

Serial No. _____
Addressed to: _____

**INFORMATION MEMORANDUM
FUSION MICROFINANCE PRIVATE LIMITED**

CIN U65100DL1994PTC061287

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: September 05, 1994

Registered Office: H-1, C Block, Community Centre, Naraina Vihar, New Delhi New Delhi DL 110028

Telephone No: +91-11-4664 6600;

Website: www.fusionmicrofinance.com/

**Information Memorandum for issue of Debentures on a Private Placement Basis
March 31, 2018**

This Information Memorandum is prepared as per the SEBI (Issue and Listing of Debt Securities) Regulation, 2008, as amended, and Section 42 of the Companies Act 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 as amended.

Issue of 300 (Three Hundred) Unsecured, Subordinated Rated, Redeemable, Listed Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakhs Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only) on a private placement basis (the "Issue").

Background

This Information Memorandum is being issued in respect of the Debentures to be issued by Fusion Microfinance Private Limited (the "Issuer" or "Company") on a private placement basis and contains relevant information and disclosures required for the purpose of issuing and allotting of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on June 30, 2017 and the Board of Directors of the Issuer on March 29, 2018 read with the Memorandum of Association and Articles of Association of the Company. Pursuant to the resolution passed by the Company's shareholders dated June 30, 2017 in accordance with provisions of the Companies Act, 2013 and the Memorandum of Association and Articles of Association of the Company, the Company has been authorised to borrow by way of issuance of non-convertible debentures and upon such terms and conditions as the Board may think fit, for amounts up to INR 7,000,000,000 (Rupees Seven Hundred Only) for a period of one year from the date of the resolution. The present issue of NCDs in terms of this Information Memorandum is within the overall powers of the Board as per the above shareholder resolution(s).

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings ("Rating Agency"). The Rating Agency has vide its letter dated March 29, 2018 assigned a rating of "CARE BBB+" (pronounced as CARE Triple B Plus) in respect of the Debentures. The above rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The ratings may be subject to revision or withdrawal at any time by the rating agency and should be evaluated independently of any other ratings. Please refer to Annexure II of this Information Memorandum for the letter dated March 29, 2018 from the Rating Agency assigning the credit rating abovementioned and the letter dated March 29, 2018 disclosing the rating rationale adopted for the aforesaid rating.



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

Issue Schedule

Issue Opens on: March 31, 2018

Issue Closing on: March 31, 2018

Deemed Date of Allotment: March 31, 2018

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

The Debentures are proposed to be listed on the wholesale debt market of BSE Limited ("BSE").

Sole Arrangers

Northern Arc Capital Limited
10th Floor-Phase 1, IIT-Madras
Research Park, Kanagam Village,
Tharamani, Chennai- 600 113
Contact Person: Ms Srividhya R.
Tel: +91-44-6668 7000
Fax: +91-44-6668 7010
Website: <http://nae.thecaparc.com>

Registrar & Transfer Agent

Link Intime India Private Limited
C-13, Parnalal Silk Mills Compound
L.B.S. Marg, Bandrup (West)
Mumbai 400 078
Contact Person: Mr Ganesh Jadhav
Tel: +91-22-25946970
Fax: +91-22-25946969
Email: ganesh.jadhav@linkintime.com
Website: <http://www.linkintime.co.in>

Debenture Trustee

Catalyst Trusteeship Limited
GDA House, Plot No. 85, Bhusari
Colony (Right), Pand Road, Pune -
411 038



TABLE OF CONTENTS

SECTION 1:	DEFINITIONS AND ABBREVIATIONS	4
SECTION 2:	NOTICE TO INVESTORS AND DISCLAIMERS	11
SECTION 3:	RISK FACTORS	14
SECTION 4:	FINANCIAL STATEMENTS	19
SECTION 5:	REGULATORY DISCLOSURES	20
SECTION 6:	TRANSACTION DOCUMENTS AND KEY TERMS	53
SECTION 7:	DISCLOSURES PERTAINING TO WILFUL DEFAULT	75
SECTION 9:	DECLARATION	83
ANNEXURE I:	TERM SHEET	84
ANNEXURE II:	RATING LETTER	85
ANNEXURE III:	CONSENT LETTER FROM THE DEBENTURE TRUSTEE	86
ANNEXURE IV:	APPLICATION FORM	89
ANNEXURE V:	LAST AUDITED FINANCIAL STATEMENTS	93
ANNEXURE VI:	ILLUSTRATION OF BOND CASH FLOWS	95



SECTION 1: DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or requires, the following terms shall have the meanings given below in this Information Memorandum. Any capitalized terms used but not defined herein shall have the meanings given to them in the DTD.

Act	Means Companies Act, 2013, and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to the Issue.
Application Form	Means the application form in the Debt Disclosure Document
Application Money	Means the subscription monies paid by the Debenture Holders at the time of submitting the Application Form.
Applicant	Means a person who has submitted a completed Application Form to the Company.
Applicable Law	Includes all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof.
Assets	Means, for any date of determination, the assets of the Company on such date as the same would be determined in accordance with Indian GAAP at such date.
Beneficial Owner(s)	means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository in the Register of Beneficial Owners.
Board/Board of Directors	The Board of Directors of the Issuer
BSE	Means BSE Limited
Business Day	Means any day, other than a public holiday under Section 25 of the Negotiable Instruments Act, 1881 at Mumbai and Chennai or a Saturday or a Sunday, on which banks are open for general business in Mumbai and Chennai
Capital Adequacy Ratio	Means the capital adequacy ratio prescribed by the RBI for NBFC MFIs from time to time, currently being the aggregate of Tier I Capital and Tier II Capital divided by Risk Weighted Assets
Crore	Ten Million
CDSL	Central Depository Services (India) Limited
CITES	Means the Convention on International Trade in Endangered Species of Wild Fauna and Flora, including the protected flora and faunae as demonstrated on the website: www.cites.org
Client Loan	Means each loan made by the Company as a lender.
Constitutional Documents	Means the memorandum of association and the articles of association of the Company
Conditions Precedent	Means the conditions set out in Section 5.23.
Conditions Subsequent	Means the conditions set out in Section 5.23.
Control	Means and includes the right to appoint a majority of directors, or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner.
Debentures / NCDs	300 (Three Hundred) Unsecured Subordinated Rated Listed, Redeemable Non-Convertible Debentures bearing a face value of Rs. 10,00,000/- (Rs. Ten Lakh Only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Thirty Crores Only)



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Debenture Holders / Investors	Means the persons who are, for the time being and from time to time, the holders of the Debentures and, whose names appear in the Register of Beneficial Owners, where such Debentures are held in dematerialised form and the Register of Debenture Holders, where such Debentures are held in physical form.
Deemed Date of Allotment	March 31, 2018
Debenture Trust Deed or DTD	The debenture trust deed executed or to be executed by and between the Issuer and Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited) which sets out the terms upon which the Debentures are being issued and includes the representations, warranties and covenants being provided by the Issuer.
Deed of Hypothecation	Means the deed of hypothecation executed or to be executed by the Company in a form acceptable to the Debenture Trustee
Debenture Trustee	Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited)
Debenture Trustee Agreement	Agreement executed or to be executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trustees Regulations	Means the Securities Exchange Board of India (Debenture Trustees) Regulations, 1993 (as amended or restated from time to time)
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time
Depository	Means the depository with whom the Company has made arrangements for dematerializing the Debentures, being CDSL and NSDL
Depository Participant / DP	A depository participant as defined under the Depositories Act.
Director(s)	Director(s) of the Issuer.
Debt Disclosure Document	Means the information memorandum dated March 31, 2018 issued by the Company for the issue of the Debentures on a private placement basis.
Debt Listing Regulations	Means the Securities Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (as amended or restated from time to time)
Deemed Date of Allotment	Shall have the meaning given to it in Clause 2.3 of the Debenture Trust Deed.
DRR	Shall have the meaning given to it in Clause 2.19 of the Debenture Trust Deed.
DP ID	Depository Participant Identification Number.
Due Date	Means the date on which any interest or liquidated damages, any Redemption Instalment or premature redemption amount and all other monies payable, are due and payable. If the due date in respect of any interest (other than the final instalment of interest) or liquidated damages and all other monies payable under this Deed falls on a day which is not a Business Day, then the immediately succeeding Business Day shall be the due date for such payment. Further, if the due date in respect of the final instalment of interest or any Redemption Instalment or premature redemption amount falls on a day which is not a Business Day, then the immediately preceding Business Day shall be the due date for such payment.
Eligible Investors	Shall have the meaning specified in Section 8.14 below
Equity	Means the total equity of the Company, including shareholders' equity (including premium), reserves, retained earnings or losses, current year cumulated net income or loss adjusted against collateral provided against Off-Balance Sheet Portfolio.
Event of Default	Means each of the events specified in Clause 4.2 of the Debenture Trust Deed.



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Exclusion List	Means any activity including (a) production or trade in any product or activity deemed illegal under host country laws or regulations or international conventions and agreements, or subject to international bans, such as pharmaceuticals, pesticides/herbicides, ozone depleting substances, PCBs, wildlife or products regulated under CITES, (b) production or trade in weapons and munitions, (c) production or trade in alcoholic beverages (excluding beer and wine), (d) production or trade in tobacco, (e) gambling, casinos and equivalent enterprises, (f) production or trade in radioactive materials (this does not apply to the purchase of medical equipment, quality control (measurement) equipment), (g) production or trade in unbonded asbestos fibers (this does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%), (h) drift net fishing in the marine environment using nets in excess of 2.5 km. in length, (i) production or activities involving harmful or exploitative forms of forced labor, or harmful child labour, (j) production, trade, storage, or transport of significant volumes of hazardous chemicals, or commercial scale usage of hazardous chemicals (hazardous chemicals include gasoline, kerosene, and other petroleum products), (k) production or activities that impinge on the lands owned, or claimed under adjudication, by indigenous peoples, without full documented consent of such peoples, (l) which may result in funding or supporting any individual or organization designated as: (i) terrorists or terrorist organizations by the United Nations, the European Union and any other applicable country; (ii) persons, groups or entities which are subject to United Nations, European Union and the U.S. Office of Foreign Asset Control (OFAC) sanctions.
RFT	Electronic Fund Transfer
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
Final Settlement Date	Means the date on which all obligations of the have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Debenture Trustee.
Final Redemption Date	Means September 29, 2023
Governmental Authority	Shall mean 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 Law.
Gross Loan Portfolio	Means the outstanding principal balance of all of the Company's outstanding Client Loans including current, delinquent and restructured Client Loans, and includes principal balance of all Client Loans securitized, assigned, originated on behalf of other institutions or otherwise sold off in respect of which the Company has provided credit enhancements in any form or manner whatsoever, but not Client Loans that have been charged off. It does not include interest receivables and accrued interest.
Indebtedness	Means any obligation of the Company (whether incurred as principal, independent guarantor or as surety) for the payment or repayment of borrowed money, whether present or future, actual or contingent.
Indian GAAP	Means the generally accepted accounting principles, standards and practices in India or any other prevailing accounting standard in India as may be applicable.
Interest Expense	Means all interest payable by the Company on all borrowings of the Company and all financial assistance availed by the Company from any bank, financial institution or any other person.



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Interest Payment Date	Means the monthly payment dates as specified in Schedule III, unless such day is not a Business Day, in which case the payment date shall be made on the previous Business Day.
Interest Rate	Means 13.90% per annum payable monthly
INR	Indian Rupees
Issue	Private Placement of the Debentures.
Issue Closing Date	March 31, 2018
Issue Opening Date	March 31, 2018
Issuer/ Company	Fusion Microfinance Private Limited
Information Memorandum	Means this information memorandum.
Law	Means any applicable law, code, ordinance, interpretation, guideline, directive, judgment, injunction, decree, treaty, regulation, rule or order of any court, tribunal or Governmental Authority, in force in India.
Liability	Means, for any date of determination, the liabilities of the Company on such date as the same would be determined in accordance with the Indian GAAP at such date.
LODR Regulations	Means the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended, modified or restated from time to time).
Listing Period	Has the meaning given to it in Section 5.23.
Listing Related Covenants	Has the meaning given to it in Section 5.23.
Loan Loss Provisions	Means the portion outstanding provision in the balance sheet of the Company pertaining to on book and securitised book assets to provide for potential losses.
Local Currency	Means Indian Rupees (denoted as "INR" or "Rs."), the lawful currency of India.
Majority Debenture Holders	Means such number of Debenture Holders collectively holding more than 66% (sixty six percent) of the value of the Outstanding Principal Amounts of the Debentures.
Majority Resolution	Means resolution approved by such number of Debenture Holders that represent more than 66% (sixty six percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 66% (sixty six percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.
Material Adverse Effect	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
Maturity Date	September 29, 2023 being approximately 66 (Sixty Six) months from the Deemed Date of Allotment, or such other date on which the final payment of the Debentures becomes due and payable as herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise.
N.A	Not Applicable



NBFC-MFI" or "Non-Banking Financial Company - Micro Finance Institution	shall have the meaning given to it in the NBFC Master Directions.
NBFC Master Directions	Means the master directions issued by the RBI on Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company -Non-Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time).
Net Income	Shall mean, for any particular period and with respect to the Company, all revenue (including Donations and grants) less all expenses (including taxes, if any for such period).
Nominee Director	shall have the meaning given to it in Clause 5.8 of the Debenture Trust Deed.
Net Worth	Has the meaning ascribed to it in the 2013 Act
NSDL	National Securities Depository Limited
Obligations	Means all present and future obligations (whether actual or contingent and whether owed jointly or severally or in any capacity whatsoever) obligations of the Company to the Debenture Holders or the Debenture Trustee under this Deed
Off Balance Sheet Portfolio	means principal balance of (i) loans securitized by the Company, (ii) loans assigned by the Company and (iii) loans originated on behalf of other institutions
Outstanding Principal Amount	Means, at any date, the Local Currency principal amount outstanding under the Debentures
Outstanding Amounts	Means the Outstanding Principal Amounts, together with all interest, fees, costs, commissions, charges, Trustee fees and other amounts due and payable by the Company under or in respect of this Deed or any Transaction Document.
Payment Default	Shall mean any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default under Clause 4.2(a).
PAN	Permanent Account Number.
Person	Shall mean any individual, partnership, joint venture, firm, corporation, association, limited liability company, trust or other enterprise or any government or political subdivision or any agency, department or instrumentality thereof
Portfolio At Risk Over 90 Days	shall mean the outstanding principal amounts of all Client Loans that have one or more instalments of principal, interest, penalty interest, fees or any other expected payments past due more than 90 (ninety) days
Private Placement Offer Letter	Shall mean the offer letter prepared in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
Proceedings	Shall have the meaning given to it in Clause 7(b)(ii);
Promoters	Means Mr Devesh Sachdev
Purpose	Has the meaning given to it in Section 5.23.
Quarterly Date	Means each of March 31, June 30, September 30 and December 31 and "Quarterly Dates" shall be construed accordingly
RBI	Reserve Bank of India.
Rating Agency	Means CARE Ratings or any rating agency approved by SEBI for carrying out debt ratings in India



Redemption Instalment	Shall have the meaning given to it in Clause 2.8 of the Debenture Trust Deed.
Register of Beneficial Owners	Means the register of beneficial owners of the Debentures maintained in the records of the Depository, as the case may be.
Register of Debenture Holders	Means the register maintained by the Company at its registered office and containing the names of the Debenture Holders.
Registrar	Mean the registrar and transfer agent appointed for the issue of Debentures, being Link Intime India Private Limited.
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 3 (Three) calendar days prior to any Due Date.
Risk Weighted Assets	Shall be calculated as per the method prescribed in the NBFC Master Directions
ROC	Means the jurisdictional Registrar of Companies
Rs. / INR	Indian National Rupee.
RTGS	Real Time Gross Settlement.
SEBI	Means the Securities and Exchange Board of India
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 issued by SEBI, as amended from time to time.
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 such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting or if a poll is demanded, by such number of Debenture Holders that represent more than 75% (seventy five percent) of the value of the Outstanding Principal Amounts of the Debentures held by the Debenture Holders who are present and voting in such poll.
Subordinated Debt	Means all funds received by the Company on unsecured basis that rank lower in repayment to other debts, but is senior to equity and that may be accounted for as "Tier II Capital".
Tangible Net Worth	Means the aggregate amount of equity capital, compulsory convertible preference shares, compulsory convertible debentures, equity share premium and reserves (excluding revaluation reserves), as reduced by the aggregate amount of goodwill, other intangible assets and investments in group companies
Tax	Means any present or future tax, levy, duty, charge, fees, deductions, withholdings, 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 by Law by any Governmental Authority and as maybe applicable in relation to the payment obligations of the company under this Deed.
Tax Deduction	Means a deduction or withholding for or on account of Tax from a payment under a Transaction Document pursuant to Applicable Law.
Tier I Capital	Has the meaning ascribed to it in the NBFC Master Directions
Tier II Capital	Has the meaning ascribed to it in the NBFC Master Directions
Total Assets	Means, for any date of determination, the total Assets of the Company on such date, including owned, securitised and managed (non-owned) portfolio.
Total Liabilities	Means, for any date of determination, the total Liabilities of the Company on such date.



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Total Loans	Means the outstanding aggregate principal amount of all Client Loans and other credit facilities provided by the Company, including securitized assets and managed (non-owned) portfolio.
The Companies Act/ the Act	Means the Companies Act, 2013 ("2013 Act"), and for any matters or affairs prior to the notification of the relevant provisions of the Companies Act, 2013, the Companies Act, 1956 ("1956 Act"), and shall include any re-enactment, amendment or modification of the Companies Act, 2013, as in effect from time to time.
TDS	Tax Deducted at Source.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall have the meaning given to it in Clause 2.4(c) of the Debenture Trust Deed.
Trust	Shall have the meaning given to it in Clause 2.4(b) of the Debenture Trust Deed.
WDM	Wholesale Debt Market.
Wilful Defaulter	Shall mean an Issuer who is categorized as a wilful defaulter by any Bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India and includes an issuer whose director or promoter is categorized as such in accordance with Regulation 2(n) of SEBI (Issue and Listing of Debt Securities) Regulations, 2008.



SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

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

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

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

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

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

This Information Memorandum, the Private Placement Offer Letter and the contents hereof are restricted only for the intended recipient(s) who have been addressed directly and specifically through a communication by the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Information Memorandum and/or the Private Placement Offer Letter 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 Information Memorandum and the Private Placement Offer Letter being issued have been sent. Any application by a person to whom the Information Memorandum and/or the Private Placement Offer Letter has not been sent by the Issuer shall be rejected without assigning any reason.



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

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

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

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

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

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

2.3 DISCLAIMER CLAUSE OF SEBI

As per the provisions of the SEBI Debt Listing Regulations, it is not stipulated that a copy of this Information Memorandum has to be filed with or submitted to the SEBI for its review / approval. It is to be distinctly understood that this Information Memorandum should not in any way be deemed or construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum. However the Company undertakes to file this Information Memorandum and/or the Private Placement Offer Letter with the Registrar of Companies (through the online portal provided by the Ministry of Corporate Affairs) and SEBI within 30 days from the Deemed Date of Allotment as per the provisions of the 2013 Act and the rules thereunder.

2.4 DISCLAIMER CLAUSE OF RBI



The Issuer is having a valid certificate of registration dated November 6, 2013 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 Issuer or the correctness of any of the statements or representations made or opinion expressed by the Issuer and for repayment of deposits/discharge of liabilities by the Issuer.

2.5 DISCLAIMER IN RESPECT OF JURISDICTION

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

2.6 DISCLAIMER IN RESPECT OF RATING AGENCIES

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

2.7 ISSUE OF DEBENTURES IN DEMATERIALISED FORM

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



SECTION 3: RISK FACTORS

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

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

Potential Investors 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. Potential Investors assume the risk that the Issuer will not be able to satisfy their obligations under the Debentures. In the event that bankruptcy proceedings or composition, scheme of arrangement or similar proceedings to avert bankruptcy are instituted by or against the Issuer, the payment of sums due on the Debentures may not be made or may be substantially reduced or delayed.

3.2 THE SECONDARY MARKET FOR DEBENTURES MAY BE ILLIQUID.

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

3.3 CREDIT RISK & RATING DOWNGRADE RISK

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

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

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

3.5 TAX CONSIDERATIONS AND LEGAL CONSIDERATIONS

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

3.6 ACCOUNTING CONSIDERATIONS

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

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

The Issuer is subject generally to changes in Indian law, as well as to changes in government regulations and policies and accounting principles. Any changes in the regulatory framework could adversely affect the



profitability of the Issuer or its future financial performance, by requiring a restructuring of its activities, increasing costs or otherwise.

3.8 LEGALITY OF PURCHASE

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

3.9 POLITICAL AND ECONOMIC RISK IN INDIA

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

3.10 RISKS RELATED TO THE BUSINESS OF THE ISSUER

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

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 as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

The Issuer has various procedures and process controls in place to mitigate the risk. All group lending loans are provided under the Grameen Model and based on the joint liability of the group.

As at December 31, 2017, the gross NPA was Rs. 63.65 Lakhs on a gross portfolio of Rs. 1,219.37 Crores. (including managed / securitized portfolio of Rs. 84.26 Crores).

The Issuer cannot assure that it will be able to effectively control and reduce the level of the NPAs of its Client Loans. The amount of its reported NPAs may increase in the future as a result of growth of Client Loans, and also due to factors beyond its control, such as over-extended member credit that it is unaware of. If the Issuer is unable to manage our 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 members are poor 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 its 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) *The Issuer's business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud*



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

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

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

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

- (c) ***Loans due within two years account for almost all of the Issuer's interest income, and a significant reduction in short term loans may result in a corresponding decrease in its interest income***

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

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

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

Due to the nature of its operations, the Issuer is exposed to political, regulatory and concentration risks. The Issuer believes a mitigant to this is to expand its geographical reach and may consequently expand its operations to 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 its expansion.



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.

- (e) *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.

- (f) *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.

- (g) *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 (circular dated August 3, 2012 and NBFC-MFI Directions) the Issuer is required to maintain its status as a NBFC- MFI in order to be eligible for categorization as priority sector advance for bank loans. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. Additionally, the Issuer may need additional approvals from regulators to introduce new insurance and other fee based products to its members. In particular, the Issuer is required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, its branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishments laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If the Issuer fails to obtain or retain any of these approvals or licenses, or renewals thereof, in a timely manner, or at all, its business may be adversely affected. If the Issuer fails to comply, or a regulator claims that it has not complied, with any of these conditions, the Issuer's certificate of registration may be suspended or cancelled and it shall not be able to carry on such activities. If the Issuer fails to comply with the NBFC-MFI Directions and fails to maintain the status of NBFC-MFI, it will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

- (h) *Issuer may be required to increase capital ratio or amount of loan loss reserves, which may result in changes to business and accounting practices that would harm business and results of operations.*

The Issuer is subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the RBI Act, every NBFC is required to create a reserve fund and transfer thereto a sum not less than 20.0% of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. The Issuer is also required to maintain a minimum capital adequacy ratio of 15.0% in relation to aggregate risk-weighted assets and risk adjusted assigned loans.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require alteration of its business and accounting



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practices or take other actions that could materially harm its business and operating results.



SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the year ended 31.03.2017 are set out in Annexure V hereto.



SECTION 5: REGULATORY DISCLOSURES

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

5.1 Documents Submitted to the Exchanges

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

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Copy of the Board / Committee Resolution authorizing the borrowing and list of authorized signatories;
- (e) Certified true copy of the special resolution passed by the Company at the Annual General Meeting held on June 30, 2017 authorising the Company to issue non-convertible debentures upon such terms as the Board may think fit, upto an aggregate limit of INR 700,00,00,000/- (Rupees Seven Hundred Crores Only);
- (f) Certified true copies of the special resolutions passed by the Company at the Annual General Meeting held on June 30, 2017 authorising the Company to borrow and create security, upon such terms as the Board may think fit, upto an aggregate limit of INR 17,00,00,00,000 /-(Rupees Seventeen Hundred Crores Only); and
- (g) Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

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

- (a) Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- (b) Copy of last 3 (Three) years audited Annual Reports;
- (c) Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- (d) Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- (e) An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (d) above to the Debenture Trustee within the timelines as mentioned in the Uniform Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 (One Hundred and Eighty) calendar days from the end of the financial year, submit a copy of the latest annual report to the Debenture Trustee and the Debenture Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' and other existing debenture-holders within 2 (two) Business Days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

Name:	Fusion Microfinance Private Limited (Fusion)
Registered Office of Issuer:	H 1, C-Block, Community Centre, Naraina Vihar, New Delhi - 110028
Corporate Office:	H 1, C-Block, Community Centre, Naraina Vihar, New Delhi - 110028
Compliance Officer of Issuer:	Mr. Deepak Madan
CFO of Issuer:	Mr. Gaurav Maheshwari



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Arranger to the Issue:	Northern Arc Capital Limited 10th Floor-Phase 1, IIT-Madras Research Park, Kanagam Village, Taramani, Chennai- 600 113
Registration Number:	B-14.02857
Corporate Identification Number:	U65100DL1994PTC061287
Phone No.:	+91-11-4664 6600
Fax No.:	N.A.
Contact Person:	Mr. Deepak Madaan
Email:	deepak.madaan@fusionmicrofinance.in
Website of Issuer:	http://www.fusionmicrofinance.com
Auditors of the Issuer:	BSR and Associates LLP Salalpuria Knowledge City, Orwell, 6th Floor, Unit-3, Survey No. 83/1, Plot No.2, Raidurg, Hyderabad - 500081/Hyderabad 500034
Trustee to the Issue:	Catalyst Trusteeship Limited (Formerly GDA Trusteeship Limited) GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune - 411 038
Registrar to the Issue:	Link Intime India Private Limited C-13, Pantalal Silk Mills Compound L.B.S. Marg, Bandrup (West) Mumbai 400 078
Credit Rating Agency of the Issue:	CARE Ratings Limited 4th Floor, Godrej Coliseum, Somaiya Hospital Road, Off Eastern Express Highway, Sion (East), Mumbai - 400 022

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

(a) Overview

Fusion Microfinance Private Limited ("Fusion") is a non-deposit taking NBFC registered with the Reserve Bank of India. The Company started its operation in the year January 2010. The Company's mission is "To provide underprivileged women with economic opportunities to transform the quality of their lives". The organisation is promoted by Mr. Devesh Sachdev. Mr. Devesh Sachdev is an XLRI Post Graduate with More than 20 year experience in the service industry.

Fusion is head quartered in New Delhi and is operational in the less penetrated area of Madhya Pradesh, Uttaranchal, Uttar Pradesh, Haryana, Bihar, Jharkhand, Punjab, West Bengal, Himachal Pradesh, Rajasthan, Chhattisgarh, Odisha, Maharashtra and Delhi. Fusion follows the Grammen model of Joint Liabilities Group for its unsecured group loan product.

Industry Overview

Indian microfinance now has 70 million borrower accounts, by-far the largest in any country across the world. Over the last year Indian microfinance institutions that are organised as NBFC-MFIs and operating in remote rural areas of India have emerged as effective financial intermediaries offering an alternative to the inaccessible formal financial institutions. Most of them who received funding and growth capital from banks, have demonstrated commendable scale, sustainability and impact.



Many NBFC-MFIs have received a good quantum of capital in FY 2014 in the form of both debt and equity. Almost all NBFC-MFIs (less than INR 1000 crores of assets under management) have been consistent in their growth, maintaining excellent portfolio quality in FY 2015.

As a result of a crisis in the MFI industry on October 2010 in the southern state of Andhra Pradesh, the RBI set up a committee to study issues and concerns in the MFI sector, which provided the Malegam Committee Report. The Malegam Committee Report has made various operational and financial recommendations on the microfinance sector that may have negative implications on the operating and financial performance of MFIs including the Issuer. Some of the recommendations made include:

- i. Increase in regulatory restrictions on a NBFC-MFI (minimum net worth, establishing client protection codes, increase in information technology systems and corporate governance, maintenance of solvency and penalty on MFI for non-compliance);
- ii. State level legislations to be enacted for regulation of MFIs; Maximum indebtedness of an individual borrower;
- iii. Maximum annual income of a household qualifying for a loan from an NBFC-MFI;
- iv. Maximum number of loans to an individual borrower;
- v. Restrictions on the end usage of the loan for income generating purposes; and
- vi. Maximum interest rate and maximum margin over cost of funds, maximum processing fees.

Most of the recommendations made under the Malegam Committee Report in January 2011 have been accepted by RBI and the RBI has issued circular dated July 20, 2012 to banks stating that bank loans to micro finance sector will be eligible for categorization as priority sector advance if they meet the eligibility criteria's set out in the said circular and has created a new category of NBFCs called the Non-Banking Financial Company-Micro Finance Institution (the NBFC-MFIs). The directions issued by the RBI on August 3, 2012 have been incorporated and now form part of the NBFC-MFI Directions. The NBFC-MFI Directions have been further modified on April 08, 2015

All non-deposit taking NBFCs (other than a company licensed under Section 25 of the Indian Company Act, 1956) that has not less than 85% of its net assets in the nature of —qualifying assets and has a minimum net owned funds of Rs. 5 Crores other than the ones registered in north eastern region of the country for which net owned fund requirement stands at Rs. 2 Crores. The existing NBFCs to be classified as NBFC-MFIs will be required to comply with the NBFC-MFI Directions w.e.f. April 01, 2012. Existing NBFCs with asset size of more than Rs. 100 Crores are required to maintain a minimum CRAR of 15% from Dec 2, 2011 onwards. Some of the key requirements of the NBFC-MFI Directions and subsequent modifications which the Issuer is required to comply with which will affect the business operations of the Issuer, which are:

- i. All registered NBFCs intending to convert to NBFC-MFI must seek registration with immediate effect and in any case not later than October 31, 2012, subject to the condition that they shall maintain Net Owned Funds (NOF) at Rs.3 Crores by March 31, 2013 and at Rs.5 Crores by March 31, 2014, failing which they must ensure that lending to the Microfinance sector i.e. individuals, SHGs or JLGs which qualify for loans from MFIs, will be restricted to 10 per cent of the total assets.
- ii. NBFC-MFIs are required to maintain not less than 85 per cent of their net assets as Qualifying Assets. In view of the problems being faced by NBFCs in complying with these criteria on account of their existing portfolio, it has been decided that only the assets originated on or after January 1, 2012 will have to comply with the Qualifying Assets criteria. As a special dispensation, the existing assets as on January 1, 2012 will be reckoned towards meeting both the Qualifying Assets criteria as well as the Total Net Assets criteria.
- iii. The Interest rates charged by an NBFC-MFI to its borrowers shall be the lower of the following: -
 - a. The cost of fund plus margin.
 - b. The average base rate of the five largest commercial banks by assets and liabilities. The average of the base rate of the five largest commercial banks shall be advised by the bank on the last working days of the previous quarter, which shall determine

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interest rates for the ensuing quarter.

Margin cap, cap on the difference between the amount charged to the borrower and the cost of funds to the NBFC-MFI, shall not exceed 10 per cent for large MFIs (loans portfolios exceeding ₹ 100 crore) and 12 per cent for the others.

- iv. NBFC-MFIs are also required to ensure that the aggregate amount of loans given for income generation is not less than 50 per cent of the Total Loans extended.
- v. NBFI MFIs will have to ensure compliance with, among others, conditions relating to annual household income levels Rs. 100,000/- for rural and Rs. 160,000/- for urban and semi urban households, total indebtedness not to exceed Rs. 100,000/- membership of SHG/JLG, borrowing sources as well as percentage of qualifying assets and percentage of income generating assets
- vi. Maintain fair practices in lending as stated in the NBFC-MFI Directions;
- vii. Ensure that it has a code of conduct and systems are in place for supervision of field staff such that non-coercive methods for recovery are used;

Ensure corporate governance norms are adopted and there is improvement in efficiency, information technologies etc., and submit statutory auditors certificate with reference to the position of the company as at end of the financial year ended March 31, every year which should also indicate that the company fulfils all conditions stipulated to be classified as an NBFC-MFI

(b) Corporate Structure

i. Vision and Mission:

The company's mission is "A self-sustainable financial institution which leverages the distribution network to channel other products and services".

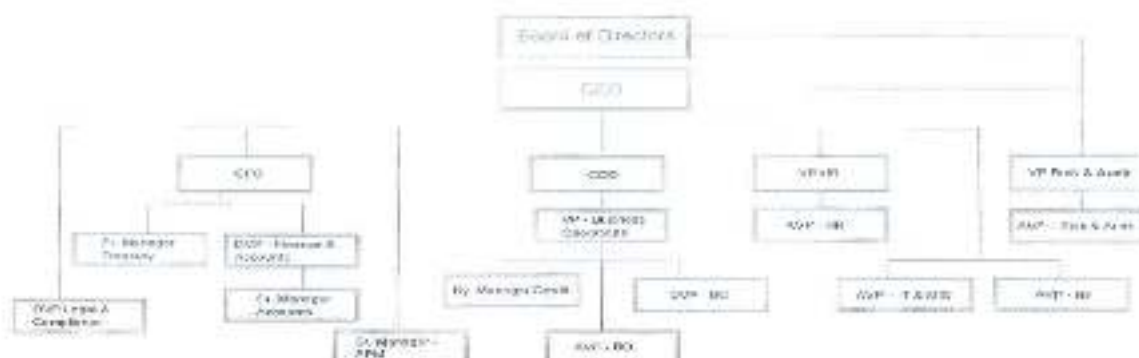
The company's vision is "Fusion microfinance has a social vision and business orientation aims to provide underprivileged women with economic opportunities to transform the quality of their lives".

The Issuer was incorporated as a private limited company and is currently registered as a NBFC-MFI with the RBI. The Issuer derives the following benefits of being registered as an NBFC-MFI:

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

ii. Current Corporate Status:





iii. Details of the Board of Directors

Board Of Directors		
Name	Designation	Experience
Mr. Devesh Sachdev	Director & CEO	An XLRI Post Graduate with more than 20 years of experience in the Service Industry prior to starting this venture. He started his career with Citigroup and was part of Credit Card Operations team in Delhi for 4 years. His entrepreneurial quest started with BSA, a small size logistics company. He spearheaded the growth of BSA from single city operations, limited service offerings to Pan India foothold and diversified services making BSA the Market Leader in its segment. He was also responsible for developing and retaining relationship with Multinational Banks, leading Private Banks, Telecom Companies and other Corporates. He took BSA to new heights, he made it operational in 26 cities which had 500 employees, 300 business associates handling transaction of around 4 million per month. Devesh was the first professional manager to be appointed Director on the Board of all the group companies of BSA. Amongst the diverse experiences, his expertise lies in building business, managing large teams in a cost efficient manner, strategy, key relationship management and handling all dimensions of the business. He also holds position of Vice President in MFIN, a Self-Regulatory Organization for NBFC-MFIs. MFIN works closely with Reserve Bank of India regulators and other key stakeholders and plays an active part in the larger financial inclusions dialogue through the medium of microfinance.
Mr. Njord Andrewes	Nominee Director	Njord Andrewes is Investment Director in NMI AS. NMI AS is an asset management firm that seeks to balance financial and social returns. The Investment Director has the overall responsibility for developing and managing the fund(s), including implementing the investment strategy. Prior to joining NMI, Mr. Andrewes was a Senior Equity Research Analyst at Lazard Capital Markets. Before Lazard, Mr. Andrewes was an Equity Research Analyst at Janney Montgomery Scott, LLC. He began his career at Robertson Stephens in Sales and Trading. Mr. Andrewes received an MBA in Finance from Kelley School of Business at Indiana University, and a B.A. in Economics from Hope College. Mr. Andrewes holds several Board or Director positions, as well as a member of several advisory committees of financial inclusion funds.

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Board Of Directors		
Name	Designation	Experience
Mr. Albert Hofink	Nominee Director	He started his career in 1977 as an auditor in South Africa and returned to The Netherlands in 1982 when he joined Ernst & Young in Utrecht. He joined Oikocredit, a global social investor investing capital (debt and equity) in the emerging microfinance sector as well as agricultural cooperatives and social enterprises in more than 60 developing countries, in 1995. In 2002 he was appointed CFO and Director of Finance & Administration and in 2013 as Director for Risk Management Compliance and IT. He spent more than a decade on the Management Board of Oikocredit with responsibilities ranging from Accounting, Treasury, Finance, Tax, Risk Management and IT. Albert has extensive experience in a multicultural environment and in developing countries. He retired from his position end of April 2015, and started consulting and strategy support activities regarding Responsible Investments. He has served on the Boards of: HKL (a successful Cambodian MFI); Mannaveeya Development Finance India and other operating subsidiaries of Oikocredit, including in the Ukraine. He is currently serving on the Boards of Fusion Microfinance in India, Misoni Microfinance in Kenya, Yalelo Limited a sustainable aquaculture enterprise in Zambia and is on the advisory Board of the 4F Fund (an ethical investment Fund based in the Netherlands). Albert holds a bachelor's in accounting, and Honours degree in Accounting & Controlling as well as a Certificate in Theory of Accountancy from the University of South Africa.
Ms. Anita Serrate	Nominee Director	Ms. Anita Serrate is a forewoman with 15+ years of experience with bank, Non-bank financial institutions, MFIs at international level. She has worked with Morgan Guaranty and later Euroclear Bank in multiple functional areas like Credit, Account Management and Risk. She has in depth knowledge of Credit Risk, Market Risk in Financial Institutions, Intensive Bank Analysis, Bank and Non-Bank Financial Institution Analysis and Basel II training. Currently she is working as an Investment Officer at BIO Invest SA, Belgium.
Mr. Kenneth Dan Vander Weele	Nominee Director	Mr. Kenneth Dan Vander Weele is a co-founder and partner in Creation Investments Capital Management, LLC, a fund management company that manages several specialized private equity vehicles that invest in emerging market financial services companies serving poor clients. From 2000 until 2009 Mr. Vander Weele served as the President of the Investment Services Division at Opportunity International, a major microfinance network. Mr. Vander Weele was responsible for the development and oversight of all commercial MFIs within the Opportunity Network, garnering over \$1 billion in assets during his tenure. During this period, Mr. Vander Weele was involved in forming three microfinance banks in Eastern Europe (Forus Bank-Russia, Opportunity Bank-Montenegro, and Opportunity Bank-Serbia), and Ken served as the board chair of each bank. Between 1991 and 2000, Mr. Vander Weele held various positions within the Opportunity International Network, including Global COO, Regional Vice President for Eastern Europe and Interim CEO. From 1975 to 1981, Mr. Vander Weele held various positions at Grant Thornton, CPAs, in their Madison, Boston, Chicago, and US National Office. From 1981 to 1991, he was the Senior Vice President, CFO and a founding shareholder of Graphisphere Corporation, a graphic arts holding company with private equity shareholders, until it was sold to a strategic buyer. Mr. Vander Weele was also a founder and the board chair of the Microfinance Centre for Eastern Europe from 1998 until 2006 and the Balkan Financial Sector Equity Fund from 2005 to 2011. Mr. Vander Weele has a PhD in international economics from Oxford University, and a BBA in Accounting from the University of Wisconsin. Ken is also a CMAA.
Mr. Nitin Gupta	Independent Director	Nitin is the Founder of Argus Partners, India's only professional firm which focuses exclusively on helping companies find great Independent Non-Executive Board Directors. He is a non-executive co-founder of Faircent, India's first and

Board Of Directors		
Name	Designation	Experience
		best known P2P lending company. He is a Board Director at Loyalty Rewards, India's #1 cards loyalty management company, which was funded by Canaan Partners and Venture East and then acquired by Bill Desk. Nitin was a non-executive Co-Founder of Lets Buy, one of India's most successful e-commerce start-ups, which was sold to Flipkart, India's #1 e-commerce company. During 2003-08, Nitin was with MasterCard Worldwide as their CEO and Country Manager for South Asia. Earlier, Nitin has been the President of Rediff.com, and President of GE Capital India's retail financing business. Nitin received an MBA from IIM, Ahmadabad, a law degree from Bombay University, and an Economics Honours degree from St. Stephen's College, Delhi.
Mr. Pradip Kumar Saha	Independent Director	Mr. Saha was a Chief General Manager, Small Industries Development Bank of India (SIDBI) and senior development banker with more than 36 years of experience in development banking. He started his banking career with IDBI and has been with SIDBI since its inception. During his long career in IDBI & SIDBI, he has handled various departments, some as Head of Department. Specific contributions made by him in HR, Project Finance, SIDBI Foundation for Micro Credit (SFMC), Promotion and Development departments is worth mentioning.
Mr. Javed Ahmad Siddiqui	Nominee Director	Mr. Javed Ahmad Siddiqui is nominee director of the company. He holds Bachelor of Engineering (Mechanical) from Aligarh Muslim University, Aligarh. He also did his master's in business administration in Marketing from AMU. He joined SIDBI in 1995 and held important positions in various departments like Business Development, HR, Administration, etc. and for 10 years in different SIDBI branches. His prior prestigious postings include heading the Okhla, Ludhiana and now New Delhi branch of the bank.

iv. Brief Profile of the Senior Management

Management Details		
Name	Designation	Experience
Mr. Tarun Mehndiratta	Chief Operating Officer	Tarun comes to Fusion with more than 25 years of rich experience with reputed MNC's like Citi Corp Finance India Ltd, GE Capital India and GE joint venture with SBI in India. His 12 years with GE contributed in making him a specialist in leading large scale operations with expertise in New Business Development for the Commercial & Retail Asset lending segments. In his last assignment, Tarun was heading Banca Channel in SBI Cards Payments & Services Ltd. An SBI – GE Capital India JV which is currently contributing 40% in new sourcing for SBI Cards from SBI and Associate Banks pan India. An inspirational team leader and a problem-solver with strong focus on root-cause analysis for internal process improvements in both manual and automated environments, Fusion stands to benefit a lot from his rich and varied experience. He brings a wealth of knowledge in Management & Strategy from his previous work experiences.
Mr. Gaurav Maheshwari	Chief Financial Officer	Gaurav is a Chartered Accountant with Master's in Business Finance. He will source Equity and Debt funding for the company. He would be required to maintain banking relationships and explore new avenues for funding. Gaurav comes to Fusion with rich experience of 12 years in corporate finance with different business houses of India i.e. Aditya Birla Group and Avantha Group (Thapar's). His Last assignment was with Avantha Group in their Corporate Finance division.
Mr. Satish Muni	Vice President – Risk & Audit	Satish Muni comes to Fusion with a rich experience of Bank credit risk and Audit of more than two decades. Before joining Fusion, he has worked for companies like GE Capital, ICICI Bank Ltd, Kotak Mahindra Bank Ltd, Standard Finance Limited, IJB group etc.



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Management Details		
Name	Designation	Experience
		He was involved in audit for various PSU's, companies and Bank's like GAIL, COAL India, SAIL, MUI, HINDALCO, HAL, WAPCOS, Indian Overseas Bank, Indian Bank, Bank of India, NFL, RCI, Indian Red Cross Society, etc. spread across India. Satish played a key role in framing the policy and procedure for Risk & Credit for various products & setting up branches. Apart from Audit, he also involved in rating of various companies as an underwriter and lender. Satish can help the management team understand and helps to measure gaps between the company's risk profile and its appetite which is an important aspect as a lender in any lending business. He has wide knowledge and skills needed to understand and support regulatory compliance and enterprises wide risk management in the Finance sector
Mr. Ankush Ahluwalia	Vice President – Business Operation	Ankush Ahluwalia, a seasoned professional and looking after Business Operations. Ankush has more than 14 years of rich experience in the field of Business Operations and People Management. He has worked with organizations of high repute like GE Capital, Kotak Mahindra, Religare etc. Before joining Fusion, he was working with Mugma Fincorp Limited as General Manager and heading project management country wide. Ankush did his Masters in Business Economics from Kurukshetra University with flying colours. He possesses excellent leadership qualities and believes in team work
Mr. Amal Govil	Vice President- Human Resource & Admin	Amal is a seasoned HR professional, having a total work experience of more than 16 years in different areas of HR. He worked with extremely reputed global brands like GFCIS, a part of GE conglomerate, GE Commercial Finance and Philips. He started his career in 1998 with HR operations and did a variety of roles including employee relations, HR ops, C&B and communications, etc. for a company which was adding 500 to 1000 employees a month. He moved to GE Commercial Finance in 2003, an NBFC with a portfolio of \$ 1.2 Billion to set up their HR operations and C&B. Then joined Philips as C&B manager in 2008 and he was responsible for compensation and benefits strategy and administration. Amal also helped Philips Pakistan with their C&B strategy and inputs. He was also responsible for hiring for corporate hiring of GM's and below. In 2011, he took up an HR consulting assignment for an event management firm and set up the entire HR processes there including HR ops, compensation strategy, performance management and training.
Mr. Gourav Sirohi	Dy. Vice President- Finance & Accounts	An IMT Post Graduate(Finance) and Chartered Accountant with more than 10 years of experience in the field of Direct and Indirect Taxation, Finance, Financial Audit, Company law Matters, Information System Audit and Valuation. Prior to this assignment he was associated with Grant Thornton in Assurance and Auditing for various clients viz. DLF Ltd, Ranbaxy, Spice Jet, etc
Mr. Mohd M Hossain	Assistant Vice President - IT & operations	A Science graduate, G-NIIT & Post-Graduate in Business Administration (PGDBA) with more than 14 years of experience in the service industry as a head of MIS and backend processing. Mohd M Hossain, in his past assignments has managed EDP, MIS and required IT infrastructure with a team of more than 100 peoples for a BPO and Logistic companies. He has expertise in data processing and managed centralized transaction processing system for corporate like GE-SBI
Mr. Deepak Madan	Company Secretary	Deepak is company secretary and compliance officer of the Company. He is a qualified company secretary from the Institute of Company Secretaries of India and holds a bachelor's degree in law. He has a corporate experience of over 9 years and prior to joining our Company, he worked with Almondz Group in Merchant Banking, Secretarial & legal Department as Company Secretary and Compliance Officer and has also worked with Century Group in the past.
Mr. Rohit Dhiman	Assistant Vice President –	Rohit Dhiman is a Lean Six Sigma Professional and Change Management Leader. A Certified Master Black Belt, he commenced his Fusion journey with a tenure of over 12 years having worked with Global Brands like MetLife, WNS and eFunds. Having worked in consulting assignments of diversified portfolio across



Management Details		
Name	Designation	Experience
	Business Excellence	geographics, Rohit is instrumental in process reengineering by implementing Lean Methodologies and Six Sigma framework with best practices of pioneers like TQM and QAI Global. Rohit is a Post Graduate in Mass Communications and a Commerce Graduate. He is a member of ISQ and is actively associated with the Delhi based Quality Management Organization. He is certified from AXELOS Global Best Practice in ITIL (V3)
Ms. Shalini Singh	Senior Manager- Social Performance	She started her career as an Asst. TV Producer but being a philanthropist at heart she decided to pursue her humanitarian interest. She made an important contribution in organizing fund raising campaign for the mid-day meal program, first of its kind charity dinner, setting up a mobile hospital, organizing health camps and running vocational training centres for under privileged school children.

v. Business Segments-

PRODUCT DETAILS

Product	Feature	Purpose	Eligibility
5000	12 Months	IGL	Max Indebtness - 75000 , 2 Loan
8000	12 Months	IGL	Max Indebtness - 75000 , 2 Loan
10000	12 Months	IGL	Max Indebtness - 75000 , 2 Loan
12000	12 Months	IGL	Max Indebtness - 75000 , 2 Loan
15000	12 - 17 Months	IGL	Max Indebtness - 75000 , 2 Loan
20000	19 - 24 Months	IGL	Max Indebtness - 75000 , 2 Loan
25000	19 - 24 Months	IGL	Max Indebtness - 75000 , 2 Loan
30000	24 Months	IGL	Max Indebtness - 75000 , 2 Loan
35000	24 Months	IGL	Max Indebtness - 75000 , 2 Loan
40000	24 Months	IGL	Max Indebtness - 75000 , 2 Loan
50000	24 Months	IGL	Max Indebtness - 75000 , 2 Loan

(c) Key Operational and Financial Parameters for the last 3 audited years

Particulars	Audited	Audited	Audited
	31-Mar-15	31-Mar-16	31-Mar-17
Net worth	49.11	115.19	222.54
Total Debt	0.00	0.00	0.00
- Non-Current maturities of long term Borrowings	114.78	263.78	617.75
- short term borrowings	-	-	18.00
- Current maturities of long term Borrowings	139.18	199.41	320.35
Other long-term liabilities	2.87	2.96	2.22
Current liabilities (including provision)	152.47	271.72	375.92
Net Fixed Assets	1.21	2.12	4.61
Deferred Tax Assets	1.20	1.20	10.90
Non-Current Assets (Other)	109.34	162.38	177.60
Cash and Cash equivalents	52.50	61.67	190.21
Current investments	-	-	210.51
Trade Receivables under Loan Contracts	0.16	0.93	-
Current Assets (Other)	209.89	387.06	1,040.82
Off balance sheet assets	40.94	89.87	20.14
Assets under management	277.87	590.80	770.84
Interest income	44.47	89.22	159.45



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Interest Expense	27.73	48.15	97.44
Provisioning & write Offs	1.45	3.37	30.29
PAT	5.31	13.42	4.10
Gross NPA (%)	0.52%	0.31%	0.38%
Net NPA (%)	0.12%	0.03%	0.14%
Tier I Capital Adequacy Ratio (%)	15.83%	11.42%	19.94%
Tier II Capital Adequacy Ratio (%)	3.24%	9.70%	6.03%

Gross Debt: Equity Ratio of the Company as of 31st December, 2017:

Before the issue of debt securities	3.32**
After the issue of debt securities	3.03

Subordinate Debt of INR 87 Crore has been considered as part of Equity.

Calculations

Debt-to-equity ratio is calculated as follows:-

Debt	
Equity	3,122,028,082*
Debt/Equity	3.32

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

Debt	10,359,693,842
Equity	3,422,028,082*
Debt/Equity	3.03

*Being considered this Subordinate debt of INR 30 Crore as part of Equity

(d) Project cost and means of financing, in case of funding new projects:

Not applicable

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

(a) Details of Share Capital as on latest quarter end i.e. December 31, 2017:

Share Capital	Amounts (INR)
Authorized	
Equity Share Capital	500,000,000
Preference Share Capital	50,000,000
TOTAL	550,000,000
Issued and Subscribed	
Equity Shares	403,263,625
Preference Shares	30,000,000
TOTAL	433,263,625
Paid-up	
Fully Paid Up Equity Shares	402,164,736
Partly Paid up Equity Shares	1,099,795
Preference Shares	30,000,000



TOTAL	433,263,625
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- (b) **Changes in its capital structure as on last quarter end i.e. December 31, 2017, for the last five years:**

Date of Change (AGM/EGM)	Authorized Capital in Rs.	Particulars
24.12.2009	20,00,000	The Authorized Share capital of the Company was increased from Rs. 50,00,000/- (Rupees Fifty Lakh only) to Rs.2,00,00,000/- (Rupees Two Crore) in the Extraordinary General Meeting held on 24.12.2009.
05.04.2010	6,00,00,000	The Authorized Share capital of the Company was increased Rs.2,00,00,000/- (Rupees Two Crore) to Rs. 6,00,00,000/- (Rupees Six Crore only) in the Extraordinary General Meeting held on 05.04.2010.
21.03.2011	120,00,000	The Authorized Share capital of the Company was increased from Rs. 6,00,00,000/- (Rupees Six Crore only) to Rs. 12,00,00,000/- (Rupees Twelve Crore only) in the Extraordinary General Meeting held on 21.03.2011.
07.03.2013	120,00,000	The Authorized Share capital of the company reclassified into 12,00,00,000 equity shares in the Extraordinary General Meeting.
30.06.2014	22,00,00,000	The Authorized Share capital of the Company was increased from Rs. 12,00,00,000/- (Rupees Twelve Crore only) to Rs. 22,00,00,000/- (Rupees Twenty Two Crore only) in the Extraordinary General Meeting held on 30.06.2014.
12.03.2015	28,00,00,000	The Authorized Share Capital of the Company was increased from Rs. 22,00,00,000/- (Rupees Twenty Two Crore only) to Rs. 28,00,00,000/- (Rupees Twenty Eight Crore only) in the Extraordinary General Meeting held on 12.03.2015.
11.05.2016	450,00,000	The Authorized Share Capital of the Company was increased from Rs. 28,00,00,000/- (Rupees Twenty Eight Crore only) to Rs. 45,00,00,000/- (Rupees Forty Five Crore only) in the Extraordinary General Meeting held on 11.05.2016.
30.06.2017	550,00,000	The Authorized Share Capital of the Company was increased from Rs. 45,00,00,000/- (Rupees Forty Five Crore only) to Rs. 550,00,000 (Rupees Fifty Five Crores only) in the Annual General Meeting held on 30.06.2017.

- (c) **Equity Share Capital History of the Company as on the last quarter end i.e. December 31, 2017, for the last five years:**

In Rs Crores

							Cumulative Paid Up Capital		
Date of allotment	Name of Investor	No. of equity shares	Face Value	Issue Price (in Rs.)	Consideration	Nature of Allotment	No of Equity Shares	Equity Share Capital	Equity Share Premium
16-02-2010	Ashish Tewari	50,400	10	10	5,04,000	Equity	50,400.00	5,04,000	-
16-02-2010	Payal Mittal	24,600	10	10	2,46,000	Equity	75,000.00	7,50,000	-
16-02-2010	Devesh Sachdev	75,000	10	10	7,50,000	Equity	150,000.00	1,50,00,000	-



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18-02-2010	Prayzen Choudhary	50,000	10	10	5,00,000	Equity	200,000.00	20,00,00	-
18-02-2010	Poonam Batra	50,000	10	10	5,00,000	Equity	250,000.00	25,00,00	-
18-02-2010	Devesh Sachdev & Mini Sachdev	40,000	10	10	4,00,000	Equity	290,000.00	29,00,00	-
18-02-2010	Praveen Choudhary	50,000	10	10	5,00,000	Equity	340,000.00	34,00,00	-
18-02-2010	Yashvir Singh	50,000	10	10	5,00,000	Equity	390,000.00	39,00,00	-
12-03-2010	Mini Sachdev	1,60,000	10	10	16,00,000	Equity	550,000.00	55,00,00	-
12-03-2010	Raghvendra Mittal	50,000	10	10	5,00,000	Equity	600,000.00	60,00,00	-
12-03-2010	Mini Sachdev	40,000	10	10	4,00,000	Equity	640,000.00	64,00,00	-
12-03-2010	Yugesh Sharma	25,000	10	10	2,50,000	Equity	665,000.00	66,50,00	-
23-03-2010	Vishal Nagpal	25,000	10	10	2,50,000	Equity	690,000.00	69,00,00	-
23-03-2010	Monika Sharma	25,000	10	10	2,50,000	Equity	715,000.00	71,50,00	-
23-03-2010	Shashi Bala Wahi	25,000	10	10	2,50,000	Equity	740,000.00	74,00,00	-
23-03-2010	Devesh Sachdev/Mini Sachdev	30,000	10	10	3,00,000	Equity	770,000.00	77,00,00	-
31-03-2010	Jashinder Singh Toor	50,000	10	10	5,00,000	Equity	820,000.00	82,00,00	-
31-03-2010	Meenakshi Rao	50,000	10	10	5,00,000	Equity	870,000.00	87,00,00	-
31-03-2010	Meenakshi Rao	30,000	10	10	3,00,000	Equity	900,000.00	90,00,00	-
31-03-2010	Tarika Sachdev/Rajeev Sachdev	35,000	10	10	3,50,000	Equity	935,000.00	93,50,00	-
31-03-2010	Payal Mittal Tewari/Asish Tewari	1,49,500	10	10	14,95,000	Equity	1,084,500.00	108,45,00	-
31-03-2010	Lokesh Chauhan, Karan, Lokesh Chauhan (HUF)	25,000	10	10	2,50,000	Equity	1,109,500.00	110,95,00	-
31-03-2010	Soniya Vikrant Bhagwant/Vikrant Vishwas Bhagwant	25,000	10	10	2,50,000	Equity	1,134,500.00	113,45,00	-



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31-03-2010	Sawant Jayram Vishnu, Sewant Kumudini Jayaram	25,000	10	10	2,50,000	Equity	1,159,500.00	115,95,000	-
10-05-2010	Pooja Chib	25,000	10	10	2,50,000	Equity	1,184,500.00	118,45,000	-
10-05-2010	Kapil Juneja	25,000	10	10	2,50,000	Equity	1,209,500.00	120,95,000	-
10-05-2010	Sridhar Kuchibhotla	50,000	10	10	5,00,000	Equity	1,259,500.00	125,95,000	-
10-05-2010	Atma ram	2,00,000	10	10	20,00,000	Equity	1,459,500.00	145,95,000	-
10-05-2010	Diwan Chand	25,000	10	10	2,50,000	Equity	1,484,500.00	148,45,000	-
10-05-2010	Ravi Nagpal	25,000	10	10	2,50,000	Equity	1,509,500.00	150,95,000	-
10-05-2010	Anil Bholla	50,000	10	10	5,00,000	Equity	1,559,500.00	155,95,000	-
10-05-2010	Anju Bholla	50,000	10	10	5,00,000	Equity	1,609,500.00	160,95,000	-
10-05-2010	Ankur Singhal	50,000	10	10	5,00,000	Equity	1,659,500.00	165,95,000	-
10-05-2010	Suresh Chand Jain	40,000	10	10	4,00,000	Equity	1,699,500.00	169,95,000	-
10-05-2010	Shobna Ganesh Deodhar	50,000	10	10	5,00,000	Equity	1,749,500.00	174,95,000	-
10-05-2010	Ashish Tewari Karta, Ashish Tewari (HUF)	45,000	10	10	4,50,000	Equity	1,794,500.00	179,45,000	-
10-05-2010	RSL Tewari, Karta, RSL Tewari (HUF)	65,000	10	10	6,50,000	Equity	1,859,500.00	185,95,000	-
10-05-2010	Aruna Tewari	10,000	10	10	1,00,000	Equity	1,869,500.00	186,95,000	-
10-05-2010	Lokesh Tuteja	50,000	10	10	5,00,000	Equity	1,919,500.00	191,95,000	-
10-05-2010	Praveen Coudhary	60,000	10	10	6,00,000	Equity	1,979,500.00	197,95,000	-
10-05-2010	Mini Sachdev	1,00,000	10	10	10,00,000	Equity	2,079,500.00	207,95,000	-
10-05-2010	Devesh Sachdev	1,90,000	10	10	19,00,000	Equity	2,269,500.00	226,95,000	-
10-05-2010	Vishal Nagpal	25,000	10	10	2,50,000	Equity	2,294,500.00	229,45,000	-
10-05-2010	Poonam Batra	55,000	10	10	5,50,000	Equity	2,349,500.00	234,95,000	-



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14-05-2010	Ashish Tewari	1,45,000	10	10	14,50,000	Sweat Equity	2,494,500.00	249,450.00	-
14-05-2010	Devesh Sachdev	1,45,000	10	10	14,50,000	Sweat Equity	2,639,500.00	263,950.00	-
28-05-2010	RIF-NORTH2	22,37,314	10	10	22,373,140	Equity	4,876,814.00	487,681.40	-
12-10-2011	Devesh Sachdev	1,00,000	10	10	10,00,000	Equity	4,976,814.00	497,681.40	-
12-10-2011	Ashish Tewari	1,00,000	10	10	10,00,000	Equity	5,076,814.00	507,681.40	-
07-03-2013	RIF-NORTH2	19,56,000	10	10	19,560,000	Equity	7,032,814.00	703,281.40	-
07-03-2013	RIF-NORTH2	10,43,860	10	10	10,438,600	Equity	8,076,674.00	807,667.40	-
07-03-2013	NMI FRONTIER FUND	2,026,316	10	10	20,263,160	Equity	10,102,990.00	101,029.900	-
24-06-2014	Devesh Sachdev	151,712	10	10	1,517,130	Equity	10,254,702.00	102,547.020	-
24-06-2014	Ashish Tewari	151,713	10	10	1,517,130	Equity	10,406,415.00	104,064.150	-
18-09-2014	Devesh Sachdev	50,000	10	10	500,000	Equity	10,456,415.00	104,564.150	-
18-09-2014	Ashish Tewari	30,000	10	10	300,000	Equity	10,486,415.00	104,864.150	-
18-09-2014	Aruna Tewari	50,000	10	10	500,000	Equity	10,536,415.00	105,364.150	-
18-09-2014	RIF-NORTH2	1,453,986	10	10	14,539,860	Equity	11,990,401.00	119,904.010	-
18-09-2014	NMI Frontier	2,822,462	10	10	28,224,420	Equity	14,812,843.00	148,128.430	-
29-09-2014	Fusion Employee Benefit trust	288253	10	10	2,882,530	Equity	15,101,096.00	151,010.960	-
27-04-2015	Fusion Employee Benefit trust	1,557,110	10	10	250,000	Equity	16,658,206.00	166,582.060.00	-
19-06-2015	Belgian Investment Company for Developing Countries SA	1,004,920	10	52.74	53,000,000	Equity	17,663,126.00	176,631.260	-
19-06-2015	Oikocredit, Ecumenical Development Co-Operative Society U.A.	1,004,920	10	52.74	53,000,000	Equity	18,668,046.00	186,680.460.00	-
11.05.2016	Belgian Investment Company for	2,650,000	10	80 (Conversion)	CCD Conversion of Rs.	Equity	21318046.00	2131804.60.00	-



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	Developing Countries SA			price)	212,000,000			
11.05.2016	Oikocredit, Ecumenical Development Co-Operative Society U.A.	2,650,000	10	80 (Conversion price)	CCD Conversion of Rs. 212,000,000	Equity	23968046.00	23968046.00
05.07.2016	Devesh Sachdev	735,530	10	27.08	19,918,152.40	Equity	24,703,576	247,035,760.00
05.07.2016	Fusion Employee Benefit Trust	85,141	10	27.08	2,305,618.28	Equity	24,788,717	247,887,170.00
12.08.2016	Creation Investment s Fusion, LLC	3,700,000	10	100	370,000,000	Equity	28,488,717	28,488,717.00
12.08.2016	Global Financial Inclusion Fund	3,330,000	10	100	333,000,000	Equity	31,818,717	318,187,170.00
12.08.2016	Belgian Investment Company for Developing Countries SA	1,480,000	10	100	148,000,000	Equity	33,298,717	332,987,170.00
12.08.2016	Oikocredit, Ecumenical Development Co-Operative Society U.A.	1,406,000	10	100	140,600,000	Equity	34,704,717	347,047,170.00
30.12.2017	Creation Investment s Fusion, LLC	5,041,716	10	110	554,588,760	Equity	39,746,433	397,464,330.00
30.12.2017	Devesh Sachdev	1099,295	10	110 (1 Repaid up)	1099,295	Equity	40,845,728	408,457,280.00

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

Nil

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

Type of Event	Date of Announcement	Date of Completion	Details

5.6 Details of the shareholding of the Company as on the latest quarter end, i.e. December 31, 2017:



(a) Shareholding Pattern of the Company as on last quarter end, i.e. December 2017

Sr. No.	Name of Holder	Class	Number of Shares	%age of Holding	Number of shares held in Demat Form
1	Devesh Sachdev	Promoter	2,704,037	6.54%	2,704,037
2	Mini Sachdev	Promoter's Groups	300,000	0.73%	300,000
3	Fusion Employee Benefit Trust	Trust	898,234	2.17%	-
4	Employees	Employees	37,678	0.09%	-
5	RIF North 2 (Incofin)	Investors	3,680,138	8.91%	3,680,138
6	NMI Frontier Fund	Investors	4,848,758	11.74%	-
7	Belgian Investment Company for Developing Countries SA	Investors	5,134,920	12.43%	-
8	Oikocredit, Ecumenical Development Co-Operative Society U.A.	Investors	5,060,920	12.25%	-
9	Creation Investments Fusion LLC ("Creation")	Investors	15,321,043	37.08%	15,321,043
10	Global Financial Inclusion Fund ("Gawa")	Investors	3,330,000	8.06%	-
	Total		41,315,728	100.00%	22,005,218

Notes: Details of Shares pledged or encumbered by the promoters (if any): Nil

(b) List of top 10 holders of equity shares of the Company as on the latest quarter end, i.e. December 31, 2017:

Sr. No.	Name of Holder	Class	Number of Shares	%age of Holding	Number of shares held in Demat Form
1	Creation Investments Fusion LLC ("Creation")	Investors	15,321,043	37.08%	15,321,043
2	Belgian Investment Company for Developing Countries SA	Investors	5,134,920	12.43%	-
3	Oikocredit, Ecumenical Development Co-Operative Society U.A.	Investors	5,060,920	12.25%	-
4	NMI Frontier Fund	Investors	4,848,758	11.74%	-
5	RIF North 2 (Incofin)	Investors	3,680,138	8.91%	3,680,138
6	Global Financial Inclusion Fund ("Gawa")	Investors	3,330,000	8.06%	-
7	Devesh Sachdev	Promoter	2,704,037	6.54%	2,704,037
8	Mini Sachdev	Promoter's group	300,000	0.73%	300,000
9	Fusion Employee Benefit Trust	Trust	898,234	2.17%	-
10	Employees	Employees	37,678	0.09%	-

5.7 Following details regarding the directors of the Company:

(a) Details of current directors of the Company:

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



Name of the Directors	Designation	Date of Birth	Address	DIN	PAN	Director of the company since	Director in other company
Devesh Sachdev	Director	25-Dec-72	A-247/2 Phase-I, Ashok Vihar Delhi 110052	02547111	AOW PS6753C	5-Nov-09	1. Fusion Saksham Development Foundation
Pradip Kumar Saha	Independent Director	19-Dec-53	1st Floor, N/E Flat No-5, 459 (498), Purbaloke (Kalikapur) Kolkata 700099 WB	02947368	AGIP S8882L	12-Feb-16	1. Bandhan Bank Limited 2. Sonata Finance Private Limited
Nitin Gupta	Independent Director	5-Jul-60	B-5-601, World Spa West, Sector-30/41, Gurgaon. 122001 HR	03316274	AAQP G7379G	4-Sep-15	1. Amplio Technologies India Private limited 2. Dynamis Mentors Private Limited 3. DHFL Pramerica Life Insurance Company Limited 4. VDOSELECT Advisors Private Limited 5. MO Dynamis Digital Private Limited 6. Hercules security Solutions & Services Private Limited 7. Loyly Rewards Management Private Limited 8. Talisman Advisors Private Limited
Njord Andrewes	Nominee Director	2-Feb-76	Hans Nielsen Hauges Plass 7 Oslo 0481	06520457	N/A	7-Mar-13	1. RGVN (North East) Microfinance Limited
Anita Alcira Serrate Cortez	Nominee Director	21-May-76	Rue Du Hamoau 112 Rhode Saint Genese 1640 BO	07216795	N/A	19-Jun-15	-
Albert Hofstink	Nominee Director	12-Jun-58	Valkenhof 93 Nykerk Gld 386	02422809	N/A	19-Jun-15	-
Javed Ahmad Siddiqui	Nominee Director	30-Dec-67	11 Park Street, Nr Talkatora Garden, New Delhi 110001	07288484	ABRP S3991A	12-Feb-16	1. Shikhar Microfinance Private Limited 2. National Minorities Development and Finance Corporation
Kenneth Dan	Nominee Director	22-Apr-53	4455, East North, Water Street,	02545813	NA	12-Aug-16	1. Muthoot Microfinance Limited



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Vander Weele			#2101, Chicago, IL 60611				2. Sonata Finance Private Limited 3. Sohan Lal Commodity Management Private Limited
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*Company to disclose name of the current directors who are appearing in the RBI defaulter list and/or ECGC defaulter list, if any: Nil

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

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Vishwanath Seshadri	Independent Director	03359710	04-09-15	28-12-10	Resigned Due to pre-occupation
Nitin Gupta	Independent Director	03316274	04-09-15	-	Appointment
Anita Alcira Serrate Cortez	Nominee Director	07216795	19-06-15	-	Appointment
Albert Hofsink	Nominee Director	02422809	19-06-15	-	Appointment
Pradip Kumar Saha	Independent Director	02947368	12-02-16	-	Appointment
Javed Ahmad Siddiqui	Nominee Director	7288484	12-02-16	-	Appointment
Ashish Tewari	Director	2812549	12-08-16	04-12-09	Resigned Due to pre-occupation
Kenneth Dan Vander Weele	Nominee Director	2545813	12-08-16	-	Appointment
Aditya Bhandari	Nominee Director	03062463	28-12-2017	22-Jun-10	As per minimum threshold for directorship mentioned in Shareholder's Agreement

5.8 Following details regarding the auditors of the Company:

(a) Details of the auditor of the Company:

Name	Address	Auditor since	Remark
BSR and Associates LLP	Salarpuria Knowledge City, Orwell, 6th Floor, Unit-3, Survey No. 83/1, Plot No.2, Raidurg, Hyderabad - 500081	Jan 2010	None.

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



Name	Address	Date of appointment / resignation	Auditor since	Remark
BSR & Co.	8-2-618/2, Reliance Humsafar, IV Floor, Road No.11, Banjara Hills, Hyderabad 500034	Feb 06, 2014	Jan 2010	Resignation as auditor of the company

Details of borrowings of the Company, as on December 31, 2017:

(c) Details of Secured Loan Facilities:

Lender Name	Facilities Availed		Amounts O/S Dec-17	ROI%	Security offered		Tenore (Months)
	Nature of Facility	Amount Sanctioned			FD%	Book Debts %	
Oriental Bank of Commerce	Term Loan	19.00	7.80	11.40%	10.00%	110.00%	24
IDBI Bank Limited	Term Loan	168.00	44.96	13.00%	5.00%	100.00%	24
SIDBI	Term Loan	25.00	9.55	12.75%	2.50%	100.00%	36
State Bank of Patiala	Term Loan	5.00	0.15	12.65%	10.00%	125.00%	36
State Bank of India	Term Loan	60.00	29.93	11.00%	10.00%	110.00%	36
Vijaya Bank	Term Loan	16.00	3.00	13.10%	10.00%	110.00%	36
Andhra Bank	Term Loan	15.00	15.00	11.75%	10.00%	111.00%	24
Bharatiya Mahila Bank	Term Loan	5.00	1.50	13.70%	10.00%	110.00%	34
Syndicate Bank	Term Loan	10.00	3.00	12.60%	10.00%	111.00%	36
NABARD	Term Loan	165.00	119.92	10.85%	0.00%	118.00%	60
Mudra	Term Loan	10.00	2.80	10.10%	10.00%	100.00%	28
Bank Of Baroda	Term Loan	15.00	6.50	12.65%	10.00%	111.00%	36
RBL Bank Limited	Term Loan	105.00	29.38	10.50%	5.00%	110.00%	24
BNP Paribas	Term Loan	33.75	3.13	11.40%	5.00%	100.00%	24
SBERBANK	Term Loan	18.00	18.00	11.25%	0.00%	110.00%	18
Standard Chartered Bank	Term Loan	40.00	40.00	10.50%	0.00%	100.00%	12
HDFC Bank Limited	Vehicle Loan	0.40	0.04	10.25%	0.00%	0.00%	60
HDFC Bank Limited	Term Loan	80.00	25.00	11.50%	10.00%	105.00%	18
DCB Bank Limited	Term Loan	24.50	5.54	12.00%	5.00%	100.00%	26
South Indian Bank Limited	Term Loan	14.00	8.25	12.50%	5.00%	110.00%	36
Yes Bank Limited	Term Loan	5.00	-	13.25%	10.00%	100.00%	24



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Axis Bank Limited	Term Loan	15.00	3.75	12.50%	5.00%	105.00%	24
Kotak Mahindra Bank Limited	Term Loan	20.00	3.23	12.50%	10.00%	110.00%	24
Au Small Finance Bank Limited	Term Loan	55.00	22.50	12.20%	0.00%	110.00%	27
Maanaveeya Develop. Finance Pvt. Ltd.	Term Loan	43.50	4.50	14.50%	0.00%	105.00%	36
IFMR Capital Finance Limited	Term Loan	127.50	35.00	13.00%	0.00%	100.00%	25
MAS Financial Services Limited	Term Loan	169.75	40.21	12.70%	0.00%	110.00%	24
Caspian Impact Investment	Term Loan	26.00	1.67	13.20%	0.00%	110.00%	24
Nabkisan Finance Ltd.	Term Loan	15.00	15.00	12.25%	5.00%	110.00%	36
Reliance Capital Limited	Term Loan	77.00	30.99	13.00%	5.00%	100.00%	24
Family Credit Limited (LT Finance Limited)	Term Loan	57.00	15.42	13.00%	10.00%	110.00%	27
Hero Fincorp Limited	Term Loan	10.00	0.94	14.00%	5.00%	110.00%	27
Tata Capital Financial Services Limited	Term Loan	10.00	0.83	13.25%	0.00%	110.00%	48
Capital First Limited	Term Loan	20.00	20.00	13.50%	0.00%	110.00%	48
Mahindra & Mahindra Financial Services Ltd.	Term Loan	35.00	35.00	12.25%	5.00%	110.00%	24
Avanse Financial Services Ltd.	Term Loan	10.00	-	12.75%	0.00%	100.00%	24
Hinduja Leyland Finance Limited	NCD	20.00	20.00	12.10%	0.00%	100.00%	36
IFMR FImpact Investment Private Limited	NCD	10.00	10.00	15.00%	0.00%	110.00%	69
Blue Orchard (MIFA)	NCD	22.00	22.00	13.00%	0.00%	105.00%	48
Blue Orchard MEF)	NCD	24.00	24.00	14.85%	0.00%	105.00%	48
Blue Orchard (MF)	NCD	47.00	47.00	13.60%	0.00%	105.00%	60
ASN Microcredit Fund (TJ)	NCD	52.60	52.60	14.15%	0.00%	100.00%	72
AAV Saral-Symbiotic	NCD	42.60	42.60	14.50%	0.00%	100.00%	61
AAV Saral-Symbiotic II	NCD	60.10	60.10	13.22%	0.00%	100.00%	37
UTI International Wealth Creator ("responsAbility")	NCD	55.00	55.00	13.25%	0.00%	100.00%	108
CPP-Incofin	NCD	31.00	31.00	13.15%	0.00%	100.00%	36
Total		1,888.70	966.76				

(d) Details of Unsecured Loan Facilities as of December 31, 2017:

Lender Name	Facilities Availed			ROI%	Security offered		Repayment Terms (Months)
	Nature of Facility	Amount Sanctioned	Dec-17		FD%	Book Debts %	
Capital First Limited	Sub Debt	30.00	30.00	14.25%	0.00%	0.00%	
IFMR Capital Finance Limited	Term Loan	71.00	69.09	12.40%	0.00%	0.00%	



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SIDBI	Sub Debts	7.00	7.00	15.50%	0.00%	0.00%	36
SIDBI	Soft Loan	0.35	0.12	2.00%	0.00%	0.00%	36
IFMR Fimcap Long Term Credit Fund	Sub Debt	50.00	50.00	13.85%	0.00%	0.00%	69
Total		158.35	156.21				

(e) Details of Non-Convertible Debentures as of December 31, 2017:

Debenture Series	Tenor (In Months)	Comp on (ROI)	Amount	Date of allotment	Redemption Date/ Schedule	Credit Rating	Secured / Unsecured	Security
Blue Orchard (Microfinance Initiative for Asia)	48 Months	13.00 %	22.00	24-Dec-14	16-Dec-18	BBB by ICR A	Secured	Book Debts
IFMR Fimcap Investment Fund	69 Months	15.00 %	10.00	31-Mar-15	18-Dec-20	BBB by CARE	Secured	Book Debts
Blue Orchard (Microfinance Enhancement Facility SA, SICAV)	48 Months	14.85 %	24.00	30-Apr-15	30-Apr-19	BBB by ICR A	Secured	Book Debts
AAV Sarl-Symbiotic	61 Months	14.50 %	42.60	30-Jun-15	13-Aug-20	BBB by ICR A	Secured	Book Debts
AAV Sarl-Symbiotic II	37 Months	13.22 %	60.10	28-Jun-16	16-May-22	BBB by ICR A	Secured	Book Debts
PETTELAAR EFFECTENDEWAARDE EDRIJF N.V. (ASK Microcredit Fund TJ)	72 Months	14.15 %	52.60	02-Jun-16	19-Jul-20	BBB by ICR A	Secured	Book Debts
Blue Orchard Microfinance Fund	60 Months	13.60 %	47.00	31-08-16	31-08-21	BBB by ICR A	Secured	Book Debts
UTI International Wealth Creator 4 (responsAbility)	108 Months	13.25 %	55.00	15-Sep-16	15-Sep-22	BBB by ICR A	Secured	Book Debts
IFMR FIMPACT Long term Credit Fund	73 Months	13.85 %	50.00	15-Mar-17	30-Mar-23	BBB by ICR A	Unsecured	N.A.
CPP- Incofin NDD	36 Months	13.15 %	31.00	07-Jul-17	07-Jul-20	BBB by ICR A	Secured	Book Debts
Hinduja Leyland Finance Ltd	36 Months	12.10 %	20.00	04-Sep-17	31-Aug-20	BBB by CARE	Secured	Book Debts



(f) List of Top 10 Debenture Holders (as on December 31, 2017)

Debenture Series	Amount in Crore
AAV Sarl Symbiotic II	60.10
UTI International Wealth Creator 4 (responsAbility)	55.00
PETTELAAAR EFFECTENBEWAARBEDRIJF N.V. (ASN Microcredit Fund TJ)	52.60
IIMR PIMPACT Long term Credit Fund	50.00
Blue Orchard Microfinance Fund	47.00
AAV Sarl -Symbiotic	42.60
CPP- Incofin NDD	31.00
Blue Orchard (Microfinance Enhancement Facility SA, SICAV)	24.00
Blue Orchard (Microfinance Initiative for Asia)	22.00
Hinduja Leyland Finance Ltd	20.00

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

The Company has not issued any corporate guarantee for any third party as of December 31, 2017.

- (h) **Details of Commercial Paper (as of December 31, 2017): Nil**

- (i) **Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2017:**

Preference Share Capital History of our Company

The history of Preference Share capital of our Company is provided in the following table:

No	Name of Share Holders	No of Shares	Share Value	% of shareholding
1	SIDBI	3,000,000	10	100%
	TOTAL	3,000,000	10	100%

Party Name (In case of Facility)/Instru- ment Name	Type of Facility/ Instru- ment	Amount Sanction- ed/ Issued	Princip- al Amt OS	Credit Rating Schedu- le	Secured/ Unsecure- d	Repayment Schedule	Securit- y
SIDBI	OCPS	3.00 crore	3.00 crore	NA	Unsecured	In case of redemption, (i) 50% of outstanding at end of 4 years (ii) remaining at the end of 5 years	NA

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



NIL

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

NIL

5.9 Details of Promoters of the Company:

- (a) Details of Promoter Holding in Company as on latest quarter end, i.e. December 31, 2017:

Name of the shareholders	Total No of Equity shares	No. of shares in Demat form	Total shareholding as % of total no of equity shares	No of shares Pledged	% of shares pledged with respect to shares owned
Devesh Sachdev & Family	3,004,037	Nil	7.27%	0	0
TOTAL	3,004,037	Nil	7.27%	0	0

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

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009/ the Uniform Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015] (as may be amended, modified or restated from time to time)

Profit & Loss Statement (In Crs.)	FY 2015	FY 2016	FY 2017
Income			
Interest on loans (i)	44.47	89.22	159.45
Other Financial Income (ii)	10.41	21.00	25.45
Other Income (iii)	0.06	0.12	16.14
Total Income (i+ii+iii)	54.94	110.34	201.04
Expenditure			
Expenditure/ Cost of Sales (i)	-	-	-
Personnel Expenditure (ii)	11.84	25.81	48.32
Provisioning Expenditure (iii)	-	-	-
Write-off Expenditure (iv)	-	-	-
Depreciation and Amortization (v)	0.81	1.04	1.60
General and Administrative Expenditure (vi)	6.59	13.06	48.87
Total Expenditure (i+ii+iii+iv+v+vi)	19.24	39.90	98.79
Operating Profit before Interest	35.70	70.44	102.25
Interest	27.73	48.15	97.44
Operating profit after Interest	7.97	22.29	4.82
Corporate Social Responsibility Expense			
Profit Before Tax	7.97	22.29	4.82
Income Tax	2.66	8.87	0.72
Net Profit	5.31	13.42	4.10
Equity Dividend paid	-	-	-
Retained Profit	5.31	13.42	4.10



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Balance Sheet (in INR Crs.)	FY 2015	FY 2016	FY 2017
Liabilities			
Current Liabilities			
Short term borrowings from banks	62.67	120.76	151.08
Short term borrowings from others	76.51	78.65	169.27
Other Current Liabilities	13.29	30.69	55.57
Total Current Liabilities (A)	152.47	230.10	375.92
Total Term Liabilities (B)	117.65	266.74	819.97
Total Liabilities (A+B)	270.12	496.84	995.89
Ordinary Share Capital	15.28	17.29	34.26
Reserves & Surplus	29.08	48.07	180.03
Legal reserves	1.75	4.43	5.25
Other Capital	3.00	45.40	3.00
Net Worth (C)	49.11	115.19	222.54
Total Equity & Liabilities (A+B+C)	319.23	612.03	1,218.43
Assets			
Current Assets			
Cash and Bank Balances	52.50	61.67	130.21
Net Receivables	0.16	0.93	-
Other Current Assets	157.23	387.06	850.61
Total Current Assets	209.89	449.66	1,040.82
Fixed Assets - Gross Block	2.75	4.71	8.79
Depreciation	1.55	2.59	4.17
Fixed Assets - Net Block	1.21	2.12	4.61
Investments	-	-	-
Other Non-Current assets	108.13	160.26	172.99
Total Non-Current Assets	109.34	162.38	177.60
Total Assets	319.23	612.03	1,218.43

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

[Note: Financial information submitted must be in line with the timelines specified in the Simplified Listing Agreement, issued vide Circular no. SEBI/IMD/BOND/1/2009/11/05, dated May 11, 2009/ the Uniform Listing Agreement issued by SEBI vide circular No. CIR/CFD/CMD/6/2015 dated October 13, 2015 (as may be amended, modified or restated from time to time)].

Profit and Loss Statement (in INR Lakhs)		(Amt In Crs.)	
	FY 2017	FY 2018	(SEP)
Revenue from Operations	184.90	101.12	
Other Income	16.14	8.58	
Total Revenue	201.04	109.70	
Expenses:			
Operating expenses	34.95	52.39	
Employee benefits expense	48.32	30.15	
Finance costs	97.44	63.41	
Depreciation and amortisation	1.60	0.23	
Other expenses	13.92	9.38	
Total expenses	196.23	156.17	



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Profit / (Loss) for the period before Tax	4.82	(46.47)
- Current tax	10.42	0.69
- Deferred tax expense/(benefit)	(9.70)	(17.49)
- Prior period taxes	-	-
Profit after tax	4.10	(29.67)

(Amt. in Crs.)

Balance Sheet	FY 2017	FY 2018 (SEP)
EQUITY AND LIABILITIES		
Shareholder's funds		
Share capital	37.26	37.28
Reserves and surplus	185.28	155.31
Sub-Total	222.54	192.58
Non-current Liabilities		
Long-term borrowings	617.75	640.39
Long-term provisions	2.22	1.18
Sub-Total	619.97	641.57
Current liabilities		
Short-term borrowings	-	-
Other current liabilities	345.99	343.64
Short-term provisions	29.92	80.12
Sub-Total	375.92	423.77
TOTAL	1,218.43	1,257.92
ASSETS		
(1) Non-Current Assets		
(a) Fixed Assets		
(i) Tangible Assets	4.36	4.84
(ii) Intangible Assets	0.26	0.25
(iii) Capital Work-In-Progress	-	-
(b) Non-Current Investments	-	-
(c) Deferred Tax Assets (Net)	10.90	28.40
(d) Long Term Loans & Advances	135.39	301.07
(e) Other Non - Current Assets	26.70	21.20
Sub-Total Non-Current Assets	177.60	355.75
(2) Current Assets		
(a) Trade Receivables under Loan Contracts	-	0.86
(b) Cash & Cash Equivalents	400.73	150.12
(c) Short Term Loans and Advances	5.64	11.57
(d) Other Current Assets	634.46	739.61
Sub-Total Current Assets	1,040.82	902.17
TOTAL ASSETS	1,218.43	1,257.92

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



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

5.13 Names of the Debentures Trustees and Consents thereof

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

5.14 Rating

The Rating Agency has assigned ratings of "CARE BBB+ [" (pronounced as "CARE triple BBB Plus") to the Debentures. Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The rating letter and rationale from the Rating Agency is provided in Annexure II of this Information Memorandum.

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

Not applicable

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

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

5.17 Other details:

(a) Debenture Redemption Reserve Creation:

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

(b) Issue / instrument specific regulations:

The Issue of Debentures shall be in conformity with the applicable provisions of the Companies Act including the notified rules thereunder, the SEBI Debt Listing Regulations, the LODR Regulations and the applicable RBI guidelines.

(c) Application process:

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

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



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The following contracts, not being contracts entered into in the ordinary course of business carried on by the Company or entered into more than 3 (Two) years before the date of this Information Memorandum, which are or may be deemed material, have been entered into by the Company.

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

Sr. No.	Nature of Contract
1	Certified true copy of the Memorandum of Association & Articles of Association of the Issuer
2	Board Resolution dated March 29, 2018 authorizing the issue of Debentures offered under terms of this Disclosure Document.
3	Shareholder Resolution dated June 30, 2017 authorizing the issue of non-convertible debentures by the Company.
4	Shareholder Resolutions dated June 30, 2017 authorizing the borrowing by the Company and the creation of security.
5	Copies of Annual Reports of the Company for the last three financial years
6	Credit rating letter from the Rating Agency dated March 29, 2018.
7	Letter from Catalyst Trusteeship Limited giving its consent to act as Debenture Trustee
8	Letter for Register and Transfer Agent
9	Certified true copy of the certificate of incorporation of the Company
10	Certified true copy of the tripartite agreement between the Company, the Registrar & Transfer Agent and the NSDL/CDSL.
11	Copy of application made to BSE for grant of in-principle approval for listing of Debentures.

5.19 Details of Debt Securities Sought to be Issued

Under the purview of the current document, the Issuer intends to raise an amount of Rs. 30,00,00,000/- (Rupees Thirty Crores Only) by issue of unsecured rated listed redeemable non-convertible debentures, on a private placement basis.

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

5.20 Issue Size

The aggregate issue size for the Debentures is Rs.30,00,00,000/- (Rupees Thirty Crores Only).

5.21 Utilization of the Issue Proceeds

The Issuer shall utilise the moneys received towards subscription of the Debentures for the disbursement of the Issuer's general corporate purposes of the Company including repayment and/or refinancing of existing debt.

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

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

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



- 5) Finance to NBFCs for further lending to individuals for subscribing to Initial Public Offerings (IPO) and for purchase of shares from secondary market

5.22 Issue Details

Security Name	13.90%Fusion2023
Issuer	Fusion Microfinance Private Limited
Type of Instrument	Subordinated Unsecured Non-Convertible Debentures
Nature of Instrument	Subordinated, Unsecured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures
Seniority	Subordinated
Mode of Issue	Private placement
Eligible/Identified Investors	As provided in Section 8.14 below
Listing	The NCDs are proposed to be listed on the Bombay Stock Exchange ("BSE") within 20 calendar days of the Deemed Date of Allotment. In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 1% (One Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment until the listing of the Debentures. In the event that the NCDs are not listed within 15 (Fifteen) days from the Deemed Date of Allotment for any reason whatsoever, then to the extent that any Debenture Holders are Foreign Institutional Investors or sub-accounts of Foreign Institutional Investors or Qualified Foreign Investors, the Issuer undertakes to immediately redeem and/or buyback any and all Debentures within 2 (two) Business Days of the expiry of the Listing Period.
Rating of Instrument	BBB+ by CARE
Issue Size	Issue of 300 (Three Hundred) Unsecured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs. 30,00,00,000/- (Rupees Fifteen Crores only) on a private placement basis
Option to retain oversubscription	N.A.
Objects of the Issue	To raise subordinated unsecured debt to the extent upto Rs.30,00,00,000/- (Rupees Fifteen Crores only) for general corporate purposes of the Company including repayments and/or refinancing of existing debt ("Purpose").
Details of the utilization of the Proceeds	The issue proceeds will be utilized general corporate purposes of the Issuer including repayments and/or refinancing of existing debt.
Coupon Rate	13.90% annual coupon payable monthly
Step Up/ Step Down Coupon Rate	N.A.
Coupon Payment Frequency	Monthly
Coupon Payment Date	As per Annexure VI
Coupon Type	Fixed
Coupon Reset Date	N.A.
Day Count Basis	Actual/Actual



Interest on Application Money	Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment Where Pay-in Date and Deemed date of Allotment are the same, no interest on Application money is to be paid
Default Interest Rate	• In case of default in payment of interest and / or principal redemption on the due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period. • In case of default by the Issuer in the performance of any of the covenants of this Issuance, including but not limited to the financial covenants of this Issuance, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer for the defaulting period
Step Up Interest	In the event the credit rating of the Company as on the Deemed Date of Allotment ("Initial Rating") is downgraded by any rating agency, the Company agrees to pay an additional interest rate of 0.25% per annum, compounded monthly, above the applicable Interest Rate on the Outstanding Principal Amounts and accrued but unpaid interest of the Debentures for every notch of rating downgrade commencing from the date of such downgrade until such credit rating is upgraded back to the Initial Rating. In case of rating from multiple rating agencies, lowest rating shall be considered for the above purpose.
Delay Penalty	NA
Tenor	66 (Sixty Six) months from the Deemed Date of Allotment
Redemption Date	September 29, 2023 being approximately 66 (Sixty Six) months from the Deemed Date of Allotment, or such other date on which the final payment of the Debentures becomes due and payable as herein provided, whether at such stated maturity date, by declaration of acceleration, or otherwise
Redemption Amount	Rs. 10,00,000/- (Rs. Ten Lakh Only) per Debenture on the Maturity Date plus accrued Coupon if any.
Redemption Premium/ Discount	N.A.
Early Redemption	In case of early redemption of the Debentures at the instance of the Issuer, on any date other than the Maturity Date and not arising due to an Event of Default, the Issuer shall pay a penalty on the principal amount prepaid as listed below: • 3% (Three percent) in case of prepayment within two years from the Deemed Date of Allotment; • 2% (Two percent) in case of prepayment after two years from the Deemed Date of Allotment; Prepayment shall be subject to the prior approval from RBI and consent of the Majority Debenture Holders. The Issuer shall give the Debenture Trustee and the Debenture Holders at least 15 (Fifteen) Business Days written notice prior to the date of such meeting where Holders consent of the Debenture shall be sought.
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakh Only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.



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Put Date	N.A.
Put Price	N.A.
Call Date	N.A.
Call Price	N.A.
Put Notification Time	N.A.
Call Notification Time	N.A.
Face Value	Rs. 10,00,000 (Rupees Ten Lakhs Only) per Debenture
Minimum Subscription Amount	INR 1,00,00,000 (Indian Rupees One Crore Only)
Issue Timing	Issue Opening Date: March 31, 2018 Issue Closing Date: March 31, 2018 Pay-in Dates: March 31, 2018 Deemed Date of Allotment: March 31, 2018
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS
Depositories	NSDL and CDSL
Business Day Convention	•If any coupon payment date falls on a day that is not a working day, the payment shall be made on the immediately succeeding working day. •If the redemption date of the Debentures falls on a day that is not a working day, the redemption proceeds shall be paid on the immediately preceding working day •If the Maturity Date (also the last coupon payment date) of the Debentures falls on a day that is not a working day, the redemption proceeds and coupon payment shall be paid on the immediately preceding working day.
Record Date	3 (Three) Business Days prior to each coupon payment date and redemption date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	NA
Transaction Documents	Shall be as set out in Section 6.1 below



Conditions Disbursement	Precedent	to	The Company shall fulfil the following Conditions Precedent the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Pay in Date: 1.All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed; 2.Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 3.The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale; 4.The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 5.The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation) 6.The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year.
Conditions Disbursement	Subsequent	to	The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed 1.The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines; 2.Receive final listing approval from the BSE within 20 calendar days of request from Debenture Trustee 3.The Issuer shall ensure credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 7 (Seven) Business Days of the Deemed Date of Allotment 4.The Issuer shall ensure compliance with SEBI / Companies Act 2013 (as applicable) for issuance of NCDs.
Event of Default			Customary for financings of this nature and others appropriate in the judgment of the Debenture Holders, including but not limited to: 1. Non-payment of any of the dues under this Issuance; 2. Default or trigger of event of default on any other indebtedness (cross default) 3. Misrepresentation or misleading information in any of the Transaction Documents 4. Issuer is unable or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;

