remained comfortable at 2.6% as on June 30, 2022, as against 3.5% in the previous fiscal. Additionally, the restructured assets done during the pandemic also remained low 1.0% as on June 30, 2022.

Nevertheless, given the higher geographical concentration in Rajasthan and Gujarat, as the company scale up its operations in the newer geographies, its ability to manage asset quality metrics while scaling up needs to be demonstrated and will remain a key monitorable.

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[2] Calculated as Total collections including overdue but excluding prepayments divided by current billing.

Liquidity: Strong

SK Finance has an adequate ALM profile as on June 30, 2022, with no cumulative negative mismatches in the up to one year buckets (excluding unutilized bank lines) indicating that business inflows also support repayments. As on August 31, 2022, the company had cash and cash equivalents of Rs 956 crore and unutilized CC/WCDL lines of Rs 94 crore against which it had debt repayments (including interest and DA/PTC payouts) of Rs 580 crore for the next three months (Sep-22 to Nov-22). As a policy, the company plans to maintain a liquidity cover of 3 months (excluding collections/prepayments) at all times.

Outlook: Stable

CRISIL believes that SK Finance will benefit from its experienced promoters and management team and will maintain its comfortable capitalisation metrics going ahead. However, asset quality performance will be demonstrated only over time.

Rating Sensitivity Factors

Upward Factors:

- Sustained asset quality metrics and improvement in earnings profile with a significant scale up in the portfolio
- Capitalisation metrics continuing to remain comfortable, with gearing remaining under 4 times.

Downward Factors:

- Any adverse movement in asset quality with 90+dpd increasing beyond 7% and earnings profile of the company getting impacted.
- Stress in capitalisation metrics with significant jump in gearing while scaling up the portfolio.

About the Company

SK Finance Limited (Erstwhile ESS KAY Fincorp Ltd), incorporated in 1994 by Mr Rajendra Kumar Setia and his family members. The company is engaged in the business of providing financing for income generation activity (CV and MSME lending against self-occupied property), the company also extends loans for purchase of two-wheelers, tractors, and cars.

SK Finance has a legacy of over 24 years in used vehicle finance segment and has, over a period of time, evolved from being a direct selling agent to originate to sell model to a full-fledged NBFC. The company had an AUM of Rs 5.312 crore as on June 30, 2022.

The company reported a profit after tax (PAT) of Rs 38 crore on total income of Rs 274 crore for the quarter ending June 30, 2022, as against PAT of Rs 143 crore on total income of Rs 821 crore in fiscal 2022.

Key Financial Indicators

As on / for the quarter/for the year ended	Unit	Jun-22	Mar-22	Mar-21	Mar-20*
Total assets	Rs crore	6,835	6239	4302	3526
Total income	Rs crore	274	821	691	582
Profit after tax	Rs crore	38	143	91	79
90+ days past due (dpd)	%	2.6	2.3	3.5	3.3
Overall capital adequacy ratio	%	30.03	30.42	27.7	31.7
Adjusted gearing	Times	3.2	2.9	3.4	2.9
On-book gearing	Times	3.1	2.8	3.3	2.7
Return on managed assets^	%	2.3	2.6	2.3	2.6

^based on year end averages
**IND-AS*

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.crisil.com/complexity-levels. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of Instrument	Date of Allotment	Coupon Rate (%)	Maturity Date	Issue Size (Rs.Cr)	Complexity levels	Rating Outstanding with Outlook
NA	Long term Principal Protected Market Linked Debentures^	NA	NA	NA	40	Highly complex	CRISIL PPMLD A+r/Stable
NA	Long term Principal Protected Market	NA	NA	NA	1.1	Highly complex	CRISIL PPMLD A+r/Stable

	Linked Debentures^						
INE124N07481	Long term Principal Protected Market Linked Debentures	28-Oct-20	Linked to reference index (G Sec Linked)	30-Jan-23	53.9	Highly complex	CRISIL PPMLD A+r/Stable
INE124N07614	Long term Principal Protected Market Linked Debentures	22-Sep-22	NA	22-Nov-24	150	Highly complex	CRISIL PPMLD A+r/Stable
NA	Non-Convertible Debenture^	NA	NA	NA	5	Simple	CRISIL A+/Stable
INE124N07556	Non-Convertible Debenture	31-Mar-21	10.00%	2-Apr-24	100	Simple	CRISIL A+/Stable
INE124N07531	Non-Convertible Debenture	25-Feb-21	10.12%	25-Nov-23	43.5	Simple	CRISIL A+/Stable
INE124N07473	Non-Convertible Debenture	29-Sep-20	11.40%	29-Sep-26	70	Complex	CRISIL A+/Stable
INE124N07457	Non-Convertible Debenture	13-Jul-20	10.90%	21-Apr-23	75	Simple	CRISIL A+/Stable
INE124N07440	Non-Convertible Debenture	2-Jul-20	11.00%	2-Jul-23	10	Simple	CRISIL A+/Stable
INE124N07424	Non-Convertible Debenture	22-Jun-20	11.00%	22-Jun-23	25	Simple	CRISIL A+/Stable
INE124N07416	Non-Convertible Debenture	18-Jun-20	11.00%	18-Jun-23	25	Simple	CRISIL A+/Stable
INE124N07408	Non-Convertible Debenture	16-Jun-20	11.00%	16-Jun-23	50	Simple	CRISIL A+/Stable
INE124N07382	Non-Convertible Debenture	8-Jun-20	11.25%	8-Jun-23	10	Simple	CRISIL A+/Stable
INE124N07358	Non-Convertible Debenture	23-Dec-19	12.05%	23-Dec-25	86	Complex	CRISIL A+/Stable
NA	Non-convertible debentures^	NA	NA	NA	0.9	Simple	CRISIL A+/Stable
INE124N07572	Non-convertible debenture	29-Apr-22	3M TBILL LINKED	29-Apr-25	99	Simple	CRISIL A+/Stable
INE124N07580	Non-convertible debentures	11-May-22	9.00%	11-May-25	50	Simple	CRISIL A+/Stable
INE124N07606	Non-convertible debentures	8-Aug-22	RBI REPO RATE linked	8-Aug-24	175	Simple	CRISIL A+/Stable
NA	Commercial Paper	NA	NA	7 to 365 days	50	Simple	CRISIL A1+
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	275	NA	CRISIL A+/Stable
NA	Non-convertible	NA	NA	NA	100	Simple	CRISIL

												Rating Rationale
	debentures^											A+/Stable

^Yet to be issued

Annexure - Rating History for last 3 Years

	Current			2022 (History)		2021		2020		2019		Start of 2019
Instrument	Type	Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	275.0	CRISIL A+/Stable	16-09-22	CRISIL A+/Stable	22-03-21	CRISIL A/Stable	05-11-20	CRISIL A/Stable	16-12-19	CRISIL A/Stable	--
			--	29-07-22	CRISIL A+/Stable	19-02-21	CRISIL A/Stable	22-10-20	CRISIL A/Stable	26-09-19	CRISIL A/Stable	--
			--	06-05-22	CRISIL A+/Stable		--	18-08-20	CRISIL A/Stable	06-09-19	CRISIL A/Stable	--
			--	26-04-22	CRISIL A+/Stable		--	10-07-20	CRISIL A/Stable	09-08-19	CRISIL A/Stable	--
			--	06-04-22	CRISIL A+/Stable		--	24-06-20	CRISIL A/Stable	30-07-19	CRISIL A/Stable	--
			--	09-02-22	CRISIL A+/Stable		--	17-06-20	CRISIL A/Stable	30-05-19	CRISIL A/Stable	--
			--		--		--	11-06-20	CRISIL A/Stable	29-05-19	CRISIL A/Stable	--
			--		--		--	08-01-20	CRISIL A/Stable		--	--
Commercial Paper	ST	50.0	CRISIL A1+	16-09-22	CRISIL A1+		--		--		--	--
			--	29-07-22	CRISIL A1+		--		--		--	--
			--	06-05-22	CRISIL A1+		--		--		--	--
			--	26-04-22	CRISIL A1+		--		--		--	--
			--	06-04-22	CRISIL A1+		--		--		--	--
Non Convertible Debentures	LT	1059.4	CRISIL A+/Stable	16-09-22	CRISIL A+/Stable	22-03-21	CRISIL A/Stable	05-11-20	CRISIL A/Stable	16-12-19	CRISIL A/Stable	--
			--	29-07-22	CRISIL A+/Stable	19-02-21	CRISIL A/Stable	22-10-20	CRISIL A/Stable	26-09-19	CRISIL A/Stable	--
			--	06-05-22	CRISIL A+/Stable		--	18-08-20	CRISIL A/Stable	06-09-19	CRISIL A/Stable	--
			--	26-04-22	CRISIL A+/Stable		--	10-07-20	CRISIL A/Stable	09-08-19	CRISIL A/Stable	--
			--	06-04-22	CRISIL A+/Stable		--	24-06-20	CRISIL A/Stable	30-07-19	CRISIL A/Stable	--
			--	09-02-22	CRISIL A+/Stable		--	17-06-20	CRISIL A/Stable	30-05-19	CRISIL A/Stable	--
			--		--		--	11-06-20	CRISIL A/Stable	29-05-19	CRISIL A/Stable	--
			--		--		--	08-01-20	CRISIL A/Stable		--	--
Long Term	LT	245.0	CRISIL	16-09-22	CRISIL	22-03-21	CRISIL	05-11-20	CRISIL	16-12-19	CRISIL	--

Principal Protected Market Linked Debentures			PPMLD A+ r /Stable		PPMLD A+ r /Stable		PPMLD A r /Stable		PPMLD A r /Stable		PPMLD A r /Stable	
			--	29-07-22	CRISIL PPMLD A+ r /Stable	19-02-21	CRISIL PPMLD A r /Stable	22-10-20	CRISIL PPMLD A r /Stable	26-09-19	CRISIL PPMLD A r /Stable	--
			--	06-05-22	CRISIL PPMLD A+ r /Stable		--	18-08-20	CRISIL PPMLD A r /Stable	06-09-19	CRISIL PPMLD A r /Stable	--
			--	26-04-22	CRISIL PPMLD A+ r /Stable		--	10-07-20	CRISIL PPMLD A r /Stable	09-08-19	CRISIL PPMLD A r /Stable	--
			--	06-04-22	CRISIL PPMLD A+ r /Stable		--	24-06-20	CRISIL PPMLD A r /Stable	30-07-19	CRISIL PPMLD A r /Stable	--
			--	09-02-22	CRISIL PPMLD A+ r /Stable		--	17-06-20	CRISIL PPMLD A r /Stable	30-05-19	CRISIL PPMLD A r /Stable	--
			--		--		--	11-06-20	CRISIL PPMLD A r /Stable		--	--
			--		--		--	08-01-20	CRISIL PPMLD A r /Stable		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

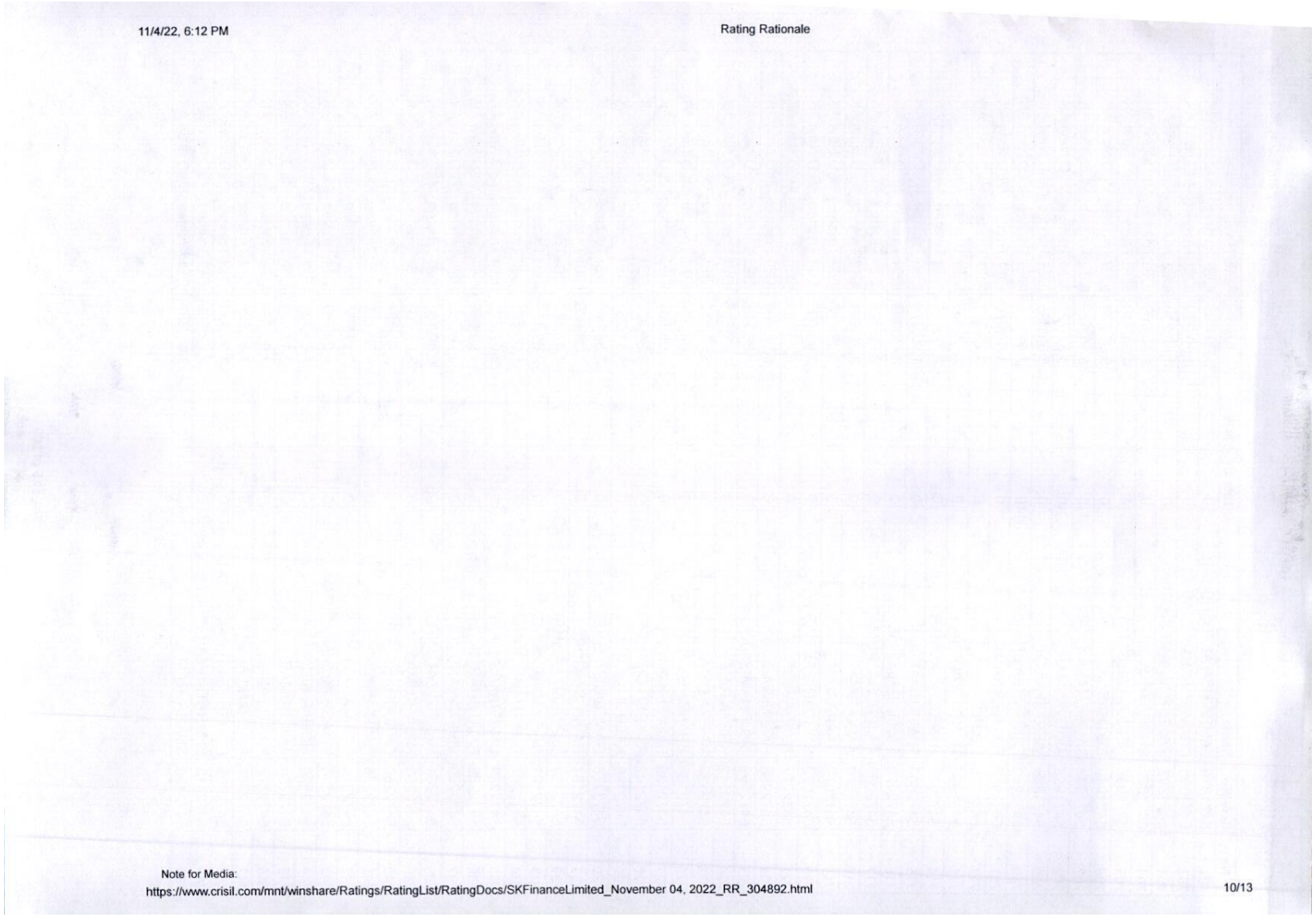
Facility	Amount (Rs.Crore)	Rating
Proposed Long Term Bank Loan Facility	**275**	**CRISIL A+/Stable**

Criteria Details

Links to related criteria
CRISILs Bank Loan Ratings - process, scale and default recognition
Rating Criteria for Finance Companies

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Rating Rationale
Note for Media:
https://www.crisil.com/mnt/winshare/Ratings/RatingList/RatingDocs/SKFinanceLimited_November 04, 2022_RR_304892.html
10/13

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CRISIL Ratings pioneered the concept of credit rating in India in 1987. With a tradition of independence, analytical rigour and innovation, we set the standards in the credit rating business. We rate the entire range of debt instruments, such as bank loans, certificates of deposit, commercial paper, non-convertible/convertible/partially convertible bonds and debentures, perpetual bonds, bank hybrid capital instruments, asset-backed and mortgage-backed securities, partial guarantees and other structured debt instruments. We have rated over 33,000 large and mid-scale corporates and financial institutions. We have also instituted several innovations in India in the rating business, including ratings for municipal bonds, partially guaranteed instruments and infrastructure investment trusts (InvITs).

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For more information, visit www.crisilratings.com

About CRISIL Limited

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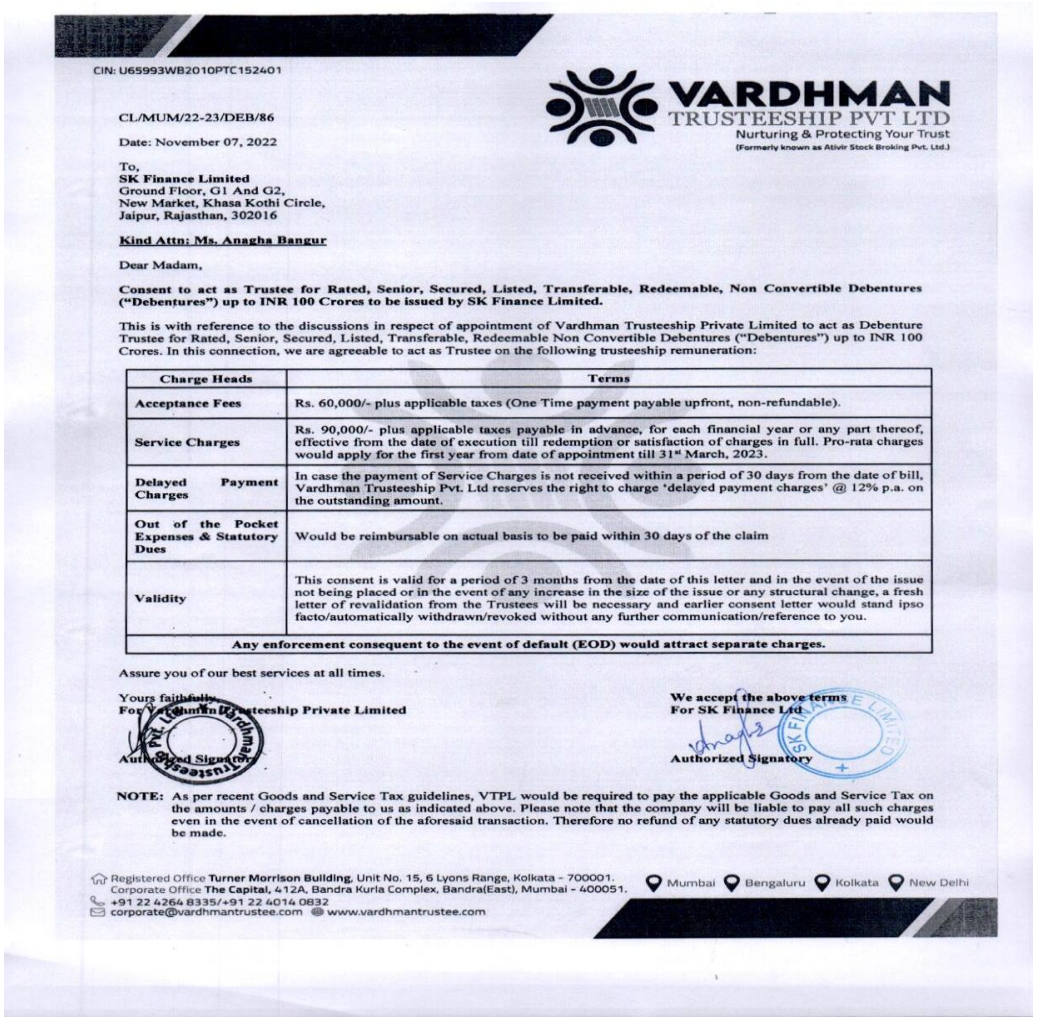
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(This Placement Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE



CIN: U65993WB2010PTC152401

VARDHMAN TRUSTEESHIP PVT LTD
Nurturing & Protecting Your Trust
(Formerly known as Ativir Stock Broking Pvt. Ltd.)

CL/MUM/22-23/DEB/86

Date: November 07, 2022

To,
SK Finance Limited
Ground Floor, G1 And G2,
New Market, Khasa Kothi Circle,
Jaipur, Rajasthan, 302016

Kind Attn: Ms. Anagha Bangur

Dear Madam,

Consent to act as Trustee for Rated, Senior, Secured, Listed, Transferable, Redeemable, Non Convertible Debentures ("Debentures") up to INR 100 Crores to be issued by SK Finance Limited.

This is with reference to the discussions in respect of appointment of Vardhman Trusteeship Private Limited to act as Debenture Trustee for Rated, Senior, Secured, Listed, Transferable, Redeemable Non Convertible Debentures ("Debentures") up to INR 100 Crores. In this connection, we are agreeable to act as Trustee on the following trusteeship remuneration:

Charge Heads	Terms
Acceptance Fees	Rs. 60,000/- plus applicable taxes (One Time payment payable upfront, non-refundable).
Service Charges	Rs. 90,000/- plus applicable taxes payable in advance, for each financial year or any part thereof, effective from the date of execution till redemption or satisfaction of charges in full. Pro-rata charges would apply for the first year from date of appointment till 31st March, 2023.
Delayed Payment Charges	In case the payment of Service Charges is not received within a period of 30 days from the date of bill, Vardhman Trusteeship Pvt. Ltd reserves the right to charge 'delayed payment charges' @ 12% p.a. on the outstanding amount.
Out of the Pocket Expenses & Statutory Dues	Would be reimbursable on actual basis to be paid within 30 days of the claim
Validity	This consent is valid for a period of 3 months from the date of this letter and in the event of the issue not being placed or in the event of any increase in the size of the issue or any structural change, a fresh letter of revalidation from the Trustees will be necessary and earlier consent letter would stand ipso facto/automatically withdrawn/revoked without any further communication/reference to you.
Any enforcement consequent to the event of default (EOD) would attract separate charges.	

Assure you of our best services at all times.

Yours faithfully,
For Vardhman Trusteeship Private Limited

Authorized Signatory

We accept the above terms
For SK Finance Ltd

Authorized Signatory

NOTE: As per recent Goods and Service Tax guidelines, VTPL would be required to pay the applicable Goods and Service Tax on the amounts / charges payable to us as indicated above. Please note that the company will be liable to pay all such charges even in the event of cancellation of the aforesaid transaction. Therefore no refund of any statutory dues already paid would be made.

Registered Office **Turner Morrison Building**, Unit No. 15, 6 Lyons Range, Kolkata - 700001.
Corporate Office **The Capital**, 412A, Bandra Kurla Complex, Bandra(East), Mumbai - 400051.
+91 22 4264 8335/+91 22 4014 0832
corporate@vardhmantrustee.com www.vardhmantrustee.com

Mumbai Bengaluru Kolkata New Delhi

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

ANNEXURE IV: APPLICATION FORM

SK FINANCE LIMITED
(Formerly Known as Ess Kay Fincorp Limited)
A Public Limited Company incorporated under the Companies Act, 1956 (Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934)) and validly existing under the Companies Act, 2013.
Date of Incorporation: 21/11/1994
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan
Telephone No.: +91 141 4734016
Website: www.skfin.in

DEBENTURE SERIES APPLICATION FORM SERIAL NO.	**0**	**6**	**/**	**2**	**0**	**2**	**2**	**-**	**2**	**3**

ISSUE OF 1,000 (ONE THOUSAND) RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TAXABLE, TRANSFERABLE, NON-CONVERTIBLE DEBENTURES DENOMINATED IN INDIAN RUPEES ("INR"), EACH HAVING A FACE VALUE OF INR 10,00,000 (INDIAN RUPEES TEN LAKH) AND AN AGGREGATE FACE VALUE OF INR 100,00,00,000 (INDIAN RUPEES ONE HUNDRED CRORE) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE").

DEBENTURE SERIES APPLIED FOR:

Number of Debentures: _____In words: _____only
Amount INR _____/-_In words Rupees:_____only

DETAILS OF PAYMENT:

Cheque / Demand Draft / RTGS
No. _____ Drawn on_____

Funds transferred to the account specified in "Instructions" below on _____

Total Amount Enclosed
(In Figures) INR _____/- (In words) _____Only

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

APPLICANT'S ADDRESS

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

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

WE ARE ( ) COMPANY ( ) OTHERS (Please specify) _____

We have read and understood the terms and conditions of the issue of Debentures including the risk factors described in the enclosed Placement Memorandum ("**PM**") and the private placement offer cum application letter of the same date ("**PPOA**") issued by the Issuer (collectively, the "**Debt Disclosure Documents**") and have considered these in making our decision to apply. We bind ourselves to the terms and conditions of the Debt Disclosure Documents and wish to apply for allotment of the Debentures. We request you to please place our name(s) on the register of holders.

Name of the Authorised Signatory(ies)	Designation	Signature

_____
Applicant's Signature

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

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

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

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

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note: Cheque and Drafts are subject to realisation)

We understand and confirm that the information provided in the Debt Disclosure Documents is provided by the Issuer. We confirm that we have for the purpose of investing in these Debentures carried out our own due diligence and made our own decisions with respect to investment in these Debentures and have not relied on any representations made by anyone other than the Issuer, if any.

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

_____
Applicant's Signature

FOR OFFICE USE ONLY

DATE OF RECEIPT _____ DATE OF CLEARANCE _____

(Note : Cheque and Drafts are subject to realisation)

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

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

ACKNOWLEDGMENT SLIP

(To be filled in by Applicant) **SERIAL NO.**	**0**	**6**	**/**	**2**	**0**	**2**	**2**	**-**	**2**	**3**

Received from _____

Address_____

_____

Cheque/Draft/UTR # _____ Drawn on _____ for INR _____ on account of application of _____ Debenture

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

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.

2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.

3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made to the following account of ICCL by way of an electronic transfer, in accordance with the terms of the EBP Guidelines:

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

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

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

4. The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

   (a) for adjustment against allotment of securities; or

   (b) for the repayment of monies where the company is unable to allot securities.

5. Receipt of applicants will be acknowledged by the Company in the “Acknowledgement Slip” appearing below the application form. No separate receipt will be issued.

6. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.

ANNEXURE V: FINANCIAL STATEMENTS (INCLUDING BALANCE SHEETS, PROFIT AND LOSS STATEMENTS, AND CASH FLOW STATEMENTS) OF THE ISSUER FOR THE FY ENDED MARCH 31, 2020 (AUDITED), MARCH 31, 2021 (AUDITED), MARCH 31, 2022 (AUDITED) AND SEPTEMBER 30, 2022(UNAUDITED)

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel: +91 124 681 6000

Review Report to
The Board of Directors
SK Finance Limited

4 November 2022

Independent Auditor's Review Report on the Quarter and Half yearly Unaudited Financial Results of the Company Pursuant to Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations")

Dear Sirs,

1. We have reviewed the accompanying statement of unaudited financial results of SK Finance Limited (the "Company") for the quarter and half year ended 30 September 2022 (the "Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information required to be



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disclosed in terms of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
ICAI Firm registration number: 101049W/E300004





per Amit Kabra
Partner
Membership No.: 094533

UDIN: 22094533BCALQY6442

Place: Jaipur

S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants

2nd & 3rd Floor
Golf View Corporate Tower - B
Sector - 42, Sector Road
Gurugram - 122 002, Haryana, India
Tel: +91 124 681 6000

INDEPENDENT AUDITOR'S REPORT

To the Members of SK Finance Limited (Formerly, Ess Kay Fincorp Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of SK Finance Limited ("the Company", Formerly, Ess Kay Fincorp Limited), which comprise the Balance sheet as at March 31 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Key audit matters	How our audit addressed the key audit matter
(a) Impairment of loans as at the balance sheet date (expected credit losses) *(as described in note 2(H) of the Ind AS financial statements)*	
Ind AS 109: Financial Instruments ("Ind AS 109") requires the Company to provide for impairment of its Loans using the Expected Credit Losses ("ECL") approach. ECL involves an estimation of probability weighted loss on financial instruments over their life, considering reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions and other factors which could impact the credit quality of the Corporation's loans. In the process, a significant degree of judgement has been applied by the management for: a) Defining qualitative/ quantitative thresholds for 'significant increase in credit risk' ("SICR") and 'default'. b) Grouping of borrowers (retail loan portfolio) based on homogeneity for estimating probability of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') on a collective basis; c) Determining effect of less frequent past events on future probability of default. d) Determining macro-economic factors impacting credit quality of loans. **Additional consideration on account of COVID-19** Pursuant to the Reserve Bank of India circular dated May 5, 2021 for "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" allowing lending institutions to implement a resolution plan in respect of its eligible exposures, subject to specified conditions, the Company has restructured the loans given to its borrowers in accordance with its Board approved policy. The Company has recorded a management overlay as part of its ECL, to reflect among	Our audit procedures included the following: • Considered the Company's accounting policies for impairment of loans and assessed compliance with the policies in terms of Ind AS 109: Financial Instruments and the governance framework approved by the Board of Directors pursuant to Reserve Bank of India guidelines issued on March 13, 2020, ("the RBI Guidelines"). • Read and assessed the Company's policy with respect to one-time restructuring offered to customers pursuant to the "Resolution Framework – 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses" issued by RBI on May 5, 2021 and tested the implementation of such policy on a sample basis. • Evaluated the reasonableness of the management estimates by understanding the process of ECL estimation and related assumptions and tested the controls around extraction, validation and computation of the input data used. • Assessed the criteria for staging of loans based on their past-due status to check compliance with requirement of Ind AS 109. Tested a sample of performing (stage 1) loans to assess whether any SICR or loss indicators were present requiring them to be classified under stage 2 (i.e. default in repayment is within the range of 31 to 90 days) or stage or 3 (i.e. the default in repayment is more than 90 days). • Involved internal experts for testing of the ECL model and computation, including factors that affect the PD, LGD



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other things an increased risk of deterioration in macro-economic factors caused by COVID-19 pandemic. Given the unique nature of the pandemic and the extent of its economic impact which depends on future developments including governmental and regulatory measures and the Company's responses thereto, the actual credit loss can be different than that being estimated. In view of the high degree of management's judgement involved in estimation of ECL, accentuated by the COVID-19 pandemic, impairment of loans as at the balance sheet date (including provision for expected credit losses) is a key audit matter.	and EAD considering various forward looking, micro and macro-economic factors. • Tested the arithmetical accuracy of computation of ECL provision performed by the Company. • Tested assumptions used by the management in determining the overlay for macro-economic factors (including COVID-19 pandemic) pursuant to RBI Guidelines. • Assessed the adequacy of disclosures included in the financial statements in respect of expected credit losses with the requirements of Ind AS 107 and 109 including specific disclosures made in the financial statements with regards to the impact of CoVID-19 on ECL estimation.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibility of Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting



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Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the

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financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2021, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 5, 2021.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



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(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;

ii. The Company has made provisions, as required under the applicable laws or accounting standard, for material foreseeable losses, if any on long-term contracts including derivative contracts. Refer Note 51 to the financial statements;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 87(x) to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

b) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the note 87(x) to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or



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provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c) Based on such audit procedures that were considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.

v. No dividend has been declared or paid during the year by the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 094533
UDIN: 22094533AJHBIL7736
Place of Signature: Jaipur
Date: 20 May 2022

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Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

Re: SK Finance Limited

(i)(a)(A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(i)(a)(B)	The Company has maintained proper records showing full particulars of intangibles assets recognized in the financial statements.
(i)(b)	All Property, Plant and Equipment were physically verified by the management in the previous year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets.
(i)(c)	The title deeds of all the immovable properties (other than properties where the Company is the lessee, and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
(i)(d)	The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.
(i)(e)	There are no proceedings initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended) and rules made thereunder.
(ii)(a)	The Company's business does not require maintenance of inventories and, accordingly, the requirement to report on clause 3(ii)(a) of the Order is not applicable to the Company.
(ii)(b)	The Company has been sanctioned working capital limits in excess of Rs. 5 crores in aggregate by banks or financial institutions. However, such loans are either unsecured or secured by way of negative lien over assets of the Company. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.
(iii)(a)	Since, the Company's principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.
(iii)(b)	During the year the investments made, guarantees provided, security given and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees to companies, firms, Limited Liability Partnerships or any other parties are not prejudicial to the Company's interest.



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(iii)(c)	In respect of loans and advances in the nature of loans, granted by the Company as part of its business of providing loans, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Having regard to the voluminous nature of loan transactions, it is not practicable to furnish entity-wise details of amount, due date for repayment or receipt and the extent of delay (as suggested in the Guidance Note on CARO 2020, issued by the Institute of Chartered Accountants of India for reporting under this clause), in respect of loans and advances which were not repaid / paid when they were due or were repaid / paid with a delay, in the normal course of lending business. Further, except for loans where there are delays or defaults in repayment of principal and / or interest as at the balance sheet date, in respect of which the Company has disclosed asset classification in note 44 to the financial statements in accordance with Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India, the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.
(iii)(d)	In respect of loans and advances in the nature of loans, the total amount overdue for more than ninety days as at March 31, 2022 and the details of the number of such cases, are disclosed in note 44 to the financial statements. In such instances, in our opinion, reasonable steps have been taken by the Company for recovery of the overdue amount of principal and interest.
(iii)(e)	Since, the Company's principal business is to give loans and accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.
(iii)(f)	The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.
(iv)	There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
(v)	The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
(vi)	The Company is not in the business of sale of any goods or provision of such services as prescribed. Accordingly, the requirement to report on clause 3(vi) of the Order is not applicable to the Company.



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(vii)(a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, cess and other statutory dues, as applicable to the Company have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions relating to sales tax, service tax, duty of customs, duty of excise, value added tax and cess are not applicable to the Company.

According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(vii)(b) The dues of goods and service tax, provident fund, employees' state insurance, income tax, sales tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues as applicable to the Company, which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the disputed dues	Amount under dispute (Rs in lacs)	Amount paid* (Rs. In lacs)	Period to which the amount relates	Forum where the dispute is pending
Finance Act, 1994	Service tax	446.89	30.46	FY 2009-2015	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax	550.37	20.63	FY 2015-2018	Custom, Excise, Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	33.46	-	FY 2019-20	Commissioner of income-tax (Appeals)**

*paid under protest
**Appeal has been filed on April 23, 2022

(viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

(ix)(a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.

(ix)(b) The Company has not been declared as a wilful defaulter by any bank or financial institution or other lender during the year.

(ix)(c) Money raised during the year by the Company by way of term loans has been applied for the purpose for which they were raised other than temporary deployment pending application of proceeds.



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(ix)(d)	On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes during the year by the Company.
(ix)(e)	The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
(ix)(f)	The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
(x)(a)	The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
(x)(b)	The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares/ fully or partially or optionally convertible debentures respectively during the year. The funds raised, have been used for the purposes for which the funds were raised.
(xi)(a)	No fraud by the Company or no fraud on the Company has been noticed or reported during the year.
(xi)(b)	During the year and up to the date of this report, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by secretarial auditor or by predecessor auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
(xi)(c)	As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
(xii)	The Company is not a nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii) of the Order is not applicable to the Company.
(xiii)	Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
(xiv)(a)	The Company has an internal audit system commensurate with the size and nature of its business.
(xiv)(b)	The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.



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(xv)	The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
(xvi)(a)	The Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934).
(xvi)(b)	The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
(xvi)(c)	The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(xvi)(d)	There are no other Companies part of the Group, hence, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
(xvii)	The Company has not incurred cash losses in the current financial year or the immediately preceding financial year.
(xviii)	The previous statutory auditors of the Company have resigned during the year pursuant to the requirements of the Guidelines for Appointment of Statutory Central Auditors (SCAs)/Statutory Auditors (SAs) of Commercial Banks (excluding RRBs), UCBs and NBFCs (including HFCs) dated April 27, 2021, issued by the Reserve Bank of India, and there are no issues, objections or concerns raised by the outgoing auditors.
(xix)	On the basis of the financial ratios disclosed in note 79 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
(xx)(a)	In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act, 2013 (the "Act"), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 37 to the financial statements.
(xx)(b)	There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section



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(6) of section 135 of Companies Act. This matter has been disclosed in note 37 to the financial statements.

(xxi) The Company doesn't have any subsidiary, Associate or Joint Venture. Accordingly, the requirement to report on clause 3(xxi) of the Order is not applicable to the Company.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Amit Kabra
Partner
Membership Number: 121411
UDIN: 22094533AJHBIL7736
Place of Signature: Jaipur
Date: 20 May 2022

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Annexure 2 referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date

Report on the Internal Financial Controls under Clause (I) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to these financial statements of SK Finance Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, as specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to these financial statements.



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Meaning of Internal Financial Controls With Reference to these Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls With Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to these financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to these financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to these financial statements and such internal financial controls with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per **Amit Kabra**
Partner
Membership Number: 094533
UDIN: 22094533AJHBIL7736
Place of Signature: Jaipur
Date: 20 May 2022

B S R & Co. LLP
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Members of
Ess Kay Fincorp Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ess Kay Fincorp Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

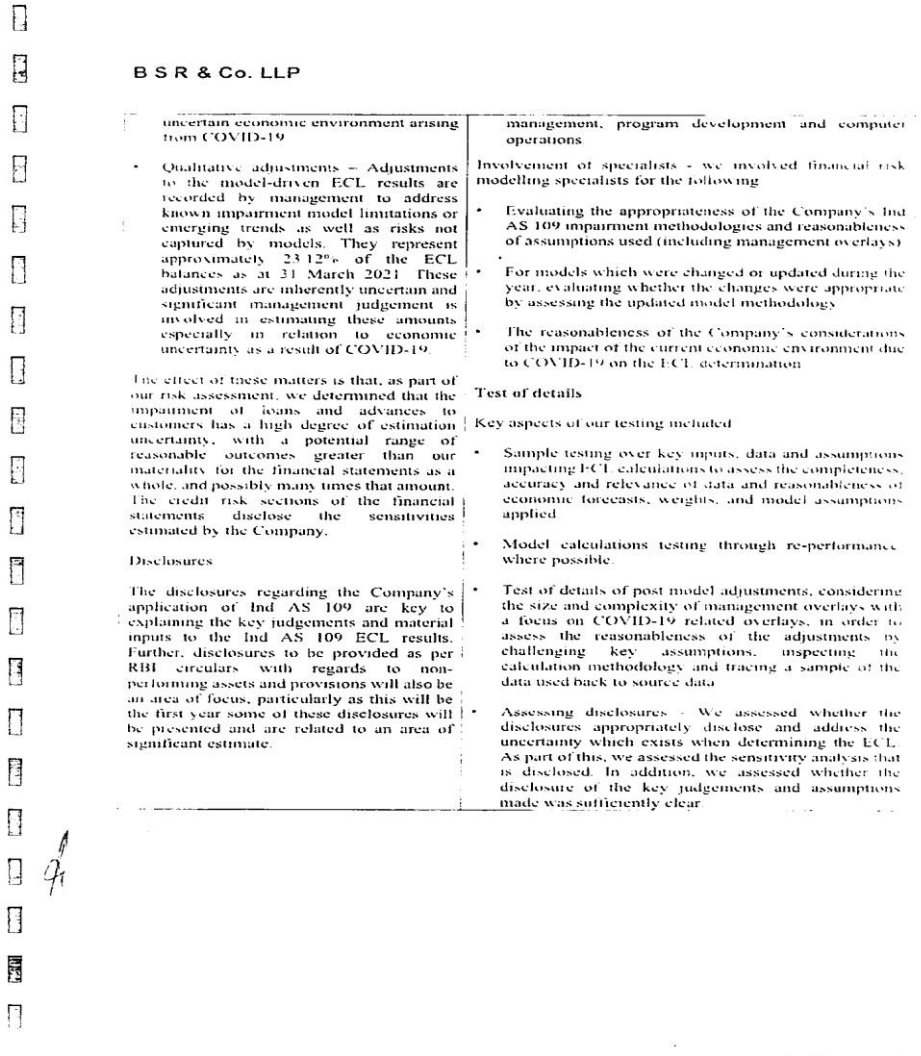
Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances **Charge: INR 9,278.75 lakhs for year ended 31 March 2021** **Provision: INR 16,248.64 lakhs at 31 March 2021** *Refer to the accounting policies in "Note 2(II) to the Financial Statements: Significant Accounting Policies-Impairment on financial assets", "Note 3 to the Financial Statements: Use of estimates" and "Note 2F to the Financial Statements: Significant Accounting Policies- Financial Instruments"*	
Subjective estimate Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) estimation model. The estimation of ECL on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Company's estimation of ECLs are: • Data inputs - The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. • Model estimations – Inherently judgmental models are used to estimate ECL which involves determining Probabilities of Default ("PD"), Loss Given Default ("LGD"), and Exposures at Default ("EAD"). The PD and the LGD are the key drivers of estimation complexity in the ECL and as a result are considered the most significant judgmental aspect of the Company's modelling approach. • Economic scenarios – Ind AS 109 requires the Company to measure ECLs on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weights applied to them (including changes to methodology) especially when considering the current	Our key audit procedures included: **Design / controls** We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual (including spreadsheet controls), general IT and application controls over key systems used in the ECL process. *Key aspects of our controls testing involved the following:* • Testing the design and operating effectiveness of the key controls over the completeness and accuracy of the key inputs, data and assumptions into the Ind AS 109 impairment models. • Testing the 'Governance Framework' controls over validation, implementation and model monitoring in line with the RBI guidance. • Testing the design and operating effectiveness of the key controls over the application of the staging criteria. • Testing key controls relating to selection and implementation of material macro-economic variables and the controls over the scenario selection and application of probability weights. • Testing management's controls over authorisation and calculation of post model adjustments and management overlays. • Testing management's controls on compliance with Ind AS 109 disclosures related to ECL. • Testing key controls operating over the information technology in relation to loan impairment management systems, including system access and system change



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uncertain economic environment arising from COVID-19

- Qualitative adjustments – Adjustments to the model-driven ECL results are recorded by management to address known impairment model limitations or emerging trends as well as risks not captured by models. They represent approximately 23.12% of the ECL balances as at 31 March 2021. These adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts especially in relation to economic uncertainty as a result of COVID-19.

The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements disclose the sensitivities estimated by the Company.

Disclosures

The disclosures regarding the Company's application of Ind AS 109 are key to explaining the key judgements and material inputs to the Ind AS 109 ECL results. Further, disclosures to be provided as per RBI circulars with regards to non-performing assets and provisions will also be an area of focus, particularly as this will be the first year some of these disclosures will be presented and are related to an area of significant estimate.

management, program development and computer operations.

Involvement of specialists - we involved financial risk modelling specialists for the following

- Evaluating the appropriateness of the Company's Ind AS 109 impairment methodologies and reasonableness of assumptions used (including management overlays)
- For models which were changed or updated during the year, evaluating whether the changes were appropriate by assessing the updated model methodology
- The reasonableness of the Company's considerations of the impact of the current economic environment due to COVID-19 on the ECL determination

Test of details

Key aspects of our testing included

- Sample testing over key inputs, data and assumptions impacting ECL calculations to assess the completeness, accuracy and relevance of data and reasonableness of economic forecasts, weights, and model assumptions applied.
- Model calculations testing through re-performance where possible.
- Test of details of post model adjustments, considering the size and complexity of management overlays with a focus on COVID-19 related overlays, in order to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data.
- Assessing disclosures - We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. As part of this, we assessed the sensitivity analysis that is disclosed. In addition, we assessed whether the disclosure of the key judgements and assumptions made was sufficiently clear.

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Key audit matter	How the matter was addressed in our audit
Information technology IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses an IT application for managing its loan transactions which is key for its overall financial reporting. Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis. We have identified 'Information Technology systems' as key audit matter because of the high level of automation, with regards to transaction recording, processing and computation and the risks associated with remote access of key applications by a large population of staff at the year end. The Company also implemented a new IT application in the current year and accordingly the controls relating to first time roll out of the IT application into the live environment would be an area of focus.	We involved IT Specialist to: • Understand General IT Control (GITC's i.e Access Controls, Program/ System Change, Program Development, Computer Operations (i.e Job Processing, Data/System Backup Incident Management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems). • Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems, with particular focus on new IT application introduced during the year • Understand IT application controls covering: - user access and roles, segregation of duties, and - key interfaces, reports, reconciliations and system processing. • Test the IT application controls for design and operating effectiveness for the audit period • Test the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process. • Understand IT infrastructure i.e operating systems and databases supporting the in-scope systems. • Test the controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches). • Enquiry on data security controls in the context of a large population of staff working from remote location at the year end. • In certain areas where General IT Controls needed strengthening, we tested compensating manual controls to evaluate whether the control objectives are met.

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Other Information

The Company's management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by Management and the Board of Directors.

- Conclude on the appropriateness of Management and the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Report on Other Legal and Regulatory Requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2 (A) As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

(B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 38 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 38 to the financial statements; and

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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(C) With respect to the matter to be included in the Auditor's Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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

Ashwin Suvarna
Partner
Membership No. 109503
UDIN: 21109503AAAABE8323

Place: Mumbai
Date: 5 May 2021

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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. Fixed assets have been physically verified by management during the year and no material discrepancies were identified on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company is in the business of providing services and does not have any physical inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("Act"). Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 of the Act and has complied with the provisions of section 186(1) of the Act. The Company being a NBFC, nothing contained in section 186 is applicable, except subsection (1) of that section.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of section 73 to section 76 of the Act, or any other relevant provisions of the Act and the rules framed there under apply.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.

(vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of sales tax, duty of customs or duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited *(Continued)*

b) According to the information and explanations given to us, there are no dues in respect of income tax, services tax, value added tax or goods and service tax which have not been deposited on account of dispute except as given below:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax liability	52,974,061	AY 2014-2016	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax liability	41,643,303	AY 2016-2018	Custom, Excise, Income Tax Appellate Tribunal

*These amounts are net of amount paid/adjusted under protest of Rs. 5,110,875

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or debenture holders. The Company did not have any outstanding loans or borrowings from Government during the year.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a nidhi company as prescribed under section 406 of the Act. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statements, as required by the applicable Indian Accounting Standard.

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(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provisions of section 42 of the Act in respect of the preferential allotment of equity shares during the year. According to the information and explanation given to us, we report that the amount raised of INR 20.34 lacs, pending utilization, has been temporarily invested in fixed deposit. As explained, the Company has not made any fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of section 192 of the Act is not applicable.

(xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 16 October 1998.

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

Ashwin Suvarna
Partner
Membership No. 109503
UDIN: 21109503AAAABE8323

Place: Mumbai
Date: 5 May 2021

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Annexure B to the Independent Auditor's report on the financial statements of Ess Kay Fincorp Limited for the period ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Ess Kay Fincorp Limited ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
Membership No. 109503
UDIN: 21109503AAAABE8323

Place: Mumbai
Date: 5 May 2021

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Auditor's Additional Report

To the Board of Directors of Ess Kay Fincorp Limited

Report on the Financial Statements

1 In addition to the report made under section 143 of the Companies Act, 2013 ('the Act') on the financial statements of Ess Kay Fincorp Limited ('the Company') for the year ended 31 March 2021 and as required by Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Direction'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable

Management's Responsibility for the financial statements

2 The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3 The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Directions.

Auditor's Responsibility

4. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.

5 We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants

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6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements'.

Conclusion

7. Based on our examination of the financial statements as at and for the year ended 31 March 2021, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us we further report that

   i. The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration from Reserve Bank of India ('RBI') under registration no. B-10.00080 dated 16 October 1998. Subsequent to name change of the Company to Ess Kay Fincorp Limited, the Company received a fresh registration no. B-10.00080 dated 26 October 2016, granting the Company permission to carry on the business of non-banking financial institution.

   ii. The Company is entitled to continue to hold such certificate of registration in terms of its asset/ income pattern as on/ for the year ended 31 March 2021;

   iii. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the required net owned fund requirement as laid down in the Master Direction.

   iv. The Board of Directors of the Company has passed a resolution in its meeting held on 22 April 2020 for non-acceptance of public deposits during the year ended 31 March 2021;

   v. The Company has not accepted any public deposits during year ended 31 March 2021;

   vi. With effect from 1 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no.G.S.R 365(E) dated 30 March 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as per Ind AS in the preparation of the financial statements for the year ended 31 March 2021;

   vii. In our opinion and to the best of our information and according to the explanations given to us, the Company being a Systemically Important Non-deposit taking NBFC as defined in paragraph 3 (xxxi) of the Master Direction, for the year ended 31 March 2021:

      a) the capital adequacy ratio as disclosed in the Note 49.1 of the financial statements for the year ended 31 March 2021, has been correctly arrived at and such ratio is in compliance with the minimum capital to risk assets ratio ('CRAR') prescribed by RBI. Further, as informed to us, the Company is yet to file the annual return with RBI in the form NBS-7 as at 31 March 2021; and

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b) the Company has furnished to RBI, the provisional annual statement of capital funds, risk assets exposures and risk asset ratio ('Form NBS-7') for the year ended 31 March 2021 on 14 April 2021 within the stipulated period.

viii. Based on the criteria set forth by RBI in paragraph 3 (xix) of the Master Direction for classification of NBFCs as NBFC – Micro Finance Institution (NBFC-MFI), the Company does not meet / meets the criteria to be classified as NBFC-MFI as defined in the aforesaid Master Direction, with reference to the business carried on by it during the year ended 31 March 2021.

Restrictions of use

8 This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Direction and for submission to RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

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

Ashwin Suvarna
Partner
Membership No. 109503
UDIN: 21109503AAAABF4010

Place: Mumbai
Date: 5 May 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Ess Kay Fincorp Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Ess Kay Fincorp Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 57 to the financial statements, the extent to which the COVID-19 pandemic will have impact on the Company's financial performance is dependent on future developments, which are highly uncertain.

Our opinion is not modified in respect of the above matter.



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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of Key Audit Matter

Key audit matter	How the matter was addressed in our audit
Transition date accounting policies	
Refer to the accounting policies in the Financial Statements: Significant Accounting Policies- "Basis of preparation" and "Note 2S to the Financial Statements: Transition date choices and application"	
Adoption of new accounting framework (Ind AS) Effective 1 April 2019, the Company adopted the Indian Accounting Standards ("Ind AS") notified by the Ministry of Corporate Affairs with the transition date of 1 April 2018. The following are the major impact areas for the Company upon transition: - Classification and measurement of financial assets and financial liabilities - Measurement of loan losses (expected credit losses) - Business combination / common control transactions - Accounting for securitization and assignment - Accounting for loan fees and costs - Accounting for employee stock options The migration to the new accounting framework (Ind AS) is a complicated process involving multiple decision points upon transition. Ind AS 101, First Time Adoption prescribes choices and exemptions for first time application of Ind AS principles at the transition date. We identified transition date accounting as a key audit matter because of significant degree of management judgment and application on the areas noted above.	Our key audit procedures included: **Design / controls** ▪ Assessing the design, implementation and operating effectiveness of key internal controls over management's evaluation of transition date choices and exemptions availed in line with the principles under Ind AS 101. ▪ We have also confirmed the approvals of Audit Committee for the choices and exemptions made by the Company for compliance /acceptability under IND AS 101. **Substantive tests** ▪ Evaluated management's transition date choices and exemptions for compliance/acceptability under Ind AS 101. ▪ Understood the methodology implemented by management to give impact on the transition. ▪ Assessed the accuracy of the computations ▪ Assessed areas of significant estimates and management judgment in line with principles under Ind AS. ▪ Compared the industry practice for various assumptions used by management in areas such as [Expected Credit Loss model, classification of financial instruments, Employee Stock Options, etc].

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Key audit matter	How the matter was addressed in our audit
Impairment of loans and advances to customers **Charge: INR in lakhs 8,997.98 for year ended 31 March 2020** **Provision: INR in lakhs 11,759.47 at 31 March 2020** *Refer to the accounting policies in "Note 2I to the Financial Statements: Impairment", "Note 3 to the Financial Statements: Significant Accounting Policies- use of estimates" and "Note 2F to the Financial Statements: Loans and advances"*	
Subjective estimate Recognition and measurement of impairment of loans and advances involve significant management judgement. Under Ind AS 109, Financial Instruments, allowance for loan losses are determined using expected credit loss (ECL) model. The Company's impairment allowance is derived from estimates including the historical default and loss ratios. Management exercises judgement in determining the quantum of loss based on a range of factors. The most significant areas are: - Segmentation of loan book - Determination of exposure at default - Loan staging criteria - Calculation of probability of default / Loss given default - Consideration of probability weighted scenarios and forward looking macro-economic factors The application of ECL model requires several data inputs. This increases the risk of completeness and accuracy of the data that has been used to create assumptions in the model. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed. *Impact of COVID-19* On 11 March 2020, the World Health Organisation declared the Novel Coronavirus (COVID-19) outbreak to be a pandemic. We have identified the impact of, and uncertainty related to the COVID 19 pandemic as a key element and consideration for recognition and	Our key audit procedures included: **Design / controls** • Evaluation of the appropriateness of the impairment principles used by management based on the requirements of Ind AS 109, our business understanding and industry practice. • Understanding management's revised processes, systems and controls implemented in relation to impairment allowance process, particularly in view of COVID-19 regulatory package. • Evaluating management's controls over collation of relevant information used for determining estimates for management overlays on account of COVID-19. • Testing the controls over 'Governance Framework' in line with the RBI guidance. • Assessing the design and implementation of key internal financial controls over loan impairment process used to calculate the impairment charge. • Using modelling specialist to test the model methodology and reasonableness of assumptions used [(including management overlays)]. • Testing of review controls over measurement of impairment allowances and disclosures in financial statements. **Substantive tests** • Assessing the appropriateness of management rationale for determination of criteria for SICR considering both: adverse effects of COVID 19 and mitigants in the form of the RBI / Government financial relief package.



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measurement of impairment of loans and advances on account of: - Short and long term macroeconomic effect on businesses in the country and globally and its consequential first order and cascading negative impact on revenue and employment generation opportunities; - impact of the pandemic on the Company's customers and their ability to repay dues; and - application of regulatory package announced by the Reserve Bank of India (RBI) on asset classification and provisioning. Management has conducted a qualitative assessment of significant increase in credit risk (SICR) of the loan portfolio with respect to the moratorium benefit to borrowers prescribed by the RBI and considered updated macroeconomic scenarios and the use of management overlays to reflect potential impact of COVID-19 on expected credit losses on its loan portfolio.	• Assessing the appropriateness of changes made in macroeconomic factors and management overlays to calibrate the risks that are not yet fully captured by the existing model. • Corroborate through independent check and enquiries the reasonableness of management's assessment of grading of severity of impact of COVID-19 on segments of its loan portfolio and the resultant impairment provision computed. • Focus on appropriate application of accounting principles, validating completeness and accuracy of the data and reasonableness of assumptions used in the model. • Test of details over of calculation of impairment allowance for assessing the completeness, accuracy and relevance of data. • Model calculations testing through re-performance where possible. • The appropriateness of management's judgments was also independently reconsidered in respect of calculation methodologies, segmentation, economic factors, the period of historical loss rates used and the valuation of recovery assets and collateral. • Assessing the factual accuracy and appropriateness of the additional financial statements disclosures made by the Company regarding impact of COVID-19.



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Key audit matter	How the matter was addressed in our audit
Information technology	
IT systems and controls The Company's key financial accounting and reporting processes are highly dependent on the automated controls in information systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being materially misstated. The Company uses an IT application for managing its loan transactions which is key for its overall financial reporting. Further, the prevailing COVID-19 situation, has caused the required IT applications to be made accessible on a remote basis. We have identified 'Information Technology systems' as key audit matter because of the high level automation, significant number of systems being used by the management, the complexity of the IT architecture and the risks associated with remote access of key applications by a large population of staff at the year end.	We involved our IT Specialist to: • Understand General IT Control (GITC) i.e. Access Controls, Program/ System Change, Program Development, Computer Operations (i.e. Job Processing, Data/System Backup Incident Management) over key financial accounting and reporting systems, and supporting control systems (referred to as in-scope systems); • Test the General IT Controls for design and operating effectiveness for the audit period over the in-scope systems; • Understand IT application controls covering: o user access and roles, segregation of duties; and o key interfaces, reports, reconciliations and system processing. • Test the IT application controls for design and operating effectiveness for the audit period; • Test the controls to determine whether these controls remained unchanged during the audit period or were changed following the standard change management process; • Understand IT infrastructure i.e. operating systems and databases supporting the in-scope systems; • Test the controls over the IT infrastructure covering user access (including privilege users), data center and system change (e.g. patches); and • Enquiry on data security controls in the context of a large population of staff working from remote location at the year end.



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Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:



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- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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Other Matter

The comparative financial information of the Company for the transition date opening balance sheet as at 01 April 2018 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2018 dated 03 May 2018 expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;

   c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account

   d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its financial statements - Refer Note 39 to the financial statements;

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ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts- Refer Note 39 to the financial statements;

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2020.

(C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
(Membership No. 109503)
UDIN: 20109503AAAAAT7857

Place: Mumbai
Date: 16 June 2020

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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited

(i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.

(ii) The Company is in the business of providing services and does not have any physical inventories. Accordingly, the provision of clause 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("Act"). Accordingly, the provision of clause 3(iii) of the Order is not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under section 185 of the Act and has complied with the provisions of section 186(1) of the Act. The Company being a NBFC, nothing contained in Section 186 is applicable, except subsection (1) of that Section.

(v) The Company has not accepted any deposits from the public within the meaning of the directives issued by the Reserve Bank of India and the provisions of Section 73 to Section 76 of the Act, or any other relevant provisions of the Act and the rules framed there under apply.

(vi) The Central Government has not prescribed the maintenance of cost records under sub section (1) of section 148 of the Act for any of the services rendered by the Company. Accordingly, the provision of clause 3(vi) of the Order is not applicable.

(vii) a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of sales tax, duty of customs or duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.



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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited *(Continued)*

b) According to the information and explanations given to us, there are no dues in respect of income tax, services tax, value added tax or goods and service tax which have not been deposited on account of dispute except as given below:

Name of the statute	Nature of dues	Amount (Rs.)*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax liability	52,974,061	AY 2014-2016	Custom, Excise, Income Tax Appellate Tribunal
Finance Act, 1994	Service tax liability	41,643,303	AY 2016-2018	Custom, Excise, Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax Liability – TDS Credit disallowed	1,56,431	AY 2017-2018	Commissioner of Income-tax (Appeals)

*These amounts are net of amount paid/adjusted under protest Rs. 5,110,875.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks or debenture holders. The Company did not have any outstanding loans or borrowings from Government during the year.

(ix) In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised any money by way of initial public offer or further public offer during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) According to the information and explanations given to us, in our opinion, the Company is not a nidhi company as prescribed under Section 406 of the Act. Accordingly, the provision of clause 3(xii) of the Order is not applicable to the Company.

(xiii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, all the transactions with the related parties are in compliance with section 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statement, as required by the applicable Indian Accounting Standard.



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Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited *(Continued)*

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provision of Section 42 of the Act in respect of the preferential allotment of equity shares during the year. According to the information and explanation given to us, we report that the amount raised, have been used for the purpose of which funds were raised. As explained, the Company has not made any fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 16 October 1998.

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

Ashwin Suvarna
Partner
Membership No: 109503
UDIN: 20109503AAAAAT7857

Place: Mumbai
Date: 16 June 2020

B S R & Co. LLP

Ess Kay Fincorp Limited

Annexure A to the Independent Auditor's Report of even date on financial statements of Ess Kay Fincorp Limited *(Continued)*

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has complied with the provision of Section 42 of the Act in respect of the preferential allotment of equity shares during the year. According to the information and explanation given to us, we report that the amount raised, have been used for the purpose of which funds were raised. As explained, the Company has not made any fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records, during the year the Company has not entered into any non-cash transactions with directors or persons connected with him and hence the provision of Section 192 of the Act is not applicable.

(xvi) The Company is required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained certificate of registration dated 16 October 1998.

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

Ashwin Suvarna
Partner
Membership No: 109503
UDIN: 20109503AAAAAT7857

Place: Mumbai
Date: 16 June 2020

B S R & Co. LLP

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

Meaning of Internal Financial controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
(Membership No. 109503)
UDIN: 20109503AAAAAT7857

Place: Mumbai
Date: 16 June 2020

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

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Auditors' Additional Report

To the Board of Directors of Ess Kay Fincorp Limited

Report on the Financial Statements

1. In addition to the report made under section 143 of the Companies Act, 2013 ('the Act') on the financial statements of Ess Kay Fincorp Limited ('the Company') for the year ended 31 March 2020 and as required by Master Direction on Non-Banking Financial Companies Auditor's Report (Reserve Bank) Directions, 2016 vide Master Direction DNBS. PPD.03/66.15.001/2016-17 dated 29 September 2016 (the 'Direction'), we report as follows on the matters specified in paragraph 3 and 4 of the said Directions to the extent applicable.

Management's Responsibility for the financial statements

2. The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. The Company's management is responsible for ensuring that the Company complies with the requirements of the Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (the 'Master Direction'). This responsibility includes the design, implementation and maintenance of internal control relevant to the compliance with the Master Directions.

Auditor's Responsibility

4. Pursuant to the requirements of the Directions, it is our responsibility to provide reasonable assurance on whether the Company has complied with the matters specified in the Directions to the extent applicable to the Company.

5. We conducted our examination in accordance with the 'Guidance Note on Reports or Certificates issued for Special Purposes (Revised 2016)' issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

B S R & Co (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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5th Floor, Lodha Excelus
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Mumbai - 400 011, India



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6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.'

Conclusion

7. Based on our examination of the financial statements as at and for the year ended 31 March 2020, books of accounts and records of the Company as produced for our examination and according to the information and explanations given to us we further report that:

   i. The Company is engaged in the business of non-banking financial institution and it has obtained a certificate of registration from Reserve Bank of India ('RBI') under registration no. B-10.00080 dated 16 October 1998. Subsequent to name change of the Company to Ess Kay Fincorp Limited, the Company received a fresh registration no. B-10.00080 dated 26 October 2016, granting the Company permission to carry on the business of non-banking financial institution;

   ii. The Company is entitled to continue to hold such certificate of registration in terms of its asset/ income pattern as on/ for the year ended 31 March 2020;

   iii. In our opinion and to the best of our information and according to the explanations given to us, the Company is meeting the required net owned fund requirement as laid down in the Master Direction.

   iv. The Board of Directors of the Company has passed a resolution in its meeting held on 22 April 2020 for non-acceptance of public deposits during the year ended 31 March 2020;

   v. The Company has not accepted any public deposits during year ended 31 March 2020;

   vi. With effect from 1 April 2018, as per the roadmap issued by the Ministry of Corporate Affairs for Non-Banking Finance Companies vide notification no.G.S.R 365(E) dated 30 March 2016, for financial reporting purposes, the Company has followed the Accounting Standards issued by the ICAI specified under Section 133 of the Companies Act, 2013, read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 (Ind AS). In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the income recognition, accounting standards, asset classification and provisioning for bad and doubtful debts as per Ind AS in the preparation of the financial statements for the year ended 31 March 2020;

   vii. In our opinion and to the best of our information and according to the explanations given to us, the Company being a Systemically Important Non-deposit taking NBFC as defined in paragraph 3 (xxxi) of the Master Direction, for the year ended 31 March 2020:

      a) the capital adequacy ratio as disclosed in the Note 51.1 of the financial statements for the year ended 31 March 2020 has been correctly arrived at and such ratio is in compliance with minimum capital to risk asset ratio ('CRAR') prescribed by RBI Further, as informed to us, the Company is yet to file the annual return with RBI in the form NBS -7 as at 31 March 2020; and

      b) the Company has furnished to RBI, the provisional annual statement of capital funds, risk assets/exposures and risk asset ratio ('form NBS-7') for the year ended 31 March 2020 on 27 April 2020 within the stipulated period.



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viii. Based on the criteria set forth by RBI in paragraph 3 (xix) of the Master Direction for classification of NBFCs as NBFC – Micro Finance Institution ('NBFC-MFI'), the Company does not meet / meets the criteria to be classified as NBFC-MFI as defined in the aforesaid Master Direction, with reference to the business carried on by it during the year ended 31 March 2020.

Restrictions of use

8. This Report is addressed to and provided to the Board of Directors solely to comply with the aforesaid Direction and for submission to RBI, if required and may not be suitable for any other purpose. Accordingly, our Report should not be quoted or referred to in any other document or made available to any other person or persons without our prior written consent. Also, we neither accept nor assume any duty or liability for any other purpose or to any other party to whom our Report is shown or into whose hands it may come without our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
(Membership No. 109503)
UDIN: 20109503AAAAAS5787

Place: Mumbai
Date: 16 June 2020

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

SK FINANCE LIMITED
Erstwhile known as "Ess Kay Fincorp Limited"
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan - 302001
Email : info@skfin.in || Phone : 0141-4161300
CIN : U65923RJ1994PLC009051

Statement of Assets and Liabilities as at September 30, 2022

(₹ in lakhs except otherwise stated)

Particulars	As at September 30, 2022 (Unaudited)	As at March 31, 2022 (Audited)
ASSETS		
Financial assets		
Cash and cash equivalents	30,658.92	17,455.85
Bank balance other than cash and cash equivalents	44,305.50	44,334.54
Derivative financial instrument	2,377.44	479.57
Receivables		
Other receivables	1,450.13	223.11
Loans	5,71,775.79	4,64,330.19
Investments	77,111.39	78,184.25
Other financial assets	9,604.84	3,515.48
Total financial assets	**7,37,284.01**	**6,08,522.99**
Non-financial assets		
Current tax assets (net)	2,469.36	1,002.66
Deferred tax assets (net)	3,312.49	3,617.78
Property, plant and equipment	11,112.87	9,737.78
Capital work-in-progress	14.28	-
Intangible assets under development	103.65	16.43
Other intangible assets	617.54	583.66
Other non-financial assets	499.27	423.56
Total non-financial assets	**18,129.46**	**15,381.87**
Total assets	**7,55,413.47**	**6,23,904.86**
LIABILITIES AND EQUITY		
LIABILITIES		
Financial liabilities		
Derivative financial instruments	105.20	52.36
Debt securities	1,91,390.15	1,47,357.91
Borrowings (other than debt securities)	3,75,320.63	3,00,378.15
Subordinated liabilities	2,039.71	2,036.64
Other financial liabilities	14,744.60	12,749.12
Total financial liabilities	**5,83,600.29**	**4,62,574.18**
Non-financial liabilities		
Provisions	1,122.73	862.67
Other non-financial liabilities	957.22	824.12
Total non-financial liabilities	**2,079.95**	**1,686.79**
EQUITY		
Equity share capital	581.81	581.66
Other equity	1,69,151.42	1,59,062.23
Total equity	**1,69,733.23**	**1,59,643.89**
Total liabilities and equity	**7,55,413.47**	**6,23,904.86**







SK Finance Limited

Erstwhile known as "Ess Kay Fincorp Limited"

Balance Sheet

As at March 31, 2022

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Financial assets			
Cash and cash equivalents	4	17,455.85	23,331.49
Bank balance other than cash and cash equivalents	5	44,334.54	38,510.14
Derivative financial instrument	6	479.57	-
Receivables			
Other receivables	7	223.11	447.30
Loans	8	4,64,330.19	3,27,989.60
Investments	9	78,184.25	25,887.65
Other financial assets	10	3,515.48	3,914.07
Total financial assets		6,08,522.99	4,20,080.25
Non-financial assets			
Current tax assets (net)		1,002.66	30.86
Deferred tax assets (net)	34	3,617.78	3,888.27
Property, plant and equipment	11	9,737.78	5,601.55
Capital work-in-progress	12	-	42.85
Intangible assets under development	13	16.43	89.35
Other intangible assets	14	583.66	118.15
Other non-financial assets	15	423.56	551.97
Total non-financial assets		15,381.87	10,123.00
Total assets		6,23,904.86	4,30,203.25
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	6	52.36	50.59
Debt securities	16	1,47,357.91	1,52,032.09
Borrowings (other than debt securities)	17	3,00,378.15	1,66,373.79
Subordinated liabilities	18	2,036.64	4,029.39
Other financial liabilities	19	12,749.12	8,739.51
Total financial liabilities		4,62,574.18	3,31,225.37
Non-financial liabilities			
Current tax liabilities (net)		-	657.82
Provisions	20	862.67	553.71
Other non-financial liabilities	21	824.12	618.64
Total non-financial liabilities		1,686.79	1,830.17
EQUITY			
Equity share capital	22	581.66	521.78
Other equity	23	1,59,062.23	96,625.93
Total equity		1,59,643.89	97,147.71
Total liabilities and equity		6,23,904.86	4,30,203.25
Significant accounting policies	1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

Amit Kabra
Partner
ICAI Membership No. 094533

Place : Jaipur
Date : May 20, 2022

For and on behalf of the Board of Directors of
SK Finance Limited

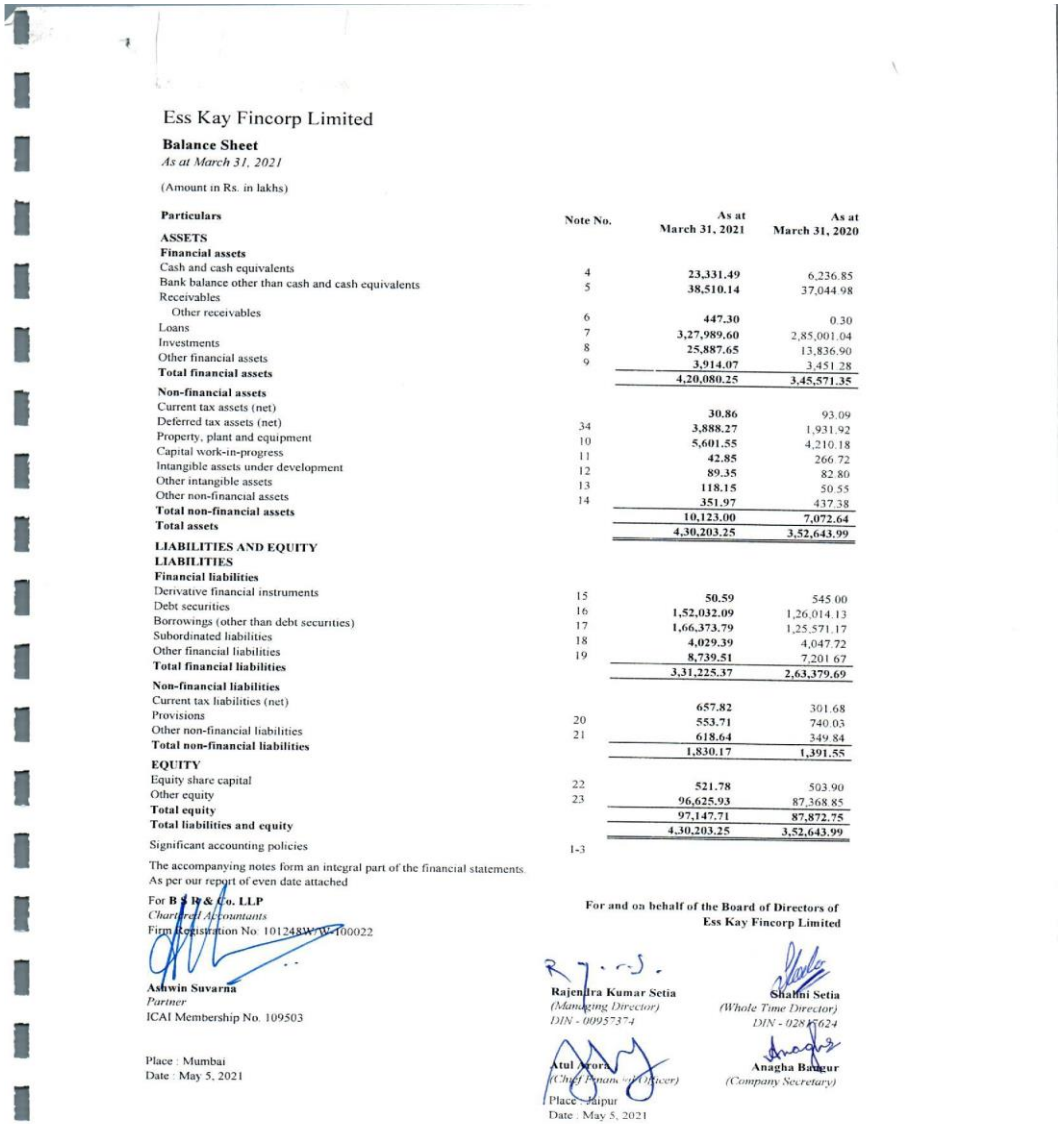
Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Sharad Setia
(Whole Time Director)
DIN - 02317624

Atul Arora
(Chief Financial Officer)

Anagha Bidgar
(Company Secretary)
Membership No.: F10607

Place : Jaipur
Date : May 20, 2022



Ess Kay Fincorp Limited

Balance Sheet

As at March 31, 2021

(Amount in Rs. in lakhs)

Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Financial assets			
Cash and cash equivalents	4	**23,331.49**	6,236.85
Bank balance other than cash and cash equivalents	5	**38,510.14**	37,044.98
Receivables			
Other receivables	6	**447.30**	0.30
Loans	7	**3,27,989.60**	2,85,001.04
Investments	8	**25,887.65**	13,836.90
Other financial assets	9	**3,914.07**	3,451.28
Total financial assets		**4,20,080.25**	**3,45,571.35**
Non-financial assets			
Current tax assets (net)		**30.86**	93.09
Deferred tax assets (net)	34	**3,888.27**	1,931.92
Property, plant and equipment	10	**5,601.55**	4,210.18
Capital work-in-progress	11	**42.85**	266.72
Intangible assets under development	12	**89.35**	82.80
Other intangible assets	13	**118.15**	50.55
Other non-financial assets	14	**351.97**	437.38
Total non-financial assets		**10,123.00**	**7,072.64**
Total assets		**4,30,203.25**	**3,52,643.99**
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Derivative financial instruments	15	**50.59**	545.00
Debt securities	16	**1,52,032.09**	1,26,014.13
Borrowings (other than debt securities)	17	**1,66,373.79**	1,25,571.17
Subordinated liabilities	18	**4,029.39**	4,047.72
Other financial liabilities	19	**8,739.51**	7,201.67
Total financial liabilities		**3,31,225.37**	**2,63,379.69**
Non-financial liabilities			
Current tax liabilities (net)		**657.82**	301.68
Provisions	20	**553.71**	740.03
Other non-financial liabilities	21	**618.64**	349.84
Total non-financial liabilities		**1,830.17**	**1,391.55**
EQUITY			
Equity share capital	22	**521.78**	503.90
Other equity	23	**96,625.93**	87,368.85
Total equity		**97,147.71**	**87,872.75**
Total liabilities and equity		**4,30,203.25**	**3,52,643.99**
Significant accounting policies	1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration No. 101248W/W-100022

Ashwin Suvarna
Partner
ICAI Membership No. 109503

Place : Mumbai
Date : May 5, 2021

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

Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Shalini Setia
(Whole Time Director)
DIN - 02815624

Atul Arora
(Chief Financial Officer)

Anagha Bangur
(Company Secretary)

Place : Raipur
Date : May 5, 2021

Ess Kay Fincorp Limited

Balance Sheet
as at March 31, 2020

(Amount in Rs. in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019	As at April 1, 2018
ASSETS				
Financial assets				
Cash and cash equivalents	4	**6,236.85**	7,406.29	862.05
Bank balance other than cash and cash equivalents	5	**37,044.98**	21,988.88	3,053.86
Receivables				
Other receivables	6	**0.30**	2.65	23.84
Loans	7	**2,85,001.04**	1,79,337.97	1,07,727.53
Investments	8	**13,836.90**	1,594.60	511.72
Other financial assets	9	**3,451.28**	4,411.31	687.19
Total financial assets		**3,45,571.35**	**2,14,741.70**	**1,12,866.19**
Non-financial assets				
Current tax assets (Net)		**93.09**	31.33	31.33
Deferred tax assets (Net)	35	**1,931.92**	756.42	775.50
Property, plant and equipment	10	**4,210.18**	3,212.59	2,410.32
Capital work-in-progress	11	**266.72**	6.30	96.86
Intangible assets under development	12	**82.80**	-	-
Other intangible assets	13	**50.55**	59.43	27.04
Other non-financial assets	14	**437.38**	367.69	214.76
Total non-financial assets		**7,072.64**	**4,433.76**	**3,555.81**
Total assets		**3,52,643.99**	**2,19,175.46**	**1,16,422.00**
LIABILITIES AND EQUITY				
LIABILITIES				
Financial liabilities				
Derivatives financial instruments	15	**545.00**	250.90	137.39
Payables				
Trade payables				
(i) total outstanding dues of micro enterprises and small enterprises		-	-	-
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
Debt securities	16	**1,26,014.13**	71,492.05	23,389.61
Borrowings (other than debt securities)	17	**1,25,571.17**	78,520.82	62,507.11
Subordinated liabilities	18	**4,047.72**	4,045.79	4,192.65
Other financial liabilities	19	**7,201.67**	7,607.07	5,012.00
Total financial liabilities		**2,63,379.69**	**1,61,916.63**	**95,238.76**
Non-financial liabilities				
Current tax liabilities (Net)		**301.68**	6.15	340.96
Provisions	20	**740.03**	578.85	358.96
Deferred tax liabilities (Net)	35	-	-	-
Other non-financial liabilities	21	**349.84**	339.38	222.86
Total non-financial liabilities		**1,391.55**	**924.38**	**922.78**
EQUITY				
Equity share capital	22	**503.90**	460.32	350.92
Other equity	23	**87,368.85**	55,874.13	19,909.54
Total equity		**87,872.75**	**56,334.45**	**20,260.46**
Total liabilities and equity		**3,52,643.99**	**2,19,175.46**	**1,16,422.00**
Significant accounting policies	1-3			

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

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

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

Sd/-
Ashwin Suvarna
Partner
ICAI Membership No. 109503

Sd/-
Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Sd/-
Shalini Setia
(Whole Time Director)
DIN - 02817624

Sd/-
Atul Arora
(Chief Financial Officer)

Sd/-
Anagha Bongar
(Company Secretary)

Place : Mumbai
Date : 16 June 2020

Place : Jaipur
Date : 16-June-2020

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

SK FINANCE LIMITED
Erstwhile known as "Ess Kay Fincorp Limited"
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan - 302001
Email : info@skfin.in || Phone : 0141-4161300
CIN : U65923RJ1994PLC009051

Statement of unaudited financial results for the quarter and half year ended September 30, 2022

(₹ in lakhs except otherwise stated)

	Particulars	Quarter ended			Half Year ended		Year ended
		30/09/2022 (Unaudited)*	30/06/2022 (Unaudited)	30/09/2021 (Unaudited)*	30/09/2022 (Unaudited)	30/09/2021 (Unaudited)	31/03/2022 (Audited)
	Revenue from operations						
	Interest income	27,760.82	25,549.14	18,668.24	53,309.96	33,762.94	77,072.52
	Fees and commission income	852.19	833.90	608.07	1,686.09	868.75	2,473.54
	Net gain on fair value changes	510.47	653.56	353.09	1,164.03	710.07	1,439.34
	Net gain on de-recognition of financial instruments under amortised cost category	2,855.45	94.42	599.55	2,949.87	657.68	452.83
(I)	**Total revenue from operations**	**31,978.93**	**27,131.02**	**20,228.95**	**59,109.95**	**35,999.44**	**81,438.23**
(II)	Other income	185.14	216.56	204.88	401.70	293.70	630.49
(III)	**Total income (I+II)**	**32,164.07**	**27,347.58**	**20,433.83**	**59,511.65**	**36,293.14**	**82,068.72**
	Expenses						
	Finance costs	12,513.52	10,918.98	8,179.98	23,432.50	16,658.19	34,681.51
	Net loss on fair value changes	-	-	119.12	-	228.18	-
	Impairment on financial instruments	2,693.57	2,853.95	302.08	5,547.52	723.02	1,628.53
	Employee benefit expenses	6,787.93	6,590.48	4,648.50	13,378.41	8,996.13	20,492.17
	Depreciation and amortization	606.03	494.54	433.60	1,100.57	706.23	1,581.42
	Other expenses	1,676.86	1,534.53	1,400.10	3,211.39	2,125.28	5,924.77
(IV)	**Total expenses**	**24,277.91**	**22,392.48**	**15,083.38**	**46,670.39**	**29,437.03**	**64,308.40**
(V)	**Profit before tax (III-IV)**	**7,886.16**	**4,955.10**	**5,350.45**	**12,841.26**	**6,856.11**	**17,760.32**
(VI)	**Tax expense**						
	(1) Current tax	1,394.88	1,444.55	995.15	2,839.43	1,430.45	3,643.65
	(2) Tax related to earlier years	-	-	(347.46)	-	(623.75)	(465.56)
	(3) Deferred tax	502.68	(196.19)	285.56	306.49	126.25	294.82
	Total tax expense	**1,897.56**	**1,248.36**	**933.25**	**3,145.92**	**932.95**	**3,472.91**
(VII)	**Profit for the period (V-VI)**	**5,988.60**	**3,706.74**	**4,417.20**	**9,695.34**	**5,923.16**	**14,287.41**
(VIII)	**Other comprehensive income / (expenses)**						
	Items that will not be reclassified to profit or loss						
	- Remeasurements of the defined benefit plans	(54.28)	49.50	(19.18)	(4.78)	(19.18)	(96.66)
	Income tax relating to items that will not be reclassified to profit or loss	13.66	(12.46)	4.83	1.20	4.83	24.33
	Other comprehensive income/(expenses)	**(40.62)**	**37.04**	**(14.35)**	**(3.58)**	**(14.35)**	**(72.33)**
(IX)	**Total comprehensive income for the year/period (VII+VIII) (comprising profit/(loss) and other comprehensive income/(expenses) for the year/period)**	**5,947.98**	**3,743.78**	**4,402.85**	**9,691.76**	**5,908.81**	**14,215.08**
(X)	**Earnings per equity share #**						
	Basic (₹)	20.59	12.74	15.51	33.33	21.21	50.47
	Diluted (₹)	20.16	12.54	15.33	32.72	20.96	49.85

Earnings per share for the interim period is not annualized.
* Refer note 5

SK FINANCE LIMITED

BATLIBOI & ASSOCIATES LLP

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

SK Finance Limited

Erstwhile known as "Ess Kay Fincorp Limited"

Statement of Profit and Loss

For the year ended March 31, 2022

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2022	For the year ended March 31, 2021
	Revenue from operation			
	Interest income	24	77,525.35	64,519.20
	Fees and commission income	25	2,473.54	1,450.64
	Net gain on fair value changes	26	1,439.34	1,315.84
(I)	**Total revenue from operations**		81,438.23	67,285.68
(II)	Other income	27	630.49	963.45
(III)	**Total Income (I+II)**		82,068.72	68,249.13
	Expenses			
	Finance costs	28	34,681.51	29,701.27
	Impairment on financial instruments	29	1,628.53	9,278.75
	Employee benefit expenses	30	20,492.17	11,933.99
	Depreciation and amortization	31	1,581.42	1,133.31
	Other expenses	32	5,924.77	3,860.16
(IV)	**Total expenses**		64,308.40	55,907.48
(V)	**Profit before tax (III-IV)**		17,760.32	12,341.65
(VI)	**Tax expense**	34		
	(1) Current tax		3,643.65	4,295.40
	(2) Tax related to earlier years		(465.56)	895.34
	(3) Deferred tax		294.82	(1,957.50)
	Total tax expense		3,472.91	3,333.24
(VII)	**Profit for the year (V-VI)**		14,287.41	9,108.41
(VIII)	**Other comprehensive income**	34		
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		(96.66)	4.55
	Income tax relating to items that will not be reclassified to profit or loss		24.33	(1.15)
	Other comprehensive income		(72.33)	3.40
(IX)	**Total comprehensive income for the year (VII+VIII) (comprising profit and other comprehensive income for the year)**		14,215.08	9,111.81
(X)	**Earnings per equity share**	35		
	Basic (₹)		50.47	36.14
	Diluted (₹)		49.85	35.80
	Significant accounting policies	1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

For S.R. BATLIBOI & ASSOCIATES LLP
Chartered Accountants
Firm Registration No: 101049W/E300004

Amit Kabra
Partner
ICAI Membership No. 094533

Place : Jaipur
Date : May 20, 2022

For and on behalf of the Board of Directors of
SK Finance Limited

Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Atul Arora
(Chief Financial Officer)

Shalini Setia
(Whole Time Director)
DIN - 02847624

Anagha Bangur
(Company Secretary)
Membership No.: F10697

Place : Jaipur
Date : May 20, 2022

Ess Kay Fincorp Limited

Statement of Profit and Loss
For the year ended March 31, 2021

(Amount in Rs. in lakhs)

Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
Revenue from operation			
Interest income	24	65,388.40	54,544.50
Fees and commission income	25	1,450.64	1,951.52
Net gain on fair value changes	26	1,315.84	752.94
(I) Total revenue from operations		68,154.88	57,248.96
(II) Other income	27	963.45	991.31
(III) Total income (I+II)		69,118.33	58,240.27
Expenses			
Finance costs	28	29,701.27	23,248.45
Impairment on financial instruments	29	9,278.75	8,997.98
Employee benefit expenses	30	12,739.75	10,571.01
Depreciation and amortization	31	1,133.31	817.53
Other expenses	32	3,923.60	4,054.83
(IV) Total expenses		56,776.68	47,689.80
(V) Profit before tax (III-IV)		12,341.65	10,550.47
(VI) Tax expense	34		
(1) Current tax		4,295.40	3,874.32
(2) Tax related to earlier years		895.34	-
(3) Deferred tax		(1,957.50)	(1,177.52)
Total tax expense		3,233.24	2,696.80
(VII) Profit for the year (V-VI)		9,108.41	7,853.67
(VIII) Other comprehensive income	34		
Items that will not be reclassified to profit or loss			
- Remeasurements of the defined benefit plans		4.55	8.02
Income tax relating to items that will not be reclassified to profit or loss		(1.15)	(2.02)
Other comprehensive income		3.40	6.00
(IX) Total comprehensive income for the year (VII+VIII) (comprising profit and other comprehensive income for the year)		9,111.81	7,859.67
(X) Earnings per equity share	35		
Basic (Rs.)		36.14	33.00
Diluted (Rs.)		35.80	32.68
Significant accounting policies	1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

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

Ashwin Suvarna
Partner
ICAI Membership No. 109503

Place : Mumbai
Date : May 5, 2021

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

Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Shalini Setia
(Whole Time Director)
DIN - 02817624

Atul Arora
(Chief Financial Officer)

Anagha Rangur
(Company Secretary)

Place : Jaipur
Date : May 5, 2021

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

Ess Kay Fincorp Limited

Statement of Profit and Loss

for the year ended March 31, 2020

(Amount in Rs. in lakhs)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
	Revenue from operation			
	Interest income	24	54,544.50	36,698.92
	Fees and commission income	25	1,951.52	958.34
	Net gain on fair value changes	26	752.94	-
(I)	**Total revenue from operations**		57,248.96	37,657.26
(II)	**Other income**	27	991.31	433.03
(III)	**Total income (I+II)**		58,240.27	38,090.29
	Expenses			
	Finance costs	28	23,248.45	14,337.63
	Net loss on fair value changes	29	-	20.61
	Impairment on financial instruments	30	8,997.98	4,407.56
	Employee benefit expenses	31	10,571.01	7,136.97
	Depreciation and amortization	32	817.53	604.35
	Other expenses	33	4,054.83	2,681.27
(IV)	**Total expenses**		47,689.80	29,188.39
(V)	**Profit before tax (III-IV)**		10,550.47	8,901.90
(VI)	**Tax expense**	35		
	(1) Current tax		3,874.32	2,526.68
	(2) Deferred tax		(1,177.52)	27.94
	Total tax expense		2,696.80	2,554.62
(VII)	**Profit for the year (V-VI)**		7,853.67	6,347.28
(VIII)	**Other comprehensive income / (expenses)**	35		
	Items that will not be reclassified to profit or loss			
	- Remeasurements of the defined benefit plans		8.02	(30.43)
	Sub-total		8.02	(30.43)
	Income tax relating to items that will not be reclassified to profit or loss		(2.02)	8.86
	Other comprehensive income/(expenses)		6.00	(21.57)
(IX)	**Total comprehensive income for the year (VII+VIII) (comprising profit and other comprehensive income/(expenses) for the year)**		7,859.67	6,325.71
(X)	**Earnings per equity share**	36		
	Basic (Rs.)		33.00	31.99
	Diluted (Rs.)		32.68	31.62
	Significant accounting policies	1-3		

The accompanying notes form an integral part of the financial statements.
As per our report of even date attached

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

Ashwin Suvarna
Partner
ICAI Membership No. 109503

Place Mumbai
Date 16 June 2020

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

Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Shalini Setia
(Whole Time Director)
DIN - 08817624

Atul Arora
(Chief Financial Officer)

Anagha Bangar
(Company Secretary)

Place : Jaipur

SK FINANCE LIMITED
Erstwhile known as "Ess Kay Fincorp Limited"
Registered Office: G 1-2, New Market, Khasa Kothi, Jaipur, Rajasthan - 302001
Email : info@skfin.in || Phone : 0141-4161300
CIN : U65923RJ1994PLC009051

Statement of cash flow for the half year ended September 30, 2022

(₹ in lakhs except otherwise stated)

Particulars	Half Year ended	
	September 30, 2022 (Unaudited)	September 30, 2021 (Unaudited)
Cash flow from operating activities		
Profit before tax	12,841.26	6,856.11
Adjustments for:		
Loss/(Gain) on sale of property plant and equipment	(1.91)	13.56
Finance cost incurred	23,432.50	16,658.19
Interest income	(53,309.96)	(33,762.94)
Unrealized net gain on de-recognition of financial instruments under amortised cost category	(2,197.67)	(223.35)
Net gain on investments and derivatives	(676.72)	(710.07)
Impairment on financial instruments	5,547.52	723.02
Employee share based payment expenses	378.59	44.62
Depreciation and amortization	1,100.57	706.23
	(12,885.82)	(9,694.63)
Cash inflow from interest on loans	49,053.87	32,906.97
Cash outflow towards finance cost	(27,786.33)	(17,029.37)
Cash generated from operation before working capital changes	**8,381.72**	**6,182.97**
Working capital changes:		
(Increase)/decrease in trade receivables	(1,227.02)	107.42
Increase in loans	(1,11,590.02)	(34,806.52)
Decrease/(increase) in other financial assets	(1,426.50)	314.13
Increase in other non-financial assets	(75.71)	(267.63)
Decrease in other financial liabilities	(469.71)	(722.63)
Increase in provisions	255.28	239.10
Increase/(decrease) in other non-financial liabilities	133.10	(113.74)
	(1,06,018.86)	**(29,066.90)**
Direct taxes paid (net of refunds)	(4,306.13)	(3,533.71)
Net cash used in operating activities (A)	**(1,10,324.99)**	**(32,600.61)**
Cash flow from investing activities		
Purchase of property plant and equipment, capital work in progress and other intangible assets	(2,623.65)	(2,799.32)
Proceeds from sale of property plant and equipment	14.52	7.36
Investment in fixed deposits	(89,038.29)	(40,543.50)
Proceeds from redemption of fixed deposits	91,920.32	37,628.14
Purchase of investments	(2,63,350.43)	(1,49,429.73)
Proceeds from redemptions of investments	2,65,100.01	1,28,038.43
Net cash used in investing activities (B)	**2,022.48**	**(27,098.62)**
Cash flow from financing activities		
Proceeds from issue of shares including securities premium	18.99	33,335.39
Debt securities issued	72,100.00	-
Debt securities repaid	(25,492.44)	(8,207.09)
Borrowings other than debt securities taken	1,10,150.00	54,400.00
Borrowings other than debt securities repaid	(35,270.97)	(32,321.92)
Net cash generated from financing activities (C)	**1,21,505.58**	**47,206.38**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	13,203.07	(12,492.85)
Add : cash and cash equivalents as at the beginning of the year	17,455.85	23,331.49
Cash and cash equivalents as at the end of the year*	30,658.92	10,838.64
*Components of cash and cash equivalents		
Balances with banks	17,080.33	8,980.18
Fixed deposits on hand	12,608.46	1,000.08
Cash on hand	970.13	858.38
	30,658.92	10,838.64

Note:- The above cash flow statement has been prepared under the 'indirect method' as set out in Indian Accounting Standard (Ind AS) 7 - 'Statement of cash flows'.







SK Finance Limited
Erstwhile known as "Ess Kay Fincorp Limited"
Statement of Cash Flow
For the year ended March 31, 2022
(₹ in lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	17,760.32	12,341.65
Adjustments for:		
Loss on sale of fixed asset	22.38	20.45
Finance cost incurred	34,681.51	29,701.27
Interest income	(77,525.35)	(65,388.40)
(Gain)/loss on direct assignment transaction	575.02	(111.33)
Net gain on investments and derivatives	(1,336.33)	(814.64)
Impairment on financial instruments	1,628.53	9,278.75
Employee share based payment expenses	71.99	133.45
Depreciation and amortization	1,581.42	1,133.31
	(22,540.51)	(13,705.49)
Cash inflow from interest on loans	74,771.52	60,840.52
Cash outflow towards finance cost	(35,197.70)	(30,429.96)
Cash generated from operation before working capital changes	17,033.31	16,705.07
Working capital changes:		
(Increase)/decrease in trade receivables	224.19	(447.00)
Increase in loans	(1,37,822.25)	(49,473.24)
Increase in other financial assets	(582.37)	(659.78)
Decrease/(increase) in other non-financial assets	(71.59)	85.41
Increase in other financial liabilities	4,415.55	1,846.16
(Decrease)/increase in provisions	212.30	(181.77)
Increase in other non-financial liabilities	205.48	268.80
	(1,16,385.38)	(31,856.35)
Direct taxes paid (net of refunds)	(4,807.71)	(4,772.37)
Net cash used in operating activities (A)	(1,21,193.09)	(36,628.72)
Cash flow from investing activities		
Purchase of property plant and equipment, capital work in progress and other intangible assets	(6,107.30)	(2,423.03)
Proceeds from sale of property plant and equipment	17.53	27.62
Investment in Fixed deposits	(49,844.50)	(1,00,399.13)
Proceeds from redemption of fixed deposits	46,627.06	1,00,687.81
Purchase of investments	(3,88,680.92)	(45,432.14)
Proceeds from redemptions of investments	3,37,720.65	34,196.03
Net cash used in investing activities (B)	(60,267.48)	(13,342.84)
Cash flow from financing activities		
Proceeds from issue of shares including securities premium	48,209.11	29.70
Debt securities issued	18,500.00	1,01,830.00
Debt securities repaid	(24,252.34)	(75,986.81)
Borrowings other than debt securities taken	1,86,377.50	1,46,464.27
Borrowings other than debt securities repaid	(53,249.34)	(1,05,270.96)
Net cash generated from financing activities (C)	1,75,584.93	67,866.20
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(5,875.64)	17,094.64
Add : cash and cash equivalents as at the beginning of the year	23,331.49	6,236.85
Cash and cash equivalents as at the end of the year*	17,455.85	23,331.49
*Components of cash and cash equivalents		
Balances with banks	15,676.26	5,869.11
Fixed deposits on hand	800.53	16,696.46
Cash on hand	979.06	765.92
	17,455.85	23,331.49

SK FINANCE LIMITED

Ess Kay Fincorp Limited

Statement of Cash Flow

For the year ended March 31, 2021

(Amount in Rs. in lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Cash flow from operating activities		
Profit before tax	12,341.65	10,550.47
Adjustments for		
Loss/(profit) on sale of fixed asset	20.45	(0.36)
Finance cost incurred	29,701.37	23,248.45
Interest income accrued	(65,388.48)	(54,546.30)
(Gain)/loss on direct assignment transaction	(111.33)	263.85
Net gain on investments and derivatives	(814.64)	(752.94)
Impairment on financial instruments	9,278.75	8,997.96
Employee share based payment expenses	133.45	178.63
Depreciation and amortization	1,133.31	817.53
Operating cash used before working capital changes	(13,705.49)	(11,240.89)
Adjustments for working capital changes:		
(Increase)/decrease in trade receivables	(447.00)	2.35
Increase in loans	(49,473.24)	(1,09,366.15)
Decrease/(increase) in other financial assets	(659.78)	696.18
Increase in other non-financial assets	85.41	(69.69)
Increase/(decrease) in other financial liabilities	1,846.16	(405.48)
(Decrease)/increase in provisions	(181.77)	169.20
Increase in other non-financial liabilities	268.80	10.46
Finance cost paid	(30,429.96)	(23,053.68)
Interest income received	60,840.52	46,767.67
Cash generated from operations	(31,856.35)	(96,469.97)
Direct taxes paid (net of refunds)	(4,772.37)	(3,640.35)
Net cash used in operating activities (A)	(36,628.72)	(1,00,110.32)
Cash flow from investing activities		
Purchase of property plant and equipment, capital work in progress and other intangible assets	(2,423.03)	(2,163.44)
Proceeds from sale of property plant and equipment	27.62	14.34
Investment in Fixed deposits	(1,00,399.15)	(88,022.03)
Proceeds from redemption of fixed deposits	1,00,687.81	75,427.89
Purchase of Investments	(45,432.14)	(41,110.00)
Proceeds from redemptions of investments	34,196.83	29,253.03
Net cash used in investing activities (B)	(13,342.84)	(26,598.21)
Cash flow from financing activities		
Proceeds from issue of shares and securities premium	29.70	23,500.00
Debt securities issued	1,01,839.00	90,250.00
Debt securities repaid	(75,986.81)	(35,316.66)
Borrowings other than debt securities taken	1,46,464.27	87,230.01
Borrowings other than debt securities repaid	(1,05,278.96)	(40,124.06)
Net cash generated from financing activities (C)	67,066.20	1,25,539.29
Net increase/(decrease) in cash and cash equivalents (A+B+C)	17,094.64	(1,169.24)
Add : cash and cash equivalents as at the beginning of the year	6,236.85	7,406.29
Cash and cash equivalents as at the end of the year*	23,331.49	6,236.85
*Components of cash and cash equivalents		
Balances with banks	5,869.11	6,135.85
Fixed deposits on hand	16,696.46	31.32
Cash on hand	765.92	69.68
	23,331.49	6,236.85



Ess Kay Fincorp Limited

Statement of Cash Flow *(Continued)*
For the year ended March 31, 2021

(Amount in Rs. in lakhs)

Change in liabilities arising from financing activities

Particulars	As at April 1, 2019	Issued/ taken	Repaid	Non-cash changes	As at March 31, 2020	Issued/ taken	Repaid	Non-cash changes	As at March 31, 2021
Debt securities	71,492.05	90,250.00	(35,316.66)	(411.26)	1,26,014.13	1,01,830.00	(75,086.81)	174.77	1,52,932.09
Borrowings (other than debt securities)	78,520.82	87,230.01	(40,124.06)	(55.54)	1,25,571.17	1,46,464.27	(1,05,109.15)	(552.50)	1,66,373.79
Subordinated liabilities	4,045.79	-	-	1.94	4,047.72	-	(161.83)	143.69	4,029.38
Total	1,54,058.66	1,77,480.01	(75,440.72)	(464.86)	2,55,633.02	2,48,294.27	(1,81,357.78)	(234.24)	3,23,435.27

The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7 - 'Statement of cash flows'.
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

Ashwin Sawarna
Partner
ICAI Membership No. 109503

Place: Mumbai
Date: May 5, 2021

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

Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Shobhna Setia
(Whole Time Director)
DIN - 02817624

Atul Arora
(Chief Financial Officer)

Anagha Bhagat
(Company Secretary)

Place: Jaipur
Date: May 5, 2021

Ess Kay Fincorp Limited

Statement of Cash Flow
for the year ended March 31, 2020

(Amount in Rs. in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Cash flow from operating activities		
Profit before tax	**10,550.47**	8,901.90
Adjustments for		
(Profit)/loss on sale of fixed asset	**(0.36)**	0.95
Finance cost incurred	**21,824.69**	11,845.03
Interest income accrued	**(52,083.53)**	(32,905.26)
Impact on derecognition of loans sold under direct assignment transaction	**(1,037.21)**	(1,301.06)
Net (gain)/loss on FVTPL investments and derivatives	**(752.94)**	20.61
Impairment on financial instruments	**8,997.98**	4,407.56
Employee share based payment expenses	**178.63**	82.92
Depreciation and amortization	**817.53**	604.35
Operating cash flow before working capital changes	**(11,504.74)**	**(8,343.00)**
Adjustments for working capital changes:		
Decrease in trade receivables	**2.35**	21.19
Increase in loans	**(1,09,346.15)**	(73,246.63)
Decrease/(Increase) in other financial assets	**696.18**	(2,423.06)
Increase in other non-financial assets	**(69.69)**	(152.93)
Increase/(decrease) in other financial liabilities	**(405.40)**	2,595.07
Increase in provisions	**169.20**	189.46
Increase in other non-financial liabilities	**10.46**	116.52
Finance cost paid	**(24,122.44)**	(9,425.68)
Interest income received	**48,100.26**	29,399.92
Cash generated from operations	**(96,469.97)**	**(61,269.14)**
Direct taxes paid (net of refunds)	**(3,640.55)**	(2,861.49)
Net cash used in operating activities (A)	**(1,00,110.52)**	**(64,130.63)**
Cash flow from investing activities		
Purchase of property plant and equipment, capital work in progress and other intangible assets	**(2,163.44)**	(1,363.32)
Proceeds from sale of property plant and equipment	**14.34**	13.92
Investment in Fixed deposits	**(88,022.03)**	(18,500.00)
Proceeds from redemption of fixed deposits	**75,427.89**	298.97
Purchase of Investments	**(41,110.00)**	(1,100.00)
Proceeds from redemptions of investments	**29,255.03**	4.19
Net cash used in investing activities (B)	**(26,598.21)**	**(20,646.24)**
Cash flow from financing activities		
Proceeds from issue of shares and securities premium	**23,500.00**	29,665.36
Debt securities issued	**90,250.00**	60,000.00
Debt securities repaid	**(35,316.66)**	(14,154.53)
Borrowings other than debt securities taken	**87,230.01**	35,867.08
Borrowings other than debt securities repaid	**(40,124.06)**	(20,056.80)
Net cash generated from financing activities (C)	**1,25,539.29**	**91,321.11**
Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(1,169.44)**	6,544.24
Add : cash and cash equivalents as at the beginning of the year	**7,406.29**	862.05
Cash and cash equivalents as at the end of the year*	**6,236.85**	**7,406.29**
*Components of cash and cash equivalents		
Balances with banks	**6,135.85**	6,435.55
Fixed deposits on hand	**31.32**	68.16
Cash on hand	**69.68**	902.58
	6,236.85	**7,406.29**

Ess Kay Fincorp Limited

Statement of Cash Flow *(Continued)*
for the year ended March 31, 2020

(Amount in Rs. in lakhs)

Change in liabilities arising from financing activities

Particulars	As at April 1, 2018	Issued/ taken	Repaid	Non-cash changes	As at March 31, 2019	Issued/ taken	Repaid	Non-cash changes	As at March 31, 2020
Debt securities	23,389.61	60,000.00	(14,154.53)	2,256.97	71,492.05	90,250.00	(35,316.66)	(411.26)	**1,26,014.13**
Borrowings (other than debt securities)	62,507.11	35,867.08	(20,056.80)	203.40	78,520.82	87,230.01	(40,124.06)	(55.54)	**1,25,571.17**
Subordinated liabilities	4,192.65	-	-	(146.86)	4,045.79	-	0.00	1.94	**4,047.72**
Total	90,089.37	95,867.08	(34,211.33)	2,313.51	1,54,058.66	1,77,480.01	(75,440.72)	(464.86)	**2,55,633.02**

The above cash flow statement has been prepared under the 'indirect method' as set out in Ind AS 7 - 'Statement of cash flows'.
The accompanying notes form an integral part of the financial statements.

As per our report of even date attached

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

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

Sd/-
Ashwin Suvarna
Partner
ICAI Membership No. 109503

Sd/-
Rajendra Kumar Setia
(Managing Director)
DIN - 00957374

Sd/-
Shalini Setia
(Whole Time Director)
DIN - 02817624

Sd/-
Atul Arora
(Chief Financial Officer)

Sd/-
Anagha Bangur
(Company Secretary)

Place : Mumbai
Date : 16 June 2020

Place : Jaipur
Date : 16-June-2020

ANNEXURE VI: ILLUSTRATION OF BOND CASH FLOWS

Illustration of Bond Cash Flows	
Name of the Issuer	SK Finance Limited (Formerly known as Ess Kay Fincorp Limited)
Face Value (per security)	INR 10,00,000 (Indian Rupees Ten Lakh)
Issue Date / Date of Allotment	Issue Opening Date: November 15, 2022 Deemed Date of Allotment: November 16, 2022
Date of Redemption	Redemption Date / Maturity Date: November 16, 2024
Tenure	Please refer Section 8.1 (*Summary Terms*).
Coupon Rate	Please refer Section 8.1 (*Summary Terms*). Please also see below.
Frequency of the Coupon Payment with specified dates	Monthly.
Day Count Convention	Actual/Actual

Interest Payment and Redemption Schedule

Interest Payment Schedule

CASH FLOWS	DAY AND DATE FOR COUPON/ REDEMPTION BECOMING DUE	NUMBER OF DAYS FOR DENOMINATOR	AMOUNT PER DEBENTURE (IN RUPEES)
1st Coupon	Friday, 16 December, 2022	30	7184
2nd Coupon	Monday, 16 January, 2023	31	7425
3rd Coupon	Thursday, 16 February, 2023	31	7425
4th Coupon	Thursday, 16 March, 2023	28	6704
5th Coupon	Sunday, 16 April, 2023	31	7425
6th Coupon	Tuesday, 16 May, 2023	30	7184
7th Coupon	Friday, 16 June, 2023	31	5568
8th Coupon	Sunday, 16 July, 2023	30	5388
9th Coupon	Wednesday, 16 August, 2023	31	5568
10th Coupon	Saturday, 16 September, 2023	31	5568

11th Coupon	Monday, 16 October, 2023	30	5388
12th Coupon	Thursday, 16 November, 2023	31	5568
13th Coupon	Saturday, 16 December, 2023	30	3592
14th Coupon	Tuesday, 16 January, 2024	31	3712
15th Coupon	Friday, 16 February, 2024	31	3712
16th Coupon	Saturday, 16 March, 2024	29	3472
17th Coupon	Tuesday, 16 April, 2024	31	3712
18th Coupon	Thursday, 16 May, 2024	30	3592
18th Coupon	Sunday, 16 June, 2024	31	1856
20th Coupon	Tuesday, 16 July, 2024	30	1796
21st Coupon	Friday, 16 August, 2024	31	1856
22nd Coupon	Monday, 16 September, 2024	31	1856
23rd Coupon	Wednesday, 16 October, 2024	30	1796
24th Coupon	Saturday, 16 November, 2024	31	1856

Redemption Schedule

CASH FLOWS	DAY AND DATE FOR COUPON/ REDEMPTION BECOMING DUE	NUMBER OF DAYS FOR DENOMINATOR	AMOUNT PER DEBENTURE (IN RUPEES)
1st Principal Instalment	Tuesday, 16 May, 2023	181	250000
2nd Principal Instalment	Thursday, 16 November, 2023	184	250000
3rd Principal Instalment	Thursday, 16 May, 2024	182	250000
4th Principal Instalment	Saturday, 16 November, 2024	184	250000

ANNEXURE VII: BOARD RESOLUTION AND COMMITTEE RESOLUTION

BOARD RESOLUTION

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SK FINANCE LIMITED (FORMERLY KNOWN AS ESS KAY FINCORP LIMITED) HELD ON WEDNESDAY 09TH DAY OF FEBRUARY, 2022 AT 03:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT G 1-2, NEW MARKET, KHASA KOTHI, JAIPUR-302001

TO APPROVE THE LIMIT FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES, IN ONE OR MORE TRANCHES FOR ONE YEAR, SUBJECT TO APPROVAL OF THE SHAREHOLDERS.

"RESOLVED THAT pursuant to the provisions of section 42, 71 and all other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and Rules made there under and pursuant to the Foreign Exchange Management Act, 1999, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India Act, 1992 ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (including any statutory modification(s)or re-enactment(s) thereof from the time being in force), or any other regulatory authority and other applicable SEBI regulations and guidelines, the provisions of Memorandum and Articles of Association of the Company and subject to such applicable laws, rules, regulations and guidelines and subject to approval of shareholders of the Company, consent of the Board of Directors of the Company (hereinafter called "the Board" which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons)be and is hereby accorded to offer, issue and allot, in one or more tranches Non-convertible Debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities etc. on private placement basis, during the period of one year from the date of passing of the Special Resolution by the Members in ensuing General Meeting, for an amount not exceeding Rs. 50,00,00,00,000/- (Rupees Five Thousand Crores Only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board in one or more tranches to such person(s) ,including one or more company(ies) bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide for onward lending business of the Company and general corporate purposes.

RESOLVED FURTHER THAT the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as approved or may be approved by the Members of Company from time to time.

RESOLVED FURTHER THAT Mr. Rajendra Kumar Setia, Managing Director, Mr. Atul Arora, Chief Financial Officer and Ms. Anagha Bangur, Company Secretary of the company be and are hereby severally authorized to do all such acts, deeds and things and to sign all such documents as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution."

CERTIFIED TRUE COPY
FOR SK FINANCE LIMITED
(Formerly known as ESS KAY FINCORP LIMITED)

For SK FINANCE LIMITED

ANAGHA BANGUR
COMPANY SECRETARY
MEMBERSHIP NO. A61692

Company Secretary

SK FINANCE LIMITED
(Formerly Known as ESS KAY FINCORP LIMITED)
Regd. Office : G 1-2, New Market, Khasa Kothi, Jaipur-302001
Ph.: +91-141-4161300-500 I Toll Free Number: 1800 1039 039
E-mail : info@skfin.in I Website : www.skfin.in
CIN : U65923RJ1994PLC009051 I GSTIN : 08AAACE5115F1Z2

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

EXECUTIVE COMMITTEE RESOLUTION

CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AT THE MEETING OF THE BOARD OF DIRECTORS OF SK FINANCE LIMITED (FORMERLY KNOWN AS ESS KAY FINCORP LIMITED) HELD ON FRIDAY, THE 04TH DAY OF NOVEMBER, 2022 AT 02:00 P.M. AT HOTEL ITC RAJPUTANA SITUATED AT PALACE ROAD, GOPALBARI, JAIPUR- 302006 (RAJASTHAN)

"**RESOLVED THAT** pursuant to the applicable provisions of Companies Act, 2013 read with relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in supersession of earlier resolution issued in this regards, consent of the Board of Directors of the company be and is hereby accorded to revise the roles, responsibilities and powers delegated to the Executive Committee ("**Committee**") with effect from 04th November, 2022 with the following members:

S. No.	Members	Designation
1.	Mr. Rajendra Kumar Setia	Managing Director
2.	Ms. Shalini Setia	Whole-Time Director
3.	Mr. Atul Arora	Chief Financial Officer
4.	Mr. Vivek Haripal Singh	Head Treasury
5.	Mr. Rohit Srivastava	Chief Risk Officer

RESOLVED FURTHER THAT the roles & responsibilities of Committee shall be as follows:

a) Managing the day to day business and operational affairs of the Company;
b) Establishing best management practices, functional standards and work ethics;
c) Borrow money and exercise all powers to borrow moneys not exceeding Rs. 7,500 Crores (Rupees Seven Thousand and Five Hundred Crores only) in Indian Rupees or equivalent thereof in any foreign currency(ies) in aggregate at any time and taking all necessary actions connected therewith within the limit prescribed under law and authorize employees of the company for execution;
d) Provide guarantee including performance guarantee, issue letter of comfort and providing securities and taking all necessary actions connected therewith (subject to applicable provisions of Companies Act, 2013 and applicable laws;
e) Review of banking arrangement/facilities and taking all necessary actions connected therewith including re-financing for optimization of borrowing costs (subject to overall limit of borrowing);
f) Selling assignment of its receivables/ book debts upto Rs. 1800 crores in favour of banks / financial institutions, other investing agencies and trustees for the holders of debentures / bonds / Pass Through Certificates and other instruments and authorize employees of the company for execution;
g) To approve the Write off cases of receivables/ book debts/ asset of the company;
h) Purchasing assignment of other companies/ body corporate receivables/ banks / financial institutions receivables/ book debts upto Rs. 1000 crores in favour of company and to authorize employees of the company for execution;
i) Adoption, Amendment of functional and internal management policies and Standard Operating Procedures ("SOP");
j) To ensure the implementation of all approved policies and SOP's falling under the purview of Executive Committee of Board and to do all such ancillary activities related to such policies and SOP's.
k) Advise on financial matters/policies in overall interest of Company;
l) Opening of bank accounts or operation of bank accounts;

SK FINANCE LIMITED
(Formerly Known as ESS KAY FINCORP LIMITED)
Regd. Office : G 1-2, New Market, Khasa Kothi, Jaipur-302001
Ph.: +91-141-4161300-500 I Toll Free Number: 1800 1039 039
E-mail : info@skfin.in I Website : www.skfin.in
CIN : U65923RJ1994PLC009051 I GSTIN : 08AAACE5115F1Z2

m) Appointment of employees/ officers as authorize signatories on behalf of the company for appearing before various judicial, quasi-judicial, non-judicial, forms, governments, semi-governments authorities or any other governing body;
n) Appointment of employees/ officers as authorize signatories on behalf of the company for Securitization of its Receivables/ book debts/ asset of the company;
o) Appointment of employees/ officers of company as 'Authorized Officer' under Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act") and allied rules as amended from time to time;
p) Empanelment of Vendors for Outsourcing Arrangements, conduction of Due Diligence or such other matters in this connection;
q) Issue and Allot non-convertible debentures aggregating up to Rs 5,000 Crores (Rupees Five Thousand Crores) in one or more tranches from time to time (including but not limited to public issue of NCDs, if any) and to do all such acts, deeds and things, and take necessary actions and to comply with all formalities as may be required in connection with and incidental to the aforesaid offering of NCDs, including the prior and post issue formalities and with power to settle any question, difficulties or doubts that may arise in regard to the issue or allotment of such NCDs as may be deemed fit.
r) To approve all charges and any revisions thereof as per the interest rate policy of the company

RESOLVED FURTHER THAT in exercising the powers and authorities delegated to it, the Committee shall act in accordance with and subject to the directions and requirements as may, from time to time be laid down by the Board.

RESOLVED FURTHER THAT the Company Secretary shall act as Secretary to the Committee and committee at its discretion shall invite any executives/person/representative to be present at the meetings of the Committee.

RESOLVED FURTHER THAT the powers so conferred above through this resolution shall remain intact unless and until modified or altered or amended further by way of a resolution passed by the Board of Directors of the Company."

CERTIFIED TRUE COPY
FOR SK FINANCE LIMITED
(FORMERLY KNOWN AS ESS KAY FINCORP LIMITED)

SK FINANCE LIMITED

ANAGHA BANGUR
COMPANY SECRETARY
MEMBERSHIP NO. F10697

SK FINANCE LIMITED
(Formerly Known as ESS KAY FINCORP LIMITED)
Regd. Office : G 1-2, New Market, Khasa Kothi, Jaipur-302001
Ph.: +91-141-4161300-500 | Toll Free Number: 1800 1039 039
E-mail : info@skfin.in | Website : www.skfin.in
CIN : U65923RJ1994PLC009051 | GSTIN : 08AAACE5115F1Z2

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

ANNEXURE VIII: SHAREHOLDERS' RESOLUTION

SK FINANCE
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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED AS SPECIAL RESOLUTION AT THE EXTRA ORDINARY GENERAL MEETING OF THE MEMBERS OF SK FINANCE LIMITED (FORMERLY KNOWN AS ESS KAY FINCORP LIMITED) HELD ON FRIDAY, 11TH MARCH, 2022 AT 10:00 A.M. THROUGH VIDEO CONFERENCING HOSTED AT PLOT NO.36, DHULESHWAR GARDEN, JAIPUR-302001 (RAJASTHAN) IN COMPLIANCE WITH THE PROVISIONS OF COMPANIES ACT, 2013 READ WITH RULES MADE THEREUNDER AND THE CIRCULARS ISSUED FROM TIME TO TIME BY THE MINISTRY OF CORPORATE AFFAIRS.

ITEM NO. 1 TO AUTHORIZE THE BOARD TO BORROW MONEY IN EXCESS OF PAID UP CAPITAL, FREE RESERVES AND SECURITIES PREMIUM U/S 180(1)(c) OF THE COMPANIES ACT, 2013

"RESOLVED THAT in supersession of the resolution passed by the members of the Company on 04th May, 2021 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 read with rules made thereunder (including any statutory modification(s) or any re-enactment(s) thereof for the time being in force) and as per the directions/guidelines issued by the Reserve bank of India and the enabling provisions of the Memorandum of Association and Articles of Association of the company and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by the concerned authorities (if any) while granting such approvals, permissions and sanctions, the consent of members of the Company be and is hereby accorded to the Board of Directors of the company (hereinafter called **"the Board"** which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to borrow from time to time any sum or sum of money(ies) in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, securitize, charge or hypothecation, pledge or otherwise in any way whatsoever, on, over or in any respect of all, or any of the company's assets and effects or properties including book debts (receivables) and the immovable property(ies) owned by the company, deposits or other security as they deem requisite for the purpose of the business of the Company, upto an amount of Rs. 75,00,00,00,000/- (Rupees Seven Thousand Five Hundred Crores only) notwithstanding that the money(ies) to be borrowed together with money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) would exceed the aggregate of paid-up share capital, free reserves and securities premium of the Company that is to say, reserves not set apart for any specific purpose.

RESOLVED FURTHER THAT the Board of the Company be and is hereby authorized for borrowing from time to time as it may think fit, by way of loans or in any other form whatsoever from, or issue of Bonds and/or Debentures (including debt in nature of Debenture) or other Securities or Term Loans, Money Market Instruments, Commercial Papers and other like facilities in form of debt from Bank(s), Financial or other Institution(s), Mutual Fund(s), Non-Resident Indians (NRIs), Foreign Institutional Investors (FIIs) or any other person(s), body(ies) corporate, etc., whether shareholder of the Company or not.

For SK FINANCE LIMITED

Company Secretary

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RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

CERTIFIED TRUE COPY
FOR SK FINANCE LIMITED
(Formerly known as Ess Kay Fincorp Limited)

For SK FINANCE LIMITED

Company Secretary

ANAGHA BANGUR
COMPANY SECRETARY
MEMBERSHIP NO. F10697

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ITEM NO. 2 TO APPROVE CREATION OF CHARGES ON ASSETS OF THE COMPANY UNDER SECTION 180(1)(a)OF THE COMPANIES ACT, 2013 TO SECURE BORROWINGS MADE/TO BE MADE UNDER SECTION 180(1)(c) OF THE COMPANIES ACT, 2013

"RESOLVED THAT in supersession of the resolution passed by the Members of the Company on 04th May, 2021 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, read with rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and as per the directions/ guidelines issued by the Reserve Bank of India and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and subject to all other requisite approvals, permissions and sanctions and subject to such conditions as may be prescribed by any concerned authorities (if any) while granting such approvals, permissions and sanctions, the consent of members of the Company be and is hereby accorded to the Board of Directors of the company (hereinafter called **"the Board"** which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to sell, securitize, hypothecate, pledge, mortgage, create charge from time to time, on movable and/or immovable, tangible and/or intangible properties/assets, both present and future and/or whole or substantially the whole of the undertaking(s) of the Company in such form, manner and time as the Board may deem fit, for securing any loans and/or borrowings and/or advances and/or guarantees and/or any financial assistance whether all/any of such financial assistance taken or to be taken in foreign currency and/or rupee currency by the Company from any lender including without limitation, any bank, financial or other institutions, nonresident Indians, foreign institutional investors and/or public financial institutions as defined under Section 2(72) of the Act and/or Mutual Funds and/or any other persons, bodies corporates and/or eligible foreign lenders and/or any entity/entities and/or any other person(s) or institution(s) providing finance (for own lending purpose or repayment or loans or general corporate requirements) or in favour of trustees for debenture holders that may be appointed, as security for the debentures/bonds that may be issued by the Company and other person or persons together with interest, cost, charges, expenses and all other monies payable by the Company to the said lender(s) and/or for the purpose of securing the securities (comprising of fully/partly convertible and/or non-convertible debenture and/or any other debt instruments with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rate notes/bonds or other debt instruments) together with interest, remuneration of the trustees, premium, if any, on redemption, costs, charges and expenses payable by the Company in terms of the trust deed/other documents to be finalized and executed between the Company and the

For SK FINANCE LIMITED

Company Secretary

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trustees/lenders and containing such specific terms and conditions (which may include authorization to the lender to transfer /assignment of security in favour of third party) and covenants in that behalf and agreed to between the Board and the trustees /lenders, up to an amount not exceeding Rs. 75,00,00,00,000/- (Rupees Seven Thousand Five Hundred Crores only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company aforesaid may rank exclusive/prior/pari-passu/subsequent with/to the hypothecation/mortgages and/or charges already created or to be created by the company as may be agreed to between the concerned parties.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and to sign all such documents and writings as may be necessary, expedient and incidental thereto including delegating its powers under the resolution to give effect to this resolution and for matters connected therewith or incidental thereto."

CERTIFIED TRUE COPY
FOR SK FINANCE LIMITED
(Formerly known as Ess Kay Fincorp Limited)

For SK FINANCE LIMITED

Company Secretary

ANAGHA BANGUR
COMPANY SECRETARY
MEMBERSHIP NO. F10697

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Saath Aapke... Hamesha

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ITEM NO. 3 TO AUTHORISE THE BOARD FOR ISSUANCE OF NON-CONVERTIBLE DEBENTURES, IN ONE OR MORE TRANCHES FOR ONE YEAR.

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act")and the rules made thereunder, and pursuant to the Foreign Exchange Management Act, 1999, rules, regulations, guidelines, notifications, clarifications and circulars, if any, prescribed by the Government of India, all applicable regulations, directions, guidelines, circulars and notifications of the Reserve Bank of India ("RBI"), the Securities and Exchange Board of India Act, 1992 ("SEBI"), including the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), or any other regulatory authority, whether in India or abroad, and in accordance with the Memorandum of Association and the Articles of Association of the Company and subject to such conditions and modifications as may be prescribed by the respective statutory and/or regulatory authorities while granting such approvals, consents, sanctions, permissions, approval of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter called **"the Board"** which term shall be deemed to include any Committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution and with the power to delegate such authority to any person or persons) to offer, issue and allot, in one or more tranches Non-convertible Debentures (NCDs) including but not limited to subordinate debentures, bonds, and/or other debt securities etc. on private placement basis, during the period of one year from the date of passing of the Special Resolution by the Members, for an amount of Rs. 50,00,00,00,000/- (Rupees Five Thousand Crores Only) on such terms and conditions and at such times at par or at such premium, as may be decided by the Board in one or more tranches to such person(s), including one or more company(ies), bodies corporate(s), statutory corporations, commercial banks, lending agencies, financial institutions, insurance companies, mutual funds, pension/provident funds and individuals, as the case may be or such other person(s) as the Board may decide so, however, that the aggregate amount of funds to be raised by issue of NCDs, subordinate debentures, bonds, and/or other debt securities etc. shall not exceed the overall borrowing limits of the Company, as may be approved by the Members from time to time.

RESOLVED FURTHER THAT the Board, be and is hereby authorized to determine and consider terms of issue of NCD that are appropriate and most beneficial to the Company including,

For SK FINANCE LIMITED

Company Secretary

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without limitation, the class of investors to whom the NCDs are to be issued, timing, size, series/ tranches, issue price, tenor, interest rate, listing, if any, creation of security, appointment of debenture trustee(s) and other agency(ies) and to do all such acts and things and deal with all such matters and settle all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company and take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings, as may be required in this regard and matters connected therewith or incidental thereto and to get the acts pursuance to power herein conferred executed through any committee of the Board, Director(s) and / or officer(s) of the Company."

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For SK FINANCE LIMITED

Company Secretary
ANAGHA BANGUR
COMPANY SECRETARY
MEMBERSHIP NO. F10697

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ANNEXURE IX: DUE DILIGENCE CERTIFICATES

Due diligence certificate as per the format specified in Annexure A of the SEBI Due Diligence Circular:



CIN: U65993WB2010PTC152401

VARDHMAN TRUSTEESHIP PVT LTD
Nurturing & Protecting Your Trust
(Formerly known as Ativir Stock Broking Pvt. Ltd.)

Ref: 389/OPR/VTPL/2022-23

Date: 10th November, 2022

To,

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001.

Dear Sir/Madam,

SUB: Issue of Rated, Senior, Secured, Listed, Transferable, Redeemable, Non - Convertible Debentures ("Debentures") aggregating up to INR. 100,00,00,000/- (Indian Rupees One Hundred Crores only) (the issue) issued by SK Finance Limited.

We, the debenture trustee(s) to the abovementioned forthcoming issue state 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.

   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 or private placement memorandum/ information memorandum and all disclosures made in the offer document or private placement memorandum/ information memorandum 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 or private placement memorandum/ information memorandum.

   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 offer document or private placement memorandum/ information memorandum with respect to the debt securities are true, fair and adequate to enable the investors to make well informed decisions as to the investment in the proposed issue.

We have satisfied ourselves about the ability of the Issuer to service the debt securities.

Place: Mumbai

For Vardhman Trusteeship Private Limited

Date: 10-11-2022

Authorized Signatory

Registered Office **Turner Morrison Building**, Unit No. 15, 6 Lyons Range, Kolkata - 700001.
Corporate Office **The Capital**, 412A, Bandra Kurla Complex, Bandra(East), Mumbai - 400051.
+91 22 4264 8335/+91 22 4014 0832
corporate@vardhmantrustee.com www.vardhmantrustee.com

Mumbai Bengaluru Kolkata New Delhi

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Due diligence certificate as per the format specified in Schedule IV of the Debt Listing Regulations:

Attached separately.

ANNEXURE X: DISCLOSURES PURSUANT TO THE SEBI DUE DILIGENCE CIRCULAR

(a) **Details of assets, movable property and immovable property on which charge is proposed to be created**

Movable assets comprising the receivables (both present and future) arising, *inter alia*, out of identified book debts/loans of the Issuer, identified non-convertible debentures/debt instruments/short-term instruments subscribed to by the Issuer, and identified fixed deposits placed by the Issuer.

(b) **Title deeds (original/ certified true copy by issuers/ certified true copy by existing charge holders, as available) or title reports issued by a legal counsel/ advocates, copies of the relevant agreements/ Memorandum of Understanding**

No title deeds are applicable or available for movable assets of the Issuer set out above over which security is proposed to be created by the Issuer. The details of the underlying documents relating to the receivables comprising the Hypothecated Assets will be set out in the Deed of Hypothecation.

(c) **Copy of evidence of registration with Sub-registrar, Registrar of Companies, Central Registry of Securitization Asset Reconstruction and Security Interest (CERSAI) etc**

The charge created over the movable assets set out in (a) above will be reported to the relevant registrar of companies and the Central Registry of Securitisation Asset Reconstruction and Security Interest (CERSAI) within the timelines prescribed under Applicable Law. As the charge is being created over movable assets, no filings are required to be made with any sub-registrar.

(d) **For unencumbered assets, an undertaking that the assets on which charge is proposed to be created are free from any encumbrances**

The Issuer hereby undertakes that the assets on which charge is proposed to be created as security for the Debentures are free from any encumbrances.

(e) **For encumbered assets, on which charge is proposed to be created, the following consents along-with their validity as on date of their submission:**

(i) **Details of existing charge over the assets along with details of charge holders, value/ amount, copy of evidence of registration with Sub-registrar, Registrar of Companies, CERSAI, Information Utility (IU) registered with Insolvency and Bankruptcy Board of India (IBBI) etc. as applicable:** Not Applicable.

(ii) **Consent/ No-objection certificate (NOC) from existing charge holders for further creation of charge on the assets or relevant transaction documents wherein existing charge holders have given conditional consent/ permission to the Issuer to create further charge on the assets, along-with terms of such conditional consent/ permission, if any:** Not Applicable.

(iii) **Consent/ NOC from existing unsecured lenders, in case, negative lien is created by Issuer in favour of unsecured lenders:** Not Applicable.

(f) **In case of personal guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. relationship with the Issuer:** Not Applicable.

(ii) **Net worth statement (not older than 6 months from the date of debenture trustee agreement) certified by a chartered accountant of the guarantor:** Not Applicable.

(iii) **List of assets of the guarantor including undertakings/ consent/ NOC as per para 4.2 and 4.3 above:** Not Applicable.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not Applicable.

(v) **Executed copies of previously entered agreements for providing guarantee to any other person, if any:** Not Applicable.

(g) **In case of corporate guarantee or any other document/ letter with similar intent is offered as security or a part of security:**

(i) **Details of guarantor viz. holding/ subsidiary/ associate company etc**: Not Applicable.

(ii) **Audited financial statements (not older than 6 months from the date of debenture trustee agreement) of guarantor including details of all contingent liabilities**: Not Applicable.

(iii) **List of assets of the guarantor along-with undertakings/consent/NOC as per Paragraphs 4.2 and 4.3 of SEBI Due Diligence Circular:** Not Applicable.

(iv) **Conditions of invocation of guarantee including details of put options or any other terms and conditions which may impact the security created:** Not Applicable.

(v) **Impact on the security in case of restructuring activity of the guarantor:** Not Applicable.

(vi) **Undertaking by the guarantor that the guarantee shall be disclosed as "contingent liability" in the "notes to accounts" of financial statement of the guarantor:** Not Applicable.

(vii) **Copy of Board resolution of the guarantor for the guarantee provided in respect of the debt securities of the Issuer:** Not Applicable.

(viii) **Executed copies of previously entered agreements for providing guarantee to any other person, if any**: Not Applicable.

(h) **In case securities (equity shares etc.) are being offered as security then a holding statement from the depository participant along-with an undertaking that these securities shall be pledged in favour of debenture trustee(s) in the depository system:** Not Applicable.

(i) **Details of any other form of security being offered viz. Debt Service Reserve Account etc.**: Please refer section named "*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 to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Placement Memorandum*" in Section 8.1 (*Summary Terms*).

(j) **Any other information, documents or records required by debenture trustee with regard to creation of security and perfection of security**: Not Applicable

(k) **Declaration**: The Issuer declares that 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.

(l) **Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s)**: Please refer the consent letter of the Debenture Trustee for terms and conditions of the appointment of the Debenture Trustee and fee of the Debenture Trustee.

(m) **Details of security to be created**: Please refer section named "*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 to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Placement Memorandum*" in Section 8.1 (*Summary Terms*).

(n) **Process of due diligence carried out by the debenture trustee**: The Debenture Trustee has carried out due diligence in accordance with the manner prescribed in the SEBI Due Diligence Circulars. The due diligence broadly includes the following:

(i) A chartered accountant appointed by the Debenture Trustee will be conducting an independent due diligence as per scope provided by the Debenture Trustee and the information provided by the Issuer in respect of the security being provided by the Issuer in respect of the Debentures.

(ii) The chartered accountant will verify and ensure that the assets provided by the Issuer for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders.

(iii) Periodical due diligence will be carried out by the Debenture Trustee in accordance with the SEBI (Debenture Trustees) Regulations, 1993 and the relevant circulars issued by SEBI from time to time (including the SEBI Due Diligence Circular) as per the nature of security provided by the Issuer in respect of the Debentures.

(iv) The Debenture Trustee will issue such necessary certificate(s) in relation to the due diligence carried out by it and such certificate(s) will be available on Stock Exchanges from time to time for information of the Debenture Holders.

Even though the Debentures are to be secured to the extent of at least 100% of the principal and interest amount or as per the terms of this Placement Memorandum, in favor of the Debenture Trustee, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security.

Due diligence will be carried out for maintenance of the prescribed security cover depending on information provided by the Issuer and the chartered accountant appointed by the Debenture Trustee or the Debenture Trustee will not be responsible for misinformation provided by Issuer.

(o) **Due diligence certificates as per the format specified in Annexure A and in Schedule IV of the Debt Listing Regulations**: Enclosed as Annexure IX. The due diligence certificate will be submitted to BSE along with the Placement Memorandum.

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ANNEXURE XI: IN-PRINCIPLE APPROVAL FROM BSE

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Corporate Identity Number: L67120MH2005PLC155188

DCS/COMP/RM/IP-PPDI/410/22-23

November 11, 2022

SK FINANCE LIMITED
G 1-2, New Khasa Kothi,
Jaipur - 302001(Rajasthan

Dear Sir,

Re: Private Placement of 1000 Rated, Listed, Senior, Secured, Redeemable, Taxable, Transferable, Non-Convertible Debentures, each having a Face Value of Rs 10 Lakhs and an aggregate Face Value of Rs 100 Crores (The Issue)

We acknowledge receipt of your application on the online portal on November 09, 2022 seeking In-principle approval for issue of captioned security. In this regard, the Exchange is pleased to grant in-principle approval for listing of captioned security subject to fulfilling the following conditions at the time of seeking listing:

1. Filing of listing application.

2. Payment of fees as may be prescribed from time to time.

3. Compliance with SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder and also Compliance with provisions of Companies Act 2013.

4. Receipt of Statutory & other approvals & compliance of guidelines issued by the statutory authorities including SEBI, RBI, DCA etc. as may be applicable.

5. Compliance with change in the guidelines, regulations, directions, circulars of the Exchange, SEBI or any other statutory authorities, documentary requirements from time to time

6. Compliance with below mentioned circular dated June 10, 2020 issued by BSE before opening of the issue to the investors.:

https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20200610-31

7. Issuers, for whom use of EBP is not mandatory, specific attention is drawn towards compliance with Chapter XV of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and BSE Circular No 20210519-29 dated May 19, 2021. Accordingly, Issuers of privately placed debt securities in terms of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 or ILDM Regulations for whom accessing the electronic book platform (EBP) is not mandatory shall upload details of the issue with any one of the EBPs

BSE - CONFIDENTIAL

BSE Limited Registered Office: Floor 25, P J Towers, Dalal Street, Mumbai – 400 001, India
T : +91 22 2272 8045 / 8055 F : +91 22 2272 3457 www.bseindia.com
Corporate Identity Number: L67120MH2005PLC155188

within one working day of such issuance. The details can be uploaded using the following links Electronic Issuance - Bombay Stock Exchange Limited (bseindia.com)

8. It is advised that Face Value of NCDs issue through private placement basis should be kept as per Chapter V of SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021

9. ***Issuers are hereby advised to comply with signing of agreements with both the depositories as per Regulation 7 of SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021.***

This In-Principle Approval is valid for a period of 1 year from the date of issue of this letter or period of 1 year from the date of opening of the first offer of debt securities under the shelf placement memorandum, which ever applicable. The Exchange reserves its right to withdraw its in-principle approval at any later stage if the information submitted to the Exchange is found to be incomplete/ incorrect/misleading/false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 read with SEBI Circular No SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 and circulars issued thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Guidelines/Regulations issued by the statutory authorities etc. Further, it is subject to payment of all applicable charges levied by the Exchange for usage of any system, software or similar such facilities provided by BSE which the Company shall avail to process the application of securities for which approval is given vide this letter.

Yours faithfully,

For BSE Limited

Sd/-
Rupal Khandelwal
Assistant General Manager

Sd/-
Raghavendra Bhat
Deputy Manager

ANNEXURE XII: SHAREHOLDING PATTERN AS ON SEPTEMBER 30, 2022

S. No.	Name of Shareholders	Total No. of Equity Shares	No. of Shares in Demat Form	Total shareholding as% of total no. of equity shares	No. of shares pledged	% of shares pledged with respect to shares owned
1	Rajendra Kumar Setia	1,12,57,463*	1,12,57,463	38.26%	4,07,407	3.61
2	Shalini Setia	650	650	0.00%	-	-
3	Yash Setia	650	650	0.00%	-	-
4	Bhajan Devi Setia	650	650	0.00%	-	-
5	Rajendra Kumar Setia (HUF)	62,500	62,500	0.21%	-	-
6	Norwest Venture Partners X-Mauritius	71,28,818	71,28,818	24.51%	-	-
7	Baring Private Equity India AIF	13,58,414	13,58,414	4.67%	-	-
8	Karma Holdings Mauritius Limited	4,64,850	4,64,850	1.60%	-	-
9	Evolvence Coinvest I	12,17,201	12,17,201	4.18%	-	-
10	TPG Growth IV SF Pte Limited	55,14,119	55,14,119	18.95%	-	-
11	Evolvence India Fund III Ltd.	4,02,245	4,02,245	1.38%	-	-
12	IIFL Special Opportunities Fund Series 9	795,276	795,276	2.73%	-	-
13	IIFL Special Opportunities Fund Series 10	251,140	251,140	0.86%		
14	Massachusetts Institute of Technology	5,53,234	5,53,234	1.90%	-	-
15	238 Plan Associates LLC	1,29,214	1,29,214	0.44%	-	-
16	Atul Arora	5,775	5,775	0.02%	-	-
17	Sameer Arora	2,250	2,250	0.01%	-	-
18	Raj Kumar Setia	57,556	57,556	0.20%	-	-
19	Vivek Haripal Singh	750	750	0.00%	-	-
20	ESOP Holders	15,117	15,117	0.05%	-	-

* Note: Mr. Rajendra Kumar Setia holds 1,12,57,463 equity shares of the company out of which 10,17,447 equity shares are partly paid.

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

ANNEXURE XIII: FINALISED FORM OF THE PPOA (ALONG WITH ALL DISCLOSURES)

Attached separately.

ANNEXURE XIV: UNDERTAKING FOR CHAPTER V OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021

This issue of Debentures does not form part of non-equity regulatory capital mentioned under Chapter V of the SEBI Debt Listing Regulations. The face value of each Debenture is INR 10,00,000 (Indian Rupees Ten Lakh).