

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

No: _____

Addressed to: **Northern Arc Capital Ltd**

**INFORMATION MEMORANDUM
BELSTAR MICROFINANCE LIMITED**

A private limited company incorporated under the Companies Act, 1956

Date of Incorporation: January 11, 1988

Registered Office: New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai - 600083

Telephone No.: +91-44-4341567

Website: [https:// www.belstar.in](https://www.belstar.in)

Information Memorandum dated September 29, 2020 for issue of Debentures on a private placement basis

Issue of 500 (Five Hundred) unsecured, subordinated, rated, listed, redeemable, transferable, non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores Only) on a private placement basis (the “Issue”).

Background

This Information Memorandum is related to the Debentures (as defined hereinafter) to be issued by Belstar Microfinance Limited (the “**Issuer**” or “**Company**”) on a private placement basis and contains relevant information and disclosures required for the purpose of issuing of the Debentures. The issue of the Debentures comprised in the Issue and described under this Information Memorandum has been authorised by the Issuer through resolutions passed by the shareholders of the Issuer on September 23, 2019 and the Board of Directors of the Issuer on May 10, 2020 and the Memorandum and Articles of Association of the Company. Pursuant to the resolution passed by the Company’s shareholders dated September 23, 2019 in accordance with provisions of the Companies Act, 2013, the Company has been authorised to borrow, upon such terms and conditions as the Board may think fit, for amounts up to INR 50,00,00,00,000/- (Rupees Five Thousand Crores Only). The present issue of NCDs in terms of this Information Memorandum is within the overall powers of the Board.

General Risks

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

Issuer’s Absolute Responsibility

The Issuer, having made all reasonable inquiries, confirms and represents that the information contained in this Information Memorandum/ Disclosure Document is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly

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held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The Issuer is solely responsible for the correctness, adequacy and disclosure of all relevant information herein.

Credit Rating

The Debentures proposed to be issued by the Issuer have been rated by CARE Ratings Limited. The Rating Agency has, vide its letter dated September 23, 2020 assigned a rating of “**CARE A+**” 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 September 23, 2020 from the Rating Agency assigning the credit rating above mentioned and disclosing the rating rationale adopted for the aforesaid rating.

Issue Schedule

Issue/ Bid Opening Date: September 29, 2020
Issue/ Bid Closing Date: September 29, 2020
Pay-in Date: September 30, 2020
Deemed Date of Allotment: September 30, 2020

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 Business Day from the Issue Opening Date to the Issue Closing Date (both days inclusive).

The Debentures are proposed to be listed on the wholesale debt market segment of BSE Limited within 20 (twenty) Business Days from Deemed Date of Allotment.

Registrar & Transfer Agent

Integrated Registry Management Services Private Limited

5A, 2nd Floor, Kences Towers,
1, Ramakrishna Street, T. Nagar
Chennai - 600 017
Tel: +91-44-281-3405-46
Email: corpserv@integratedindia.in

Debenture Trustee

IDBI Trusteeship Services Limited

Asian Building, Ground Floor
17, R. Kamani Marg,
Ballard Estate, Mumbai
Maharashtra -400001
Tel.: +91-22-40807000; Fax: +91-22-66311776
Email: itsl@idbitrustee.com

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SECTION 1: DEFINITIONS AND ABBREVIATIONS

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

Allot/Allotment/Allotted	Unless the context otherwise requires or implies, the allotment of the Debentures pursuant to this Issue.
Application Form	The form used by the recipient of this Disclosure Document and/or the Private Placement Offer Cum Application Letter, to apply for subscription to the Debentures.
Applicable Law	Shall include any statute, law, by-law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by a Governmental Authority.
Arranger/ Sole Arranger	Not Applicable
Board/Board of Directors	The Board of Directors of the Issuer.
Business Day	Any day of the week (excluding Sundays and any other day which is a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are normally open for business in Chennai and " Business Days " shall be construed accordingly.
CDSL	Central Depository Services (India) Limited.
Client Loan	Each loan made by the Issuer as a lender, and " Client Loans " shall refer to the aggregate of such loans.
Debentures / NCDs	500 (Five Hundred) unsecured, rated, subordinated listed, redeemable, transferable, non-convertible debentures bearing a face value of Rs. 10,00,000/- (Rupees Ten Lakh only) each, aggregating to Rs. 50,00,00,000/- (Rupees Fifty Crores only).
Debenture Holder(s) / Investors	The holders of the Debentures issued by the Issuer and shall include the registered transferees of the Debentures from time to time.
Deemed Date of Allotment	September 30, 2020.
Debenture Trustee	IDBI Trusteeship Services Limited.
Debenture Trustee Agreement	Agreement executed by and between the Debenture Trustee and the Company for the purposes of appointment of the Debenture Trustee to act as debenture trustee in connection with the issuance of the Debentures.
Debenture Trust Deed	Shall mean the trust deed executed/to be executed by and between the Debenture Trustee and the Company which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer.
Demat	Refers to dematerialized securities which are securities that are in electronic form, and not in physical form, with the entries noted by the Depository.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participant) Regulations, 1996, as amended from time to time.
Depository Participant / DP	A depository participant as defined under the Depositories Act
Director(s)	Director(s) of the Issuer.
Disclosure Document / Information Memorandum	This document which sets out the information regarding the Debentures being issued on a private placement basis.
DP - ID	Depository Participant Identification Number.

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Due Date	Any date on which the holders of the Debentures are entitled to any payments, whether on maturity or earlier, on exercise of the option to redeem the Debentures prior to the scheduled Maturity Date or acceleration.
EFT	Electronic Fund Transfer.
Electronic Book Mechanism	Shall mean the electronic book mechanism process to be followed by the Issuer for private placement of debt securities in accordance with the SEBI Electronic Book Mechanism Guidelines.
Financial Year/ FY	Twelve months period commencing from April 1 of a particular calendar year and ending on March 31 of the subsequent calendar year.
GAAP	Generally Accepted Accounting Principles prescribed by the Institute of Chartered Accountants of India from time to time and consistently applied by the Issuer.
Governmental Authority	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 Applicable Law.
Issue	Private placement of the Debentures in terms of the Private Placement Offer Letter issued by the Issuer and/ or this Disclosure Document.
Issue/ Bid Closing Date	September 29, 2020.
Issue/ Bid Opening Date	September 29, 2020.
Issuer/ Company	Belstar Microfinance Limited.
Majority Debenture Holder(s)	Debenture Holder(s) whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to more than 50% (Fifty per cent) of the value of the nominal amount of the Debentures for the time being outstanding.
Maturity Date	September 30, 2027, being 84 months from the Deemed Date of Allotment, on which the final payment of the principal of the Debentures becomes due and payable.
N.A./ NA	Not Applicable.
NBFC	Non-banking financial company
NSDL	National Securities Depository Limited.
PAN	Permanent Account Number.
Private Placement Offer Cum Application Letter	Shall mean the private placement offer cum application letter prepared and issued to the eligible investors by the Company in compliance with Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014.
RBI	Reserve Bank of India.
Rating Agency	CARE Ratings Limited, being a credit rating agency registered with SEBI pursuant to SEBI (Credit Rating Agencies) Regulations 1999, as amended from time to time.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
R&T Agent	Registrar and Transfer Agent to the Issue, in this case being Integrated Registry Management Services Private Limited.
ROC	Registrar of Companies.
Rs. / INR	Indian Rupee.
RTGS	Real Time Gross Settlement.

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SEBI	Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992 (as amended from time to time).
SEBI Debt Listing Regulations	The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended from time to time.
SEBI Electronic Book Mechanism Guidelines	The guidelines issued by SEBI and pertaining to the Electronic Book Mechanism set out in the terms specified by the SEBI in its Circular dated January 05, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/05) titled ' <i>Electronic book mechanism for issuance of securities on private placement basis</i> ' read along with the related Clarifications dated August 16, 2018 (bearing reference number SEBI/HO/DDHS/CIR/P/2018/122), and the related operational guidelines issued by the concerned Electronic Book Provider, as may be amended, clarified or updated from time to time.
TDS	Tax Deducted at Source.
The Companies Act/ the Act	The Companies Act, 2013 or where applicable, the provisions of the Companies Act, 1956, still in force.
Terms & Conditions	Shall mean the terms and conditions pertaining to the Issue as outlined in the Transaction Documents.
Transaction Documents	Shall mean the documents executed or to be executed in relation to the issuance of the Debentures as more particularly set out in Section 5.23.
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.

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SECTION 2: NOTICE TO INVESTORS AND DISCLAIMERS

2.1 ISSUER'S DISCLAIMER

This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus and should not be construed to be a prospectus or a statement in lieu of a prospectus under the Companies Act. The issue of the Debentures is being made strictly on a private placement basis. The Debentures shall be unlisted at the time of the issuance and shall be listed within 20 days from deemed date of allotment on the WDM segment of the BSE. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. This Information Memorandum does not constitute and shall not be deemed to constitute an offer or invitation to subscribe to the Debentures to the public in general.

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

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

Neither this Information Memorandum nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and the 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 analyse such investment and the suitability of such investment to such potential investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this 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 the Private Placement Offer Cum Application Letter or this Information Memorandum or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer. The Issuer certifies that the disclosures made in this Information Memorandum and/or the Private Placement Offer Cum Application Letter are adequate and in conformity with the SEBI Debt Listing Regulations. Further, the Issuer accepts no responsibility for statements made otherwise than in the Information Memorandum or any other material issued by or at the instance of the Issuer and anyone placing reliance on any source of information other than this Information Memorandum would be doing so at its own risk.

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

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

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

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

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

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

2.2 DISCLAIMER CLAUSE OF STOCK EXCHANGES

As required, a copy of this Information Memorandum shall be 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

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construed to have been approved or vetted by SEBI and that this Issue is not recommended or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any proposal for which the Debentures issued thereof is proposed to be made or for the correctness of the statements made or opinions expressed in this Information Memorandum.

2.4 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 as per the Electronic Book Mechanism. This Information Memorandum and/or the Private Placement Offer Cum Application Letter does not constitute an offer to sell or an invitation to subscribe to Debentures offered hereby to any person to whom it is not specifically addressed. Any disputes arising out of this Issue will be subject to the exclusive jurisdiction of the courts and tribunals at Chennai. This Information Memorandum and/or the Private Placement Offer Cum Application Letter does not constitute an offer to sell or an invitation to subscribe to the Debentures herein, in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction.

2.5 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.

2.6 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.

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SECTION 3: RISK FACTORS

The following are the risks relating to the Company, the Debentures and the market in general envisaged by the management of the Company. Potential investors should carefully consider all the risk factors in this Information Memorandum and/or the Private Placement Offer Cum Application Letter for evaluating the Company and its business and the Debentures before making any investment decision relating to the Debentures. The Company believes that the factors described below represent the principal risks inherent in investing in the Debentures, but do 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. Investors should also read the detailed information set out elsewhere in this Information Memorandum and/or the Private Placement Offer Cum Application Letter and reach their own views prior to making any investment decision.

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

Potential investors 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 may need to make provisions towards sub-standard/ non-performing investment as per their usual norms.

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

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

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to consult with their own accounting advisors to determine implications of this investment.

3.7 THERE ARE CERTAIN RISKS CONNECTED WITH UNSECURED DEBENTURES

Since the Issue involves issuance of unsecured debentures, no charge would be created on the assets of the Company. Accordingly, in the event of a payment default by the Issuer, the Debenture Holders may not be able to recover their principal amount and/or the interest accrued thereon in a timely manner, for the entire value of the Debentures held by them or at all.

3.8 REPAYMENTS UNDER THE DEBENTURES ARE SUBORDINATED TO THE CLAIMS OF SENIOR CREDITORS

The Debentures are in the nature of subordinated debt of the Issuer. Accordingly, the claims of Debenture Holders will be subordinated to the claims of secured creditors and creditors of unsubordinated debt.

Further, in the event of liquidation, bankruptcy or winding up of the Issuer, certain payments (including claims relating to secured and unsubordinated debt of the Issuer) would take precedence over the claims and repayment owed to the Debenture Holders. Accordingly, in such a case the Debenture Holders may lose all or a part of their investment.

3.9 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.

3.10 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.

3.11 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.

3.12 RISKS RELATED TO THE BUSINESS OF THE ISSUER

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

The Client Loans are secured against hypothecation of stock, receivables and other current assets and the clients of these loans are of the high-risk category. There is uncertainty on the client's

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ability to fulfil its loan obligations. Such non-performing or low credit quality loans can negatively impact our results of operations.

As on March 31, 2020, the gross NPA was Rs. 28.12 crores on a gross portfolio of Rs. 2630.09 crores (including managed / securitized portfolio of Rs. 799 crores).

The Issuer cannot assure that the Issuer will be able to effectively control and reduce the level of NPAs in its total loan portfolio. The amount of the Issuer's reported non-performing loans may increase in the future as a result of growth in the total loan portfolio, and also due to factors beyond the Issuer's control. Failure to manage NPAs or effect recoveries will result in operations being adversely affected.

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

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

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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 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 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.

E. *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 and financial services industries. The loss of any of the Issuer's executive officers, key employees or senior managers could negatively affect its ability to execute its business strategy, including its ability to manage its rapid growth. The Issuer's business is also dependent on its team of personnel who directly manage its relationships with its members. The Issuer's business and profits would suffer adversely if a substantial number of such personnel left the Issuer or became ineffective in servicing its members over a period of time. The Issuer's future success will depend in large part on its ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in this industry, and the Issuer may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain its quality and reputation or to sustain or expand its operations. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for the Issuer to manage its business and growth and to meet key objectives.

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

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

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

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

In addition, there are various types of risks and losses for which the Issuer does not maintain insurance, such as losses due to business interruption and natural disasters, because they are either uninsurable or because insurance is not available to the Issuer on acceptable terms. A successful assertion of one or more large claims against the Issuer that exceeds its available insurance coverage or results in changes in its insurance policies, including premium increases

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or the imposition of a larger deductible or co-insurance requirement, could adversely affect the Issuer's business, financial condition and results of operations.

H. ***Issuer requires certain statutory and regulatory approvals for conducting business and failure to obtain or retain them in a timely manner, or at all, may adversely affect operations.***

NBFCs in India are subject to strict regulation and supervision by the RBI. The Issuer requires certain approvals, licenses, registrations and permissions for operating its business, including registration with the RBI as a NBFC pursuant to Section 45-IA of the RBI Act, 1934. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and the Issuer may not be aware of or comply with all requirements all of the time. 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. Additionally, RBI has issued detailed directions on prudential norms *inter alia* prescribing guidelines on income recognition, asset classification and provisioning requirements applicable to NBFCs, exposure norms, disclosures in the balance sheet, requirement of capital adequacy, restrictions on investments in land and building and unquoted shares besides others. In 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 any directions issued applicable on NBFCs and fails to maintain the status of NBFC it may attract penal provisions under the RBI Act, 1934 for non-compliance. The penal action can also result in RBI cancelling the certificate of registration issued to the NBFC.

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SECTION 4: FINANCIAL STATEMENTS

The audited financial statements of the Issuer for the FY ended 31st March, 2020 are set out in **Annexure IV** hereto.

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

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 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. Certified true copy of the resolution passed by the shareholders of the Company at the annual general meeting held on September 23, 2019 authorizing the issue/offer of Debentures by the Company;
- E. Certified true copy of the resolution passed by the Board of Directors in its meeting held on May 10, 2020 authorizing the borrowing and list of authorized signatories;
- F. Certified true copy of the resolution passed by the Company at the annual general meeting held on September 23, 2019 authorising the Company to borrow, upon such terms as the Board may think fit, upto an aggregate limit of INR 50,00,00,00,000/- (Rupees Five Thousand Crores Only);
- G. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, including the Debenture Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the BSE, where the debt securities have been listed, within 5 (Five) working days of execution of the same;
and
- H. Any other particulars or documents that the recognized stock exchange may call for as it deems fit.

5.2 Documents Submitted to Debenture Trustee

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

- A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
- B. Copy of last 3 (three) years audited annual reports;
- C. Statement containing particulars of, dates of, and parties to all material contracts and agreements;
- D. Latest audited / limited review half yearly consolidated (wherever available) and standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
- E. An undertaking to the effect that the Issuer would, until the redemption of the debt securities, submit the details mentioned in point (D) above to the Debenture Trustee within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide circular No. 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) working days of their specific request.

5.3 Name and Address of Registered Office of the Issuer

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Name:	Belstar Microfinance Limited (Erstwhile Belstar Investment and Finance Pvt Ltd)
Registered Office of Issuer:	New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai – 600083
Corporate Office of Issuer:	New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar, Chennai – 600083
Compliance Officer of Issuer:	Mr. Sunil Kumar Sahu, Company Secretary
CFO of Issuer:	Mr. Muralidharan Lakshmanan
Registration Number:	B-07-00792
Corporate Identification Number:	U06599TN1988PLC081652
Phone No.:	+91 – 44-43414505
Fax No:	Not Applicable
Contact Person:	Mr. Sunil Kumar Sahu
Email:	sunilkumar.k@belstar.in
Website of Issuer:	https://www.belstar.in/
Name and address of auditors of the Issuer:	M/s N. Sankaran & Co. 66/19A, Egmore, Chennai- 600008
Name and address of trustee to the Issue:	IDBI Trusteeship Services Limited Asian Building, Ground Floor 17, R.Kamani Marg, Ballard Estate, Mumbai Maharashtra -400001 Tel.: +91-22-40807000 Fax: +91-22-66311776 Email: itsl@idbitrustee.com
Name and address of registrar to the Issue:	Integrated Registry Management Services Private Limited. 2nd Floor, Kences Towers, No 1, Ramakrishna Street, T. Nagar, Chennai - 600 017 Tel: +91-44-28140801-803 Email: corpserv@integratedindia.in Contact Person: Mr. Yuvaraj Website: https://www.integratedindia.in
Name and address of 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**

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Belstar Microfinance Limited (Erstwhile Belstar Investment and Finance Private Limited) (BML) was incorporated in January 1988 at Bangalore and being a Non-Banking Finance Company, the Company was registered with the RBI in March 2001. The Company has been reclassified as "NBFC-MFI" by RBI effective December 12, 2013.

The Company changed its name to Belstar Microfinance Limited as part of corporate rebranding which would make the name of the Company simple, sharp and focused on Micro financing activity

BML is a Non-Banking Finance Company (NBFC) and a subsidiary of Muthoot Finance Limited. Guided by an expert Board member team and an able leadership, the company has successfully transitioned into a profitable and high-potential Microfinance Institution (MFI) with low credit risk. Belstar's business model is unique as it pursues a double bottom line focusing on both financial performance as well as social performance with the assistance of the Hand in Hand India in alleviating poverty coupled with community development.

The Company's growth was further accelerated after the strategic equity investment by Muthoot Finance Limited, helping it secure an "A+ Positive" rating. This has helped Belstar focus on diversification of the funding profile expansion in operational states and making inroads into newer geographies.

- **Team:** It has created a professional management team that understands the pulse of the geography where Belstar operates with a combined experience of more than 20 years.
- **Portfolio Growth:** The Gross loan Portfolio as at March 31, 2020 was Rs. 2630.09 Crores. The company achieved milestone of Rs 2500 Gross Loan portfolio as at Dec 2019 which indicating stable and strong growth of 43% year to year basis.
- **Promoter:** Promoted by Dr. Kalpana Sankar, who is involved in the self-help group movement for 21 years and has specialized in participatory assessment, gender differentiated impact and monitoring tools. She was the Monitoring and Evaluation Officer for IFAD and was Consultant with UNOPS, UNDP, Christian Aid and Wetlands International. She has also been Consultant with the South African government and supported poverty reduction, job creation and microfinance programmes in Afghanistan and Brazil. Dr Sankar has authored publications on child labour, microfinance and self-help groups. She is the co-founder and Managing Trustee of Hand in Hand India. Dr. Kalpana Sankar has an Executive MBA from TRIUM, where she was the first recipient of a scholarship to pursue the programme. TRIUM is an alliance among NYU Stern School of Business, London School of Economics and Political Science and HEC School of Management, Paris.

She is the recipient of the **“Princess Sabeeka Bint Ibrahim Al- Khalifa Global Award for Women Empowerment under the Individuals Champions category”**, an award given in partnership with the **Kingdom of Bahrain** and **UN Women** in New York in 2019. She has also received the **“Nari Shakti Puraskar-2016”** for the contribution to the empowerment of vulnerable and marginalized women from the Hon’ble President of India and Ministry of Women & Child. Under her leadership, her organization, Hand in Hand India has won the **‘Pradhan Mantri Bal Kalyan Puraskar’** for its dedicated work towards child welfare and education.

➤ **Investors:**

1. **Muthoot Finance Limited** was incorporated as a private limited Company on 14th March, 1997 and was converted into a public limited Company on November 18

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- ,2008. The Company is promoted by Mr. M.G. George Muthoot, Mr. George Thomas Muthoot, Mr. George Jacob Muthoot and Mr. George Alexander Muthoot collectively operating under the brand name of "The Muthoot Group", which has diversified interests in the fields of Financial Services, Health care, Education, Plantations, Real Estate, Foreign Exchange, Information Technology, Insurance Distribution, Hospitality etc. The Company obtained permission from the Reserve Bank of India for carrying on the business of Non-Banking Financial Institutions on 13-11-2001 vide Reg No. N 16.00 167. The Company is presently classified as Systemically Important Non-Deposit Taking NBFC (NBFC-ND-SI). The Registered Office of the Company is at 2nd Floor, Muthoot Chambers, Opposite Saritha Theatre Complex, Banerji Road, Kochi -682 018, India
2. **Maj Invest** is a Danish asset management company with USD 11.0 billion under management, of which USD 1.0 billion are private equity assets (private equity commitments of a total of USD 2 billion). Maj Invest is a spin-off from a Danish pension fund and was founded in 2005 as an independent asset manager. Maj Invest has been managing international private equity funds since 2009. HQ in Copenhagen with representation in Lima, London, Ho Chi Minh City, Jakarta and Mumbai. More than 100 large institutional clients and 38,000 private investors. Maj Invest Mutual Fund was launched in 2005 and is one of the highest rated in Europe by Morningstar TM ratings. Approximately 100 highly skilled specialists in four areas (a). International Private Equity (b) Asset Management (c) Danish private Equity and (d) Private saving bank Maj Invest Financial Inclusion strategy focuses on investing directly in the top tier financial inclusion institutions providing financial products and services to client group below the middle class in Latin America, Asia and Africa. Currently there are two funds in operational stage:
 - Danish Microfinance Partners K/S
 - Maj Invest Financial Inclusion Fund II K/S
 3. **Sarvam Financial Inclusion Trust:** Being a private trust which is working in the area of financial inclusion and literacy training for the SHG women and improvement in the overall financial well being of the SHGs.
 4. **Hand in Hand Consulting Services Private Limited (HIHCSPL)** is the Consultancy arm of Hand in Hand India. It is a company incorporated under the Companies Act 1956, with its registered office at Kancheepuram, Tamil Nadu, India.
 - **Microfinance expertise:** Belstar has developed considerable expertise in providing micro-loans to the bottom of the pyramid population with 59% presence in Tamil Nadu and rest in other than Tamil Nadu.
 - **Business Model:** Hand in Hand India, (HiH), among other developmental activities also strengthens SHGs which once they are mature are then handed over to Belstar for Microfinance. The Company has also started its JLG Operations newly branded as "Pragathi" and has diverse set of loan products to meet the customers demand Other Operational data: As at March 20, BML operations are spread over 16 states.

Business Model

Belstar follows both the SHG as well as the Pragathi model of lending. Belstar does not mix SHG and Pragathi operations in the same region while they can co-exist in the same state.

SHG model

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Belstar and Hand in Hand work closely together; The approach followed by Hand in Hand is a SHG model, where it initially identifies a branch, groups of women members are identified based on the company policy, train them with life skills for a period of six months. This time is used by HI 1-1 to gauge the dynamics of the group, understand their motivations to borrow, study their family income, repayment capacity and the like which enables them to make informed credit decisions. During this phase, the group is encouraged to save money; Based on the savings, at the end of the six-month training period, the group is lent money by Hand in Hand in Hand (SHG model). Minimum incubation period for a group at HI-1 is 6 months. Post 6 months based on the company strategy, branches in certain geographies are handed over to Belstar.

Pragathi (JLG model)

Pragathi model is carried out broadly similar to other MFI Pragathi models. The time taken for disbursement in a Pragathi is about 5 days to a week. The company is for using on reducing Pragathi disbursement turn-around time to around 3-5 days

Origination, Credit Appraisal and Credit Underwriting

Belstar caters primarily to economically backward women and provides microcredit loans under the SHG and Pragathi mode I. Belstar offers loans for income-generating purposes and these loans are given based on the repayment ability of the borrowers. The loan amounts depend on the cycle of the loan, household income, the income generating capacity of the borrower based on previous employment, and the proposed loan purpose. SHG is an informal group of 10-20 people. The group formation involves training on three modules: group dynamics for 1 day, financial literacy also for 1 day and sales module involving enterprise creation. The enterprise creation training is held after disbursement of the loan. There is a cooling-off period of 30 days after group formation. A savings account is opened in the name of the group and loan requirements are taken after that.

For Pragathi, each branch has credit officer and a Branch Manager (BM). A credit officer is responsible for the formation of centres consisting of Pragathi, providing training, conducting meetings and ensuring 100% collections. A BM is responsible for controlling the credit officer, conducting group recognition training (GRT), monitoring branch activities, managing the portfolio, growth and ensuring collection of overdue accounts. The credit officer conducts information meetings in respective geographies and educates the groups on the various products offered. Then the clients are organized in customized groups and are provided with Compulsory Group Training (CGT). Belstar has its own training content including video graphic training which is passed on to the Pragathi group's prospectus

Belstar relies on credit bureau for the preliminary check on the borrower followed by the required KYC. 1st level check is done by the credit officer after which branch manager undertakes a rating of the group on ten parameters. After branch manager scoring the file is passed on to risk assessment vertical. All the documents are sent to central back office center in Chennai.

Belstar has introduced Tablet-based origination for all the Pragathi loans: wherein the information is inputted into the system real-time and the same can be accessed at all levels. Tablet-based origination is expected to be introduced for SHG loans in the next 4-5 months. All the disbursements by Belstar are into the bank accounts of the borrowers.

Servicing and Collection

Centre meetings are forums for social awareness, capacity building, empowerment hub and platforms for exchange of ideas and concerns. Every member is required to attend the center

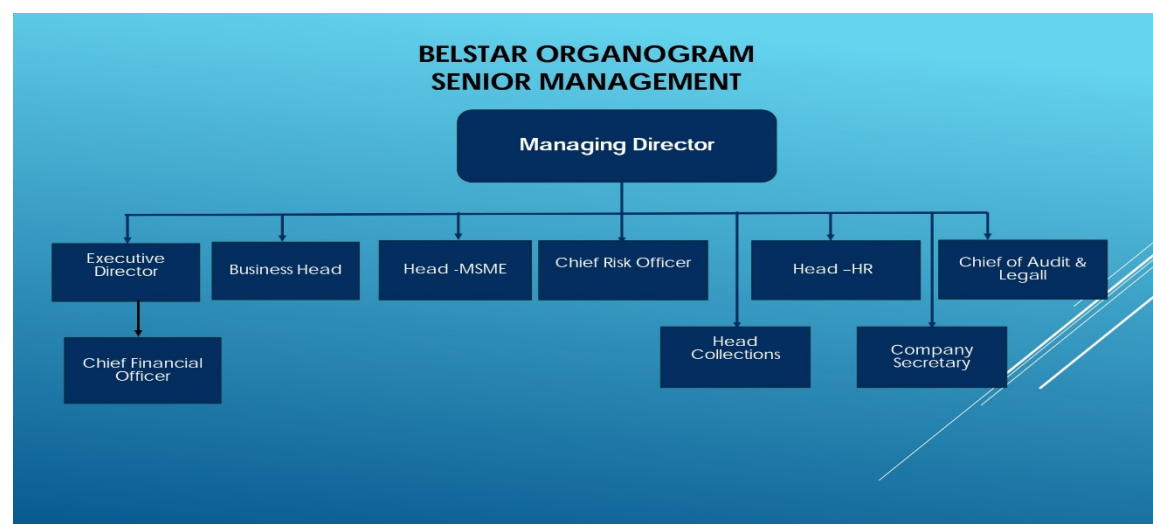
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meeting regularly and punctually. Belstar follows monthly collection model. The collections are made through cash. Every member is required to pay their instalment before the due date and they also receive SMS three days before the repayment due date reminding the customer of the same. Credit officer is responsible for collection of cash. Belstar is looking to implement a pre-collection, meeting of credit officer with all the groups before the payment date to ensure smooth flow of repayments by the borrowers. If a member is unable to repay, the other member(s) are required to adhere to the joint liability commitment. Overdues on the same day are informed to BM. Tele calling facility is available for all the overdue loans. If the account remains non-current; the same is escalated to regional collection manager. Belstar undertakes write-off of loans once they enter 365 days + bucket.

Data collection, storage and dissemination

Belstar has an Enterprise Resource Planning (ERP) platform which it uses to generate MIS reports. Loan Origination, Collections and Overdues are tracked on a daily basis. Also for JLG loans, credit officers have been given tablets through which they enter data on a real time basis. The MIS system is adequate for the current level of operations as it provides information for the loan portfolio management both at the operational level and managerial level.

B. Corporate Structure/Organization Structure



i. Vision and Mission:

The Issuer's mission is: "To financially empower women and help them build and manage sustainable livelihoods."

Vision: "To be a socially responsible microfinance institution that actively contributes to the financial inclusion process by adhering to responsible financing practices".

ii. Current Corporate Status:

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, Belstar can raise equity and offer commercial returns.

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- **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 Belstar 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, Belstar will be more likely to attract mainstream capital resources which Societies or Trusts would find difficult to attract.
- **Regulatory Coverage:** As Belstar grows in size, operating as an NBFC within the regulatory framework mitigates risks from political and regulatory intervention.
- **Stakeholder Involvement:** As an NBFC-MFI, Belstar can bring a variety of stakeholders to the table, including clients, management, employees and investors.

C. Brief profile of the Board of Directors of the Issuer

Name	Designation	Experience
Dr. Kalpanaa Sankar	Managing Director	Dr. Kalpanaa Sankar is the Managing Director of Belstar Microfinance Limited, a leading micro finance institution. She has been involved in the self-help group movement for 21 years and has specialized in participatory assessment, gender differentiated impact and monitoring tools. She was the Monitoring and Evaluation Officer for IFAD and was Consultant with UNOPS, UNDP, Christian Aid and Wetlands International. She has also been Consultant with the South African government and supported poverty reduction, job creation and microfinance programs in Afghanistan and Brazil. She has authored publications on child labour, microfinance and self-help groups. Dr Kalpana Sankar is also the Managing Trustee of Hand in Hand India and has been with the organization since 2004, being one of its co-founders. She has an Executive MBA from TRIUM, where she was the first recipient of a scholarship to pursue the program. TRIUM is an alliance among NYU Stern School of Business, London School of Economics and Political Science and HEC School of Management, Paris. She is the recipient of the “Princess Sabeeka Bint Ibrahim AI- Khalifa Global Award for Women Empowerment under the Individuals Champions category”, an award given in partnership with the Kingdom of Bahrain and UN Women in New York in 2019. She has also received the “Nari Shakti Puraskar-2016” for the contribution to the empowerment of vulnerable and marginalized women from the Hon’ble President of India and Ministry of Women & Child. Under her leadership, her organization, Hand in Hand India has won the ‘Pradhan Mantri Bal Kalyan Puraskar’ for its dedicated work towards child welfare and education.
Mr. Sitaraman Chandrasekar	Wholetime Director	Chandrasekar is a qualified Chartered Accountant with more than 30 years of experience spanning accounting, audit, credit operations, ERP and entrepreneurship. His career graph includes stints at AF Ferguson, Coopers & Lybrand, National Finance Company - Oman and Sundaram Infotech Solutions. He comes with international business exposure in project delivery management and in solving client issues. He holds a global ERP

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Name	Designation	Experience
		delivery track record with multi-project and multiple locations management. Chandrasekar also shares the wealth of his knowledge at various reputed management institutes as a Visiting Faculty member.
Mr. Subramanian Ananthanarayanan	Independent Director	He is former Executive director of Indian Bank. Before elevation as Executive Director, He was General Manager in Oriental Bank of Commerce in charge of Treasury, International banking, Investor relations and HR. He has four decades of banking experience both in administrative office and the field, In all facets of banking and also visited many foreign countries for attending various seminars and meeting investors of the bank. While in service he was an active member of Accounts and Taxation committee of Indian Banks Association since 2004.
Mr. Vadakkakara Antony George	Independent Director	Mr V A George has more than 4 decades experience in the corporate world both Public and Private Sectors. Was the past Chairman of Equipment Leasing Association of India. Was also a Member of the Advisory Committee of Reserve Bank of India. Alumni of IMD Lausanne and INSEAD France, Mr. George has participated in the Management Programs of Business Schools of Harvard and Stanford. took part in the International Teachers' Program at Kellogg School of Management, Chicago. Attended the Advanced Case Method Workshop conducted by ECCH, UK. An Adjunct faculty at Loyola Institute of Business Administration, Chennai and Rajagiri Business School, Kochi. Was also a visiting faculty at XLRI, Jamshedpur; Xavier Institute of Management, Mumbai and Reserve Bank Staff College, Chennai. A member of the Board of Studies of a number of Colleges, including Stella Maris, Chennai and Loyola Institute of Business Administration, Chennai. Currently, Mr. George is the Managing Director of Thejo Engineering Limited, Chennai. He is also the Chairman of Knowledge Xchange, a non-profit educational institution which conducts seminars, workshops etc. in the area of teaching/learning. Educational Qualification – BE (Mechanical), PGDM, CAIIB, ITP (Kellogg), INSEAD IDP-C.
Mr Venkataraman Krishnamoorthy	Independent Director	Mr. Krishnamoorthy Venkataraman has more than 40 years of experience in commercial banking, retail banking, international banking and foreign exchange, credit analysis and credit risk management. He was Managing Director and Chief Executive Officer of Karur Vysya Bank until August 2017, leading a massive transformational growth of the bank for over six years. Prior to this he was associated with SBI Global Factors Ltd as Managing Director and Chief Executive Officer. He was with State Bank of India for over three decades working in various capacities upto the rank of Chief General Manager and in various assignments including a stint in Japan as Vice-President (Credit and Operations) handling loan syndications, treasury and funding, asset liability management and investment banking. He is a Fellow of Indian Institute of Banking and Finance and was a member of Governing Council of the

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Name	Designation	Experience
		Institute. He has also worked with Foreign Exchange Dealers Association of India (FEDAI) as Chairman. He was Member, Commission on Banking Techniques and Practice, International Chamber of Commerce, Paris and Member, Executive Committee, International Chamber of Commerce, India. He also served as Group Head of India, Indo-Bangladesh Joint Commission-Banking Sub-Group and as Member, Indo-Russian Banking Sub-Group. He is also serving as part-time Non-executive Chairman of Coastal Local Area Bank.
Mr. Chinnsamy Ganesan	Independent Director	Chinnsamy Ganesan brings with him more than 32 years of experience in the area of audit. He handled Indian and multi-national clients in automotive, auto ancillary, IT/ ITES, BPOs, KPOs, telecom, industrial markets, consumer markets, pharma/ healthcare, transport/ logistics, shipping management, BSRE, oil and gas, plantation, banking, financial services and insurance sector. He was the lead partner for many Indian and multi-national companies and carried out audits, advisory on international financial reporting, taxation, due diligence and other assurance services. Started his practice as a chartered accountant in 1988, Chinnsamy Ganesan was in personal practice till 2005. He then served as a Director in Audit with Lovelock & Lewes (network firm of PwC) for 6 years and served as Audit partner of BSR & Co. LLP (network firm of KPMG) for 6 years.
Mr. Kuttickattu Rajappan Bijimon	Investor Director	Mr Bijimon is the Chief General Manager of Muthoot Group and oversees credit and operations of zonal offices, internal audit, marketing, IT and vigilance divisions of the Company. He is also the Chief Operating Officer for the global operations of Muthoot Group (USA, UK, UAE, Hong Kong, Singapore and Sri Lanka). A Fellow Member of the Institute of Chartered Accountants of India and a Fellow Member of Certified Management Accountants, Institute of Sri Lanka, Mr Bijimon has over 18 years of experience in the field of financial services and is employed in the Muthoot Group since inception.
Mr. George Alexander	Investor Director	George M. Alexander has done his Master's in Business Administration from University of North Carolina's Kenan & Flagler Business School and Bachelor's in Mechanical Engineering from University of Kerala College of Engineering. He is the Executive Director of The Muthoot Group and takes care of operations in the state of Karnataka and has the additional responsibility of monitoring the global operations of The Muthoot Group in the US. Prior to joining his family business, George had worked for ING and Kotak Mahindra Bank in India. He is the eldest son of George Alexander Muthoot, Managing Director, The Muthoot Group.
Mr. George Muthoot Jacob	Investor Director	A management graduate from Cass Business School (London), George Muthoot Jacob is the Executive Director at The Muthoot Group and manages - Legal, Corporate Affairs & Marketing of the Company. He also holds an LLM in International Economic Law from the University of Warwick, Coventry, United Kingdom. He completed his bachelor's degree in law from the National University of Advanced Legal Studies, Kochi. He renders his expertise in the field of legal, compliance, and

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Name	Designation	Experience
		corporate governance, internal audit, risk management, marketing and sales of the group Company. He is the son of George Jacob Muthoot, Joint Managing Director, The Muthoot Group.
Mr. David Arturo Paradiso	Investor Director	David Paradiso has over 13 years of international experience managing finance operations, private equity and venture capital in the US and Latin America at Ernst & Young, Dell Corporation, start-ups and NGOs. Currently leads Maj Invest's India office managing investments in the Financial Inclusion sector. David holds an MBA focused on finance, international business and private equity from Brigham Young University (US) and Strategic Leadership on Inclusive Finance from Harvard University.

D. Brief profile of the senior management of the Issuer

Name	Designation	Experience
L. Muralidharan -	Chief Financial Officer	Has over 19 years of post qualification experience in Corporate Finance, Statutory, Internal and Management Audit of large public sector undertakings. Prior to this, he worked with IFMR Trust as VP - Finance and before that at Emirates Trading Agency LLC in Dubai in their Corporate Affairs division. Muralidharan has also worked with Reliance Industries, Mumbai in their Management Audit division and played active role at the time of setting up of RIL - Petroleum Units and Retail Outlets and Water Aid India, an International NGO as Finance Manager.
Sunil Kumar Sahu	Company Secretary	A Qualified Company Secretary having over 6 years of corporate experience. Areas of expertise includes Corporate Secretarial Compliance, RBI Compliances, ROC Compliances and conducting various meetings of the Board and Members. Prior experiences include as Asst. Company Secretary with R R Group Companies and as an Audit Associate, exposed to both Internal and Statutory audits.

E. Key Operational and Financial Parameters for the last 3 audited years on a consolidated basis (wherever available) else on a standalone basis.**Please refer Annexure IV****F. Gross Debt: Equity Ratio of the Company as at March 31,2020**

Before the issue of debt securities	3.81
After the issue of debt securities	4.19

G. Project cost and means of financing, in case of funding new projects: N.A.

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

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

A. Details of share capital as on last quarter end (being March 31, 2020):	
Share Capital	Rs.
Authorised share capital:	
Equity Share Capital	100.00
Total authorized share capital	100.00
Issued, subscribed and fully paid-up share capital:	
Equity Shares	37.52
Total issued, subscribed and fully paid-up share capital:	37.52

B. Changes in its capital structure as on last quarter end i.e. March 31, 2020 for the last five years:

Date of Change	Authorised Capital (in Rs.)	Particulars
EGM (14/10/2009)	15,00,00,000	Increased from 2,500,000 to 150000000
EGM (15/11/2011)	25,00,00,000	Increased from 150000000 to 250,000,000
EGM (29/11/2017)	100,00,00,000	Increased from 25,00,00,000 to 100,00,00,000

C. Equity Share Capital History of the Company as on last quarter end i.e. March 31, 2020, for the last five years:

Date of allotment	No. of equity shares	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs in Crore)	Equity Share Premium (Rs in Crore)	
26.07.2016	88,88,888	10	45	39,99,99,960	Preferential Allotment	2,32,46,568	23.25	43.95	-
17.03.2018	14,00,000	10	50	7,00,00,000	Right Issue	2,46,46,568	24.46	49.55	-

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Date of allotment	No. of equity shares	Face Value (in Rs)	Issue Price (in Rs)	Consideration	Nature of Allotment	Cumulative Paid Up Capital			Remarks
						No of Equity Shares	Equity Share Capital (Rs in Crore)	Equity Share Premium (Rs in Crore)	
17.07.2018	32,43,184	10	156.77	50,84,33,956	Preferential Allotment	2,78,89,752	27.89	97.15	-
16.08.2018	9,56,816	10	156.77	15,00,00,044		2,88,46,568	28.85	111.19	-
29.08.2018	41,46,201	10	156.77	64,99,99,930		3,29,92,769	33.00	172.04	-
24.12.2018	45,27,755	10	156.77	70,98,16,151		3,75,20,524	37.52	238.50	

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

There has been no acquisition or amalgamation in the last 1 (one) year.

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

There has been no reorganization or reconstruction in the last 1 (one) year.

5.6 Details of the shareholding of the Company as on last quarter end (i.e. March 31, 2020)**A. Shareholding pattern of the Company as on last quarter end (i.e. March 31, 2020):**

Sl.	Category	Pre-issue		Post- issue	
		No of shares held	% of shares holding	No of shares held	% of shares holding
A	Promoters Holding				
1	Indian				
	Individual	102874	0.27	102874	0.27
	Bodies Corporate	7004869	18.67	7004869	18.67
	Sub Total	7107743	18.95	7107743	18.95
2	Foreign Promoters	0	0	0	0
	Sub-Total (A)	7107743	18.94	7107743	18.94
B	Non-Promoters Holding	30412781	81.06	30412781	81.06
1	Institutional Investors				
2	Non- Institutional Investors				
	Private Corporate Bodies	26266580	70.01	26266580	70.01
	Directors and Relatives				

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	Indian Public				
	Others (Including Non-Resident Indians)	4146201	11.05	4146201	11.05
	GRAND TOTAL	37,520,524	100	37,520,524	100

Notes: Shares pledged or encumbered by the promoters (if any): [None]

B. List of top 10 holders of equity shares of the Company as on last quarter end (i.e. March 31, 2020):

Sr. No	Name of Shareholders/Particulars	Face Value	Total No. of Equity Shares	Total Shareholding as % of total no. of equity shares.	Number of shares held in Demat Form
1	Muthoot Finance Limited	10.00	2,62,66,580	70.00%70.01%	2,62,66,580
2	Sarvam Financial Inclusion Trust	10.00	65,75,397	17.52%	65,75,397
3	Maj Investments Financial	10.00	41,46,201	11.05%	41,46,201
4	Hand in Hand Consulting Pvt Ltd	10.00	4,29,472	1.15%	4,29,472
5	Dr Kalpana Sankar	10.00	1,02,674	0.27%	1,02,674
6	Mr. CV Sankar	10.00	100	Negligible	100
7	Ms. Bindu Sridhar	10.00	100	Negligible	-
	Total	10.00	3,75,20,524	100.00%	3,75,20,424

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 of August 30, 2020

Sl.	Director's name	Date of Birth	Age	PAN	DIN	Designation	Address	Details Of Directorships	Other
1	Dr. Kalpanaa Sankar	07/03/1964	56	ABC PS60 41E	019 265 45	Managing Director	"No 2/226 Second Street, Karpagambal Nagar, Kottivakkam	- Hand In Hand Consulting Services Pvt Ltd - Hand In Hand Inclusive Development And Services	
2	Mr. Sitaraman Chandrasekar	10/04/1963	56	ADO PC13 92E	023 609 09	Whole time Director	Villa H, Ramaniyam Gruha, 406/4a, Murugesan Nagar Thoraipakkam, Neelangerai Link	Nil	

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Sl.	Director's name	Date of Birth	Age	PAN	DIN	Designation	Address	Details Of Other Directorships
							Road, Perungudi, Kancheepuram 600096	
3	Mr. Subramanian Ananthanarayanan	03/06/1949	70	AAX PS04 22R	017 775 52	Independent Director	Plot no-209, 8th street, Malleeshwari Nagar, Madambakkam, Chennai – 600 126	Nil
4	Mr. Vadakkara Antony George	15/09/1949	70	AAE PG4 005H	014 937 37	Independent Director	Flat t-3, Shireen no.2, Karpagam Avenue, R A Puram, Chennai 600028	• Thejo Engineering Ltd • Ghatfresh Private Ltd • Muthoot Finance Ltd
5	Mr Venkataraman Krishnamoorthy	23/05/1953	66	ABZ PV9 692B	024 434 10	Independent Director	Flat no b-23, first Floor, sis acropole no 90 Madurai Mainroad, Edamalaipatti Pudur Tiruchirapalli-620012	• Coastal Local Area Bank Ltd
6	Mr. Chinnaamy Ganesan	25/05/1963	56	AAI PG7 729G	076 158 62	Independent Director	Flat No.1, Spa Mount 99, Ldg Road, Little Mount, Saidapet Chennai 600015	• Railtel Corporation Of India Ltd
7	Mr. Kuttickattu Rajappan Bijimon	25-05-1970	49	AGY PB58 69N	000 230 71	Investor Director	Kuttikattu House, 36/943-B, East of lissie Hospital, journalist road, Ernakulam North, Ernakulam 682018	• Muthoot Forex Ltd • Muthoot Securities Ltd • Muthoot Commodities Ltd • Backdrop Advertising Pvt Ltd • Mjbr Marketing And Financial Services Pvt Ltd • Muthoot Homefin (India) Ltd • Muthoot Royalex Forex Services Pvt Ltd

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Sl.	Director's name	Date of Birth	Age	PAN	DIN	Designation	Address	Details Of Other Directorships
								• Muthoot Money Ltd • Emgee Board And Paper Mills (P) Ltd
8	Mr. George Alexander	30-06-1983	36	AFQ PA9 432B	000 183 84	Invest or Direct or	Muthoot House,G-343 Panampilly Nagar Ernakulam Kerla- 682036	• Amboli Rubber & Plantations Pvt Ltd • Maneri Rubber & Plantations Pvt Ltd • Muthoot Anchor House Hotels Pvt Ltd • Muthoot Infopark Pvt Ltd • Muthoot Insurance Brokers Private Limited • Muthoot Royalex Forex Services Pvt Ltd • Muthoot Securities Ltd • Muthoot Systems And Technologies Pvt Ltd • Pangrad Plantations Pvt Ltd • Popkorn Advertising Pvt Ltd • Rangana Rubber & Plantations Pvt Ltd • Sawanthavadi Rubber And Plantation Pvt Ltd • Unix Properties Pvt Ltd • Vagade Plantations Pvt Ltd • Vaghotham Plantations Pvt Ltd • Varavade Plantations Pvt Ltd • Venus Diagnostics Ltd
9	Mr. George Muthoot Jacob	16-08-1983	36	ADL PJ16 26P	000 189 55	Invest or Direct or	Muthoot House , H NO: TC 4/2515 Marappalam, Pattom .PO Trivandrum, Kerla -695004	• Vatul Plantations Pvt Ltd • Green Guardians Organic Farms Andexports Pvt Ltd • Udali Rubber And Plantations Pvt Ltd • Halaval Rubber & Plantations Pvt Ltd

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Sl.	Director's name	Date of Birth	Age	PAN	DIN	Designation	Address	Details Of Other Directorships
								• Kasal Rubber & Plantations Pvt Ltd • Muthoot Vehicle & Asset Finance Ltd • Emgee Muthoot Benefit Fund India Ltd • Geobros Properties And Realtors Pvt Ltd • Muthoot Systems And Technologies Pvt Ltd • Xandari Hospitality Services Pvt Ltd • Venus Diagnostics Ltd • Muthoot Credit Marketing Services Pvt Ltd • Muthoot Securities Ltd • Muthoot Broadcasting Pvt Ltd • Muthoot Money Ltd
10	Mr. David Arturo Paradiso	27-12-1982	37	EUP PP52 82Q	081 818 32	Invest or Direct or	Adonia Building, B-Wing Apt. 1101, South Avenue, Hiranandani Gardens, Powai Mumbai 400076	• Mjic Consultancy Pvt Ltd • Sub-K Impact Solutions Ltd

Names of the current directors of the Issuer who are appearing in the RBI defaulter list and/or ECGC default list, if any: Nil

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

Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Chinnasamy Ganesan	Independent Director	07615862	14/03/2020	NA	

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Name	Designation	DIN	Date of Appointment/Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Srinivasan Aravamuthan Iyengar	Independent Director	07846141	22/06/2017	23/09/2019	Due to completion of his tenure as Independent Director
Mr Venkataraman Krishnamoorthy	Independent Director	02443410	23/09/2019	NA	-
Mr.Sitaraman Chandrasekar	Whole time Director	02360909	22/04/2019	NA	-
Dr. Natarajan Jeyaseelan	Director	02281278	23/09/2015	22/04/2019	Due to his retirement Director
Mr Vadakkakara Antony George	Independent Director	01493737	18/08/2020	NA	
Mr. David Arturo Paradiso	Director	08181832	29/08/2018	NA	
Mr. George Alexander	Director	00018384	29/03/2017	NA	-
Mr. George M Jacob	Director	00018955	29/03/2017	NA	-

5.8 Following details regarding the auditors of the Company:**A. Details of the auditor of the Company:**

Name	Address	Auditor since
M/s N. Sankaran & Co.	No. 1A, Marshalls Road, Egmore, Chennai- 600008	15.09.2014

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

Name	Address	Date of Appointment/Resignation	Auditor of the Company since (in case of resignation)	Remarks
Nil				

5.9 Details of borrowings of the Company, as on latest quarter end i.e. March 31, 2020:**A. Details of Secured Loan Facilities as on March 31, 2020**

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

Sl.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount OS	Tenor (in Mths)	Repayment Date	Repayment Date/ Schedule	Security
1	CSB Bank Ltd	Term Loan	15,00,00,000	2,50,00,000	36	25-Sep-20	Quarterly	Receivables
2	SBM Bank (India) Ltd	Term Loan	10,00,00,000	1,81,81,810	36	24-Sep-20	Quarterly	Receivables
3	Syndicate Bank	Term Loan	20,00,00,000	4,00,00,000	36	21-Sep-20	Quarterly	Receivables
4	IDFC Bank Ltd	Term Loan	50,00,00,000	8,57,14,286	24	31-Dec-19	Monthly	Receivables
5	United Bank Of India	Term Loan	10,00,00,000	4,54,19,063	36	27-Apr-21	Quarterly	Receivables
6	Bank Of Baroda	Term Loan	40,00,00,000	3,70,00,000	36	27-Aug-20	Quarterly	Receivables
7	Equitas Small Finance Bank Ltd	Term Loan	25,00,00,000	3,22,11,664	36	02-Jul-20	Monthly	Receivables
8	Oriental Bank Of Commerce	Term Loan	40,00,00,000	3,40,09,709	36	31-May-20	Monthly	Receivables
9	UCO Bank	Term Loan	25,00,00,000	10,93,29,554	51	23-Nov-21	Quarterly	Receivables
10	Canara Bank	Term Loan	15,00,00,000	3,33,33,328	36	17-Nov-20	Monthly	Receivables
11	Bank Of Baroda	Term Loan	25,00,00,000	6,81,81,816	36	31-Oct-20	Quarterly	Receivables
12	Bank Of Baroda	Term Loan	10,00,00,000	1,66,66,672	37	26-Dec-20	Quarterly	Receivables
13	Yes Bank Ltd	Term Loan	50,00,00,000	18,12,50,000	24	29-Dec-19	Monthly	Receivables
14	Dhanalaxmi Bank	Term Loan	20,00,00,000	6,66,66,665	36	27-Feb-21	Quarterly	Receivables
15	Woori Bank Ltd	Term Loan	18,00,00,000	6,00,00,000	36	28-Mar-21	Monthly	Receivables
16	Union Bank	Term Loan	30,00,00,000	13,63,63,636	36	31-Mar-21	Quarterly	Receivables
17	Andhra Bank	Term Loan	20,00,00,000	2,50,00,000	27	30-Jun-20	Quarterly	Receivables
18	Kotak Mahindra Bank	Term Loan	15,00,00,000	1,25,00,000	21	30-Mar-20	Monthly	Receivables
19	Nabkisan Finance Limited	Term Loan	15,00,00,000	1,24,82,451	36	21-Jun-20	Quarterly	Receivables
20	RBL Bank Ltd	Term Loan	5,00,00,000	62,50,000	24	28-Jun-20	Quarterly	Receivables
21	RBL Bank Ltd	Term Loan	35,00,00,000	8,75,00,000	24	29-Sep-20	Quarterly	Receivables
22	Hinduja Leyland Finance Limited	Term Loan	40,00,00,000	22,15,97,886	36	28-Jun-21	Monthly	Receivables
23	Sumitomo Mitsui Banking Corporation	Term Loan	25,00,00,000	9,37,50,000	24	25-Nov-20	Quarterly	Receivables
24	Woori Bank Ltd	Term Loan	45,00,00,000	25,00,00,001	36	29-Nov-21	Monthly	Receivables

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Sl.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount OS	Tenor (in Mths)	Repayment Date	Repayment Date/ Schedule	Security
25	Bajaj Finance Limited	Term Loan	25,00,00,000	10,41,66,662	24	31-Jan-21	Monthly	Receivables
26	DCB Bank Ltd	Term Loan	25,00,00,000	14,28,57,142	24	28-Feb-21	Quarterly	Receivables
27	CSB Bank Ltd	Term Loan	15,00,00,000	10,00,00,000	36	28-Feb-21	Quarterly	Receivables
28	Equitas Small Finance Bank Ltd	Term Loan	30,00,00,000	20,83,37,000	36	05-Apr-22	Monthly	Receivables
29	Bank Of Bahrain & Kuwait B. S. C	Term Loan	20,00,00,000	12,50,00,000	24	28-Mar-21	Quarterly	Receivables
30	Axis Bank Ltd	Term Loan	33,00,00,000	21,42,85,717	24	29-Jun-21	Quarterly	Receivables
31	Bandhan Bank Ltd	Term Loan	1,20,00,00,000	91,42,85,714	24	28-Mar-21	Quarterly	Receivables
32	State Bank Of India	Term Loan	75,00,00,000	49,00,16,795	36	28-Mar-21	Quarterly	Receivables
33	ICICI Bank Ltd	Term Loan	50,00,00,000	32,14,28,571	24	10-Mar-21	Monthly	Receivables
34	Yes Bank Ltd	Cash Credit	50,00,00,000	28,87,50,000	24	28-Jun-21	Monthly	Receivables
35	The Federal Bank Ltd	Term Loan	40,00,00,000	25,00,00,000	24	28-Jun-21	Quarterly	Receivables
36	Union Bank	Term Loan	25,00,00,000	22,72,72,727	36	28-Jun-22	Quarterly	Receivables
37	Union Bank	Term Loan	25,00,00,000	22,72,72,727	36	26-Aug-22	Quarterly	Receivables
38	Standard Chartered Bank	Term Loan	31,25,00,000	31,25,00,000	12	24-Jul-20	Bullet	Receivables
39	Ujjivan Small Finance Bank	Term Loan	25,00,00,000	18,70,98,823	24	31-Jul-21	Quarterly	Receivables
40	Oriental Bank Of Commerce	Term Loan	25,00,00,000	22,85,37,301	39	30-Nov-22	Monthly	Receivables
41	CSB Bank Ltd	Term Loan	40,00,00,000	36,36,00,000	36	27-Sep-22	Quarterly	Receivables
42	Lakshmi Vilas Bank Ltd	Term Loan	50,00,00,000	41,66,66,666	36	30-Sep-22	Monthly	Receivables
43	ICICI Bank Ltd	Term Loan	1,50,00,00,000	85,71,42,857	24	10-Sep-21	Monthly	Receivables
44	Axis Bank Ltd	Term Loan	22,00,00,000	19,25,00,000	24	29-Nov-19	Quarterly	Receivables
45	Standard Chartered Bank	Term Loan	30,00,00,000	22,50,00,000	12	30-Oct-20	Quarterly	Receivables
46	Standard Chartered Bank	Term Loan	25,00,00,000	25,00,00,000	12	30-Oct-20	Bullet	Receivables
47	Hero Fincorp Ltd	Term Loan	40,00,00,000	32,45,11,387	15	03-Mar-21	Monthly	Receivables
48	Sumitomo Mitsui Banking Corporation	Term Loan	50,00,00,000	43,75,00,000	24	29-Nov-21	Quarterly	Receivables

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Sl.	Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount OS	Tenor (in Mths)	Repayment Date	Repayment Date/Schedule	Security
49	State Bank Of India	Term Loan	1,20,00,00,000	1,19,99,87,222	36	31-Dec-22	Quarterly	Receivables
50	Kotak Mahindra Bank	Term Loan	15,00,00,000	13,12,50,000	24	30-Dec-21	Monthly	Receivables
51	Oriental Bank Of Commerce	Term Loan	75,00,00,000	75,00,00,000	39	31-Mar-23	Quarterly	Receivables
52	Lakshmi Vilas Bank Ltd	Term Loan	30,00,00,000	27,50,00,001	36	31-Dec-22	Monthly	Receivables
53	Karur Vysya Bank Ltd	Term Loan	20,00,00,000	18,33,33,718	36	31-Dec-22	Monthly	Receivables
54	SBM Bank (India) Ltd	Term Loan	15,50,00,000	14,25,00,000	24	31-Dec-21	Quarterly	Receivables
55	Indian Bank	Term Loan	1,00,00,00,000	99,99,02,478	39	31-Mar-23	Quarterly	Receivables
56	Bank Of Baroda	Term Loan	1,00,00,00,000	1,00,00,00,000	36	30-Dec-22	Quarterly	Receivables
57	Axis Bank Ltd	Term Loan	13,00,00,000	7,00,00,000	24	31-Dec-21	Quarterly	Receivables
58	RBL Bank Ltd	Term Loan	80,00,00,000	50,31,25,000	24	23-Dec-21	Quarterly	Receivables
59	Micro Units Development & Refinance Agency	Term Loan	50,00,00,000	50,00,00,000	35	10-Jan-23	Monthly	Receivables
60	Standard Chartered Bank	Term Loan	20,00,00,000	20,00,00,000	12	26-Feb-21	Bullet	Receivables
61	Bank Of Bahrain & Kuwait B. S. C	Term Loan	20,00,00,000	20,00,00,000	24	28-Feb-22	Quarterly	Receivables
62	The Federal Bank Ltd	Term Loan	30,00,00,000	30,00,00,000	24	28-Feb-22	Quarterly	Receivables
63	State Bank Of India	CC	10,00,00,000	80,09,577	-	-	On Demand	Receivables
64	UCO Bank	Term Loan	50,00,00,000	50,00,00,000	39	16-May-23	Monthly	Receivables
65	Dhanalaxmi Bank	Term Loan	25,00,00,000	25,00,00,000	36	17-Mar-23	Quarterly	Receivables
	Total		23977500000	16320246626				

B. Details of Unsecured Loan Facilities as on March 31, 2020:**Rs in Crores**

Lender's Name	Type of Facility	Amount Sanctioned	Principal Amount Outstanding	Repayment Date/Schedule
Maanaveeya Development & Finance Private Limited	Sub Debt	25	25	repaid in 2 bullet repayments: 50% of the total loan amount will be repaid at the end of 5.5 years from the date of the disbursement and the remaining 50% of the Loan amount will be repaid at the end of 6 th year from the date of disbursement,

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C. Details of non-convertible debentures as on March 31, 2020:

Debenture Series	Tenor (Mths)	Coupon (%)	Amount (Rs in Crores)	Date of allotment	Redemption Date/Schedule	Credit Rating	Secured/Unsecured	Security
INE443L08016	60	15	10.00	30-03-2016	29-03-2021	CARE	Unsecured	NA
INE443L08032	74	12	10.00	31-03-2017	31-05-2023	ICRA	Unsecured	NA
INE443L08024	74	12	15.00	28-04-2017	31-05-2023	ICRA	Unsecured	NA
INE443L08040	74	12	7.00	23-6-2017	31-07-2023	ICRA	Unsecured	NA
INE443L07026	30	11.6	5.00	22-11-2017	22-05-2020	CARE	Secured	105 % of Book debt
INE443L07034	30	11.4	5.00	15-12-2017	17-06-2020	CARE	Secured	105 % of Book debt
INE443L07042	30	11.4	10.00	17-01-2018	17-07-2020	CARE	Secured	105 % of Book debt
INE443L08099	21	11.98	17.14	31-10-2019	31-07-2021	CARE	Unsecured	NA
INE443L08107	72	14.50	24.00	03-12-2019	03-12-2025	CARE	Unsecured	NA
INE443L08115	73.5	14.50	15.00	30-03-2020	15-05-2026	CARE	Unsecured	NA

D. List of Top 10 Debenture Holder(s) as on March 31, 2020:

Rs in Crores

Sl.	Name Of Debenture Holders	Amount
1	A K Capital Finance Limited	23.36
2	UNIFI AIF	17.14
3	Muthoot Insurance Brokers Private Limited	17.00
4	Vivriti Samarth Bond Fund	15.00
5	George Alexander	8.00
6	George Jacob	8.00
7	George Thomas	8.00
8	Family Home Finance Private Limited	0.85
9	Geeti Bhagat Datwani	0.83
10	Krishan Kumar Arora	0.10

Note: Top 10 holders' (in value terms, on cumulative basis for all outstanding debentures issues) details should be provided

E. 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):

Nil

F. Details of Commercial Paper (the total Face Value of Commercial Papers Outstanding as on March 31, 2020 to be provided and its breakup in following table)

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S. No.	Maturity Date	Amount Outstanding
NIL		

G. Details of rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on March 31, 2020:

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

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

The Company has not defaulted in payment of any interest or principal of any kind of term loans, debt securities or any other financial indebtedness, including any corporate guarantee issued by the Company, in the past 5 years

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

The Issuer does not have any outstanding borrowings/debt securities 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.

5.10 Details of Promoters of the Company:

A. Details of Promoter Holding in Company as on latest quarter end, i.e. March 31, 2020:

Sl.	Name of Shareholders	Total No. of Equity shares	No. of shares held in Demat form	Total Shareholding as % of total no. of equity shares	No. of shares Pledge d	% of shares pledged with respect to shares owned
1	Dr Kalpana Sankar	1,02,674	1,02,674	0.27%	Nil	Nil
2	Mr. C V Sankar	100	100	Negligible	Nil	Nil
3	Ms Bindhu Sridhar	100	0	Negligible	Nil	Nil
4	Sarvam Financial Inclusion Trust	65,75,397	65,75,397	17.52%	Nil	Nil
5	Hand in Hand Consulting Pvt Ltd	4,29,472	4,29,472	1.15%	Nil	Nil

5.11 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.

Profit and Loss Statement (INR)	31.03.2018	31.03.2019	31.03.2020
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	Audited	Audited	Audited
Interest Income	209.54	346.14	464.95
Less: Interest Expenses	100.58	149.96	179.91
Net Interest Income	108.96	196.18	285.04
Other Income	5.02	21.93	35.80
Total Income	113.98	218.11	320.84
Operating Expenses	55.31	92.22	155.56
Provisions & Write Offs	14.02	18.37	22.95
Operating Profit	44.65	107.52	142.33
Depreciation	4.54	4.42	9.08
Profit Before Tax	40.11	103.10	133.25
Profit After Tax	27.05	72.85	99.00

Particulars	As at March 31, 2018	As at March 31, 2019	As at March 31, 2020
<u>EQUITY AND LIABILITIES</u>			
Shareholders' funds			
(a) Share capital	24.65	37.52	37.52
(b) Reserves and surplus	100.99	362.65	460.31
Total Equity (A)	125.64	400.18	497.83
Total Non-current liabilities (B)	636.81	814.28	443.22
Total Current liabilities (C)	601.08	829.41	1577.74
TOTAL (A+B+C)	1363.53	2043.87	2020.96
<u>ASSETS</u>			
Fixed assets (Net)	2.30	4.10	14.67
Investments	0.00	0.00	0.00
Gross Advances	1148.27	1665.16	2125.75
Less: Loan Loss Reserve	(13.98)	(26.40)	36.88
Net Loan Outstanding	1134.29	1638.77	2088.87
Cash and Cash equivalent	132.65	218.82	171.93
Other Current Assets	81.26	166.18	229.74
Deferred Tax Assets	7.83	9.42	4.65
Intangible Assets	1.53	1.11	1.31
Other Non-Current Assets	3.67	5.4\	7.62
TOTAL	1363.53	2043.87	2518.79

Cash Flows

Please refer Annexure IV

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

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[Note: Financial information submitted for furnishing/ publishing half yearly or annual results shall 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, as amended.]

NA

- 5.13 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.**

For the AY 2017-18, the Company has received IT Assessment Order (order dated: 28th December 2019) raising a demand for Rs. 7.31 crores for the SBN collected during the demonetization period. The Company has met the Deputy Commissioner, Income Tax and intends to go for CIT (A) contesting the demand order and requesting additional time for hearing. Appeal has been filed in this regard on Jan 10, 2020.

- 5.14 Names of the Debentures Trustees and Consents thereof**

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

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

The Rating Agency has assigned ratings of “**CARE A+**” (pronounced as **CARE Single A Plus**) by CARE Ratings Limited 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.

Please refer to Annexure II for the credit rating assigned by the Rating Agency and the detailed rating rationale respectively.

Please note that the rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating obtained is subject to revision at any point of time in the future. The rating agencies have a right to suspend, withdraw the rating at any time including on the basis of new information.

- 5.16 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.

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

The Debentures shall be unlisted at the time of issuance and are proposed to be listed on the WDM segment of the BSE within 20 days from deemed date of allotment. The Issuer shall comply with the requirements of the listing agreement for debt securities to the extent applicable to it on a continuous basis.

5.18 Other details:**A. Debenture Redemption Reserve Creation:**

As per Section 71 of the 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 presently 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 Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the applicable RBI guidelines.

C. Application process:

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

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

The contracts and documents referred to hereunder are material to the Issue, and 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 & Articles of Association of the Issuer.
2	Resolution dated May 10, 2020 passed by the Board of Directors authorizing issue of Debentures offered under terms of this Disclosure Document.
3	Resolution dated September 23, 2019 passed by the shareholders of the Company authorizing the issue of non-convertible debentures by the Company.
5	Copies of Annual Reports of the Company for the last three financial years.
6	Letter from the Rating Agency assigning the credit rating for the Issue.
7	Letter from the Debenture Trustee giving its consent to act as Debenture Trustee.
8	Letter from Registrar 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 NSDL/CDSL.

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11	Copy of application made/ to be made (if and when applicable) to BSE for grant of in-principle approval for listing of Debentures.
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5.20 Utilization of the Issue Proceeds

The Issuer undertakes that the proceeds of this Issue shall be used for the ongoing business purposes of the Company (including expansion of the Company's loan portfolio) and shall not be utilized for the deployment of funds on its own balance sheet and not to facilitate resource requests of its group entities/parent company/associates.

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

5.21 Issue Details

Security Name	BML 2027
Issuer	Belstar Microfinance Limited (Issuer/Company/BML)
Type of Instrument	Unsecured, subordinated, rated, listed, redeemable, transferable, non-convertible debentures
Nature of Instrument	Unsecured
Seniority	Subordinated
Mode of Issue	Private placement
Eligible/Identified Investors	As provided in Section 8.14 below
Listing	The Debentures are proposed to be listed on the WDM segment of the BSE. (a) Within 15 (fifteen) calendar days of the Deemed Date of Allotment, the Issuer shall submit all duly completed documents to the BSE, SEBI, ROC or any other Governmental Authority, as are required under Applicable Law and obtain the listing of the Debentures within 20 (twenty) calendar days from the Deemed Date of Allotment ("Listing Period"). (b) The Issuer shall ensure that the Debentures continue to be listed on the wholesale debt market segment of the BSE. (c) The Issuer shall ensure that the Debentures at all times are rated in accordance with the provisions of the Transaction Documents and that the rating of the Debentures is not downgraded or withdrawn throughout the tenor of the Debentures. In the event there is any delay in listing of the Debentures within the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the Debentures is completed.
Rating of Instrument	CARE A+ as assigned by the Rating Agency
Issue Size	Rs. 50,00,00,000/- (Rupees Fifty Crore only).

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Option to retain oversubscription	N.A.
Objects of the Issue	To raise subordinated debt to the extent upto Rs. 50,00,00,000/- (Rupees Fifty Crore only) for the ongoing business purposes of the Company (including expansion of the Company's loan portfolio)
Details of the utilization of the Proceeds	The Company shall utilise the amounts received from the subscription of the Debentures for the Purpose. No part of the proceeds from the Issue will be used towards: i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities; ii. any speculative purposes; iii. investment in the real estate sector; or iv. in contravention of any applicable law.
Coupon Rate	14.50% per annum payable semi-annually
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Semi- annually
Coupon Payment Dates	Semi-Annual as per Annexure V (Illustrations of Bond Cashflows) in this Information Memorandum
Coupon Type	Fixed
Coupon Reset Date	N.A.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor, etc.)	N.A.
Day Count Basis	Actual/Actual
Interest on Application Money	(a) Interest at the Interest Rate per annum will be paid on the Application Money to the Applicants from the date of receipt of such Application Money in the account of the ICCL (in accordance with the terms of the EBP Guidelines) up to 1 (one) day prior to the Deemed Date of Allotment for all valid applications, within 5 (five) Business Days from the Deemed Date of Allotment. (b) Where the entire subscription amount has been refunded, the interest on Application Money will be paid along with the refunded amount. (c) Where an Applicant is allotted a lesser number of Debentures than applied for, the excess amount paid on application will be refunded to the applicant in the bank account of the Applicant as described in the Application Form towards interest on the refunded money by electronic mode of transfer like RTGS/NEFT/direct credit. Details of allotment will be sent to every successful Applicant

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Default Interest Rate	(a) In the event of a Payment Default (as defined in the Transaction Documents) or an Event of Default (as defined in the Transaction Documents), the Company agrees to pay a default interest rate of 2% (Two per cent) per annum above the applicable Coupon Rate on the outstanding principal amounts from the date of the occurrence of the Payment Default or an Event of Default until such Payment Default or Event of Default is cured. (b) In the event of a breach of its obligations set out under the Transaction Documents, the Company agrees to pay an additional interest rate of 2% (Two per cent) per annum above the applicable Coupon Rate on the outstanding principal amounts from the date of the occurrence of the breach until such breach is cured. (c) In the event there is any delay in listing of the Debentures within the Listing Period, the Issuer will pay to the Debenture Holders, penal interest of 1% (one percent) per annum over the Interest Rate, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the Debentures is completed. The recovery of the aforesaid Default Interest Rate from the Issuer shall be without prejudice to the other remedies available against the Issuer under Applicable Law.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Security documents, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.
Tenor	84 (Eighty Four) months from the Deemed Date of Allotment
Redemption Date/Maturity Date	September 30, 2027, being 84 (Eighty Four) months from the Deemed Date of Allotment
Redemption Amount	Rs. 10,00,000/- (Rs. Ten Lakh Only) per Debenture on the Redemption Date/Maturity Date plus accrued Coupon if any.
Redemption Premium/Discount	NA
Issue Price	Rs. 10,00,000/- (Rs. Ten Lakh Only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	NA
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/- (Rs. Ten Lakh only) per Debenture
Minimum Application size and in multiples of 10 thereafter	500 Debentures and in multiples of 10 Debentures thereafter.

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Issue Timing	Issue/ Bid Opening Date: September 29, 2020 Issue/ Bid Closing Date: September 29, 2020 Pay-in Date: September 30, 2020 Deemed Date of Allotment: September 30, 2020
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL, as specified in this regard below: Name of the Bank: ICICI Bank IFSC Code: ICIC0000106 Account Number: ICCLEB Name of the beneficiary: INDIAN CLEARING CORPORATION LIMITED Name of the Bank: Yes Bank IFSC Code: YESB0CMSNOC Account Number: ICCLEB Name of the beneficiary: INDIAN CLEARING CORPORATION LIMITED Name of the Bank: HDFC Bank IFSC Code: HDFC0000060 Account Number: ICCLEB Name of the beneficiary: INDIAN CLEARING CORPORATION LIMITED
Depositories	NSDL
Business Days	Means a day (other than a Sunday or a 'public holiday' for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for business in Chennai
Business Day Convention	If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	NA

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Transaction Documents	Shall be as set out in Section 7.1 below
Conditions Precedent to Disbursement	Shall be as set out in Section 7.2 below
Conditions Subsequent to Disbursement	Shall be as set out in Section 7.3 below
Events of Default	Shall be as set out in Section 7.4 below
Provisions related to Cross Default Clause	Shall be as set out in Section 7.4 below
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s) and such other roles and responsibilities as set out in greater detail in the Debenture Trust Deed.
Covenants	Shall be as set out in Section 7 below
Representation and warranties	Shall be as set out in Section 7 below
Illustration of Bond Cashflows	Kindly refer to Annexure V of this Information Memorandum
Governing Law and Jurisdiction	The validity, interpretation, implementation and resolution of disputes arising out of or in connection with this Information Memorandum shall be governed by the laws of India. The courts and tribunals at Chennai shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Information Memorandum.

Note:

1. The list of documents which has been executed or will be executed in connection with the Issue and subscription of debt securities shall be annexed.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.

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SECTION 6: DISCLOSURES PERTAINING TO WILFUL DEFAULT

In case of listing of debt securities issued through private placement, the following disclosures are required to be made in terms of the Debt Listing Regulations:

- A) Name of the Bank declaring the entity as a Wilful Defaulter: The Issuer has not been declared as a wilful defaulter by any bank or financial institution or consortium thereof.
- B) The year in which the entity is declared as a Wilful Defaulter: NA
- C) Outstanding amount when the entity is declared as a Wilful Defaulter: NA
- D) Name of the entity declared as a Wilful Defaulter: NA
- E) Steps taken, if any, for the removal from the list of wilful defaulters: NA
- F) Other disclosures, as deemed fit by the Issuer in order to enable investors to take informed decisions: NA
- G) Any other disclosure as specified by SEBI: NA

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SECTION 7: TRANSACTION DOCUMENTS AND KEY TERMS

7.1 Transaction Documents

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

- A. Debenture Trustee Agreement, which will confirm the appointment of IDBI Trusteeship Services Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- B. Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- C. Such other documents as agreed between the Issuer and the Debenture Trustee.

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

7.2 Conditions Precedent to Disbursement

- (i) A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee.
- (ii) All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company 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.
- (iii) Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place;
- (iv) Rating of the Debentures being completed and the rating agency having provided a minimum rating of ‘A+’ for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee;
- (v) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:-
 - a. the Company and its Directors have the necessary powers under the Constitutional Documents of the Company to borrow moneys pursuant to the issuance of the Debentures;
 - b. the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded;
 - c. no Material Adverse Effect has occurred in the Company, and/or the business of the Company;
- (vi) The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Company, in a form and substance satisfactory to the Debenture Trustee, with respect to:
 - a. incumbency and signatures;
 - b. absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect;

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- c. all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom; and
 - d. the Debenture Trustee shall have received from the Company its audited account statements for the Previous Year.
- (vii) Due execution of the depository agreement by, *inter-alia*, the Depository and the Company;
- (viii) Due execution of the tripartite agreement by, *inter-alia*, the Registrar, the Depository and the Company; and
- (ix) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective "know your customer" requirements.

7.3 Conditions Subsequent to Disbursement

Company shall fulfil each of the following conditions within the stipulated timelines:

- (i) The Company shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings with the Registrar of Companies and obtaining all necessary approvals including filing a return of allotment under Form PAS 3 along with requisite fee within the timelines prescribed by the Act;
- (ii) File Form PAS 5 along with the Information Memorandum with SEBI within the timelines prescribed by the Act and Rules thereunder; and
- (iii) Credit the demat account of the Applicants with such number of Debentures which have been allotted to them within 2 (two) Business Days from the Deemed Date of Allotment.

7.4 Events of Default

(a) ***Payment Defaults***

The Company does not pay on the Due Date any amount payable pursuant to this Deed and the Debentures (including but not limited to penal interest, if any) at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by administrative or technical error and payment is made within 3 (three) Business Days of its Due Date.

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

- (i) The Company is unable or admits inability to pay its debts as they fall due, suspends making payments on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with one or more of its creditors with a view to rescheduling any of its Financial Indebtedness.
- (ii) The Company is (or deemed by Law or a court to be) insolvent or bankrupt or unable to pay its debts or stops or suspends payments of all its debts, makes a general assignment or an arrangement or composition with or for benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all the debts of the Company.

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- (iii) Any distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets, or revenues of the Company and is not discharged or quashed or stayed within 15 (fifteen) days.

(c) ***Business***

The Company without obtaining the prior consent of the Special Majority Debenture Holders ceases to carry on its business or gives notice of its intention to do so.

(d) ***Misrepresentation***

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

(e) ***Material Adverse Change***

There shall have occurred a change in the business, operations, property, Assets, liabilities, condition (financial or otherwise) or prospects of the Company since the date hereof that has resulted in a Material Adverse Effect and such Material Adverse Effect has not been remedied or rectified for a period of 30 (thirty) Business Days.

(f) ***Liquidation or Dissolution of the Company / Appointment of Receiver or Liquidator***

- (i) Any corporate action, legal proceedings or other procedure or step is taken in relation to:
 - (A) the suspension of payments, a moratorium of any Indebtedness, winding-up, dissolution, administration or re-organisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company or its Affiliate;
 - (B) a composition, compromise, assignment or arrangement with any creditor of the Company or its Affiliate;
 - (C) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Company or its Affiliate; or
 - (D) the Company, in respect of any reference or enquiry or proceedings commenced, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets");
 - (E) the commencement of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 (to the extent applicable) or under any other applicable Law, in respect of the Company or its Affiliate; or
 - (F) enforcement of any security over any Assets of the Company or its Affiliate.

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Any other event occurs or proceeding instituted under any applicable Law that would have an effect analogous to any of the events listed in sub-Clauses (A) to (F) above.

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

(g) **Cross Default**

The Company (i) defaults in any payment of any Financial Indebtedness beyond the period of grace (not to exceed 30 days), if any, provided in the instrument or agreement under which such Financial Indebtedness was created; (ii) defaults in the observance or performance of any agreement or condition relating to any Financial Indebtedness or contained in any instrument or agreement evidencing, securing or relating thereto or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause or to permit the holder or holders of such Financial Indebtedness to cause (determined without regard to whether any notice is required) any such Financial Indebtedness to become due prior to its stated maturity; or (iii) any Financial Indebtedness of the Company shall be declared to be due and payable, or required to be prepaid other than by a regularly scheduled required prepayment, prior to the stated maturity thereof.

(h) **Creditors' Process**

- (i) All or a material part of the undertaking, Assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or any Government Authority.
- (ii) The Company does not inform the Debenture Trustee of one or more of the other creditors of the Company accelerating the payment obligations on the grounds of a material adverse change (howsoever described) or a material adverse effect (howsoever described) in the financial, operational or regulatory conditions governing the Company.
- (iii) The Company has voluntarily or involuntarily becomes the subject of proceedings under any bankruptcy or insolvency laws and such proceedings have been admitted by a competent court or the Company is voluntarily or involuntarily dissolved.
- (iv) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors.

(i) **Judgments Defaults**

One or more judgments or decrees entered against the Company involving a liability (not paid or not covered by a reputable and solvent insurance company), individually or in the aggregate, exceeding 5% (five percent) of the Total Assets of the Company PROVIDED THAT such judgments or decrees are either final and non-appealable or have not been vacated, discharged or stayed pending appeal for any period of 30 (thirty) consecutive calendar days.

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(j) ***Transaction Documents***

- (i) This Deed or any other Transaction Document in whole or in part, are terminated or cease to be effective or cease to be a legally valid, binding and enforceable obligation of the Company.
- (ii) In the opinion of the Debenture Trustee, any of the Transaction Documents fails to provide the rights, title, remedies, power or privileges intended to be created thereby (including the priority intended to be created thereby), or such rights, title, remedies, power or privileges created thereunder become unlawful, invalid, or unenforceable.

(k) ***Unlawfulness***

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

(l) ***Repudiation***

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

(m) ***Government Intervention***

- (i) Any step is taken by Governmental Authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Debenture Trustee) a material part of the assets of the Company which is material to the Company;
- (ii) Any Governmental Authority having assumed custody or control of the business or operations of the Company or having taken any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on its business or operations thereof; or
- (iii) The Company's organizational or legal status, or any license or franchise is revoked or suspended by any Governmental Authority or authority after the Company has exhausted all remedies and appeals relating thereto.

(n) ***Delisting***

If the Debentures are listed and any Debenture is subsequently delisted from any exchange on which it is listed without the prior written consent of the Debenture Trustee.

(o) ***Cessation***

The Company ceases or threatens to cease to carry on the main business it is currently engaged in.

(p) ***Alteration in Constitutional Documents***

The Company, without the previous consent in writing of the Debenture Trustee, makes or attempts to make any alteration in the provisions of its Constitutional Documents where (i) such change might in the opinion of the Debenture Trustee detrimentally affect the interests of the Debenture Holder(s) and (ii) the Company refuses or neglects to or is unable to rescind such alteration.

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(q) ***Non-compliance with judicial order***

The Company fails to comply with or fulfil any judicial order passed against it provided however that such order shall not include any order against which appeal is available or for which an appeal is pending.

(r) ***Erosion of Net Worth***

The Debenture Holders' assessment from quarterly or annual financial reporting from the company, or at any time certified by an accountant of a firm or chartered accountant appointed by the Debenture Trustee (which the Debenture Trustee is entitled and hereby authorized to do so at any time), that the net worth (as defined in the Act) of the Company has eroded by 50% (fifty percent) or more.

(s) ***Merger***

The rearrangement or consolidation or amalgamation with or merger with or into, or receiving of all or substantially all the assets or obligations of, another entity, or any action for reorganisation of capital without the prior written consent of the Debenture Trustee.

(t) ***Sale, disposal***

Sale, transfer, or other disposition of all or substantially all of the Company's Assets other than in the normal course of business of the Company.

(u) ***Anti-terrorism***

Any Obligor of the Company is listed on:

- (i) any list of terrorists or terrorist organization of the UN, the European Union and any other applicable country; or
- (ii) any financial sanctions list, being defined as lists of persons, groups or entities which are subject to UN, EU, and US Office of Foreign Asset Control Sanctions.

(v) ***Third party***

A default or Event of Default occurs on account of a breach of representation or breach of an information covenant under the terms of any other agreement involving borrowed money or the extension of credit or any other Financial Indebtedness under which the Company may be obligated as a borrower or guarantor and pursuant to which the Company is called upon to and makes a prepayment to a 3rd party without the prior written consent of the Debenture Holder. Such consent shall not be unreasonably delayed or withheld by the Debenture Holders.

(w) ***Wilful default***

Any Promoters or directors or key management personnel of the Company is/are declared as wilful defaulter by any competent authority or accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery.

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7.5 AFFIRMATIVE COVENANTS

(a) ***Notice of winding up or other legal process***

Company shall promptly inform the Debenture Trustee if it has notice of any application for winding up or insolvency process having been made or any statutory notice of winding up under the provisions of the Act or any other applicable Law (including the Insolvency and Bankruptcy Code, 2016, if applicable) or any other notice under any other statute relating to winding up or otherwise of any suit or other legal process intended to be filed or initiated against the Company;

(b) ***Loss or damage by uncovered risks***

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

(c) ***Costs and expenses***

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

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

Company shall punctually pay all rents, royalties, taxes, rates, levies, cesses, assessments, impositions and outgoings, governmental, municipal or otherwise imposed upon or payable by the Company as and when the same shall become payable and when required by the Debenture Trustee produce the receipts of such payment and also punctually pay and discharge all debts and obligations and liabilities which may have priority over the Debentures and observe, perform and comply with all covenants and obligations which ought to be observed and performed by the Company under this Deed;

(e) ***Preserve corporate status; authorisations***

Company shall

- (i) diligently preserve and maintain its corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by it in the conduct of its business and comply with each and every term of the said franchises and concessions and all acts, authorizations, consents, permissions, rules, regulations, orders and directions of any legislative, executive, administrative or judicial body applicable to its Assets or any part thereof PROVIDED THAT the Company may contest in good faith the validity of any such acts, rules, regulations, orders and directions and pending the determination of such contest may postpone compliance therewith if the rights enforceable under the Debentures are not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby its right to transact its business might or could be terminated or whereby payment of the principal of or interest on the Debentures might or would be hindered or delayed; and

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- (ii) conduct its business with due diligence and efficiency and in accordance with sound technical, managerial and financial standards and business practices with qualified and experienced management and personnel;
- (iii) promptly obtain all consents and authorizations as maybe necessary for performing its obligations in relation to the issue of the Debentures;

(f) ***Pay stamp duty***

Company shall pay all such stamp duty (including any additional stamp duty), other duties, taxes, charges and penalties, if and when the Company may be required to pay according to the applicable state laws and in the event of the Company failing to pay such stamp duty, other duties, taxes and penalties as aforesaid, the Debenture Trustee will be at liberty (but shall not be bound) to pay the same and the Company shall reimburse the same to the Debenture Trustee on demand;

(g) ***Furnish information to the Debenture Trustee***

Company shall give to the Debenture Trustee or its nominee(s)/ agent(s) such information/copies of relevant extracts as they shall require as to all matters relating to the business of the Company or any part thereof and to investigate the affairs thereof and the Company shall allow the Debenture Trustee to make such examination and investigation as and when felt necessary and shall furnish to the Debenture Trustee all such information as they may require and shall pay all reasonable costs, charges and expenses incidental to such examination and investigation;

(h) ***Grievance***

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

(i) ***Specific Information to be provided to the Debenture Trustee***

Company shall inform and provide the Debenture Trustee with applicable documents in respect of the following:

- (i) notice of any Event of Default or potential Event of Default, each as listed in **Section 7.4 (Events of Default)** of this Information Memorandum;
- (ii) periodic review of the ratings obtained by the Company by the credit rating agencies and any revision in the rating as per the listing agreement entered into with the stock exchange (if the Debentures are listed);
- (iii) details of any material litigation, arbitration or administrative proceedings, etc. including those that are required to be disclosed to the stock exchange under the listing agreement entered into with the stock (if the Debentures are listed);
- (iv) any and all information required to be provided to the Debenture Holders under the listing agreement that may be entered into between the Company and the BSE; and
- (v) the declaration or distribution of dividend;

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

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Company shall comply with the provisions of the Act relating to transfer of unclaimed/unpaid amounts of interest on Debentures and redemption of Debentures to Investor Education and Protection Fund, if applicable to it;

(k) **Further assurances**

Company shall

- (i) execute and/or do, at its own expense, all such deeds, assurances, documents, instruments, acts, matters and things, in such form and otherwise as the Debenture Trustee may reasonably or by Law require or consider necessary in relation to enforcing or exercising any of the rights and authorities of the Debenture Trustee;
- (ii) furnish to the Debenture Trustee details of all grievances received from the Debenture Holders and the steps taken by the Company to redress the same. At the request of any Debenture Holder, the Debenture Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and the Company shall comply with the instructions of the Debenture Trustee issued in this regard;
- (iii) obtain, comply with the terms of and do all that is necessary to maintain in full force and effect all authorisations necessary to enable it to lawfully enter into and perform its obligations under this Deed or to ensure the legality, validity, enforceability or admissibility in evidence in India of this Deed;
- (iv) comply with:
 - (A) all Laws (including but not limited to environmental, social and taxation related Laws), as applicable in respect of the Debentures and obtain such regulatory approvals as may be required from time to time, including but not limited, in relation to the following (if the Debentures are listed) (i) the Debt Listing Regulations, as may be in force from time to time during the tenor of the Debentures; (ii) the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and (iii) the provisions of the listing agreement to be entered into by the Company with the BSE in relation to the Debentures;
 - (B) the Debenture Trustees Regulations as in force from time to time, in so far as they are applicable to the Debentures and furnish to the Debenture Trustee such data, information, statements and reports as may be deemed necessary by the Debenture Trustee in order to enable them to comply with the provisions of Regulation 15 thereof in performance of their duties in accordance therewith to the extent applicable to the Debentures;
 - (C) the provisions of the Act in relation to the issue of the Debentures;
 - (D) procure that the Debentures are rated and continued to be rated until the redemption of the Debentures; and
 - (E) The Company shall ensure that, at time of making any payment of interest or repayment of the principal amount of the Debentures in full or in part, the Company shall do so in the manner that is most tax efficient for the Debenture Holders (including withholding tax benefit) but without, in any way, requiring the Company to incur any additional costs, expenses or taxes and the Company shall avail of all the benefits available under any treaty applicable to the Company and/or the Debenture Holders.

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(l) ***Filings***

If the Debentures are listed, the Company shall file with the BSE for dissemination, within 45 days from the end of half years September and March, a half- yearly communication, counter signed by the Debenture Trustee, containing inter-alia the following information:

- (i) *credit rating;*
- (ii) *debt to Equity ratio accompanied with a certificate of a practicing chartered accountant confirming such debt to Equity ratio;*
- (iii) *previous Due Date for the payment of interest/principal and whether the same has been paid or not; and*
- (iv) *next Due Date for the payment of interest/principal.*

(m) ***Where Debenture Holder is a Foreign Investor***

Company shall in the event a Debenture Holder is a foreign portfolio investor, foreign institutional investor or sub-account of foreign institutional investors, or qualified foreign investor, the Company shall, in relation to each Interest Payment Date and in relation to each date when any other payment is due by the Company under the Debentures (each a "**Relevant Payment Date**"), courier to the Debenture Holders (or their designated agent, as confirmed by the Debenture Holders) within 1 (One) Business Day after a Relevant Payment Date, the duly completed and signed Form 15 CA/CB. A scanned copy of such duly completed and signed Form 15 CA/CB shall be sent to the Debenture Holders on the Relevant Payment Date by e-mail; ***Compliance with ESG Requirements***

Company shall adhere to ESG requirements and provide a declaration to that effect in the format provided in Transaction Documents.

(n) ***Books of Account***

Company shall maintain proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the business of the Company and keep such books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company will ensure that all entries in the same relating to the business of the Company shall at all reasonable times be open for inspection of the Debenture Trustee and such person or persons as the Debenture Trustee shall, from time to time, in writing for the purpose, appoint.

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

Company shall promptly inform the Debenture Trustee in writing of the occurrence of any, or the occurrence of any event that is likely to have a, Material Adverse Effect, together with explanation of the reasons thereof;

(p) ***Insurance***

Company shall maintain insurances on and in relation to its business and assets with insurance companies against those risks and to the extent as is usual for companies carrying on the same or substantially similar business and any other insurances as may be required by Law and

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ensure that all premiums are paid on time and other obligations of the Company under the insurance policies are duly complied with;

(q) **Corporate Governance**

- (i) the Company shall maintain the highest standards of corporate governance in accordance with the NBFC Master Directions;
- (ii) shall at all times until the redemption of all outstanding Debentures, ensure that there is at least 1 (One) independent director; and
- (iii) the Company shall at all times comply with the NBFC Master Directions.

(r) **General**

- (i) the Company shall perform all of its obligations under the terms of the Transactions Documents and maintain in full force and effect each of the Transaction Documents;
- (ii) the Company shall promptly pay and discharge all its financial obligations and regularly make all payments due and payable by the Company, including but not limited to taxes and also such payment due and payable under or in respect of the Issue or any documents executed in connection there with;
- (iii) the Company shall give the Debenture Trustee any information, relating to the business, property, affairs of the Company, that materially impacts the interests of the Debenture Holders;
- (iv) the Company shall comply with the 'Guidelines on Fair Practices Code for Non-Banking Financial Companies' as prescribed by the RBI; and
- (v) the Company shall at all times act and proceed in relation to its affairs and business in compliance with applicable Law.

(s) **Access**

Company shall permit the Debenture Trustee (and the Debenture holders) and/or accountants or other professional advisers and contractors appointed by the Debenture Trustee access at all reasonable times and on reasonable notice of the Company to:

- (i) check the management of the funds made available through subscription to the Debentures;
- (ii) inspect and take copies and extracts from the books, accounts and records of the Company;
- (iii) visit and inspect the premises of the Company; and
- (iv) meet and discuss matters with senior management employees of the Company.

(t) **Conditions Subsequent**

Company shall comply with the conditions stipulated in **Section 7.3 (Conditions Subsequent)**.

(u) **Financial Covenants**

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The Company shall comply with the financial covenants stipulated in **Section 7.7 (Financials Covenants)**.

(v) **Issue Terms and Conditions**

At all times during the term of these presents comply with each of the Issue Terms and Conditions.

(y) **Internal Controls**

Company shall maintain appropriate internal controls for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes.

7.6 NEGATIVE COVENANTS

(a) **Change of business;**

- (i) Change the general nature of its business from that which is permitted by the RBI.
- (ii) Material change or make any material alteration to its Constitutional Documents.
- (iii) The Company will ensure that prior to the Redemption Date, there will be no sale, disposal or transfer in any matter whatsoever, create encumbrance or create pledge on the equity shares held by the Muthoot Finance Ltd in the Company whereby the equity stake of the Muthoot Finance Limited in the share capital of the Company falls below 70.01%,
- (iv) Until the Redemption Date, the Company will procure and ensure that the Muthoot Finance Ltd will not exit from or reduce its involvement from the management activities of the Company as is subsisting on the date of execution of this Deed.

(b) **Dividend**

Declare or pay any dividend or make any distributions on its share capital (other than dividends or distributions payable on shares of the Company), unless:

- (i) the proposed payment or distribution is out of net income of the current Financial Year (excluding any amount resulting from the revaluation of any of the Company's assets);
- (ii) no Event of Default has occurred and is then continuing, or could occur or is reasonably likely to occur, as a result of such payment or declaration of any dividend or distribution and after giving effect to any such action;
- (iii) the Company is in compliance with the financial covenants set forth in Section 7.7(Financial Covenants); and
- (iv) the company has paid or made satisfactory provision for the payment of the installments of principal and interest due on the Debentures.

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

Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.

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(d) ***Associates, Subsidiaries, and Joint Ventures***

Dispose of, acquire or incorporate any associates (as defined in the Act), subsidiary (as defined in the Act) or joint ventures.

(e) ***Acquisition***

Acquire, without the prior written consent of the Majority Debenture Holders, any company, business or undertaking if the amount of the acquisition cost, whether paid by cash or otherwise, when aggregated with the aggregate acquisition cost of any other companies, business or undertaking acquired by it during that financial year exceeds 10% (Ten percent) of the Tangible Net Worth.

(f) ***Joint Venture***

Without the prior written consent of the Majority Debenture Holders:

- (i) acquire (or agree to acquire) any shares, stocks, securities or other interest in any joint venture; or
- (ii) transfer any assets or lend to or guarantee or indemnify or give security for the obligations of a joint venture (or agree to transfer, lend, guarantee, indemnify or give security for the obligations of a joint venture).

(g) ***Loans and Guarantees***

The Company shall not:

- (i) extend a loan to any single individual or entity amounting to greater than 10% (ten percent) of its Tangible Net Worth; or
- (ii) undertake to guarantee the liabilities of any individual or entity (unless the entity is a wholly owned subsidiary of the Company).

(h) ***Arm's length basis; No profit sharing arrangements***

The Company shall not, without the prior written consent of the Majority Debenture Holders:

- (i) enter into any transaction with any person or enter into or continue business relations with its shareholders, employees, affiliate(s), holding company(ies), and/or subsidiary(ies) except on proper commercial terms negotiated on an arm's length basis;
- (ii) enter into or establish any partnership, profit sharing, royalty agreement or other similar other arrangement whereby the Company's income or profits are, or might be, shared with any other person; or
- (iii) enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.

(i) ***Immunity***

Claim any immunity or limitation of liability against any payment obligations arising towards the Debenture Holders.

(j) ***Liabilities***

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Incur, create, assume, or allow any Financial Indebtedness that ranks prior to the Debentures or subordinates the Debentures.

(k) ***Change of control***

Issue any additional shares or equity interests and shall not have its existing shares or equity interests transferred, sold, pledged or otherwise encumbered, if such action results in change in Control of the Company. PROVIDED THAT if the written consent of the Debenture Trustee/ the Majority Debenture Holder(s) is withheld for the proposed change of control, the Company will, upon the instructions of the Debenture Trustee, redeem the Debentures forthwith within 45 (Forty five) days of receiving such written instructions from the Debenture Trustee and pay prepayment penalty on such redemption in accordance with the terms of the Transaction Documents.

No prior written consent of the Debenture Trustee is required if the issue of any additional shares or equity interests, transfer, sale, pledge or encumbrance of its existing shares or equity interests does not result in change in Control of the Company.

(l) ***Disposal of Assets***

Sell, transfer, or otherwise dispose of in any manner whatsoever any material Assets of the Company, other than any securitization/portfolio sale of assets undertaken by the Company in its ordinary course of business.

(m) ***Management Control***

Any change in Management Control of the Company.

(n) ***Material compromise or Settlement***

Enter into material compromise or arrangement or settlement with any of its creditors (secured and unsecured) that would prejudicially affect the interest of the Debenture Holders.

(o) ***Anti-money laundering***

Permit any of the Debenture proceeds to be used to fund:

- (i) any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering; or
- (ii) Permit any of the Debenture proceeds to be used to fund any activity on the Exclusion List.

(p) ***Related Party Transactions***

Without the prior written consent of the Debenture Holders (which consent shall not be withheld unreasonably for more than 7 (seven days) of intimation) , the Company shall not enter into any transaction(s) in the nature of loans or advances to a related party(s) (as defined in the Act) whereby the overall outstanding amount owed to the Company under all such transactions exceeds 10% of its net worth (as defined in the Act) in the group concern. Debenture Trustee or its representatives will have access to any additional information that it/they deem(s) necessary to monitor and evaluate the mentioned covenant till the Final Settlement Date.

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The above restrictions is not applicable for any borrowing from group entities and the regular routine business of purchasing buyout portfolios, CSR spending, consultancy agreement between group concerns

(q) **Financial Year**

Company shall not change its financial year-end from 31st March (or such other date as may be approved by Majority Debenture Holders) without the prior written consent of the Debenture Trustee.

(r) **Others**

Without prejudice to Clause (a) (*Change of business*) of *Negative Covenants*, permit sale/ transfer/ disposal of (i) equity shares of the Company, or (ii) instruments that are compulsorily and mandatorily convertible into equity shares of the Company, by the Promoter(s) and/ or (iii) permit the Promoter(s) to exit from management activities in relation to the Company.

7.7 Financial Covenants

1. Maximum permissible ratio of the sum of PAR > 30 and write-offs (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis) to Gross Loan Portfolio shall be 5.00% till September 30th, 2022 and 3% thereafter till the Final Redemption date, write-offs would be calculated for trailing twelve months.
2. Maintain ratio of PAR > 30 net off Loan Loss Provisions (on the Issuer's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Net-worth not more than 20%.
3. Minimum Tier I Capital adequacy ratio (Tier I Capital divided by risk weighted assets) of 12% or as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions, whichever is higher needs to be maintained. Minimum capital ratio of Tier I Capital and Tier II Capital to aggregate risk weighted assets on-balance sheet and of risk adjusted value of off-balance sheet items shall not be less than 15.00% (Fifteen Point Zero Zero percent) or as per the regulatory minimum prescribed by the Reserve Bank of India under the NBFC Master Directions, whichever is higher. For the purpose of calculation of minimum capital ratio: (i) first loss credit enhancements provided by the Issuer on securitization shall be reduced from Tier I Capital and Tier II Capital without any ceiling. (ii) credit enhancements provided by the Issuer on loans originated on behalf of other institutions shall be reduced from Tier I Capital and Tier II Capital without any ceiling. The deduction shall be made at 50 per cent from Tier I Capital and 50 per cent from Tier II Capital. (iii) It is also clarified that in computing the amount of subordinated debt eligible for inclusion in Tier II Capital, the aforementioned subordinated debt shall be subject to discounting as prescribed by RBI.

Until the redemption of the Debentures, commencing from date of allotment, all financial covenants set out herein will be tested on quarterly basis for the Company as on March 31, June 30, September 30, and December 31 of each year, on the basis of the consolidated and standalone financial statements of the Company. In this regard, the Company will provide a certification from its authorized signatory or such other key managerial personnel (as defined in the Act) in such form and manner as may be prescribed by the Debenture Holders Company within 45 (forty five) days from March 31, June 30, September 30, and December 31 of each year.

For the purpose of aforementioned Financial Covenants, following terms shall have the following meanings:

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Portfolio at Risk greater than 30 days or PAR > 30 shall mean, in a district or a branch or on the Issuer's entire portfolio at any point of time, as the case may be, the outstanding principal value of the Issuer's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 30 days or more and includes restructured loans.

Tangible Networth means, with respect to any person, the amount paid up on such person's issued share capital, preference share capital compulsorily convertible into equity, compulsorily convertible into equity and any amount standing to the credit of its reserves, less goodwill or other intangible assets.

Gross Loan Portfolio means and includes the outstanding principal amounts of the loans originated by the Issuer on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Issuer's own book.

Loan Loss Provisions means the outstanding provision in the balance sheet of the Issuer pertaining to on book and securitised book assets to provide for potential losses.

7.8 Representations and Warranties

The Company makes the representations and warranties set out in this Clause to the Debenture Trustee for the benefit of the Debenture Holders on the date of this Deed and during the term of the Debentures.

(a) **Status**

- (i) It is a company, duly incorporated, registered and validly existing under the Laws of India.
- (ii) It is registered as a non-banking financial company -microfinance institution with the RBI.
- (iii) It and each of its subsidiaries (as defined under the Act) has the power to own its Assets and carry on their respective business as it is being conducted.

(b) **Binding obligations**

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

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

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

- (i) any Law or regulation applicable to it;
- (ii) its Constitutional Documents
- (iii) any agreement or instrument binding upon it or any of its Assets.

(d) **Power and authority**

It has the power to issue the Debentures and to enter into, perform and deliver, and has taken all necessary authorisations its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

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

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

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(f) **No default**

No Event of Default or potential Event of Default has occurred and is continuing or would reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its Assets or which might have a Material Adverse Effect.

(g) **Ranking**

Each Debenture is an unsecured, subordinated and fully paid up debt capital instrument. The Debentures rank *pari passu inter se* and the Company shall pay and discharge all its liabilities to the Debenture Holders under this Deed without preference or priority of one over the other. The Debentures rank *pari passu* with all other Subordinated Debt of the Company and rank subordinated to the claims of all other creditors of the Company.

(h) **No proceedings pending**

Except as disclosed by the Company in its Debt Disclosure Document, annual reports and financial statements, no litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency which have been started or threatened against the Company, where such proceedings could result in or cause a Material Adverse Effect.

(i) **No misleading information**

- (A) All information provided by the Company to the Debenture Trustee/Debenture Holders for the purposes of this Issue is true and accurate in all material respects as at the date it was provided or as at the date (if any) at which it is stated.
- (B) It has disclosed all information in the Debt Disclosure Document that is relevant for the Applicants to apply for subscription of the Debentures.

(j) **Compliance**

- (i) The Company has complied with Law and there has not been and there is no investigation or enquiry by, or order, decree, decision or judgment of, any Governmental Authority been issued or outstanding or to the best of the

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Company's knowledge (after making due and careful enquiry), anticipated against the Company which would have a Material Adverse Effect on the Company, nor has any notice or other communication (official or otherwise) from any Governmental Authority been issued or outstanding or to the best of the Company's knowledge (after making due and careful enquiry), anticipated with respect to an alleged, actual or potential violation and/or failure to comply with any such applicable Law or requiring them to take or omit any action.

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

(k) **Assets**

Except for the security interests and encumbrances created and recorded with the ROC updated from time to time, the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all Assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(l) **Financial statements**

- (i) Its financial statements for the Previous Year and the immediately preceding Financial Years supplied to the Debenture Trustee were prepared in accordance with Ind AS consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements for the Previous Year supplied to the Debenture Trustee, give a true and fair view and represent its financial condition and operations during the relevant Financial Year save to the extent expressly disclosed in such financial statements.
- (iii) It has disclosed all its borrowings from various banks and financial institutions in the Debt Disclosure Document.

(m) **Solvency**

- (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it has not been deemed by a court to be unable to pay its debts for the purposes of applicable Law, nor will it become unable to pay its debts for the purposes of applicable Law as a consequence of entering into this Deed or any other Transaction Document.
- (ii) The Company, by reason of actual or anticipated financial difficulties, has not commenced, and does not intend to commence, negotiations with one or more of its creditors with a view to rescheduling its Financial Indebtedness.
- (iii) The value of the Assets of the Company is more than its liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.

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- (iv) The Company has not taken any corporate action nor has it taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.
- (v) No insolvency or bankruptcy process has commenced under the (Indian) Insolvency and Bankruptcy Code, 2016 in respect of the Company.
- (vi) No reference has been made, or enquiry or proceedings commenced in respect of the Company, before the National Companies Law Tribunal or under any mechanism or prescription of the RBI in respect of resolution/restructuring of stressed assets (including without limitation, under the RBI's circular no. DBR.No.BP.BC.45/21.04.048/2018-19 dated June 7, 2019 on "Prudential Framework for Resolution of Stressed Assets").

(n) ***No immunity***

The Company is not entitled to any immunity or privilege (sovereign or otherwise) from any set-off, judgment, execution, attachment or other legal process.

(o) ***Legal and Beneficial Ownership***

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN/FCRN/LLPIN/FLLPIN of the Company on the website <http://www.mca.gov.in/MCA21/index.html> under the heading "Index of Charges"), the Company has, free from any security interest or encumbrance, the absolute legal and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all material assets necessary for the conduct of its business as it is being, and is proposed to be, conducted.

(p) ***Compliance with Laws***

The Company and its affiliates are in compliance in all respects with all applicable Laws, including but not limited to environmental, social and taxation related laws, for them to carry on their business.

(q) ***Anti-terrorism Laws***

The Company and its affiliates are in compliance in all respects with all Anti-Terrorism Laws, and are adhering to all regulatory requirements pertaining to Anti-Terrorism and Anti-Money Laundering.

(r) ***No Corrupt Practices***

Neither the Company nor its Promoters or affiliates have indulged in any corrupt practices pertaining to the business such as misstatement, fraud, misappropriation, embezzlement of financial and other resources or gains unreported in the audited financial statements.

(s) ***Taxation***

- (i) The Company has duly and punctually paid and discharged all Taxes imposed upon it or its assets within the time period allowed without incurring penalties save to the extent that (A) payment is being contested in good faith, (B) the

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Company has maintained adequate reserves for those Taxes, and (C) payment can be lawfully withheld;

- (ii) The Company is not overdue in the filing of any Tax returns.
- (iii) No claims exceeding Tax Claims Amount are being or are reasonably likely to be asserted against the Company with respect to Taxes, where such claims could result in or cause a Material Adverse Effect.

(t) ***Disclosures in Debt Disclosure Document***

The extent of disclosures made in the Debt Disclosure Document is consistent with disclosures permitted by any Governmental Authority in relation to the issue of securities made by the Company prior to the issue of the Debentures.

(u) ***Audit***

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

(v) ***Good Business Standard***

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

(w) ***Proper book-keeping and accounting***

The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(x) ***Employees***

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

(y) ***Compliance with RBI/SEBI Regulations an' the Act's Requirements***

The Debentures are being issued in compliance with the applicable regulations of the RBI/SEBI and the relevant provisions of the Act as applicable. Any provision in the Deed which is not in compliance with regulations of the RBI/SEBI and the relevant provisions of the Act can be amended by the Company and the Debenture Trustee by executing an amendment to the Deed, and the Debenture Holders shall have no right to raise any objection thereto.

(z) ***Tier II Capital***

The Debentures are eligible for Tier II capital of the Company (in accordance with the NBFC Master Directions)

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SECTION 8: OTHER INFORMATION AND APPLICATION PROCESS

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

8.1 Mode of Transfer/Transmission of Debentures

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

8.2 Debentures held in Dematerialised Form

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

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

8.3 Trustee for the Debenture Holder(s)

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

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to proceed, fails to do so. The Debenture Trust Agreement and the Debenture Trust Deed shall more specifically set out the rights and remedies of the Debenture Holder(s) and the manner of enforcement thereof.

8.4 Sharing of Information

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

8.5 Debenture Holder not a Shareholder

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

8.6 Modification of Debentures

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

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

For the avoidance of doubt, the following matters require the consent of Majority Debenture Holder(s), either by providing their express consent in writing or by way of a resolution at a duly convened meeting of the Debenture Holder(s):

- A. Creating of any additional security; and
- B. Amendment to the terms and conditions of the Debentures or the Transaction Documents.

8.7 Right to accept or reject Applications

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

8.8 Notices

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

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

Notice(s) shall be deemed to be effective (a) in the case of registered mail, 5 (Five) Business Days after posting via certified or registered mail, return receipt requested; (b) 1 (One) Business Day after delivery

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by recognized overnight courier service, if sent for next Business day delivery (c) in the case of facsimile at the time when dispatched with a report confirming proper transmission; (d) in the case of personal delivery, at the time of delivery or (e) or in case of e-mail at the time of the sending thereof (provided no delivery failure notification is received by the sender within 24 hours of sending such email).

8.9 Issue Procedure

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

The final subscription to the Debentures shall be made by the Eligible Investors through the Electronic Book Mechanism as prescribed by SEBI under the SEBI Electronic Book Mechanism Guidelines by placing bids on the Electronic Book Platform between 9:00 am and 5:00 pm on the working days of the Stock Exchange during the Issue period. In case the Eligible Investors are not registered on the EBP Platform, they will have to register themselves as an "investor" on the EBP Platform (as a one time exercise) and also complete the mandatory "know your customer" verification process. The Eligible Investors should also refer to the operational guidelines of the relevant EBP in this respect. The disclosures required pursuant to the EBP Guidelines are set out hereinbelow:

Details of size of issue including green shoe option, if any and a range within which green shoe may be retained (if applicable)	500 (Five Hundred) rated, subordinated, unsecured, redeemable, taxable, transferable, listed, non-convertible debentures of face value of Rs. 10,00,000/- (Rupees Ten Lakh Only) each, aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores Only) Green Shoe Option: N.A.
Bid opening and closing date	Bid opening date: September 29, 2020 Bid closing date: September 29, 2020
Minimum Bid Lot	500 (Five Hundred) Debentures (being INR 50,00,00,000 (Indian Rupees Fifty Crore)), and in the multiples of 10 (Ten) Debenture thereafter (being INR 1,00,00,000 (Rupees One Crore))
Manner of bidding in the Issue	Closed bidding
Manner of allotment in the Issue	Uniform Yield Allotment
Manner of settlement in the Issue	Pay-in of funds through ICCL. The pay-in of the Application Money for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with

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	the Electronic Book Provider into the account of the ICCL, as specified in this regard below.
Settlement Cycle	T+1 Settlement of the Issue will be on September 30, 2020.

Process flow of settlement:

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

Name of the Bank	ICICI Bank
IFSC Code	ICIC0000106
Account Number	ICCLEB
Name of the beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of the Bank	Yes Bank
IFSC Code	YESB0CMSNOC
Account Number	ICCLEB
Name of the beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of the Bank	HDFC Bank
IFSC Code	HDFC0000060
Account Number	ICCLEB
Name of the beneficiary	INDIAN CLEARING CORPORATION LIMITED

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

Name of the Bank	State Bank Of India
IFSC Code	SBIN0001683
Account Number	00000035655295749
Name of the beneficiary	Belstar Microfinance Limited

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

8.10 Application Procedure

The eligible investors (being the successful bidders under the Electronic Book Mechanism) will be invited to subscribe during the period between the Issue Opening Date and the Issue Closing Date (both dates inclusive) by way of the Application Form prescribed in the Private Placement Offer Cum Application Letter. The Issuer reserves the right to change the Issue schedule including the Deemed Date of Allotment at its sole discretion, without giving any reasons or prior notice. The Issue will be open for subscription during the banking hours on each day from the Issue Opening Date to the Issue Closing Date (both dates inclusive).

8.11 Fictitious Application

All fictitious applications will be rejected.

8.12 Basis of Allotment

Notwithstanding anything stated elsewhere, the Issuer reserves the right to accept or reject any application, in part or in full, without assigning any reason. Subject to the aforesaid, in case of over subscription, priority will be given to investors on a first come first serve basis. The investors will be required to remit the funds as well as submit the duly completed Application Form along with other necessary documents to Issuer by the Deemed Date of Allotment.

8.13 Payment Instructions

The Application Form should be submitted directly. The entire amount of Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture is payable along with the making of an application. Applicants can remit the application amount on the Pay-in Date in the account of ICCL mentioned under Section 8.9 above.

8.14 Eligible Investors

The following categories of investors (being the successful bidders under the Electronic Book Mechanism), who have been specifically approached and have been identified upfront, are eligible to apply in the Issue subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- A. Mutual Funds
- B. Alternative Investment Funds
- C. Non-banking financial companies
- D. Provident Funds and Pension Funds
- E. Corporates
- F. Banks
- G. Foreign Portfolio Investors (FPIs)
- H. Insurance Companies
- I. Investment holding companies of high net worth individuals
- J. Any other person eligible to invest in the Debentures

All potential investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures. Potential investors who are not resident in India shall also ensure compliance with conditions (including in relation to eligibility and mode of payment) as prescribed in the Foreign Exchange Management (Borrowing and Lending) Regulations, 2018 as well

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as the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017.

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

8.15 Procedure for Applying for Dematerialised Facility

- A. The applicant must have at least one beneficiary account with any of the DPs of NSDL/CDSL prior to making the application.
- B. The applicant must necessarily fill in the details (including the beneficiary account number and DP - ID) appearing in the Application Form under the heading “Details for Issue of Debentures in Dematerialised Form”.
- C. Debentures allotted to an applicant will be credited to the applicant’s respective beneficiary account(s) with the DP.
- D. For subscribing to the Debentures, names in the Application Form should be identical to those appearing in the details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details maintained with the DP.
- E. Non-transferable allotment advice/refund orders will be directly sent to the applicant by the Registrar and Transfer Agent to the Issue or the Issuer, as applicable.
- F. If incomplete/incorrect details are given under the heading “Details for Issue of Debentures in Electronic/Dematerialised Form” in the Application Form, it will be deemed to be an incomplete application and the same may be held liable for rejection at the sole discretion of the Issuer.
- G. For allotment of Debentures, the address, nomination details and other details of the applicant as registered with his/her DP shall be used for all correspondence with the applicant. The applicant is therefore responsible for the correctness of his/her demographic details given in the Application Form vis-a-vis those with his/her DP. In case the information is incorrect or insufficient, the Issuer would not be liable for the losses, if any.
- H. The redemption amount or other benefits would be paid to those Debenture Holder(s) whose names appear on the list of beneficial owners maintained by the R&T Agent as on the Record Date. In case of those Debentures for which the beneficial owner is not identified in the records of the R&T Agent as on the Record Date, the Issuer would keep in abeyance the payment of the redemption amount or other benefits, until such time that the beneficial owner is identified by the R&T Agent and conveyed to the Issuer, whereupon the redemption amount and benefits will be paid to the beneficiaries, as identified.

8.16 Depository Arrangements

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

8.17 List of Beneficiaries

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

8.18 Application under Power of Attorney

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

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

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

8.19 Procedure for application by Mutual Funds and Multiple Applications

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

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

- A. SEBI registration certificate
- B. Resolution authorizing investment and containing operating instructions
- C. Specimen signature of authorized signatories

8.20 Documents to be provided by Investors

Investors need to submit the following documents, as applicable

- A. Memorandum and Articles of Association or other constitutional documents
- B. Resolution authorising investment
- C. Power of Attorney to custodian
- D. Specimen signatures of the authorised signatories
- E. Registration certificate issued by RBI, SEBI or IRDAI, as applicable to the investor.
- F. Self-attested copy of PAN card
- G. Application Form (including EFT/RTGS details)

8.21 Applications to be accompanied with Bank Account Details

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

8.22 Succession

In the event of winding-up of the holder of the Debenture(s), the Issuer will recognize the liquidator or such other legal representative of the Debenture Holder(s) as having title to the Debenture(s).

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

8.23 Mode of Payment

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

8.24 Effect of Holidays

If the due date for payment of Coupon falls on a day that is not a Business Day, then the due date in respect of such payment shall be on the immediately succeeding Business Day; however, the dates of the future Coupon payments would be as per the schedule originally stipulated in **Annexure V**. In other words, the subsequent Coupon schedule would not be disturbed merely because the payment date in respect of one particular Coupon payment has been postponed because of it having fallen on non-Business Day.

If the date for performance of any event or the Maturity Date/ Redemption Date falls on a day that is not a Business Day, then the due date in respect of the performance of such event or the Maturity Date/ Redemption Date shall be paid on the immediately preceding Business Day.

8.25 Tax Deduction at Source

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

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

8.26 Letters of Allotment

The letter of allotment, indicating allotment of the Debentures, shall be dispatched to the Investor within 2 (Two) Business Days from the Deemed Date of Allotment. The aforesaid letter of allotment shall be replaced with the actual credit of Debentures, in dematerialised form, within 7 (Seven) Business Days from the Deemed Date of Allotment or within such timelines as permissible under Applicable Law.

8.27 Deemed Date of Allotment

All the benefits under the Debentures will accrue to the investor from the specified Deemed Date of Allotment. The Deemed Date of Allotment for the Issue is September 30, 2020 by which date the investors would be intimated of allotment.

8.28 Record Date

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

8.29 Refunds

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

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

8.30 Interest on Application Money

Please refer Section 5.23 of this Information Memorandum.

8.31 PAN Number

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

8.32 Payment on Redemption

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

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

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

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

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

SECTION 9: DECLARATION

- A. The Company has complied with the provisions of the Companies Act, 2013 and the rules made hereunder;
- B. The compliance with the Companies Act, 2013 and the rules made thereunder do not imply that payment of dividend or interest or repayment of the Debentures, if applicable, is guaranteed by the Central Government;
- C. the monies received under the offer shall be used only for the purposes and objects indicated in this Offer Letter;

I am authorized by the Board of Directors of the Company vide resolution dated May 10, 2020 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of the shelf disclosure document has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

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

For **BELSTAR MICROFINANCE LIMITED**



Authorised Signatory
Name: Sunil Kumar Sahu
Title: Company Secretary
Date: 29/09/2020



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

ANNEXURE I: TERM SHEET

AS PER SECTION 5.21 ISSUE DETAILS

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

ANNEXURE II: RATING LETTER & RATING RATIONALE

CARE/CRO/RL/2020-21/1352

Mr. L. Murslidharan
Chief Financial Officer
Belstar Microfinance Limited
No.33, 48th Street, 9th Avenue,
Ashok Nagar,
Chennai – 600 083

September 23, 2020

Confidential

Dear Sir,

Credit rating for Subordinated debt issue

Please refer to our letter no. CARE/CRO/RL/2019-20/1283 dated August 14, 2020 and your request for revalidation of the rating assigned to the subordinated debt issue of your company, for a limit of Rs.90 crore.

2. The following rating(s) has been reviewed:

Sr. No	Instrument	Amount (Rs. crore)	Rating ¹	Rating Action
1	Subordinated Debt - II	90.00*	CARE A+; Stable (Single A Plus; Outlook: Stable)	Reaffirmed
	Total Instruments	90.00 (Rs. Ninety crore only)		

* Utilised portion of Rs.55 Crore as on September 20, 2020;

- The proposed Sub-debts would have tenure of upto 7 Years.
- Please arrange to get the rating revalidated, in case the proposed issue is not made within six months from the date of this letter.
- Please inform us the below-mentioned details of issue immediately, but not later than 7 days from the date of placing the instrument:

Instrument type	ISIN	Issue Size (Rs. cr.)	Coupon Rate	Coupon Payment Dates	Terms of Redemption	Redemption date	Name and contact details of Trustees/IPA	Details of top 10 investors
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¹ Complete definitions of the ratings assigned are available at www.careratings.com and in other CARE publications.

CARE Ratings Ltd.

CORPORATE OFFICE: 4th Floor, Godrej Coliseum, Somaiya Hospital Road,
Off Eastern Express Highway, Sion (E), Mumbai - 400 022.
Tel.: +91-22- 6754 3456 • Fax: +91-22- 022 6754 3457
Email: care@careratings.com • www.careratings.com

Unit No. O-509/C, Spencer Plaza, 5th Floor,
No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76
Tel./ Fax : +91-44-2849 7812

QIN-L67190MH1993PLC071691

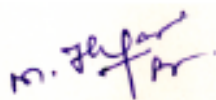
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6. CARE reserves the right to undertake a surveillance/review of the rating from time to time, based on circumstances warranting such review, subject to at least one such review/surveillance every year.
7. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. In the event of failure on the part of the entity to furnish such information, material or clarifications as may be required by CARE so as to enable it to carry out continuous monitoring of the rating of the debt instruments, CARE shall carry out the review on the basis of best available information throughout the life time of such instruments. In such cases the credit rating symbol shall be accompanied by "ISSUER NOT COOPERATING". CARE shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.
8. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.
9. Users of this rating may kindly refer our website www.careratings.com for latest update on the outstanding rating.
10. CARE ratings are not recommendations to buy, sell, or hold any securities.

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours Faithfully,



Thamaraiselvan M
Analyst
thamaraiselvan.m@careratings.com



Ravi Shankar R
Manager
ravis@careratings.com

CARE Ratings Ltd.

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76 • Tel./ Fax : +91-44-2849 7812

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Encl.: As above

Disclaimer

CARE's ratings are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE's ratings do not convey suitability or price for the investor. CARE's ratings do not constitute an audit on the rated entity. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE 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 CARE have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE or its subsidiaries/associates may also have other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE is, inter-alia, based on the capital deployed by the partners/proprietor and the financial strength of the firm at present. The rating/outlook may undergo change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE's rating.

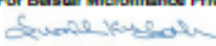
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

CARE Ratings Ltd.

Unit No. O-509/C, Spencer Plaza, 5th Floor, No. 769, Anna Salai, Chennai - 600 002.
Tel: +91-44-2849 0811 / 13 / 76 • Tel./ Fax : +91-44-2849 7812

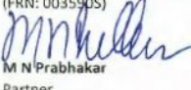
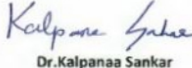
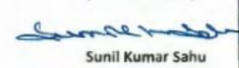
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ANNEXURE III: CONSENT LETTER FROM THE DEBENTURE TRUSTEE

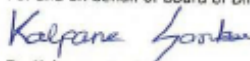
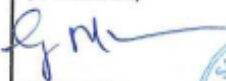
IDBI Trusteeship Services Ltd CIN : U65991MH2001GOI131154	
18692/ITSL/OPR/CL/20-21/DEB/616 Date: September 23, 2020	
Belstar Microfinance Private Limited No 33, 48 th Street, 9 th Avenue, Ashok Nagar, Chennai- 600083 Tamil Nadu, India	
<u>Kind Attn: Mr. Sunil Kumar Sahu, Company Secretary</u>	
Dear Sir, <u>Subject: Consent to act as Debenture Trustee for Listed, Unsecured, Redeemable, Non-Convertible Debentures (NCDs) aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores Only).</u>	
This is with reference to your email dated September 23, 2020 and subsequent discussion we had regarding appointment of IDBI Trusteeship Services Limited as Debenture Trustee for the proposed listed, unsecured, Non-Convertible Debentures aggregating to Rs. 50 Crores to be issued on private placement basis. In this connection, we are agreeable to act as Debenture Trustee for the same on the terms and conditions indicated as follows:	
The Company agrees and undertakes to create the securities wherever applicable over such of its immovable and moveable properties and on such terms and conditions as agreed by the Debenture holders and disclose in the Information Memorandum or Disclosure Document and execute, the Debenture Trust Deed and other necessary security documents for each series of debentures as approved by the Debenture Trustee, within a period as agreed by us in the Information Memorandum or Disclosure Document.	
2. The Company agrees & undertakes to pay to the Debenture Trustees so long as they hold the office of the Debenture Trustee, remuneration as stated above for their services as Debenture Trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and all other Documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.	
3. The Company agrees & undertakes to comply with the provisions of SEBI (Debenture Trustees) Regulations, 1993 and the Companies Act, 2013 and other applicable provisions as amended from time to time, as applicable and agrees to furnish to Trustees such information in terms of the same on regular basis.	
Yours faithfully, For IDBI Trusteeship Services Limited  (Authorized Signatory)	
We accept the above terms For Belstar Microfinance Private Limited  Authorised Signatory 	
Regd. Office : Asien Building, Ground Floor, 17, R. Karami Marg, Ballard Estate, Mumbai - 400 001. Tel. : 022-4680 7000 • Fax : 022-4631 1775 • Email : itsl@idbitrustee.com • response@idbitrustee.com Website : www.idbitrustee.com	

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

ANNEXURE IV: LAST AUDITED FINANCIAL STATEMENTS

BELSTAR MICROFINANCE LIMITED (Formerly known as Belstar Investment and Finance Private Limited) Balance Sheet as at March 31, 2020			
		(Rs. In millions)	
Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I ASSETS			
1 Financial assets			
a) Cash and cash equivalents	6	1,719.28	2,188.23
b) Bank Balance other than (a) above	7	1,423.79	1,094.87
c) Receivables			
(i) Trade Receivables	8	1.60	8.46
(ii) Other Receivables		-	-
d) Loans	9	20,888.68	16,387.65
e) Investments	-	-	-
f) Other Financial assets	10	872.05	558.43
2 Non-financial Assets			
a) Current tax assets (Net)		5.88	13.98
b) Deferred tax assets (Net)	36	46.52	94.24
c) Investment Property	11	1.10	1.10
d) Property, Plant and Equipment	12	53.73	41.01
e) Right-of-use assets	13	91.89	-
f) Other Intangible assets	14	13.09	11.14
g) Other non financial assets	15	70.27	39.60
Total assets		25,187.88	20,438.71
II LIABILITIES AND EQUITY			
1 Financial Liabilities			
a) Derivative financial instruments		-	-
b) Payables			
(i) Trade Payables		-	-
(ii) total outstanding dues of micro enterprises and small enterprises		-	-
(iii) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
(iv) Other Payables		-	-
(v) total outstanding dues of micro enterprises and small enterprises		-	-
(vi) total outstanding dues of creditors other than micro enterprises and small enterprises		-	-
c) Debt Securities	16	369.90	2,279.88
d) Borrowings (other than debt securities)	17	17,541.68	12,643.25
e) Subordinated Liabilities	18	1,044.09	905.31
f) Other Financial liabilities	19	975.52	491.66
2 Non-financial Liabilities			
a) Provisions	20	58.07	46.91
b) Other non-financial liabilities	21	220.34	69.94
3 Equity			
a) Equity share capital	22	375.21	375.21
b) Other equity	23	4,603.07	3,626.55
Total Liabilities and Equity		25,187.88	20,438.71
Notes on accounts form part of final accounts As per our Report of even date attached		For and on behalf of Board of Directors	
For M/s. N. Sankaran & Co. Chartered Accountants (FRN: 003590S)  M N Prabhakar Partner M.No.207188 Date: May 10, 2020 Place: Chennai		 Dr. Kalpana Sankar Managing Director (DIN. 01926545)	
 		 S. Chandrasekar Wholetime Director (DIN. 02360909)	
		 L. Muralidharan Chief Financial Officer	
		 Sunil Kumar Sahu Company Secretary	

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

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED				
Balance Sheet as at 31 March 2019				
Particulars	Notes	As at 31 Mar 2019	As at 31 Mar 2018	(Rs. In lakhs) As at 1 Apr 2017
I ASSETS				
1 Financial assets				
a) Cash and cash equivalents	6	21,882.26	13,265.25	5,331.24
b) Bank Balance other than (a) above	7	10,948.70	7,392.11	5,885.85
c) Trade Receivables	8	84.65	29.29	28.45
d) Loans	9	1,63,876.52	1,13,428.99	56,257.61
e) Investments	10	-	-	6,001.64
f) Other Financial assets	11	5,584.26	705.06	598.48
2 Non-financial Assets				
a) Current tax assets (Net)		139.80	-	-
b) Deferred tax assets (Net)	36	942.35	782.72	170.45
c) Investment Property	12	11.03	11.03	-
d) Property, Plant and Equipment	13	410.11	230.09	201.08
e) Other Intangible assets	14	111.44	152.65	265.50
f) Other non financial assets	15	396.00	355.42	106.65
Total assets		2,04,387.12	1,36,352.61	74,846.95
II LIABILITIES AND EQUITY				
1 Financial Liabilities				
a) Debt Securities	16	22,798.83	21,595.55	3,980.00
b) Borrowings (other than debt securities)	17	1,26,432.53	93,017.74	58,704.83
c) Subordinated Liabilities	18	9,053.11	7,130.37	2,000.00
d) Other Financial liabilities	19	4,916.61	579.86	342.60
2 Non-financial Liabilities				
a) Current tax liabilities (net)		-	509.39	194.40
b) Provisions	20	469.09	302.18	123.64
c) Other non-financial liabilities	21	699.43	653.85	256.34
3 Equity				
a) Equity share capital	22	3,752.05	2,464.66	2,324.66
b) Other equity	23	36,265.47	10,099.01	6,919.48
Total Liabilities and Equity		2,04,387.12	1,36,352.61	74,846.95
Notes on accounts form part of final accounts As per our Report of even date attached				
For M/s. N. Sankaran & Co. Chartered Accountants (FRN: 0035905)				
For and on behalf of Board of Directors				
 Dr. Kalpana Sankar Managing Director (DIN. 01926545)  S. Chandrasekar Wholetime Director (DIN. 02360909)				
 G. Muralidharan Partner M. No. 015530 Date: 22-04-2019 Place: Chennai 				
 L. Muralidharan Chief Financial Officer  Sunil Kumar Sahu Company Secretary				

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

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

	Note	As at March 31, 2018	As at March 31, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	1	55,64,65,680	23,24,65,680
Reserves and Surplus	2	1,03,83,07,531	67,09,85,131
		1,59,47,73,211	90,34,50,811
Non-Current Liabilities			
Long Term Borrowings	3	5,29,53,04,549	3,32,61,40,936
Long Term Provisions	4	9,81,74,424	6,60,67,054
		5,39,34,78,973	3,39,22,07,990
Current Liabilities			
Short Term Borrowings	5	6,90,91,759	6,66,03,786
Other Current Liabilities	6	6,06,99,64,664	3,17,47,18,826
Short Term Provisions	7	29,24,83,780	9,20,83,349
		6,43,15,40,203	3,33,34,05,961
TOTAL		13,41,97,92,387	7,62,90,64,762
ASSETS			
Non - Current Assets			
Fixed Assets	8		
(i) Tangible Assets		3,26,17,868	2,01,08,506
(ii) Intangible Assets		2,57,50,684	2,65,49,917
(iii) Capital Work-in-Progress		-	-
		5,83,68,552	4,66,58,423
Deferred Tax Assets (Net)	9	6,32,38,317	2,80,38,952
Receivables under Financing Activity	10	3,63,50,15,482	1,40,30,10,579
Long - Term Loans and Advances	11	15,58,57,498	4,23,69,576
Other Non-Current Assets	12	22,98,75,000	33,95,00,000
		4,14,23,54,849	1,85,95,77,530
Current Assets			
Investments	13	-	60,01,64,109
Receivables under Financing Activity	14	7,12,66,09,486	4,26,47,50,194
Cash and Bank balances	15	1,83,58,61,043	78,22,08,937
Short - Term Loans and Advances	16	18,30,15,088	4,46,50,399
Other Current Assets	17	13,19,51,921	7,77,13,593
		9,27,74,37,538	5,76,94,87,232
TOTAL		13,41,97,92,387	7,62,90,64,762

Significant Accounting Policies and Notes to the Accounts

1 to 25

The accompanying notes are an integral part of the financial statements

As per our report of even date

For M/s. N. Sankaran & Co.

Chartered Accountants

Firm No. 003590S

L. Pattabhiraman
Partner
M. No.022023Place: Chennai
Date: 11/05/2018

Dr. Kalpana Sankar
Managing Director

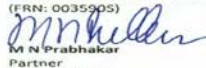
Dr. N. Jayaseelan
Director

For and on behalf of the Board

L. Muralidharan
Chief Financial Officer

Sunil Kumar Sahu
Company Secretary


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

BELSTAR MICROFINANCE LIMITED (Formerly known as Belstar Investment and Finance Private Limited) Statement of Profit and Loss for the period ended March 31, 2020			
		(Rs. In millions)	
Particulars	Notes	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations			
(i) Interest income	26	4,649.45	3,461.37
(ii) Sale of services	27	10.64	26.59
(iii) Net gain on fair value changes on investments	28	66.75	64.62
(iv) Net gain on derecognition of financial instruments		266.76	118.51
(i) Total Revenue from operations		4,993.60	3,671.09
(ii) Other income	29	13.87	9.59
(iii) Total Income (i + ii)		5,007.47	3,680.68
Expenses			
(i) Finance cost	30	1,799.12	1,491.91
(ii) Fee and commission expenses		99.07	5.63
(iii) Impairment of financial instruments	31	229.50	183.63
(iv) Employee benefit expenses	32	1,050.93	616.32
(v) Depreciation, amortization and impairment	33	90.80	44.20
(vi) Other expenses	34	405.60	308.01
(iv) Total Expenses		3,675.02	2,649.70
(V) Profit/(loss) before tax (III - IV)		1,332.45	1,030.98
(VI) Tax Expense:			
(1) Current tax	35	291.45	322.07
(2) Deferred tax charge/ (credit)	36	51.01	(19.62)
(VII) Profit/(loss) for the period (V - VI)		989.99	728.53
(VIII) Other Comprehensive Income			
A) Items that will not be classified to profit or loss			
(i) Remeasurement gain/ (loss) of defined benefit plans		(1.28)	(5.06)
(ii) Tax impact thereon		0.32	1.47
Subtotal (A)		(0.96)	(3.59)
B) Items that will be classified to profit or loss			
(i) Fair value gain/ (loss) on debt instruments measured at FVOCI		(0.25)	17.63
(ii) Tax impact thereon		0.06	(5.13)
Subtotal (B)		(0.19)	12.50
Other Comprehensive Income (A + B)		(1.15)	8.91
(IX) Total Comprehensive Income for the period (VII + VIII)		988.84	737.44
(X) Earnings per equity share	37		
Basic (Rs.)		26.39	23.35
Diluted (Rs.)		26.39	23.35
Notes on accounts form part of final accounts As per our Report of even date attached		For and on behalf of Board of Directors	
For M/s. N. Sankaran & Co. Chartered Accountants (FRN: 0035905)  M. N. Prabhakar Partner M.No. 207188 Date: May 10, 2020 Place: Chennai		  Dr. Kalpanaa Sankar Managing Director (DIN. 01926545)  L. Muralidharan Chief Financial Officer	
		S. Chandrasekar Wholesale Director (DIN. 02360909)  Sunil Kumar Sahu Company Secretary	

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

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED			
Statement of Profit and Loss for the period ended 31 March 2019			
(Rs. in lakhs)			
Particulars	Notes	for the year ended 31 March 2019	for the year ended 31 March 2018
Revenue from operations			
(i) Interest income	26	34,613.75	20,953.52
(ii) Dividend income		-	48.59
(iii) Sale of services	27	265.87	263.55
(iv) Net gain on fair value changes on investments	28	646.21	186.99
(v) Net gain on derecognition of financial instruments		1,185.08	-
(I) Total Revenue from operations		36,710.91	21,452.65
(II) Other Income	29	95.89	3.45
(III) Total Income (I + II)		36,806.80	21,456.10
Expenses			
(i) Finance cost	30	14,996.24	10,057.75
(ii) Fee and commission expenses		56.33	-
(iii) Impairment of financial instruments	31	1,836.30	1,402.26
(iv) Employee benefit expenses	32	6,163.22	3,503.33
(v) Depreciation, amortization and impairment	33	442.01	454.12
(vi) Other expenses	34	3,002.94	2,027.22
(IV) Total Expenses		26,497.04	17,444.68
(V) Profit/(loss) before tax (III - IV)		10,309.76	4,011.42
(VI) Tax Expense:			
(1) Current tax	35	3,220.74	1,941.20
(2) Deferred tax charge/ (credit)	36	(196.24)	(634.71)
(VII) Profit/(loss) for the period (V-VI)		7,285.26	2,704.93
(VIII) Other Comprehensive Income			
(i) Items that will not be classified to profit or loss			
Remeasurement gain/ (loss) of defined benefit plans		(50.61)	(41.54)
Tax impact thereon		14.74	14.37
Subtotal (A)		(35.87)	(27.16)
(ii) Items that will be classified to profit or loss			
Fair value gain/ (loss) on debt instruments measured at FVOCI		176.31	103.48
Tax impact thereon		(51.34)	(35.81)
Subtotal (B)		124.97	67.67
Other Comprehensive Income		89.10	40.50
(IX) Total Comprehensive Income for the period (VII + VIII)		7,374.36	2,745.43
(X) Earnings per equity share	37		
Basic (Rs.)		23.35	11.61
Diluted (Rs.)		23.35	11.61
Notes on accounts form part of final accounts As per our Report of even date attached For M/s. N. Sankaran & Co. Chartered Accountants (FRN: 0035905)			
For and on behalf of Board of Directors			
G. Muralidharan Partner M. No. 015530 Date: 22-04-2019 Place: Chennai		Dr. Kalpana Sankar Managing Director (DIN. 01926545)	
S. Chandrasekar Wholesale Director (DIN. 02360909)		Sunil Kumar Sahu Company Secretary	

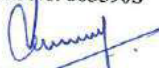
(This Information Memorandum is neither a prospectus nor a statement in lieu of a prospectus)

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED
PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

	Note	Year ended March 31, 2018	Year ended March 31, 2017
Amounts in Rs.			
Revenue from Operations:			
Income from Operations	18	2,09,26,82,092	98,03,47,905
Other Income	19	9,63,15,603	5,34,87,957
Total Revenue		2,18,89,97,695	1,03,38,35,862
Expenses:			
Finance Cost	20	97,58,48,457	53,69,30,317
Employee Cost	21	35,44,86,504	19,26,95,768
Other Operating Expenses	22	19,77,54,401	8,79,25,570
Depreciation and Amortization Expenses	8	2,64,20,749	1,22,30,280
Provisions and Write-offs	23	13,89,29,845	4,43,68,102
Total expenses		1,69,34,39,956	87,41,50,037
Profit/(Loss) before Tax		49,55,57,739	15,96,85,825
Tax Expenses			
Current tax		19,41,20,371	7,22,09,476
Deferred tax	9	(3,51,99,366)	(1,69,45,406)
Short / (Excess) provision written off/(back)		-	-
Profit (Loss) for the Year		33,66,36,734	10,44,21,755
Earnings per Equity Share of Rs.10/- each:	24		
- Basic		14.44	5.11
- Diluted		14.44	5.11

Significant Accounting Policies and Notes to the Accounts I to 25
The accompanying notes are an integral part of the financial statements
As per our report of even date

For M/s. N. Sankaran & Co.
Chartered Accountants
Firm No. 003590S


L. Pattabhiraman
Partner
M. No.022023


Dr. Kalpana Sankar
Managing Director


Dr. N. Jeyaseelan
Director

For and on behalf of the Board


L. Muralidharan
Chief Financial Officer

Place: Chennai
Date: 11/05/2018




Sunil Kumar Sahu
Company Secretary

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

Cash Flow Statement

BELSTAR MICROFINANCE LIMITED (Formerly known as Belstar Investment and Finance Private Limited) Cash Flow Statement for the period ended March 31, 2020		
	(Rs. in millions)	
Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Operating activities		
Profit before tax	1,332.45	1,030.98
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation & amortisation	90.80	44.20
Impairment on financial instruments	229.50	183.63
Finance cost	1,799.12	1,491.91
Realised gain on investment held for trading	(66.75)	(64.62)
Interest income on deposits	(99.99)	(61.96)
Profit on sale of asset	(0.17)	-
Operating Profit Before Working Capital Changes	3,284.96	2,624.14
Working capital changes		
(Increase) / Decrease in Trade receivables	6.86	(5.54)
(Increase) / Decrease in Loans	(4,720.43)	(5,246.01)
(Increase) / Decrease in Other financial asset	(296.63)	(475.18)
(Increase) / Decrease in Other non financial asset	(17.20)	(4.06)
Increase / (Decrease) in Other liabilities	586.62	354.88
Increase / (Decrease) in Provision	9.88	11.63
Cash flows from/(used in) operating activities before tax	(1,145.97)	(2,741.14)
Interest paid on borrowings	(1,868.43)	(1,408.56)
Income tax paid	(299.72)	(385.99)
Net cash flows from/(used in) operating activities	(3,314.12)	(4,536.69)
Investing activities		
Acquisition of fixed and intangible assets	(73.43)	(58.09)
Acquisition of investment property	-	-
Realised gain on investment held for trading	66.75	64.62
Proceeds from sale of fixed assets	0.31	0.03
Investment in fixed deposits	(328.92)	(355.66)
Interest received on deposits	80.02	50.23
Net cash flows from/(used in) investing activities	(255.27)	(298.87)
Financing activities		
Proceeds from issue of shares	-	2,007.95
Net receipts/payments from borrowings	3,158.15	3,689.31
Interest paid on Lease liabilities	(10.02)	-
Payment towards Lease liabilities	(25.07)	-
Dividend paid on equity shares	(22.62)	-
Net cash flows from financing activities	3,100.44	5,697.26
Net increase in cash and cash equivalents	(468.95)	861.70
Net foreign exchange difference	-	-
Cash and cash equivalents at 1 April	2,188.23	1,325.53
Cash and cash equivalents at reporting date	1,719.28	2,188.23
Notes on accounts form part of final accounts As per our Report of even date attached		
For and on behalf of Board of Directors		
For M/s. N. Sankaran & Co. Chartered Accountants (Firm No. 0035905)	Dr. Kalpana Sankar Managing Director (DIN. 01926545)	S. Chandrasekar Wholesale Director (DIN. 02360909)
M. N. Prabhakar Partner M.No. 207188 Date: May 10, 2020 Place: Chennai	L. Muralidharan Chief Financial Officer	Sunil Kumar Sahu Company Secretary

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

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED			
Cash Flow statement for the year ended 31 March 2019			
(Rs. in lakhs)			
Particulars	Notes	for the year ended 31 March 2019	for the year ended 31 March 2018
Operating activities			
Profit before tax		10,309.76	4,011.42
Adjustments to reconcile profit before tax to net cash flows:			
Depreciation & amortisation	33	442.01	454.12
Impairment on financial instruments	31	917.08	745.88
Finance cost	30	14,996.24	10,057.75
Realised gain on investment held for trading	28	(646.21)	(186.99)
Interest income on deposits	26	(619.64)	(451.78)
Dividend income		-	(48.59)
Operating Profit Before Working Capital Changes		25,359.24	14,581.80
Working capital changes			
Trade receivables	8	(55.36)	(0.84)
Loans	9	(51643.85)	(58020.74)
Other financial asset	11	(4,761.81)	60.78
Other non financial asset	15	(40.58)	(248.78)
Other liabilities		3,548.78	262.11
Provision	20	116.30	137.01
Cash flows from/(used in) operating activities before tax		(27437.27)	(43228.66)
Interest paid on borrowings		(13,858.17)	(9,640.30)
Interest received on deposits	26	502.26	284.42
Income tax paid		(3,869.93)	(1,625.21)
Net cash flows from/(used in) operating activities		(44663.11)	(54,209.75)
Investing activities			
Acquisition of fixed and intangible assets		(580.00)	(170.28)
Acquisition of investment property	12	-	(11.03)
Realised gain on investment held for trading		646.21	6,237.22
Proceeds from sale of fixed assets	12	0.29	-
Investment in fixed deposits	7	(3,536.59)	(1,506.26)
Net cash flows from/(used in) investing activities		(3,490.99)	4,349.65
Financing activities			
Proceeds from issue of shares		20,182.50	700.00
Net receipts from borrowings		36,893.15	57,119.99
Dividend paid on preference shares		(304.54)	-
Dividend paid on equity shares		-	(125.91)
Net cash flows from financing activities		56,771.11	57,794.08
Net increase in cash and cash equivalents		8,617.01	7,934.01
Net foreign exchange difference			
Cash and cash equivalents at 1 April		13,265.25	5,331.24
Cash and cash equivalents at 31 March	6	21,882.26	13,265.25
Notes on accounts form part of final accounts			
As per our Report of even date attached			
For and on behalf of Board of Directors			
For M/s. N. Sankaran & Co. Chartered Accountants (FRN: 003590S)	Dr. Kalpana Sankar Managing Director (DIN: 01926545)	S. Chandrasekar Wholetime Director (DIN: 02360905)	
G. Muralidharan Partner M. No. 015530 Date: 22-04-2019 Place: Chennai	L. Muralidharan Chief Financial Officer	Sunil Kumar Sahu Company Secretary	

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

BELSTAR INVESTMENT AND FINANCE PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Particulars	Amounts in Rs.	
	FY 2017-1	FY 2016-17
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit Before Tax		
Add: Depreciation	49,55,57,739	15,96,85,825
Add: Loss on sale	2,64,20,749	1,22,30,280
Add: Finance costs	-	40,385
Less: Interest income on deposits	97,58,48,457	47,29,49,968
Less: Profit on sale of Investment	(4,51,78,386)	(4,04,64,464)
Add: Provisions for Receivables	(1,86,99,430)	(9,88,195)
	7,98,15,739	4,43,68,102
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	1,51,37,64,868	64,78,21,901
(Increase) / Decrease in net Receivables under Financing Activities	(5,09,38,64,195)	(3,02,47,89,675)
(Increase) / Decrease in Loans and Advances	(11,26,02,611)	2,04,05,039
Increase / (Decrease) in Provisions others	(3,75,01,825)	(1,89,41,380)
Increase / (Decrease) in Current Liabilities	5,91,14,106	(4,90,95,865)
Cash (Used in) / From Operations	26,51,61,652	3,34,77,341
	(3,40,59,28,005)	(2,39,11,22,639)
Less: Interest paid on Bank Borrowings		
Less: Direct Taxes Paid for Current FY	(99,57,79,653)	(47,07,13,366)
Less: Direct Taxes Paid for last FY	(13,92,50,000)	(3,40,00,000)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES	(4,60,55,96,558)	(2,89,58,36,005)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Bank deposits		
Purchase of Fixed Assets	(15,06,25,768)	(25,20,80,870)
Sale of Fixed assets	(3,81,30,879)	(3,67,20,389)
Investment in Mutual Funds	-	25,000
Interest on Deposits	61,88,63,539	(59,91,75,914)
NET CASH (USED IN) / FROM INVESTING ACTIVITIES	2,84,41,883	1,92,55,983
C. CASH FLOW FROM FINANCING ACTIVITIES		
Dividend and dividend tax paid	(1,25,90,560)	-
Proceeds from issuance of share capital	32,40,00,000	39,99,99,960
Proceeds from Long term borrowings	4,63,15,27,654	3,74,32,28,139
Repayment of Short term borrowings	(24,87,973)	(20,56,047)
NET CASH (USED IN) / FROM FINANCING ACTIVITIES	4,94,04,49,121	4,14,11,72,052
Net Increase / (Decrease) in Cash and Cash Equivalents	(A)+(B)+(C)	79,34,01,338
Cash and Cash Equivalents at the beginning of the Year	53,31,23,937	15,64,84,080
Cash and Cash Equivalents at the end of the Year	1,32,65,25,275	53,31,23,937
Significant Accounting Policies and Notes to the Accounts	1 to 25	

The accompanying notes are an integral part of the financial statements
As per our report of even dateFor M/s. N. Sankaran & Co.
Chartered Accountants

Firm No. 003590S

L. Pattabhiraman
Partner
M. No.022023Dr. Kalpana Sankar
Managing DirectorDr. N. Jeyaseelan
Director

For and on behalf of the Board

L. Muralidharan
Chief Financial OfficerSunil Kumar Sahu
Company SecretaryPlace: Chennai
Date: 11/05/2018

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

ANNEXURE V: ILLUSTRATION OF BOND CASH FLOWS

<u>Illustration of Bond Cash Flows</u>	
Company	Belstar Microfinance Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh only)
Deemed Date of Allotment	September 30, 2020
Redemption Date / Maturity Date	September 30, 2027
Redemption amount	Rs. 10,00,000/- (Rupees Ten Lakh only) per debenture
Coupon Rate	14.50% per annum payable semi-annually
Frequency of the Coupon Payment with specified dates	Semi-annually
Day Count Convention	Actual / Actual

Cash Flow Chart

Cash Flows	Date	No. of days in Coupon Period	Coupon Amount (in Rupees)
1 st Coupon	31-Mar-21	182	72,301
2 nd Coupon	30-Sep-21	183	72,699
3 rd Coupon	31-Mar-22	182	72,301
4 th Coupon	30-Sep-22	183	72,699
5 th Coupon	31-Mar-23	182	72,301
6 th Coupon	30-Sep-23	183	72,699
7 th Coupon	31-Mar-24	183	72,500
8 th Coupon	30-Sep-24	183	72,500
9 th Coupon	31-Mar-25	182	72,301
10 th Coupon	30-Sep-25	183	72,699
11 th Coupon	31-Mar-26	182	72,301
12 th Coupon	30-Sep-26	183	72,699
13 th Coupon	31-Mar-27	182	72,301
14 th Coupon	30-Sep-27	183	72,699
Principal	30-Sep-27	2556	10,00,0000

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ANNEXURE VI: APPLICATION FORM**BELSTAR MICROFINANCE LIMITED**

A public limited company incorporated under the Companies Act, 1956

Date of Incorporation: January 11, 1988;**CIN:** U06599TN1988PLC081652**Registered Office:** New No. 33, Old No. 14, 48th Street, 9th Avenue, Ashok Nagar,
Chennai Tamil Nadu, India – 600083**Website:** www.belstar.in

APPLICATION FORM SERIAL NO.				
------------------------------------	--	--	--	--

Issue of 500 (Five Hundred) rated, subordinated, unsecured, redeemable, taxable, transferable, listed, non-convertible debentures Rs. 10,00,000/- (Rupees Ten Lakh Only) each, aggregating upto Rs. 50,00,00,000/- (Rupees Fifty Crores Only), fully paid-up for cash at par to the face value on a private placement basis (the “Issue”).

Debentures applied for:

Number of Debentures: _____ In words _____

Amount Rs. _____/-in words (**Rupees** _____ **Only**)**DETAILS OF PAYMENT:**

NEFT/ RTGS

No. _____ Drawn on _____ **Bank**

Funds transferred to Belstar Microfinance Limited

Dated _____

Total Amount Enclosed

(In Figures) Rs. _____/- (In words) Indian Rupees _____
Only**APPLICANT’S NAME IN FULL (CAPITALS)****SPECIMEN SIGNATURE**

--	--

APPLICANT’S ADDRESS:

ADDRESS					
STREET					
CITY					
PIN		PHONE		FAX	

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

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I AM / WE ARE () COMPANY () OTHERS () SPECIFY _____

We have read and understood the terms and conditions of the issue of Debentures including the risk factors described in the information memorandum dated September 29, 2020 ("**IM**") and the private placement offer cum application letter dated September 29, 2020 ("**PPOA**") issued by the Issuer (collectively, the "**Debt Disclosure Documents**") and have considered these in making our decision to apply. We bind ourselves to the terms and conditions of the Debt Disclosure Documents and wish to apply for allotment of the Debentures. We request you to please place our name(s) on the register of holders.

Name of the Authorised Signatory(ies)	Designation	Signature

Applicant's Signature

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

DEPOSITORY	NSDL () CDSL ()
Depository Participant Name	
DP-Id	
Beneficiary Account Number	
Name of the Applicant(s)	

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

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

(Note: Cheque and Drafts are subject to realisation)

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

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

Applicant's Signature

FOR OFFICE USE ONLY	
DATE OF RECEIPT _____	DATE OF CLEARANCE _____
(Note: Cheque and Drafts are subject to realisation)	

------(TEAR HERE)-----

- ACKNOWLEDGMENT SLIP -

(To be filled in by Applicant) SERIAL NO.					
--	--	--	--	--	--

Received from _____

Address _____	
Cheque/Draft/UTR # _____ Drawn on _____ for Rs. _____	
_____ on account of application of Debenture	

Initial of the Officer of Belstar Microfinance Limited designated to keep the record

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

INSTRUCTIONS

1. Application form must be completed in full, IN ENGLISH.
2. Signatures must be made in English or in any of the Indian languages. Thumb Impressions must be attested by an authorized official of the Bank or by a Magistrate/Notary Public under his/her official seal.
3. Application form, duly completed in all respects, must be submitted with the respective Collecting Bankers. The payment is required to be made only to the following account of ICCL, in accordance with the terms of the EBP Guidelines:

Name of the Bank	ICICI Bank
IFSC Code	ICIC0000106
Account Number	ICCLEB
Name of the beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of the Bank	Yes Bank
IFSC Code	YESB0CMSNOC
Account Number	ICCLEB
Name of the beneficiary	INDIAN CLEARING CORPORATION LIMITED

Name of the Bank	HDFC Bank
IFSC Code	HDFC0000060
Account Number	ICCLEB
Name of the beneficiary	INDIAN CLEARING CORPORATION LIMITED

The Company undertakes that the application money deposited in the above-mentioned bank account shall not be utilized for any purpose other than

- a) for adjustment against allotment of securities; or
- b) for the repayment of monies where the company is unable to allot securities.

4. Receipt of applicants will be acknowledged by the Company in the "Acknowledgement Slip" appearing below the application form. No separate receipt will be issued.
5. All applicants should mention their Permanent Account No. or their GIR No. allotted under Income Tax Act, 1961 and the Income Tax Circle/Ward/District. In case where neither the PAN nor the GIR No. has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest including interest payable on application money.
6. The application would be accepted as per the terms of the manner outlined in the transaction documents for the private placement.