

**CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED**

Our Company was originally incorporated as a public limited company under the name of 'Cholamandalam Investment and Finance Company Limited' under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu at Chennai ("RoC") on August 17, 1978. It commenced its business pursuant to a certificate of commencement of business dated November 22, 1978 issued by the RoC. The name of our Company was changed to 'Cholamandalam DBS Finance Limited' pursuant to a fresh certificate of incorporation issued by the RoC on April 12, 2006 and was subsequently changed to 'Cholamandalam Investment and Finance Company Limited' pursuant to a fresh certificate of incorporation issued by the RoC on June 2, 2010. The CIN of our Company is L65993TN1978PLC007576. We have obtained a certificate of registration dated June 9, 2011, bearing number 07-00306 issued by the RBI to commence/ carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934 and another certificate of registration dated December 15, 2022, bearing number N-07-00893, to commence/ carry on the factoring business without accepting public deposits. Further, our Company has also been classified as NBFC-ICC. For more information about our Company, please see "General Information" on page 16 of this Tranche I Prospectus and "History and Certain Corporate Matters" on page 160 of the Shelf Prospectus.

Corporate Identity Number: L65993TN1978PLC007576; **PAN:** AAACC1226H

Registered and Corporate Office: Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai 600 001, Tamil Nadu, India

Tel: +91 44 4090 7172; **Website:** www.cholamandalam.com; **Email:** investors@chola.murugappa.com

Company Secretary and Compliance Officer: P. Sujatha; **Tel:** +91 44 4090 7172; **Email:** sujathap@chola.murugappa.com

Chief Financial Officer: D. Arul Selvan; **Tel:** +91 44 4090 7172; **Email:** arulselvand@chola.murugappa.com

PUBLIC ISSUE BY CHOLAMANDALAM INVESTMENT AND FINANCE COMPANY LIMITED ("COMPANY") OR THE "ISSUER" OF SECURED, RATED, LISTED, REDEEMABLE NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹ 1,000 EACH ("NCDs") FOR AN AMOUNT AGGREGATING UP TO ₹ 500 CRORES ("BASE ISSUE SIZE") WITH AN OPTION TO RETAIN OVERSUBSCRIPTION UP TO ₹ 500 CRORE, AGGREGATING UP TO ₹ 1,000 CRORE (HEREINAFTER REFERRED TO AS THE "TRANCHE I ISSUE") WHICH IS WITHIN THE SHELF LIMIT OF ₹ 5,000 CRORES AND IS BEING OFFERED BY WAY OF THIS TRANCHE I PROSPECTUS DATED APRIL 19, 2023, CONTAINING INTER ALIA THE TERMS AND CONDITIONS OF TRANCHE I ISSUE ("TRANCHE I PROSPECTUS"), WHICH SHOULD BE READ TOGETHER WITH THE SHELF PROSPECTUS DATED APRIL 19, 2023 ("SHELF PROSPECTUS") FILED WITH THE REGISTRAR OF COMPANIES, TAMIL NADU AT CHENNAI ("ROC"), STOCK EXCHANGES AND SECURITIES AND EXCHANGE BOARD IF INDIA ("SEBI"). THE SHELF PROSPECTUS AND THE TRANCHE I PROSPECTUS CONSTITUTES THE PROSPECTUS ("PROSPECTUS").

THIS TRANCHE I ISSUE IS BEING MADE PURSUANT TO THE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON - CONVERTIBLE SECURITIES) REGULATIONS, 2021, AS AMENDED (THE "SEBI NCS REGULATIONS"), THE COMPANIES ACT, 2013 AND RULES MADE THEREUNDER, EACH AS AMENDED (THE "COMPANIES ACT, 2013") TO THE EXTENT NOTIFIED AND THE SEBI OPERATIONAL CIRCULAR. THE ISSUE IS NOT UNDERWRITTEN.

OUR PROMOTERS

Our Promoters are Cholamandalam Financial Holdings Limited, Ambadi Investments Limited, M V Subbiah, M A Alagappan, A Vellayan, A Venkatachalam, M M Murugappan, M M Venkatachalam, M A M Arunachalam, S Vellayan, Arun Alagappan, M M Veerappan, V Narayanan, V Arunachalam, M M Muthiah, M V Muthiah, Arun Venkatachalam, M V Subramanian, M V Murugappan HUF, M V Subbiah HUF, M A Alagappan HUF, A Vellayan HUF, A Venkatachalam HUF, M M Murugappan HUF, M A M Arunachalam HUF, M M Venkatachalam HUF, M M Muthiah HUF, A M M Arunachalam HUF, Murugappa & Sons (M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of the firm) Tube Investments of India Limited New Ambadi Estates Private Limited, Coromandel International Limited, Ambadi Enterprises Limited, Coromundum Universal Limited, E.I.D. Parry (India) Limited, M A Alagappan (holds shares on behalf of Kadamane Estates).

Tel: +91 44 4090 7172; **Email:** investors@chola.murugappa.com. For further details, see "Our Promoters" beginning on page 177 of the Shelf Prospectus.

GENERAL RISKS

Investment in debt securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under "Risk Factors" on page 15 of the Shelf Prospectus and "Material Developments" on page 227 of the Shelf Prospectus and page 35 of this Tranche I Prospectus. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the debt securities or investor's decision to purchase such securities. This Tranche I Prospectus has not been and will not be approved by any regulatory authority in India, including the Securities and Exchange Board of India ("SEBI"), the Reserve Bank of India ("RBI"), RoC or any stock exchange in India nor do they guarantee the accuracy or adequacy of this document.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Tranche I Prospectus read together with the Shelf Prospectus, contains all information with regard to our Company and this Tranche I Issue, which is material in the context of this Tranche I Issue. The information contained in this Tranche I Prospectus read together with the Shelf Prospectus, is true and correct in all material respects and is not misleading in any material respect and that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Tranche I Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

CREDIT RATING

The NCDs proposed to be issued pursuant to this Tranche I Issue have been rated IND AA+/Stable by India Ratings & Research Private Limited for an amount of up to ₹ 5,000 crores by way of its letter bearing dated February 15, 2023 (further revalidated on March 20, 2023 and April 13, 2023) and [ICRA]AA (Stable) by ICRA Limited by way of its letter dated March 16, 2023 (further revalidated on April 3, 2023). Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk. The press release by the rating agencies in relation to the Issue shall not be older than one year from the date of the opening of the Issue. The rating provided by the Credit Rating Agencies may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For the rationale and press release for these ratings, see "General Information" and "Annexure A" of this Tranche I Prospectus, beginning on page 16 and 102, respectively.

PUBLIC COMMENTS

The Draft Shelf Prospectus dated March 31, 2023 was filed with BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE") along with BSE, the "Stock Exchanges", pursuant to the provisions of SEBI NCS Regulations and was open for public comments for a period of seven Working Days from the date of filing of the Draft Shelf Prospectus with the Stock Exchanges until 5:00 p.m. on April 13, 2023. No comments were received on the Draft Shelf Prospectus until 5:00 p.m. on April 13, 2023.

LISTING

The NCDs offered through this Tranche I Prospectus and the Shelf Prospectus are proposed to be listed on BSE and NSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCS/BM/PI-BOND/002/23-24 dated April 13, 2023 and from NSE by way of its letter bearing reference number NSE/LIST/D/2023/0090 dated April 13, 2023. NSE shall be the Designated Stock Exchange.

COUPON RATE, COUPON PAYMENT FREQUENCY, REDEMPTION DATE, REDEMPTION AMOUNT AND ELIGIBLE INVESTORS

For details pertaining to Coupon Rate, Coupon Payment Frequency, Redemption Date and Redemption Amount of the NCDs, see "Terms of the Issue" beginning on page 36 of this Tranche I Prospectus. For details relating to eligible investors, see "Issue Structure" beginning on page 30 of this Tranche I Prospectus.

LEAD MANAGER TO THE ISSUE

A. K. Capital Services Limited
603, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz East, Mumbai 400 098, Maharashtra, India
Tel: +91 22 6754 6500
Fax: +91 22 6610 0594
Email: chola.ncd2023@akgroup.co.in
Investor Grievance Email: investor.grievance@akgroup.co.in
Website: www.akgroup.co.in
Contact Person: Aanchal Wagle/ Milan Soni
Compliance Officer: Tejas Davda
SEBI Registration No: INM000010411
CIN: L74899MH1993PLC274881

REGISTRAR TO THE ISSUE

KFin Technologies Limited (formerly known as KFIN Technologies Private Limited)
Selenium, Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi 500 032, Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 6716 1563
Email: chola.ncdipo@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No: INR000000221
CIN: L72400TG2017PLC117649

CREDIT RATING AGENCIES

India Ratings & Research Pvt Ltd
Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India
Tel: +91 22 4000 1700
Fax: +91 22 4000 1701
Email: info@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Jinay Gala
Compliance Officer: Arunima Basu



ICRA Limited
Building No.8, 2nd Floor, Tower A, DLF Cyber City, Phase II, Gurgaon 122 002, Haryana, India
Tel: +91 124 454 5300
Fax: +91 124 405 0424
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L. Shivakumar
SEBI Registration No: IN/CRA/008/15
CIN: L74999DL1991PLC042749

DEBENTURE TRUSTEE**

IDBI Trusteeship Services Limited**
Asian Building, Ground Floor, 17, R Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra, India
Tel: +91 22 40807073
Fax: +91 22 66311776
Email: itstl@idbitrustee.com / jinal@idbitrustee.com
Investor Grievance Email: response@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Jinal Shah
Compliance Officer: Sneha Jadhav
SEBI Registration No: IND000000460
CIN: U65991MH2001GOI131154

JOINT STATUTORY AUDITORS

M/s. Price Waterhouse LLP
7th and 10th Floor, Menon Eternity, 165, St. Mary's Road, Alwarpet, Chennai 600 018
Tel: 91 80 4079 5000
Firm Registration No: 01112E/E300264
Email: abdul.majeed@pwc.com
Peer Review Certificate No: 012776
Contact Person: A.J. Shaikh

M/s. Sundaram & Srinivasan,
23, CP Ramaswamy Road, Alwarpet, Chennai 600018, Tamil Nadu, India
Tel: 044 2498 8762
Firm Registration No: 0042075
Email: usha@sundaramandsrinivasan.co.in
Peer Review Certificate No: 013703
Contact Person: S. Usha

TRANCHE I ISSUE PROGRAMME

TRANCHE I ISSUE OPENS ON: APRIL 25, 2023

TRANCHE I ISSUE CLOSES ON: MAY 9, 2023

"This Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche I Prospectus, except that this Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Debenture Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue have been given on or before such earlier or initial date of Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Tranche I Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 36 of this Tranche I Prospectus.

"IDBI Trusteeship Services Limited pursuant to Regulation 8 of the SEBI NCS Regulations and by way of letter dated March 27, 2023 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to this Tranche I Issue.

A copy of the Shelf Prospectus and this Tranche I Prospectus have been filed with the RoC, in terms of Section 26 and Section 31 of the Companies Act, 2013, along with the endorsed/ certified copies of all requisite documents. For further details, see "Material Contracts and Documents for Inspection" beginning on page 99 of this Tranche I Prospectus.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

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

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

General Terms

Term	Description
Company / Issuer	Cholamandalam Investment and Finance Company Limited, a public limited company incorporated under the provisions of the Companies Act, 1956, having its Registered Office at Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai 600 001, Tamil Nadu, India
We / us / our	Unless the context otherwise indicates or implies, refers to our Company

Company related terms

Term	Description
Articles / Articles of Association / AoA	Articles of association of our Company
Audit Committee	Audit committee of Board of Directors of our Company, constituted in accordance with applicable laws
Board / Board of Directors	Board of directors of our Company and includes any committee constituted thereof
Borrowings	Borrowings includes debt securities and borrowings other than debt securities and subordinated liabilities
Chairperson	The Chairperson of our Board of Directors
CHFL	Cholamandalam Home Finance Limited
Corporate Office	Corporate office of our Company located at Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai 600 001, Tamil Nadu, India
Corporate Social Responsibility Committee	Corporate social responsibility committee of Board of Directors of our Company constituted in accordance with applicable laws
Committee	A committee constituted by the Board, from time to time
Company Secretary and Compliance Officer	The company secretary and compliance officer of our Company
CSEC/CSL	Cholamandalam Securities Limited
Debenture Committee	Debenture committee of Board of Directors of our Company, constituted in accordance with applicable laws
Director(s)	Director(s) of our Company
Equity Shares	Equity shares of face value ₹ 2 each of our Company
Group Companies	Cholamandalam MS General Insurance Company Limited, Cholamandalam MS Risk Services Limited, Cherry Tin Online Private Limited, CE Info Systems Private Limited, Medall Healthcare Private Limited, Parry Agro Industries Limited, Parry Enterprises India Limited, Paytail Commerce Private Limited, and White Data Systems India Private Limited
Independent Directors(s)	Independent director(s) of our Company, as disclosed under “Our Management”, beginning on page 167 of the Shelf Prospectus.
Key Managerial Personnel(s) / KMP(s)	Key managerial personnel(s) of our Company as disclosed under “Our Management”, beginning on page 167 of the Shelf Prospectus and appointed in accordance with provisions of the Companies Act, 2013.
Limited Review Financials / Limited Review Financial Results/ Unaudited Interim Financial Results	The Unaudited Standalone Financial Results and Unaudited Consolidated Financial Results for the quarter and nine months ended December 31, 2022 prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 and presented in accordance with the requirements of the SEBI LODR Regulations
Memorandum / Memorandum of Association/ MoA	Memorandum of association of our Company
Nomination and Remuneration Committee/ NRC	Nomination and remuneration committee of Board of Directors of our Company, constituted in accordance with applicable laws

Term	Description
Non-Executive Director(s)	Non-executive director(s) of our Company, as disclosed under “Our Management”, beginning on page 167 of the Shelf Prospectus.
Promoters	Cholamandalam Financial Holdings Limited, Ambadi Investments Limited, M V Subbiah, M A Alagappan, A Vellayan, A Venkatachalam, M M Murugappan, M M Venkatachalam, M A M Arunachalam, S Vellayan, Arun Alagappan, M M Veerappan, V Narayanan, V Arunachalam, M M Muthiah, M V Muthiah, Arun Venkatachalam, M V Subramanian, M V Murugappan HUF, M V Subbiah HUF, M A Alagappan HUF, A Vellayan HUF, A Venkatachalam HUF, M M Murugappan HUF, M A M Arunachalam HUF, M M Venkatachalam HUF, M M Muthiah HUF, A M M Arunachalam HUF, Murugappa & Sons (M V Subbiah, M A Alagappan & M M Murugappan hold shares on behalf of the firm) Tube Investments of India Limited, New Ambadi Estates Private Limited, Coromandel International Limited, Ambadi Enterprises Limited, Carborundum Universal Limited, E.I.D. Parry (India) Limited, M A Alagappan (holds shares on behalf of Kadamane Estates).
Promoter Group	Includes such persons and entities constituting the promoter group of our Company pursuant to Regulation 2 (1) (pp) of the SEBI ICDR Regulations, 2018, as amended
PTPL	Payswiff Technologies Private Limited
Reformatted Standalone Financial Information	<p>The Reformatted Standalone Financial Information of the Company comprises of the Reformatted Standalone Statement of Asset and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, Reformatted Standalone Statement of Profit and Loss (including Other Comprehensive Income), Reformatted Standalone Statement of Changes in Equity and Reformatted Standalone Cash Flow Statement for the each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and Notes to the Reformatted Standalone Financial Information.</p> <p>The Reformatted Standalone Financial Information have been prepared from the audited standalone financial statements of our Company as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, which have been approved by the Board of Directors of our Company at their meetings held on May 5, 2022, May 7, 2021 and June 3, 2020 respectively.</p>
Reformatted Consolidated Financial Information	<p>The Reformatted Consolidated Financial Information of the Company and its subsidiaries (the Company and its subsidiaries together referred to as the “Group”) and its associate companies and joint venture (as applicable for respective year) comprises of the Reformatted Consolidated Statement of Asset and Liabilities as at March 31, 2022, March 31, 2021 and March 31, 2020, Reformatted Consolidated Statement of Profit and Loss (including Other Comprehensive Income), Reformatted Consolidated Statement of Changes in Equity and Reformatted Consolidated Cash Flow Statement for the each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and Notes to the Reformatted Consolidated Financial Information.</p> <p>The Reformatted Consolidated Financial Information have been prepared from the audited consolidated financial statements of the Group and its subsidiaries and joint venture (as applicable for respective year) as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, which have been approved by the Board of Directors of our Company at their meetings held on May 5, 2022, May 7, 2021 and June 3, 2020 respectively.</p>
Reformatted Financial Information	Reformatted Standalone Financial Information and Reformatted Consolidated Financial Information
Registered Office	Registered office of our Company located at Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai 600 001, Tamil Nadu, India
Registrar of Companies / RoC	Registrar of Companies, Chennai at Tamil Nadu
Shareholders	Equity Shareholders of our Company from time to time
Statutory Auditor(s)/ Joint Statutory Auditor(s)/ Auditor(s)	M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan
Subsidiaries	<p>The subsidiaries of our Company, namely, Cholamandalam Securities Limited, Cholamandalam Home Finance Limited, and Payswiff Technologies Private Limited*</p> <p><i>* Even though the Company holds 73.82% of the paid-up equity capital of PTPL as of March 31, 2022, in view of founder reserved matters and dispute resolution mechanism envisaged in the shareholder agreement executed between the group and founders of PTPL dated January 17, 2022, the group is considered to have joint control over PTPL as per Ind AS 28 read with IND AS 110. Hence, it is classified as investment in joint venture in the audited consolidated financial statements of the Company for the Financial Year ended March 31, 2022 and the Reformatted Financial Information.</i></p>

Issue related terms

Term	Description
Abridged Prospectus	A memorandum containing the salient features of the Shelf Prospectus and this Tranche I Prospectus
Acknowledgement Slip/ Transaction Registration Slip/ TRS	The slip or document issued by the Designated Intermediary to an Applicant as proof of registration of the Application Form
A. K. Capital/Lead Manager	A. K. Capital Services Limited
Allot/ Allotment / Allotted	Unless the context otherwise requires, the issue and allotment of the NCDs pursuant to this Tranche I Issue
Allotment Advice	The communication sent to the Allottees conveying details of NCDs allotted to the Allottees in accordance with the Basis of Allotment
Allottee(s)	The successful Applicant to whom the NCDs are Allotted, either in full or in part in terms of this Tranche I Issue
Applicant / Investor / ASBA Applicant / ASBA Bidder	The person who applies for issuance and Allotment of NCDs through ASBA process or through UPI Mechanism pursuant to the terms of the Shelf Prospectus, this Tranche I Prospectus, the Abridged Prospectus and Application Form for this Tranche I Issue.
Application / ASBA Application	An application (whether physical or electronic) to subscribe to the NCDs offered pursuant to this Tranche I Issue by submission of a valid Application Form and authorising an SCSB to block the Application Amount in the ASBA Account or to block the Application Amount using the UPI Mechanism, where the Bid Amount or an Application Amount of up to UPI Application Limit will be blocked upon acceptance of UPI Mandate Request by retail investors which will be considered as the application for Allotment in terms of the Shelf Prospectus and this Tranche I Prospectus.
Application Amount	The aggregate value of the NCDs applied for, as indicated in the Application Form for this Tranche I Issue
Application Form / ASBA Form	The form in terms of which the Applicant shall make an offer to subscribe to the NCDs through the ASBA process or through the UPI Mechanism and which will be considered as the Application for Allotment of NCDs and in terms of the Shelf Prospectus and this Tranche I Prospectus
ASBA Account	A bank account maintained by an ASBA Bidder with an SCSB, as specified in the ASBA Form submitted by ASBA Applicants for blocking the Bid Amount mentioned in the ASBA Form, and will include a bank account of a retail individual investor linked with UPI, for retail individual investors submitting application value up to UPI Application Limit
ASBA Applicant	Any Applicant who applies for NCDs through the ASBA process
ASBA / Application Supported by Blocked Amount	The Application (whether physical or electronic) to subscribe to the NCDs offered pursuant to the Issue by submission of a valid Application by authorising SCSB to block the Application Amount in the specified bank account maintained with such SCSB or to block the Application Amount using the UPI Mechanism, where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by retail investors for an Application Amount of up to UPI Application Limit which will be considered as the application for Allotment in terms of Shelf Prospectus and this Tranche I Prospectus.
Banker to the Issue	Collectively Public Issue Account Bank, Refund Bank and Sponsor Bank
Base Issue Size/ Base Issue	₹ 500 crore
Basis of Allotment	The basis on which NCDs will be allotted to applicants as described in “ <i>Issue Procedure – Basis of Allotment for NCDs</i> ” on page 78 of this Tranche I Prospectus.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Application Forms, i.e., Designated Branches of SCSB, Specified Locations for Consortium, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
Broker Centres	Broker centres notified by the Stock Exchange where Applicants can submit the ASBA Forms (including ASBA Forms under UPI in case of UPI Investors) to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the website of the Stock Exchanges at www.bseindia.com and www.nseindia.com
BSE	BSE Limited
Category I Investor (Institutional Investors)	<ul style="list-style-type: none"> Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs; Provident funds and pension funds each with a minimum corpus of ₹ 25 crores, superannuation funds and gratuity funds, which are authorised to invest in the NCDs; Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012; Resident Venture Capital Funds registered with SEBI; Insurance companies registered with the IRDAI; State industrial development corporations; Insurance funds set up and managed by the army, navy, or air force of the Union of India; Insurance funds set up and managed by the Department of Posts, the Union of India;

Term	Description
	<ul style="list-style-type: none"> Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements; National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and Mutual funds registered with SEBI
Category II Investor (Non-Institutional Investors)	<ul style="list-style-type: none"> Companies within the meaning of Section 2(20) of the Companies Act, 2013; Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs; Co-operative banks and regional rural banks; Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs; Scientific and/or industrial research organisations, which are authorised to invest in the NCDs; Partnership firms in the name of the partners; Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009); Association of Persons; and Any other incorporated and/ or unincorporated body of persons
Category III Investor (High net-worth Individual Investors)	High net-worth individual investors - resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in this Tranche I Issue.
Category IV Investor (Retail Individual Investors)	Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹1,000,000 across all options of NCDs in this Tranche I Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit (i.e., ₹ 500,000 for issue of debt securities) in any of the bidding options in the Tranche I Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism
Charged Receivables	Receivables of the Company as identified or to be identified under the Deed of Hypothecation which from time to time are expressed to be, the subject of the Security.
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participants / CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered with the SEBI Act and who is eligible to procure Applications at the Designated CDP Locations in terms of the SEBI Operational Circular
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Designated RTA Locations
Company Customers	Any person to whom the Company extends loans in its ordinary course of business pursuant to the Company loan documents
Consortium Agreement	Consortium Agreement dated April 19, 2023 between our Company, Lead Manager and Consortium Member.
Consortium Member	A.K. Stockmart Private Limited
Consortium / Members of the Consortium / Members of Syndicate (each individually, a Member of the Consortium)	The Lead Manager and the Consortium Member
Coupon/ Interest Rate	Please see the section titled “ <i>Issue Structure</i> ” on page 50 of this Tranche I Prospectus.
Credit Rating Agency(ies)	India Ratings & Research Pvt Ltd and ICRA Limited
Debenture Holder(s) / NCD Holder(s)	The holders of the Secured NCDs whose name appears in the database of the relevant Depository and/or the register of NCD Holders (if any) maintained by our Company if required under applicable law.
Debenture Trust Deed	The trust deed to be entered between the Debenture Trustee and our Company which shall be executed in relation to the NCDs within the time limit prescribed by applicable statutory and/or regulatory requirements, including creation of appropriate security, in favour of the Debenture Trustee for the NCD Holders on the assets adequate to ensure 100% security cover on the outstanding principal amounts and interest thereon. The contents of the Debenture Trust Deed shall be as prescribed by SEBI or any other applicable statutory/regulatory body from time to time
Debenture Trustee Agreement	Agreement dated March 31, 2023 entered into between our Company and the Debenture Trustee
Debenture Trustee / Trustee	Trustees for the NCD holders in this case being IDBI Trusteeship Services Limited
Deed of Hypothecation	Unattested deed of hypothecation to be executed by the Company in favour of the Debenture Trustee for creating a first ranking and exclusive charge on the Charged Receivables by way of hypothecation with regard to the NCDs.
Deemed Date of Allotment	The date on which our Board of Directors or a committee approved by the Board of Directors or Debenture Committee approves the Allotment of the NCDs for this Tranche I Issue or such date as may be

Term	Description
	determined by the Board of Directors or a Debenture Committee and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified for this Tranche I Issue by way of this Tranche I Prospectus) shall be available to the Debenture holders from the Deemed Date of Allotment
Demographic Details	The demographic details of an Applicant such as his address, email, bank account details, MICR Code and UPI ID, category, PAN etc. for printing on refund or used for refunding through electronic mode as applicable.
Depository(ies)	National Securities Depository Limited and /or Central Depository Services (India) Limited
Designated Branches	Such branches of the SCSBs which shall collect the Application Forms used by the ASBA Applicants and a list of which is available at http://www.sebi.gov.in/sebi_data/attachdocs/1365051213899.html or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or at such other weblink as may be prescribed by SEBI from time to time.
Designated CDP Locations	Such locations of the CDPs where Applicants can submit the ASBA Forms, a list of which, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com
Designated Date	The date on which the Registrar to the Issue issues instruction to SCSBs for transfer of funds from the ASBA Account to the Public Issue Account(s) or to the Refund Account, as appropriate, in terms of the Shelf Prospectus and this Tranche I Prospectus and the Public Issue Account and Sponsor Bank Agreement.
Designated Intermediaries	Includes, the Members of the Consortium, Sub-Consortium/agents, Trading Members, agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect Application Forms from the Applicants, in relation to the Tranche I Issue
Designated RTA Locations	Such centres of the RTAs where Applicants can submit the Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the RTAs eligible to accept ASBA Forms and Application Forms submitted using the UPI Mechanism as a payment option (for a maximum amount of UPI Application Limit) are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com and updated from time to time
Designated Stock Exchange	NSE
Direct Online Application Mechanism	An online interface enabling direct applications through UPI by an app based/web interface, by investors to a public issue of debt securities with an online payment facility
DP / Depository Participant	A depository participant as defined under the Depositories Act
Draft Shelf Prospectus	The draft shelf prospectus dated March 31, 2023 filed with the Stock Exchanges for receiving public comments and with SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Issue	<p>Public issue by our Company of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, for an amount aggregating up to the ₹ 5,000 Crores (“Shelf Limit”) (hereinafter referred to as the “Issue”), pursuant to the Shelf Prospectus and the relevant Tranche Prospectus. The NCDs will be issued in one or more tranches upto the Shelf Limit, on terms and conditions as set out in the relevant Tranche Prospectus for any tranche issue (each a “Tranche Issue”) which should be read with the Shelf Prospectus.</p> <p>The Issue is being made pursuant to the provisions of SEBI NCS Regulations, The Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Operational Circular.</p>
Issue Agreement	Agreement dated March 31, 2023 entered into by our Company and the Lead Manager
Issue Document	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus read with any notices, corrigenda, addenda thereto, the Abridged Prospectus, the Application Form and supplemental information, if any,
Lead Manager	A. K. Capital Services Limited
Listing Agreement	The uniform listing agreement entered into between our Company and the Stock Exchanges in connection with the listing of debt securities of our Company
Market Lot	One (1) NCD
Mobile App(s)	The mobile applications listed on the website of Stock Exchanges as may be updated from time to time, which may be used by RIBs to submit Bids using the UPI Mechanism
NCDs / Debentures	Secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each, aggregating up to ₹ 5,000 crores offered through the Shelf Prospectus and this Tranche I Prospectus
NCD Holders/ Debenture Holder	Any debenture holder who holds the NCDs issued pursuant to this Tranche I Issue and whose name appears on the beneficial owners list provided by the Depositories.
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% (sixty percent) by NRIs including overseas trusts, in which not less than 60% (sixty percent) of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Issue

Term	Description
Offer Document	The Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus, the Abridged Prospectus, the Application Form and supplemental information, if any, read with any notices, corrigenda and addenda thereto
Series/Option(s)	Collectively the Series / Option(s) of NCDs being offered to the Applicants, see “ <i>Issue Related Information</i> ” on page 36 of this Tranche I Prospectus
Public Issue Account	Account(s) to be opened with the Banker to the Issue to receive monies from the ASBA Accounts maintained with the SCSBs (including under the UPI mechanism) on the Designated Date, as specified for this Tranche I Prospectus
Public Issue Account and Sponsor Bank Agreement	Agreement dated April 19, 2023 entered into amongst our Company, the Registrar to the Issue, the Public Issue Account Bank, the Refund Bank and Sponsor Bank, and the Lead Manager for the appointment of the Sponsor Bank in accordance with the UPI Mechanism Circular and for collection of the Application Amounts from ASBA Accounts under the UPI mechanism from the Applicants on the terms and conditions thereof and where applicable, refund of the amounts collected from the applicants, as specified in this Tranche I Prospectus for Tranche I Issue
Public Issue Account Bank	HDFC Bank Limited
Receivables	<p>All and any of the monies, cash flows, receivables, proceeds accruing to the Company, amounts owing to, and receivable by the Company and/ or any person on its behalf, all book debts, present or future, arising from/ in connection with the business of the Company, both present and future, payable by or on behalf of the Company Customers as are Standard Assets, including without limitation:</p> <p>(a) all principal amounts;</p> <p>(b) all amounts on account of interest (including, without limitation, default or additional interest); and</p> <p>(c) all prepayment amounts and amounts due on account of termination and/ or prepayment including liquidated damages and break costs, if any,</p> <p>where, ‘Standard Assets’ shall mean receivables that are not more than 90 (ninety) days past due and shall include such receivables where upon receipt of amounts from Company Customers towards such receivables as are more than 90 (ninety) days past due, the amounts so received are sufficient to ensure that such receivable is less than 90 (ninety) days past due</p>
Record Date	15 (fifteen) days prior to the interest payment date, and/or Redemption Date for NCDs issued under the this Tranche I Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date
Recovery Expense Fund	A fund created by our Company with the Designated Stock Exchange in the manner as specified by SEBI in SEBI Operational Circular for Debenture Trustees as amended from time to time and Regulation 11 of the SEBI NCS Regulations for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs
Redemption Amount	Please see “ <i>Terms of the Issue</i> ” on page 36 of this Tranche I Prospectus.
Redemption Date	Please see “ <i>Terms of the Issue</i> ” on page 36 of this Tranche I Prospectus.
Refund Account	The account(s) to be opened by our Company with the Refund Bank, from which refunds of the whole or part of the Application Amounts (excluding for the successful ASBA Applicants), if any, shall be made and as specified in this Tranche I Prospectus.
Refund Bank	HDFC Bank Limited
Register of NCD holder	A register of debenture holders maintained by our Company in accordance with the provisions of the Companies Act, 2013
Registrar Agreement	Agreement dated March 31, 2023 entered into between our Company and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue
Registered Brokers or Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 as amended from time to time, and the stock exchanges having nationwide terminals, other than the Consortium and eligible to procure Applications from Applicants
Registrar to the Issue/ Registrar	KFin Technologies Limited (<i>formerly known as KFIN Technologies Private Limited</i>)
Registrar and Share Transfer Agents/RTA	Registrar and share transfer agents registered with SEBI and eligible to procure Applications, at the Issue at the Designated RTA Locations.
SCSBs / Self Certified Syndicate Banks	The banks registered with SEBI, offering services in relation to ASBA and UPI, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes for ASBA and https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 for UPI, updated from time to time and at such other websites as may be prescribed by SEBI from time to time
Security	The principal amount of the NCDs to be issued together with all interest due and payable on the NCDs, thereof shall be secured by an exclusive charge by way of hypothecation of Charged Receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover of at least 100% of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. The NCDs proposed to be issued shall rank pari passu without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment.

Term	Description
Shelf Limit	The aggregate limit of the Issue, being ₹5,000 crore to be issued pursuant to the Shelf Prospectus and Tranche Prospectus(es) through one or more Tranche Issues
Shelf Prospectus	The Shelf Prospectus dated April 19, 2023 filed by our Company with the RoC, BSE, NSE and the SEBI in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations. The Shelf Prospectus shall be valid for a period as prescribed under section 31 of the Companies Act, 2013.
Stock Exchanges	BSE and NSE
Specified Locations	Centers where the Members of the Consortium shall accept ASBA Forms from Applicants a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time, and at such other websites as may be prescribed by SEBI from time to time
Sponsor Bank	HDFC Bank Limited
Syndicate ASBA	ASBA Applications through the Designated Intermediaries.
Syndicate ASBA Application Locations	Bidding centres where the Designated Intermediaries shall accept Application Forms from Applicants, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Syndicate SCSB Branches	In relation to ASBA Applications submitted to a member of the Syndicate, such branches of the SCSBs at the Syndicate ASBA Centres named by the SCSBs to receive deposits of the Application Forms from the members of the Syndicate, and a list of which is available on http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time
Tenor	Tenor shall mean the tenor of the NCDs as specified in this Tranche I Prospectus
Trading Members	Intermediaries registered with a broker or a sub-broker under the Securities and Exchange Board of India (Stock Brokers) Regulations, 1992 and/or with the Stock Exchanges under the applicable byelaws, rules, regulations, guidelines, circulars issued by Stock Exchanges from time to time and duly registered with the Stock Exchanges for collection and electronic upload of Application Forms on the electronic application platform provided by Stock Exchanges
Tranche I Issue	Public issue by the Company of rated, listed, secured, redeemable non-convertible debentures of face value of ₹1,000 each for an amount up to ₹ 500 crore ("Base Issue Size") with an option to retain oversubscription up to ₹ 500 crore, aggregating up to ₹ 1,000 crore, being offered by way of this Tranche I Prospectus, which should be read together with the Shelf Prospectus filed with the RoC, Stock Exchanges and SEBI. The Tranche I Issue is being made pursuant to the provisions of SEBI NCS Regulations, the Companies Act, 2013 and rules made thereunder as amended to the extent notified and the SEBI Operational circular.
Tranche I Issue Closing Date	May 9, 2023
Tranche I Issue Opening Date	April 25, 2023
Tranche I Issue Period	The period between the Tranche I Issue Opening Date and the Tranche I Issue Closing Date inclusive of both days, during which prospective Applicants may submit their Applications.
Tranche I Prospectus	This Tranche I Prospectus dated April 19, 2023, filed by our Company with the SEBI, NSE, BSE and the RoC in accordance with the provisions of the Companies Act, 2013 and the SEBI NCS Regulations
Transaction Documents	Transaction documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche I Prospectus read with any notices, corrigenda, addenda thereto, Abridged Prospectus, the Issue Agreement, Registrar Agreement, Consortium Agreement, Debenture Trustee Agreement, Public Issue Account and Sponsor Bank Agreement, Tripartite Agreements, Application Form, the Debenture Trust Deed and Security Documents executed or to be executed by our Company, as the case may be. For further details see, " <i>Material Contracts and Documents for Inspection</i> " on page 99.
Tripartite Agreements	Tripartite Agreement dated November 26, 1997 entered into between our Company, Registrar to the Issue (<i>formerly known as Karvy Consultants Limited</i>) and NSDL; and Tripartite Agreement dated January 28, 2000 entered into between our Company, Registrar to the Issue (<i>formerly known as Karvy Consultants Limited</i>) and CDSL.
UPI ID	Identification created on the UPI for single-window mobile payment system developed by the National Payments Corporation of India
UPI Application Limit	Maximum limit to utilize the UPI mechanism to block the funds for application value upto ₹500,000, as applicable and prescribed by SEBI from time to time
UPI Mandate Request / Mandate Request	A request initiated by the Sponsor Bank on the retail individual investor to authorise blocking of funds in the relevant ASBA Account through the UPI mobile app/web interface (using UPI Mechanism) equivalent to the bid amount (not exceeding UPI Application Limit) and subsequent debit of funds in case of allotment
UPI Mechanism / UPI	Unified Payments Interface mechanism in accordance with SEBI Operational Circular as amended from time to time, to block funds for application value up to UPI Application Limit submitted through intermediaries.

Term	Description
Wilful Defaulter	Includes wilful defaulters as defined under Regulation 2(1)(III) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 which includes a Person or a company categorized as a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI and includes a company whose director or promoter is categorized as a wilful defaulter
Working Day	Working day means all days on which commercial banks in Mumbai are open for business. In respect of announcement or Tranche I Issue Period, working day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. Further, in respect of the time period between the Tranche I Issue Closing Date and the listing of the NCDs on the Stock Exchange, working day shall mean all days of the Stock Exchange for NCD, excluding Saturdays, Sundays and bank holidays, as specified by SEBI.

Technical/Industry Related Terms/Abbreviations

Term	Description
AI	Artificial intelligence
ALM	Asset liability management
AML	Anti-money laundering
AUM	Assets Under Management refers sum of Business AUM
Average Net Worth	Average Net Worth is computed as the average of Net Worth balances at the end of each quarter.
Budget 2023	Union Budget for Fiscal 2023
Business AUM	Business AUM represents the sum of Loans (Net of Impairment Allowance and Loans to Subsidiaries) and De-recognised Loans.
CARE	Credit Analysis and Research Limited
CASA	Current Account Savings Account
CDSL	Central Depository Services (India) Limited
CIBIL	TransUnion CIBIL Limited
Closing Assets (Balance Sheet)	Closing Assets (Balance Sheet) represents the sum of Loans and Investments.
CRAR/ CAR	Capital to risk assets ratio
CRISIL	CRISIL Ratings, a division of CRISIL Limited
CV	Commercial vehicle
De-recognised Loans	De-recognised Loans represent outstanding assigned loans as per books as at the end of the relevant year/ period.
Disbursements	Disbursements represents amount disbursed to customers during the relevant year /period
DSA	Direct selling agent
DST	Direct sales team
ECL	Expected credit loss
EV	Electronic Vehicle
Expense Ratio	Expense Ratio represents Operating Expense divided by Average Closing Assets (Balance Sheet)
FFI	Foreign financial institution
FTU	First time users
Gross Stage III	Gross Stage III as presented in Note 9.1 of Reformatted Standalone Financial Information
Gross Stage III %	Gross Stage III Loans/ Gross Loans
Gross NPA	Non Performing Assets as per the applicable RBI regulations
GNPA	Gross Non Performing Assets as per applicable RBI Regulations
GNPA (%)	Gross NPA/ Gross Loans
HCV	Heavy commercial vehicles
HFC	Housing finance companies
HQLA	High quality liquid asset
IBC	Insolvency and Bankruptcy Code, 2016
ICRA	ICRA Limited
India Ratings	India Ratings and Research Private Limited
Investments (including deposits)	Investments represents investment in subsidiaries and associates and term deposits with banks excluding interest accrued as at the end of the relevant year/ period
LAP	Loan Against Property
LCV	Light commercial vehicles
Loans	Loans represents on-balance sheet balances of receivables outstanding including loans given to subsidiaries as at the end of the relevant year/ period.
Loan Losses	Represents Impairment Allowance as presented in the Reformatted Financial Information
LTECL	Lifetime expected credit loss
LTV	Loan to value
MCLR	Marginal Cost of Funds based Lending Rate
MFI	Microfinance institutions
MUV	Multi-utility vehicles
NBFC	Non-banking finance company
NBFC-ICC	Non-banking financial company –Investment and Credit Companies
NBFC – MFI	Non-banking financial company – microfinance institutions

NBFC – D	Deposit taking non-banking finance company
NBFC – ND	Non deposit taking non-banking finance company
Net Income Margin	Net income margin represents the percentage of Total Income less finance costs divided by Average Closing Assets (Balance sheet)
Net NPA	Gross NPA as reduced by Provision for NPA
Net Worth	Sum of Equity and Other Equity as presented in the Reformatted Financial Information.
New Businesses	SME Loans, Consumer and Small Enterprise Loans and Secured Business and Personal Loan
NNPA (%)	Net NPA/ (Gross Loans – Provisions for GNPA)
NPA	Non-Performing Assets as per relevant RBI regulations
NSDL	National Securities Depository Limited
OEMs	Original equipment manufacturers
Operating Expense	Operating expense represents employee benefit expense, other expenses and depreciation and amortization expenses in the relevant year/ period
Provision Coverage Ratio%	Impairment allowance on Loans in each stage against underlying Gross Loan balance in the respective stages of assets
Provision Coverage Ratio Stage III %	Impairment allowance Stage III loans/ Gross Stage III loans multiplied by 100
Secured Debt	Represents secured portion of Debt Securities and Borrowings (other than debt securities)
SCV	Small commercial vehicles
SME	Small and medium-sized enterprises
SRTO	Small road transport operators
Stage III	Net Stage III/ (Gross Loans – Impairment allowed on Stage III). Stage III is as per Note 9.1 of the Reformatted Financial Information
Stage III Assets	Loans considered credit-impaired on gross basis
Tier I capital	Tier I capital means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking nonbanking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year
Tier II capital	Tier II capital includes the following: a) preference shares other than those which are compulsorily convertible into equity; b) revaluation reserves at discounted rate of fifty five percent; c) General Provisions (including that for Standard Assets) and loss reserves to the extent these are not attributable to actual diminution in value or identifiable potential loss in any specific asset and are available to meet unexpected losses, to the extent of one and one fourth percent of risk weighted assets; d) hybrid debt capital instruments; e) subordinated debt; f) perpetual debt instruments issued by a non-deposit taking non-banking financial company which is in excess of what qualifies for Tier I Capital to the extent the aggregate does not exceed Tier I Capital
UPI	Unified Payment Interface

Conventional and general terms

Term	Description
₹/ Rs. / INR/ Rupees	The lawful currency of the Republic of India
AGM	Annual general meeting
AS or Accounting Standards	Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 as amended from time to time
AIF	An alternative investment fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012 as amended from time to time
AY	Assessment year
BSE	BSE Limited
CAGR	Compounded annual growth rate
CDSL	Central Depository Services (India) Limited
CFO	Chief Financial Officer
Companies Act	The Companies Act, 1956, or the Companies Act, 2013, as applicable
Companies Act, 2013	Companies Act, 2013, and rules made thereunder
Consumer Protection Act	Consumer Protection Act, 1986
CrPc	Code of Criminal Procedure, 1973
COVID-19	Pandemic caused due to the worldwide spread of the novel coronavirus disease
COO	Chief Operating Officer
CSR	Corporate social responsibility

Term	Description
Depositories Act	The Depositories Act, 1996
DRR	Debenture redemption reserve
EGM	Extraordinary general meeting
EPS	Earnings per share
FEMA	Foreign Exchange Management Act, 1999
Fiscal / Financial Year / FY	Financial year ending March 31
GDP	Gross domestic product
GoI	Government of India
HUF	Hindu undivided family
IBC	Insolvency and Bankruptcy Code, 2016
IFRS	International financial reporting standards
IFSC	Indian financial system code
Ind AS	Indian Accounting standards as prescribed by Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2015, as amended from time to time
Indian GAAP	Accounting Standards notified under Section 133 of the Companies Act and referred to in the Companies (Accounting Standards) Rules, 2014, as amended from time to time
IRDAI	Insurance Regulatory and Development Authority of India
ISIN	International securities identification number
IST	Indian standard time
IT Act	Income Tax Act, 1961
ITAT	Income Tax Appellate Tribunal
JV	Joint Venture
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
NACH	National automated clearing house
NBFC-ND-SI Directions	Master Direction – Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016
NEFT	National electronic funds transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
PAN	Permanent account number
PAT	Profit after tax
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
RTAs	Registrar and share transfer agents
RTGS	Real time gross settlement
SARFAESI Act	Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India established under Section 3 of the Securities and Exchange Board of India Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI Debenture Trustee Regulations	Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI LODR Regulations/ SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI NCS Regulations/ Debt Regulations	Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended
SEBI Operational Circular	Circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 issued by SEBI, as amended
SEBI Operational Circular for Debenture Trustees	Circular no. SEBI/HO/DDHS/P/CIR/2023/50 dated March 31, 2023 issued by SEBI, as amended

Term	Description
TDS	Tax deducted at source

Notwithstanding the foregoing, the terms defined as part of “Risk Factors” “Industry Overview”, “Regulations and Policies”, “Statement of Possible Tax Benefits Available to the Debenture Holders”, “Provisions of Articles of Association” and “Financial Information” on pages 15, 123, 308, 115, 318 and 193, respectively of the Shelf Prospectus and “General Information” and “Other Regulatory and Statutory Disclosures” on pages 16 and pages 85, respectively, shall have the meaning ascribed to them as part of the aforementioned sections. Terms not defined as part of the sections “Our Business”, “Risk Factors”, “Industry Overview” and “Regulations and Policies”, on pages 136, 15, 123 and 308, respectively of the Shelf Prospectus, shall have the meaning ascribed to them hereunder.

FORWARD-LOOKING STATEMENTS

Certain statements in this Tranche I Prospectus that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “could”, “estimate”, “expect”, “intend”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “seek”, “should”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements.

All statements regarding expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to business strategy, revenue and profitability, new business and other matters discussed in this Tranche I Prospectus that are not historical facts. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results, including financial conditions and results of operations to differ from expectations include, but are not limited to, the following:

- a. Disruption in our sources of funding.
- b. The performance, operations, and prospects of the overall Indian automotive market and, in particular, demand for LCVs, HCVs and cars and MUVs.
- c. Our inability to compete effectively in an increasingly competitive industry.
- d. The volatility in interest rates and other market conditions.
- e. Our business operations involve transactions with relatively high-risk borrowers.
- f. Our inability to control the level of Stage III Assets in our portfolio effectively.

For further discussion of factors that could cause our actual results to differ, see “*Risk Factors*” on page 15 of the Shelf Prospectus.

All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results and valuations to differ materially from those contemplated by the relevant statement. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under the “*Industry Overview*”, “*Our Business*” and “*Outstanding Litigations and Defaults*” on pages 123, 136 and 275 respectively of the Shelf Prospectus.

The forward-looking statements contained in this Tranche I Prospectus are based on the beliefs of our management, as well as the assumptions made by and information currently available to our management. Although our Company believes that the expectations reflected in such forward-looking statements are reasonable at this time, it cannot assure investors that such expectations will prove to be correct or will hold good at all times. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company’s underlying assumptions prove to be incorrect, our actual results of operations or financial condition could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to us are expressly qualified in their entirety by reference to these cautionary statements.

By their nature, certain market risk disclosures are only estimate(s) and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, our Directors and officers, nor any of our respective affiliates or the Lead Manager have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI NCS Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments between the date of filing this Tranche I Prospectus with the RoC and the date of receipt of listing and trading permission from the Stock Exchanges for the NCDs.

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

General

In this Tranche I Prospectus, unless the context otherwise indicates or implies, references to "you", "offeree", "purchaser", "subscriber", "recipient", "investors" and "potential investor" are to the prospective investors in this Tranche I Issue, references to our "Company", the "Company", "we", "us", "our" or the "Issuer" are to Cholamandalam Investment and Finance Company Limited. Unless stated otherwise, all references to page numbers in this Tranche I Prospectus are to the page numbers of this Tranche I Prospectus.

In this Tranche I Prospectus, references to "Rupees", "₹", "Rs.", "INR" are to the legal currency of India and references to "USD", "US\$" are to the legal currency of the United States. All references herein to the "U.S." or the "United States" are to the United States of America and its territories and possessions and all references to "India" are to the Republic of India and its territories and possessions, and the "Government", the "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Certain figures contained in this Shelf Prospectus, including financial information, have been subject to rounding adjustments. Unless set out otherwise, all figures in decimals, including percentage figures, have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third party industry sources may be rounded off to other than two decimal points to conform to their respective sources. India has decided to adopt the "Convergence of its existing standards with IFRS with some difference" referred to as the "Indian Accounting Standards" or "Ind AS". In terms of a notification released by the MCA, our Company is required to prepare its financial statements in accordance with Ind AS for accounting periods beginning on April 1, 2019.

In this Tranche I Prospectus, any discrepancy in any table between total and the sum of the amounts listed are due to rounding off. Except otherwise specified, our Company has presented numerical information in the Shelf Prospectus and this Tranche I Prospectus in "crores", "lakhs", "millions" or "billions". One crore represents 10,000,000, one lakh represents 100,000, one million represents 1,000,000 and one billion represents 1,000,000,000.

Unless otherwise stated, references in this Tranche I Prospectus to a particular year are to the calendar year ended on December 31.

Unless stated otherwise all references to time in this Tranche I Prospectus are to Indian standard time.

Presentation of Financial Information

The financial year of our Company commences on April 1 and ends on March 31 of the next year, so all references to particular "financial year", "fiscal year" and "fiscal" or "FY", unless stated otherwise, are to the 12 months period ended on March 31 of that year. Unless the context requires otherwise, all references to a year in the Shelf Prospectus and this Tranche I Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31 of that calendar year.

The Reformatted Financial Information disclosed in the Shelf Prospectus consist of Reformatted Standalone Financial Information and Reformatted Consolidated Financial Information. The Reformatted Standalone Financial Information have been prepared from the audited standalone financial statements of our Company as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, which have been approved by the Board of Directors of our Company at their meetings held on May 5, 2022, May 7, 2021 and June 3, 2020 respectively. The Reformatted Consolidated Financial Information have been prepared from the audited consolidated financial statements of the Group and its subsidiaries and joint venture (as applicable for respective year) as at and for each of the years ended March 31, 2022, March 31, 2021 and March 31, 2020, which are prepared in accordance with Indian Accounting Standards (Ind AS) specified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other relevant provisions of the Act, which have been approved by the Board of Directors of our Company at their meetings held on May 5, 2022, May 7, 2021 and June 3, 2020 respectively.

Our Company's audited financial statements for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 ("**Audited Financial Statements**") (as available on www.cholamandalam.com/financials.aspx) form the basis of preparation of the Reformatted Financial Information which is included in the Shelf Prospectus and is referred to hereinafter as the "*Reformatted Financial Information*" in "*Annexure A: Financial Information*" on page 360 of the Shelf Prospectus. The Audited Financial Statements and the reports thereon do not constitute, (i) a part of the Shelf Prospectus; or (ii) this Tranche I prospectus, a statement in lieu of prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI NCS Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements and the reports thereon should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence and should not be relied upon or used as a basis for any investment

decision. None of the entities specified above, nor any of their advisors, nor Lead Manager nor any of their employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

The Limited Review Financials for the quarter and nine months ended December 31, 2022 are prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and notified under Section 133 of the Companies Act, 2013 and presented in accordance with the requirements of the SEBI LODR Regulations. The Limited Review Financials are not indicative of full year results and are not comparable with annual financial information.

The Reformatted Financial Information along with the examination reports on the Reformatted Financial Information and the Limited Review Financials along with the review reports on the Limited Review Financials, as issued by our Joint Statutory Auditors are included in the Shelf Prospectus in “*Annexure A: Financial Information*” on page 360 of the Shelf Prospectus.

Unless stated otherwise and unless the context requires otherwise, the financial data used in this Tranche I Prospectus is on a standalone basis.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States of America.

Our Company has presented all numerical information in this Tranche I Prospectus in “crore” units, “lakh” units, “million” units, “billion” units or in whole numbers where the numbers have been too small to represent in lakhs, millions or billions. One crore represents 10,000,000, one lakh represents 100,000, one million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Tranche I Prospectus contains conversion of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI NCS Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and USD (in Rupees per USD):

Currency	As at				
	March 31, 2023	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
1 USD	82.22	82.79	75.80	73.50	75.39

Source: www.fbil.org.in

In case March 31/ December 31 of any of the respective years/ period is a public holiday, the previous working day not being a public holiday has been considered.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout the Shelf Prospectus and this Tranche I Prospectus has been obtained from various industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly available documents from various sources believed to be reliable but accuracy, completeness and underlying assumptions of such third-party sources are not guaranteed. Although the industry and market data used in the Shelf Prospectus and this Tranche I Prospectus is reliable, the data used in these sources may have been re-classified by us for the purposes of presentation however, no material data in connection with the Issue has been omitted. Data from these sources may also not be comparable.

The extent to which the market and industry data used in the Shelf Prospectus and this Tranche I Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*”, on page 15 of the Shelf Prospectus. Accordingly, investment decisions should not be based solely on such information.

SECTION II: INTRODUCTION

GENERAL INFORMATION

Our Company was originally incorporated as a public limited company under the name of ‘Cholamandalam Investment and Finance Company Limited’ under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Tamil Nadu at Chennai (“RoC”) on August 17, 1978. It commenced its business pursuant to a certificate of commencement of business dated November 22, 1978 issued by the RoC. The name of our Company was changed to ‘Cholamandalam DBS Finance Limited’ pursuant to a fresh certificate of incorporation issued by the RoC on April 12, 2006 and was subsequently changed to ‘Cholamandalam Investment and Finance Company Limited’ pursuant to a fresh certificate of incorporation issued by the RoC on June 2, 2010. The CIN of our Company is L65993TN1978PLC007576.

Our Company received a license to carry on the business of non-banking financial institution from the RBI on August 21, 1998, pursuant to a certificate of registration bearing no. 07.00306 (“COR1”). Subsequently, we received the licence to carry on the business of a non-banking financial institution pursuant to a certificate of registration dated April 24, 2006, bearing registration numbers A-07.00306 (“COR2”). Thereafter we received another certificate of registration to carry on business of non-banking financial institution without accepting public deposits dated December 11, 2006, bearing registration number B.07-00306 (“COR3”), and a certificate of registration to carry on the business of non-banking financial institution without accepting public deposits dated July 8, 2010 bearing registration no. B-07-00306 (“COR4”). We have obtained a certificate of registration dated June 9, 2011, bearing number 07-00306 issued by the RBI to commence/ carry on the business of non-banking financial institution under Section 45-IA of the RBI Act, 1934 and another certificate of registration dated December 15, 2022, bearing number N-07-00893, to commence/ carry on the factoring business without accepting public deposits. Further, our Company has also been classified as NBFC-ICC.

Registered Office and Corporate Office

Cholamandalam Investment and Finance Company Limited

Dare House, No. 2, N.S.C. Bose Road

Parrys, Chennai 600 001

Tamil Nadu, India

Contact Number: +91 44 4090 7172

Facsimile: +91 44 2534 6464

Email: investors@chola.murugappa.com

Website: www.cholamandalam.com

For further details regarding changes to our Registered Office, see “*History and Certain Corporate Matters*” on page 160 of the Shelf Prospectus.

Registration

CIN: L65993TN1978PLC007576

Legal Entity Identifier: 3358008DNPV45O4EII52

RBI Registration number: N-07-00893 and 07-00306

Permanent Account Number: AAACC1226H

Liability of the members of the Company: Limited by shares

Chief Financial Officer

D. Arul Selvan

Dare House, No. 2, N.S.C. Bose Road,

Parrys, Chennai 600 001

Tamil Nadu, India

Tel: +91 44 4090 7172

Facsimile: +91 44 2534 6464

Email: arulselvand@chola.murugappa.com

Company Secretary and Compliance Officer

P. Sujatha

Dare House, No. 2, N.S.C. Bose Road

Parrys, Chennai 600 001

Tamil Nadu, India

Contact Number: +91 44 4090 7172

Facsimile: +91 44 2534 6464

Email: sujathap@chola.murugappa.com

Investors may contact the Registrar to the Issue or the Company Secretary and Compliance Officer in case of any pre- Issue or post Issue related issues such as non-receipt of Allotment cum unblocking advice, demat credit of allotment of NCDs or refund orders.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name of the Applicant, Application Form number, Applicant's DP ID, Client ID, PAN, address of Applicant, number of NCDs applied for, ASBA Account number in which the amount equivalent to the Application Amount was blocked or the UPI ID (for UPI Investors who make the payment of Application Amount through the UPI Mechanism), date of Application Form and the name and address of the relevant Designated Intermediary where the Application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of Applicant, Application Form number, number of NCDs applied for, amount blocked on Application and the Designated Branch or the collection centre of the SCSB where the Application Form was submitted by the ASBA Applicant.

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

All grievances arising out of Applications for the NCDs made through the Online Stock Exchanges Mechanism (app based/web interface platform) of the Stock Exchanges, or through Trading Members, may be addressed directly to the Stock Exchange, with a copy to the Registrar to the Issue.

Lead Manager

A. K. Capital Services Limited



BUILDING BONDS

603, 6th Floor, Windsor, Off CST Road, Kalina

Santacruz East, Mumbai 400 098

Maharashtra, India

Tel: +91 22 6754 6500

Facsimile: +91 22 6610 0594

Email: chola.ncd2023@akgroup.co.in

Investor Grievance Email: investor.grievance@akgroup.co.in

Website: www.akgroup.co.in

Contact Person: Aanchal Wagle/ Milan Soni

Compliance Officer: Tejas Davda

SEBI registration no.: INM000010411

CIN: L74899MH1993PLC274881

Debenture Trustee

IDBI Trusteeship Services Limited



Asian Building, Ground Floor, 17, R Kamani Marg,

Ballard Estate, Mumbai- 400 001,

Maharashtra, India

Tel: +91 022 40807073

Facsimile: +91 022 66311776

Email: itsl@idbitrustee.com / jinal@idbitrustee.com

Investor Grievance Email: response@idbitrustee.com

Website: www.idbitrustee.com

Contact Person: Jinal Shah

Compliance Officer: Sneha Jadhav

SEBI Registration No.: IND000000460

CIN: U65991MH2001GOI131154

IDBI Trusteeship Services Limited has, pursuant to Regulation 8 of SEBI NCS Regulations, by its letter dated March 27, 2023 has given its consent for its appointment as Debenture Trustee to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the NCDs issued pursuant to this Tranche I Issue. Please see “Annexure B” of this Tranche I Prospectus.

All the rights and remedies of the Debenture Holders under this Tranche I Issue shall vest in and shall be exercised by the appointed Debenture Trustee for this Tranche I Issue without having it referred to the NCD Holders. All investors under this Tranche I Issue are deemed to have irrevocably given their authority and consent to the Debenture Trustee so appointed by our Company for this Tranche I Issue to act as their trustee and for doing such acts, deeds, matters, and things in respect of or relating to the Debenture Holders as the Debenture Trustee may in his absolute direction deem necessary or require to be done in the interest of Debenture Holders and signing such documents to carry out their duty in such capacity. Any payment by our Company to the NCD Holders/Debenture Trustee, as the case may be, shall, from the time of making such payment, completely and irrevocably discharge our Company *pro tanto* from any liability to the NCD Holders. For details on the terms of the Debenture Trust Deed see, “Issue Related Information” on page 36 of this Tranche I Prospectus.

Registrar to the Issue



KFin Technologies Limited (formerly known as KFIN Technologies Private Limited)

Selenium, Tower B, Plot No- 31 & 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad Rangareddi 500 032,
Telangana, India

Tel: +91 40 6716 2222

Facsimile: +91 40 6716 1563

Email: chola.ncdipo@kfintech.com

Investor Grievance Email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

CIN: L72400TG2017PLC117649

KFin Technologies Limited (formerly known as KFIN Technologies Private Limited) has by its letter dated March 29, 2023 given its consent for its appointment as Registrar to the Issue and for its name to be included in the Draft Shelf Prospectus, the Shelf Prospects, this Tranche I Prospectus and in all the subsequent periodical communications sent to the holders of the Debentures issued pursuant to the Issue.

Applicants or prospective investors may contact the Registrar to the Issue or our Company’s Company Secretary and Compliance Officer in case of any pre-Issue or post-Issue related problems, such as non-receipt of Allotment Advice, demat credit, transfers, etc.

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

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

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

All grievances arising out of Applications for the NCDs made through the online mechanism of the Stock Exchanges or through Trading Members may be addressed directly to the respective Stock Exchanges

Joint Statutory Auditors

M/s. Price Waterhouse LLP

7th and 10th Floor,

Menon Eternity,

165, St. Mary’s Road,

Alwarpet, Chennai 600 018 **Tel:** 91 80 4079 5000

Firm Registration No.: 01112E/E300264

Email: abdul.majeed@pwc.com
Peer Review Certificate No.: 012776
Contact Person: A.J. Shaikh

M/s. Sundaram & Srinivasan,
23, CP Ramaswamy Road, Alwarpet,
Chennai 600018,
Tamil Nadu, India
Tel: 044 2498 8762
Firm Registration No.: 004207S
Email: usha@sundaramandsrinivasan.co.in
Peer Review Certificate No.: 013703
Contact Person: S. Usha

M/s. Price Waterhouse LLP and Sundaram & Srinivasan have been the joint Statutory Auditors of our Company since July 30, 2021.

Change in Statutory Auditors since last three years

Name of the Auditor	Address	Date of Appointment	Date of cessation if applicable	Date of Resignation if applicable
M/s Price Waterhouse LLP	7 th and 10 th Floor, Menon Eternity, 165, St. Mary's Road, Alwarpet, Chennai 600 018	July 30, 2021	-	-
M/s Sundaram & Srinivasan	#23, CP Ramaswamy Road, Alwarpet, Chennai 600 018, Tamil Nadu, India			
S.R. Batliboi and Associates LLP	6 th Floor – "A" Block Tidel Park No. 4, Rajiv Gandhi Salai, Taramani Chennai – 600 113	July 27, 2017	-	July 30, 2021

Credit Rating Agency



India Ratings and Research Private Limited

Wockhardt Towers, 4th Floor, West Wing,
Bandra Kurla Complex,
Bandra East, Mumbai 400 051,
Maharashtra, India
Tel: +91 22 4000 1700
Facsimile: + 91 22 4000 1701
Email: infogrp@indiaratings.co.in
Website: www.indiaratings.co.in
Contact Person: Jinay Gala
Compliance Officer: Arunima Basu
SEBI Registration No.: IN/CRA/002/1999
CIN: U67100MH1995FTC140049



ICRA Limited

Building No.8, 2nd Floor, Tower A, DLF Cyber City,
Phase II, Gurgaon 122 002,
Haryana, India
Tel: +91 124 454 5300
Facsimile: +91 124 405 0424
Email: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: L. Shivakumar
SEBI Registration No: IN/CRA/008/15
CIN: L74999DL1991PLC042749

Credit Rating and Rationale

The NCDs proposed to be issued pursuant to this Tranche I Issue have been rated IND AA+/Stable by India Ratings & Research Pvt Ltd by way of its letter dated February 15, 2023 (further revalidated on March 20, 2023 and April 13, 2023) and [ICRA]AA+ (Stable) by ICRA Limited by way of its letter dated March 16, 2023 (further revalidated on April 3, 2023). Further, the press release by the rating agencies in relation to the Issue shall not be older than one year from the date of the opening of the Issue. The ratings provided by the Credit Rating Agency may be suspended, withdrawn or revised at any time by the assigning rating agency and should be evaluated independently of any other rating. These ratings are not a recommendation to buy, sell or hold securities and investors should take their own decisions. For details regarding rating letters and rationale for the aforementioned rating, see “Annexure A” beginning on page 102.

Disclaimer clause of India Ratings & Research Pvt Ltd

All credit ratings assigned by India Ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: <https://www.indiaratings.co.in/rating-definitions>. In addition, rating definitions and the terms of use of such ratings are available on the agency's public website www.indiaratings.co.in. Published ratings, criteria, and methodologies are available from this site at all times. India Ratings' code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the code of conduct section of this site. (<https://www.indiaratings.co.in/rating-definitions>) (<https://www.indiaratings.co.in>).

Users of IRRPL ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. The Rating Agency shall neither construed to be nor acting under the capacity or nature of an 'expert' as defined under Section 2(38) of the Companies Act, 2013. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

Disclaimer clause of ICRA Limited

ICRA ratings should not be treated as recommendation to buy, sell or hold the rated debt instruments. ICRA ratings are subject to a process of surveillance, which may lead to revision in ratings. An ICRA rating is a symbolic indicator of ICRA's current opinion on the relative capability of the issuer concerned to timely service debts and obligations, with reference to the instrument rated. Please visit our website www.icra.in or contact any ICRA office for the latest information on ICRA ratings outstanding. All information contained herein has been obtained by ICRA from sources believed by it to be accurate and reliable, including the rated issuer. ICRA however has not conducted any audit of the rated issuer or of the information provided by it. While reasonable care has been taken to ensure that the information herein is true, such information is provided 'as is' without any warranty of any kind, and ICRA in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness or completeness of any such information. Also, ICRA or any of its group companies may have provided services other than rating to the issuer rated. All information contained herein must be construed solely as statements of opinion, and ICRA shall not be liable for any losses incurred by users from any use of this publication or its contents

Legal Counsel to the Issue

Cyril Amarchand Mangaldas

3rd Floor, Prestige Falcon Towers
19, Brunton Road, Off M.G Road
Bengaluru 560 025, Karnataka, India
Tel: +91 80 6792 2000

Banker to our Company

HDFC Bank Limited

Address: 8th Floor, Spencer Plaza, 768 & 769, Anna Salai, Chennai 600 002
Contact Person: Santhosh Kumar Durai
Tel: +91 044-69039288
Email: santhosh.durai@hdfcbank.com
Website: www.hdfcbank.com

Consortium Members

A. K. Stockmart Private Limited



Address: 601-602, 6th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098

Tel: +91 22 6754 6500

Fax: +91 22 6610 0594

Email: ashit.raja@akgroup.co.in; ranjit.dutta@akgroup.co.in

Investor Grievance Email: investor.grievance@akgroup.co.in

Website: N.A.

Contact Person: Ashit Raja; Ranjit Dutta

Compliance Officer: Ashit Raja

SEBI Registration No.: INZ000240830

CIN: U67120MH2006PTC158932

Bankers to the Issue

Public Issue Account Bank, Sponsor Bank or Refund Bank

HDFC Bank Limited

Address: HDFC Bank Limited, FIG-OPS Department – Lodha, I Think Techno Campus O-3 Level, next to Kanjurmarg Railway Station, Kanjurmarg (East) Mumbai – 400 042

Tel: +91 22 30752929/28/14

Fax: +91 22 25799801

Email: vikas.rahate@hdfcbank.com, eric.bacha@hdfcbank.com, siddharth.jadhav@hdfcbank.com, sachin.gawade@hdfcbank.com, tushar.gayankar@hdfcbank.com, Pravin.teli2@hdfcbank.com

Website: www.hdfcbank.com

Contact Person: Vikas Rahate, Eric Bacha, Siddharth Jadhav, Sachin Gawade, Tushar Gavankar Pravin Teli

SEBI Registration No.: INBI00000063

CIN: L65920MH1994PLC080618

Impersonation

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

“Any person who —

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

shall be liable for action under Section 447.”

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

Minimum subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue size (i.e., Rs. 375 crore). If our Company does not receive the minimum subscription of 75% of the Base Issue size (i.e., Rs. 375 crore), prior to the Tranche I Issue Closing Date, the entire

Application Amount shall be unblocked in the ASBA Accounts of the Applicants within eight Working Days from the Tranche I Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within the timelines prescribed under Applicable Law. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

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

Underwriting

This Tranche I Issue will not be underwritten.

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Operational Circular for Debenture Trustees as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

Arrangers to the Issue

There are no arrangers to the Tranche I Issue.

Guarantor to the Issue

There are no guarantors to the Tranche I Issue.

Designated Intermediaries

Self-Certified Syndicate Banks

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

In relation to Applications submitted to a Members of the Consortium, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Application Forms from the members of the Syndicate is available on the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Consortium at Specified Locations, see the website of the SEBI (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) or any such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

In relation to ASBA Applications submitted to the Members of the Syndicates or the Trading Members of the Stock Exchanges only in the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Cities named by the respective SCSBs to receive deposits of ASBA Applications from such Members of the Syndicate or the Trading Members of the Stock Exchanges is provided on www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting ASBA Applications from Members of the Syndicate or the Trading Members of the Stock Exchanges only in the Specified Cities, see the above-mentioned web-link.

In relation to Applications submitted under the ASBA process to a Members of the Consortium, the list of branches of the SCSBs at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Vadodara and Surat), the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of the ASBA Forms and Application Forms where investors have opted for payment via the UPI Mechanism, from the Members of the Consortium is available on the website of SEBI www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For more information on

such branches collecting Bid cum Application Forms from the Consortium at Specified Locations, see the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.

Registered Brokers / RTAs / CDPs

In accordance with SEBI Circular No. CIR/CFD/14/2012 dated October 4, 2012 and CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 and the ASBA Circular, applicants can submit ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, i.e., through the Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com.

The list of the Registered Brokers, RTAs and CDPs, eligible to accept Applications in the Tranche I Issue, including details such as postal address, telephone number and email address, are provided on the websites of the BSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 for Registered Brokers and www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 for RTAs and CDPs, as updated from time to time.

In relation to Applications submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers is available on the website of the SEBI at www.sebi.gov.in and updated from time to time.

For further details, see “*Issue Procedure*” on page 55.

Utilisation of Issue proceeds

For details on utilisation of Tranche I Issue proceeds, see “*Objects of the Issue*” on page 24.

Tranche I Issue Programme

TRANCHE I ISSUE OPENS ON	April 25, 2023
TRANCHE I ISSUE CLOSES ON	May 9, 2023
PAY IN DATE	Application Date. The entire Application Amount is payable on Application.
DEEMED DATE OF ALLOTMENT	The date on which the Board of Directors/or Debenture Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or Debenture Committee and notified to the Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.

Note: This Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated above, except that this Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or a Debenture Committee, subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of the Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue have been given on or before such earlier or initial date of Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche I Issue Period. On the Issue Tranche I Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Tranche I Issue Closing Date. For further details please refer to the chapter titled “Issue Related Information” on page 36 of this Tranche I Prospectus.

Applications Forms for the Tranche I Issue will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) or such extended time as may be permitted by the Stock Exchanges, during the Tranche I Issue Period as mentioned above on all days between Monday and Friday (both inclusive barring public holiday), (i) by the Consortium or the Trading Members of the Stock Exchanges, as the case maybe, at the centres mentioned in Application Form through the ASBA mode, (ii) directly by the Designated Branches of the SCSBs or (iii) by the centres of the Consortium, sub-brokers or the Trading Members of the Stock Exchanges, as the case maybe, only at the selected cities. Additionally, an Investor may also submit the Application Form through the app or web interface of the Stock Exchange. It is clarified that the Applications not uploaded in the Stock Exchange platform would be rejected.

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

OBJECTS OF THE ISSUE

Tranche I Issue proceeds

Public Issue by the Company of secured redeemable non-convertible debentures of face value of ₹ 1,000 for an amount of ₹ 500 crore (“**Base Issue Size**”) with an option to retain oversubscription up to ₹ 500 crore, aggregating up to ₹ 1,000 crore which is within the Shelf Limit of ₹ 5,000 crore, being offered by way of this Tranche I Prospectus, which should be read together with the Shelf Prospectus filed with the RoC, Stock Exchanges and SEBI.

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

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

Particulars	Estimated amount (in ₹ crores)
Gross proceeds of this Tranche I Issue	1,000*
Less: Tranche I Issue related expenses**	8.92
Net Proceeds	991.08

* Assuming the Tranche I Issue is fully subscribed.

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

Requirement of Funds and Utilization of Net Proceeds

The following table details the objects of the Tranche I Issue (collectively, referred to herein as the “**Objects**”) and the amount proposed to be financed from the Net Proceeds:

S. No.	Objects of the Issue	Percentage of amount proposed to be financed from Net Proceeds
1.	For the purpose of onward lending, financing and for repayment of interest and principal of existing borrowings of the Company*	At least 75%
2.	General corporate purposes**	Maximum up to 25%
Total		100%

* Our Company shall not utilise the proceeds of this Tranche I Issue towards payment of prepayment penalty, if any.

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

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

Tranche I Issue related expenses

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

The estimated breakdown of the total expenses for this Tranche I Issue are as follows*:

Particulars	Amount (in ₹ crores)	As a percentage of the Issue proceeds (in %)	As a percentage of the total expended of the Issue (in%)
Fee payable to intermediaries (Registrar to the Issue, Debenture Trustees, regulatory bodies, rating agencies, payment towards stamp duty etc.)	0.48	0.05%	5.97%
Lead Manager Fee, Selling and Brokerage Commission, Legal Counsel Fee, SCSB Processing Fee, UPI processing fees to Sponsor Banks	8.21	0.82%	92.07%
Advertising, printing and stationery costs	0.13	0.01%	1.44%
Other miscellaneous expenses	0.10	0.01%	1.12%
Grand Total	8.92	0.89%	100.00%

** Assuming the Tranche I Issue is fully subscribed.*

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

Our Company shall pay processing fees to the SCSBs for ASBA forms procured by Lead Manager/ Members of the Consortium/ Brokers / Trading Members and submitted to the SCSBs for blocking the Application Amount of the applicant, at the rate of ₹10 per Application Form procured (inclusive of GST and other applicable taxes). However, it is clarified that in case of ASBA Application Forms procured directly by the SCSBs, the relevant SCSBs shall not be entitled to any ASBA Processing Fee. Further, our Company shall pay the Sponsor Bank ₹1 for every valid Application that is blocked. The payment will be made on the basis of valid invoices within such timelines mutually agreed to/prescribed by the Company with the Designated Intermediaries/Sponsor Bank.

Purpose for which there is a requirement of funds

As stated in this section.

Funding plan

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

Summary of the project appraisal report

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

Schedule of implementation of the project

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

Monitoring and reporting of utilisation of funds

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

Interim use of proceeds

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

General Corporate Purposes

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

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

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

Other confirmations

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

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

No part of the proceeds from this Tranche I Issue will be utilized for buying, trading or otherwise dealing in equity shares of any listed company. Further our Company undertakes that Tranche I Issue proceeds from NCDs allotted to banks shall not be used for any purpose, which may be in contravention of the RBI guidelines including those relating to classification as capital market exposure or any other sectors that are prohibited under the RBI Regulations.

Our Company confirms that it will not use the proceeds from the Tranche I Issue, directly or indirectly, for the purchase of any business or in the purchase of any interest in any business whereby our Company shall become entitled to an interest in either the capital or profit or losses or both in such business exceeding 50% thereof, the purchase or acquisition of any immovable property (direct or indirect) or acquisition of securities of any other body corporate.

The fund requirement as above is based on our current business plan and is subject to change in light of variations in external circumstances or costs, or in our financial condition, business or strategy. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirements and deployment of funds may also change.

There is no contribution being made or intended to be made by the Directors as part of the Tranche I Issue or separately in furtherance of the Objects of the Issue.

Benefit / interest accruing to our Promoter/Directors out of the object of the Tranche I Issue

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

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE DEBENTURE HOLDERS

To,

**The Board of Directors,
Cholamandalam Investment and Finance Company Limited**

Dare House No. 2
N S C Bose Road, Parrys
Chennai 600 001
Tamil Nadu, India

Dear Sirs,

Sub: Proposed public issue by Cholamandalam Investment and Finance Company Limited (the “Company” or the “Issuer”) of secured, rated, listed, redeemable, non-convertible debentures of face value of ₹ 1,000 each (the “NCDs”) for an amount aggregating up to ₹ 50,000 million (the “Shelf Limit”) (the “Issue”). The NCDs will be issued in one or more tranches up to the Shelf Limit, on terms and conditions as set out in separate Tranche Prospectus(es) for each Tranche Issue

We, Sundaram and Srinivasan, Chartered Accountants, hereby confirm that the accompanying statement of possible tax benefits available to the debenture holder(s) (hereinafter referred to as the “Statement”) states the possible tax benefits available to the debenture holders of the Company under the Income-tax Act, 1961 (the “IT Act”), as amended by the Finance Act, 2023, i.e. applicable for the Financial Year 2023-24 relevant to the assessment year 2024-25 respectively, presently in force in India (hereinafter referred to as the “Indian Income Tax Regulations”) for the purpose of inclusion in the Shelf Prospectus and relevant Tranche Prospectus, in connection with the Issue, has been prepared by the management of the Company, which we have initiated for identification purposes. We are informed that such debentures raised in the Issue will be listed on a National Stock Exchange of India Limited and BSE Limited (“Stock Exchanges”) and the Statement has been prepared by the Company’s management on such basis.

We have performed the following procedures:

- i. Read the statement of tax benefits as given in **Annexure I**, and
- ii. Evaluated with reference to the provisions of the IT Act to confirm that statements made are correct in all material respect.

We confirm that the Statement as set out in **Annexure I** materially covers all the provisions of the Indian Income Tax Regulations with respect to debenture holders of the Company. Several of these benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws.

The benefits discussed in the enclosed **Annexure I** are not exhaustive. The statement is only intended to provide general information and is neither designed nor intended to be a substitute for the professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to specific tax implications arising out of their participation.

The contents of the enclosed **Annexure I** are based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes.

We hereby consent to inclusion of this report and the accompanying Statement in the, shelf prospectus and respective Tranche Prospectus(es) and/or any other document in relation to the Issue to be filed by the Company with the Stock Exchanges, the Securities and Exchange Board of India, and the Registrar of Companies, and any other regulatory authority in relation to the Issue and such other documents as may be prepared in connection with the Issue.

This report has been issued at the request of the Company for use in connection with the Issue and may accordingly be furnished as required to SEBI, the National Stock Exchange of India Limited, BSE Limited or any other regulatory authorities, as required, and shared with and relied on as necessary by the Company’s advisors and intermediaries duly appointed in this regard.

For Sundaram and Srinivasan
Chartered Accountants
Firm Registration No.: 004207S

S. Usha

Partner
Membership No.: 211785
UDIN: 23211785BGWCUP3145

Place: Chennai
Date: April 19, 2023

Annexure I

STATEMENT OF POSSIBLE TAX BENEFITS UNDER THE INCOME TAX ACT, 1961 ("IT ACT") AVAILABLE TO THE DEBENTURE HOLDERS UNDER THE APPLICABLE INCOME-TAX LAWS IN INDIA.

The following tax benefits will be available to the debenture holders of the Company ("Debenture Holder") as per the existing provisions of law. The tax benefits are given as per the prevailing tax laws under the provisions of the IT Act, as on date, taking into account the amendments made by the Finance Act, 2023, and may vary from time to time in accordance with amendments to the law or enactments thereto. The Debenture Holder is advised to consider the tax implications in respect of subscription to the Debentures after consulting his tax advisor as alternate views are possible.

IMPLICATIONS UNDER THE IT ACT

I. TO THE RESIDENT DEBENTURE HOLDER ("RESIDENT" AS DEFINED UNDER SECTION 6 OF THE IT ACT)

A. In Respect of Interest on Debentures (NCDs)

1. Interest on NCD received by Debenture Holders would be subject to income tax at the normal rates of tax in accordance with and subject to the provisions of the IT Act. Interest will be assessed to Income tax on receipt basis or mercantile basis (accrual basis) depending on the method of accounting regularly employed by the NCD holder under Section 145 of the IT Act.
2. Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act (in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).

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

- a) When the Assessing Officer issues a certificate on an application by a Debenture Holder on satisfaction that the total income of the Debenture holder justifies no/lower deduction of tax at source as per the provisions of Section 197(1) of the IT Act; and that a valid certificate is filed with the Company before the prescribed date of closure of books for payment of debenture interest;
- b) When the resident Debenture Holder with Permanent Account Number ('PAN') (not being a company or a firm) submits a declaration as per the provisions of section 197A(1A) of the IT Act in the prescribed Form 15G verified in the prescribed manner to the effect that the tax on his estimated total income of the financial year in which such income is to be included in computing his total income will be NIL. However, under section 197A(1B) of the IT Act, Form 15G cannot be submitted nor considered for exemption from tax deduction at source if the dividend income referred to in section 194, interest on securities, interest, withdrawal from NSS and income from units of mutual fund or of Unit Trust of India as the case may be or the aggregate of the amounts of such incomes credited or paid or likely to be credited or paid during the financial year in which such income is to be included exceeds the maximum amount which is not chargeable to income tax;
- c) Senior citizens, who are 60 or more years of age at any time during the financial year, enjoy the special privilege to submit a self-declaration in the prescribed Form 15H for non-deduction of tax at source in accordance with the provisions of section 197A(1C) of the Act even if the aggregate income credited or paid or likely to be credited or paid exceeds the maximum amount not chargeable to tax, provided that the tax due on the estimated total income of the year concerned will be NIL; and
- d) In all other situations, tax would be deducted at source as per prevailing provisions of the IT Act. Form No.15G with PAN / Form No.15H with PAN / Certificate issued u/s 197(1) has to be filed with the Company before the prescribed date of closure of books for payment of debenture interest without any withholding tax.

B. In respect of Capital Gains

1. Long Term Capital Gain

Under Section 2(29AA) read with section 2(42A) of the IT Act, listed Debentures held as Capital Asset as defined under section 2(14) of the IT Act is treated as long term capital asset if it is held for more than 12 Months. Debentures held as capital asset for a period of 12 Months or less will be treated as short term capital asset.

Long Term Capital Gain will be chargeable to tax under Section 112 of the IT Act at the rate of 20% (plus applicable surcharge and education cess). However, in the case of listed debentures, as per first proviso to section 112(1) of the IT Act, tax payable is only 10% (plus applicable surcharge and education cess). No indexation benefit is available for

debentures. Hence, the tax payable on long term capital gains on transfer of NCD will be 10%(plus applicable surcharge and education cess) and the capital gains have to be computed without indexation.

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

2. Short Term Capital Gains

Listed Debentures held as capital asset under Section 2(14) of the IT Act for a period of not more than 12 months would be treated as Short term capital asset under Section 2(42A) of the IT Act. Short Term Capital Gains on transfer of NCD will be taxed at the normal rates of tax in accordance with the provisions of the IT Act. The provisions relating to maximum amount not chargeable to tax would apply to short term capital gains.

3. Capital Loss on transfer of Debentures.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

4. Exemption available for Individuals and HUF for Long Term Capital gains U/s 54F of the IT Act.

As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

Under section 54EE of the IT Act, long term capital gains arising to the Debenture Holder(s) on transfer of debentures in the company shall not be chargeable to tax to the extent such capital gains are invested in long term specified asset (a unit or units issued before 01.04.2019) as notified by Central Government within six months after the date of transfer. If only part of the capital gain is so invested, the exemption shall be proportionately reduced. However, if the said notified bonds are transferred or converted into money within a period of three years from their date of acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. However, the exemption is subject to a limit of investment of INR 50 lacs during any financial year in the notified bonds. Where the benefit of Section 54EE of the IT Act has been availed of on investments in the notified bonds, a deduction from the income with reference to such cost shall not be allowed under section 80C of the Act.

As per provisions of section 54EE of the IT Act, capital gain on the transfer of a long-term capital asset, arising to a debenture holder is exempt from tax, if the assessee / debenture holder invested the whole or any part of capital gains in the long-term specified asset at any time within a period of six months. If the cost of the long-term specified asset is less than the capital gain arising from the transfer of the original asset, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the condition that the investment in the long-term specified asset by an assessee during any financial year does not exceed fifty lakh rupees: If the long term specified asset in which the investment has been made is transferred within a period of three years from the date of its acquisition, the amount of capital gains tax claimed earlier would become chargeable to tax as capital gains in the year in which such long term specified asset is transferred. Specified Asset means a unit or units, issued before the 1st day of April, 2019, of such fund as may be notified by the Central Government in this behalf.

C. In respect of Business Income

In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII, which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of

Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank and Public Financial Institutions, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.

D. Debentures received as gift without consideration or inadequate consideration.

As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.

II. TO THE NON-RESIDENT DEBENTURE HOLDER.

1. A Non – Resident Indian has an option to be governed by Chapter XII – A of the IT Act, subject to the provisions contained therein which are given in brief as under:

- a. As per Section 115E of the IT Act, interest income from debentures acquired or purchased with or subscribed to in convertible foreign exchange will be taxable at 20%, whereas long term capital gains on transfer of such Debentures will be taxable at 10% of such capital gains without indexation of cost of acquisition. Short-term capital gains will be taxable at the normal rates of tax in accordance with and subject to the provisions contained therein.
- b. As per Section 115G of the IT Act, it shall not be necessary for a non-resident Indian to file a return of income under Section 139(1) of the IT Act, if his total income consists only of investment income as defined under Section 115C and/or long term capital gains earned on transfer of such investment acquired out of convertible foreign exchange, and the tax has been deducted at source from such income under the provisions of Chapter XVII- B of the IT Act in accordance with and subject to the provisions contained therein.
- c. As per Section 115D (1) of the IT Act no deduction in respect of any expenditure or allowance shall be allowed under any provisions of the IT Act in the computation of income of a non-resident Indian under Chapter XII – A of the IT Act.
- d. In accordance with and subject to the provisions of Section 115-I of the IT Act, a Non-Resident Indian may opt not to be governed by the provisions of Chapter XII – A of the IT Act.
- e. Long Term capital gains on transfer of listed debentures would be subject to tax at the rate of 10% computed without indexation.
- f. Interest income and Short – term capital gains on the transfer of listed debentures, where debentures are held for a period of not more than 12 months preceding the date of transfer, would be taxed at the normal rates of tax in accordance with and subject to the provisions of the IT Act.
- g. Where debentures are held as stock in trade, the income on transfer of debentures would be taxed as business income or loss in accordance with and subject to the provisions of the IT Act.
- h. Under Section 195 of the IT Act, the applicable rate of tax deduction at source is 20% on investment income and 10% on any long-term capital gains as per Section 115E, and 30% for Short Term Capital Gains if the payee debenture Holder is a Non Resident Indian.
- i. The income tax deducted shall be increased by applicable surcharge and health and education cess.

As per Section 74 of the IT Act, short-term capital loss on transfer of debentures suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any could be carried forward for eight years for claiming set-off against subsequent years' short-term as well as long-term capital gains. Long-term capital loss on debentures suffered during the year is allowed to be set-off only against long-term capital gains. Balance loss, if any, could be carried forward for eight years for claiming set-off against subsequent year's long-term capital gains.

As per Section 90(2) of the IT Act read with the Circular No. 728 dated October 30, 1995 issued by the Central Board of Direct Taxes, in the case of a remittance to a country with which a Double Tax Avoidance Agreement (DTAA) is in force, the tax should be deducted at the rate provided in the Finance Act of the relevant year or at the rate provided in the DTAA, whichever is more beneficial to the assessee. However, submission of tax residency certificate (TRC), is a mandatory

condition for availing benefits under any DTAA. If the tax residency certificate does not contain the prescribed particulars as per CBDT Notification 57/2013 dated August 1, 2013, a self-declaration in Form 10F would need to be provided by the assessee along with TRC.

- j. Alternatively, to avail non deduction or lower deduction of tax at source, as the case may be, the Debenture Holder should furnish a certificate under Section 195(2) and 195(3) of the IT Act, from the Assessing Officer before the prescribed date of closure of books for payment of debenture interest.
- k. In case the Debentures are held as stock in trade by the debenture holder, the income/loss from transfer of debentures would be taxed as Income from Business. Such income is to be computed in accordance with the Income Computation and Disclosure Standard VIII which is notified by the Ministry of Finance, Government of India under Section 145(2) of the IT Act. Where debentures are held as stock in trade and unpaid interest has accrued before acquisition of Debentures and is included in the price paid for the Debentures, subsequent receipt of interest is to be allocated between pre-acquisition and post-acquisition periods, the pre-acquisition portion of the interest is reduced from the actual cost and is to be treated as interest. In the case of Debentures held by Scheduled Bank, income is to be recognized in accordance with the guidelines issued by the Reserve Bank of India in this regard.
- l. As per section 56(2)(x) of the IT Act, except in cases which are specifically exempted under this clause (such as gift received from relative as defined under the section), where the debentures are received without consideration where the aggregate market value of all gifts received exceeds Rs. 50,000/- the aggregate market value of the debentures shall be taxable as income in the hands of the recipient. Similarly, if debentures are received for inadequate consideration, the shortfall in the consideration will be treated as income of the recipient subject to the provisions contained in section 56(2)(x) of the IT Act. There is no gift tax for the Donor of the Debentures.
- m. As per the provisions of Section 54F of the IT Act, any long-term capital gains on transfer of a long term capital asset arising to a Debenture Holder who is an individual or Hindu Undivided Family, is exempt from tax if the entire net sales consideration is utilized, within a period of one year before, or two years after the date of transfer, in purchase of a new residential house in India, or for construction of residential house in India within three years from the date of transfer subject to conditions. If part of such net sales consideration is invested within the prescribed period in a residential house, then such gains would be chargeable to tax on a proportionate basis. This exemption is available, subject to the conditions stated therein.

III. TO THE FOREIGN INSTITUTIONAL INVESTORS/ FOREIGN PORTFOLIO INVESTORS (FIIs/ FPIs)

- 1. As per Section 2(14)(b) of the IT Act, any securities held by FIIs which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be treated as capital assets. Accordingly, any gains arising from transfer of such securities shall be chargeable to tax in the hands of FIIs as capital gains.
- 2. In accordance with and subject to the provisions of Section 115AD of the IT Act, long term capital gains on transfer of debentures by FIIs are taxable at 10% (plus applicable surcharge and cess) and short-term capital gains are taxable at 30% (plus applicable surcharge and cess). The benefit of cost indexation will not be available. Further, benefit of provisions of the first proviso of Section 48 of the IT Act will not apply.
- 3. Interest on NCD may be eligible for concessional tax rate of 5% (plus applicable surcharge and health and education cess) for interest referred under Section 194LD.
- 4. Further, in case where section 194LD is not applicable, the interest income earned by FIIs/FPIs should be chargeable to tax at the rate of 20% under section 115AD of the IT Act. Tax shall be deducted u/s. 196D of the IT Act on such income at 20%. Where DTAA is applicable to the payee, the rate of tax deduction shall be lower of rate as per DTAA or 20%, subject to the conditions prescribed therein.
- 5. Section 194LD in the IT Act provides for lower rate of withholding tax at the rate of 5% on payment by way of interest paid by an Indian Company to FIIs and Qualified Foreign Investor in respect of rupee denominated bond of an Indian Company between June 1, 2013 and July 1, 2023 provided such rate does not exceed the rate as may be notified by the Government.
- 6. The income tax deducted shall be increased by applicable surcharge and health and education cess.
- 7. In accordance with and subject to the provisions of Section 196D(2) of the IT Act, no deduction of tax at source is applicable in respect of capital gains arising on the transfer of debentures by FIIs referred to in section 115AD.

8. The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the IT Act.

IV. TO MUTUAL FUNDS

All mutual funds registered under Securities and Exchange Board of India or set up by public sector banks or public financial institutions or authorized by the Reserve Bank of India are exempt from tax on all their income, including income from investment in Debentures under the provisions of Section 10 (23D) of the IT Act in accordance with the provisions contained therein. Further, as per the provisions of section 196 of the IT Act, no deduction of tax shall be made by any person from any sums payable to mutual funds specified under Section 10(23D) of the IT Act, where such sum is payable to it by way of interest or dividend in respect of any securities or shares owned by it or in which it has full beneficial interest, or any other income accruing or arising to it.

V. TO SPECIFIED FUNDS (“SPECIFIED FUND” AS DEFINED UNDER SECTION 10(4D) OF THE IT ACT)

The income of Specified Funds is taxable for the year beginning April 1, 2020, to the extent attributable to units held by non-resident (not being a permanent establishment of a non-resident in India), and in accordance with and subject to the provisions of Section 115AD of the IT Act, as under:

- a) The interest income earned are chargeable to tax at the rate of 10%;
- b) long term capital gains on transfer of debentures to the specified extent are taxable at 10% (benefit of provisions of the first proviso of section 48 of the IT Act will not apply); and
- c) Short-term capital gains are taxable at 30%.

Further, where any income in respect of NCD is payable to Specified Funds, tax shall be deducted at the rate of 10% on the income other than exempt under section 10(4D) with effect from November 1, 2020 as per Section 196D of the IT Act.

The income tax deducted shall be increased by applicable surcharge and health and education cess.

VI. REQUIREMENTS TO FURNISH PAN/FILING OF RETURNS UNDER THE IT ACT

1. SEC. 139A (5A):

Section 139A (5A) requires every person from whom income tax has been deducted at source under chapter XVII – B of the IT Act to furnish his PAN to the person responsible for deduction of tax at source.

2. SEC. 206AA:

- a) Section 206AA of the IT Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB (‘deductee’) to furnish his PAN to the deductor, failing which tax shall be deducted at the higher of the following rates:
 - (i) at the rate specified in the relevant provision of the IT Act; or
 - (ii) at the rate or rates in force; or
 - (iii) at the rate of twenty per cent.
- b) A declaration under Section 197A (1) or 197A (1A) or 197A (1C) shall not be valid unless the person furnishes his PAN in such declaration and the deductor is required to deduct tax as per Para (a) above in such a case.
- c) Where a wrong PAN is provided, it will be regarded as non-furnishing of PAN and Para (a) above will apply.
- d) As per Rule 37BC, the higher rate under section 206AA shall not apply to a non resident, not being a company, or to a foreign company, in respect of payment of interest, if the non-resident deductee furnishes the prescribed details inter alia TRC and Tax Identification Number (TIN).

3. SEC. 206AB

Further, the Finance Act, 2021 inserted new section for punitive withholding tax rate for non-filers of return of income with effect from 1 July 2021 as per which payments made to the specified persons will be subject to TDS at higher of twice the applicable rate or 5% in respect of all TDS/TCS provisions except for specific exclusions.

NOTES FORMING PART OF STATEMENT OF TAX BENEFITS

1. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of debenture/bonds.
2. The above statement covers only certain relevant benefits under the IT Act and does not cover benefits under any other law.
3. The above statement of possible tax benefits is as per the current direct tax laws relevant for the Assessment Year 2024-2025 (Financial Year 2023-24) and taking into account the amendments made by the Finance Act, 2023.
4. This statement is intended only to provide general information to the Debenture Holders and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each debenture Holder is advised to consult his/her/its own tax advisor with respect to specific consequences of his/her/its holding in the debentures of the Company.
5. Several of the above tax benefits are dependent on the debenture holders fulfilling the conditions prescribed under the relevant tax laws and subject to Chapter X and Chapter XA of the IT Act.
6. The stated benefits will be available only to the sole/ first named holder in case the debenture is held by joint holders.
7. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the relevant tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.
8. In respect of non-residents, taxes paid in India could be claimed as a credit in accordance with the provisions of the relevant tax treaty and applicable domestic tax law.
9. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this statement.

MATERIAL DEVELOPMENTS

There have been no material developments since April 1, 2022 and there haven't arisen any circumstances that would materially or adversely affect the operations, or financial condition or profitability of our Company or the value of its assets or its ability to pay its liabilities within the next 12 months, except as stated below.

1. **Application to RoC for merger of Payswiff Solutions Private Limited and Payswiff Services Private Limited with Payswiff Technologies Private Limited.**

Our Company's joint venture Payswiff Technologies Private Limited has filed an application with the RoC dated July 30, 2022 for merger with its subsidiaries. Payswiff Technologies Private Limited is awaiting final order from the NCLT.

2. **ESOP allotments**

During the period subsequent to March 31, 2022, the Company has made allotments of 738,905 Equity Shares with a face value of ₹ 2 per share at various rates to employees who are eligible for equity shares of the company under Employee Stock Options Scheme, 2016 of our Company. The total consideration received by our Company for the issue of Equity Shares is ₹ 17.70 crores.

3. **Permission to undertake factoring business from RBI**

Pursuant to the RBI circular dated January 20, 2022 all NBFC - Investment and Credit Companies (NBFC-ICC) with asset size of ₹ 1,000 crores and above are permitted to undertake factoring business. In this regard, our Company in the month of May 2022 had applied with RBI to obtain certificate of registration. In response to our application, RBI vide letter dated December 15, 2022, has permitted the Company to undertake factoring business and issued a certificate of registration under Section 3 of the Factoring Regulations Act, 2011. RBI has further advised the Company to commence the factoring business within six months from the date of the grant of certificate of registration.

4. **Sale of Non-Performing Assets to Asset Reconstruction Company**

During the period after March 31, 2022, the company has sold 156 accounts aggregating to ₹ 14.21 Crores for consideration of ₹5.62 crores. This has been disclosed by the company in December 2022 results.

5. **Share Swap Agreement dated March 28, 2023 ("Share Swap Agreement") entered into amongst our Company and TVS Supply Chain Solutions Limited ("TVSSCSL"), White Data Systems India Private Limited ("WDSIPL"), Vellayan Narayanan, Vellayan Lakshmanan and S Ramesh Kumar**

Our Company has entered into the Share Swap Agreement with TVSSCPL for the sale of 12,75,917 equity shares constituting 30.87% of the equity shares held by our Company in WDSIPL to TVSSCSL at a price of Rs.315.34 per share. As consideration for sale of WDSIPL shares, the Company will be issued 22,35,265 0.0001% compulsory convertible preference shares of face value of ₹1 each of TVSSCSL at an issue price of ₹180 per share (with a conversion ratio of 1:1 where each compulsorily convertible preference share will convert into one equity share of ₹1 each of TVSSCSL) through preferential allotment via private placement. Consequently, WDSIPL will cease to be an associate of our Company upon completion of transaction for consideration other than cash.

SECTION III: ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

Authority for the Issue

At the meeting of the Board of Directors of our Company held on January 31, 2023, the Board of Directors approved the issuance of NCDs of the face value ₹ 1,000 each, for an amount up to ₹ 5,000 crores in one or more tranches. Further, the present borrowing is within the borrowing limits of ₹110,000 crores under Section 180(1)(c) of the Companies Act, 2013 duly approved by the members of our Company vide their resolution passed at the AGM held on July 29, 2022.

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

Principal terms and conditions of the Issue

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

Ranking of the NCDs

The NCDs would constitute secured and senior obligations of our Company and subject to any obligations under applicable statutory and/or regulatory requirements, shall be secured by way of an exclusive charge by way of hypothecation of Charged Receivables of the Company, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover at least of 100% of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. The NCDs proposed to be issued under this Tranche I Issue and all earlier issues of debentures, bond issuances and loans outstanding in the books of our Company having corresponding assets as security, shall rank *pari passu* without preference of one over the other except that priority for payment shall be as per applicable date of redemption / repayment. We have received necessary consent from the relevant lenders, debenture trustees and security trustees for creating an exclusive charge in favour of the Debenture Trustee in relation to the NCDs.

In terms of SEBI Operational Circular for Debenture Trustees, our Company is required to obtain permissions or consents from or provide intimations to the prior creditors for proceeding with the Issue, if *pari passu* security is sought to be created. However, exclusive charge by way of hypothecation of Charged Receivables of the Company is being provided as security for the Issue and these assets have no prior charge by any creditor of our Company.

Security

The principal amount of the NCDs to be issued in terms of this Tranche I Prospectus together with all interest due and payable on the NCDs, subject to any obligations under applicable statutory and/or regulatory requirements shall be secured by way of an exclusive charge by way of hypothecation of Charged Receivables of the Company, with security cover of 100% on the outstanding principal amounts and interest thereon the interest due thereon issued pursuant to the Issue, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed. The security is estimated to be created prior to the listing of the NCDs with the stock exchanges.

Further, NCDs shall be considered as secured only if the charged asset is registered with sub-registrar and RoC or Central Registry of Securitisation Asset Reconstruction and Security Interest (“**CERSAI**”) or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee

Pursuant to the SEBI Operational Circular for Debenture Trustees, our Company has entered into the Debenture Trust Agreement with the Debenture Trustee and proposes to complete the execution of the Debenture Trust Deed before making the application for listing of the NCDs for the benefit of the NCD Holders, the terms of which shall govern the appointment of the Debenture Trustee and the issue of the NCDs.

Under the terms of the Debenture Trust Deed, our Company will covenant with the Debenture Trustee that it will pay the NCD Holders, the principal amount on the NCDs on the relevant redemption date and also that it will pay the interest due on NCDs on the rate specified in the relevant Tranche Prospectus for each Tranche Issue and in the Debenture Trust Deed.

The Debenture Trust Deed will also provide that our Company may withdraw any portion of the security and replace with another asset of the same or higher value ensuring the minimum security cover is maintained till the Maturity Date of the NCDs.

Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18 of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our

Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche I Prospectus for each Tranche I Issue, till the execution of the Debenture Trust Deed and in accordance with the applicable laws.

Debenture Redemption Reserve

In accordance with the recent amendments to the Companies Act, 2013, and the Companies (Share Capital and Debentures) Rules 2014, read with Rule 16 of the SEBI NCS Regulations, any non-banking finance company registered with Reserve Bank of India under section 45-IA of the RBI Act, 1934 (“NBFCs”) that intends to issue debentures to the public are no longer required to create a DRR for the purpose of redemption of debentures. The Government, in the union budget for the Financial Year 2019-2020 had announced that NBFCs raising funds in public issues would be exempt from the requirement of creating a DRR.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules, 2014, notified on August 16, 2019, and as on the date of filing this Tranche I Prospectus, our Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with the Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at 15% (fifteen percent) of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

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

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

Face Value

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

NCD Holder not a shareholder

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

Rights of the NCD Holders

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

1. The NCDs shall not, except as provided in the Companies Act, 2013, our Memorandum and Articles of Association and/or the Debenture Trust Deed, confer upon the NCD Holders thereof any rights or privileges available to our members including the right to receive notices, or to attend and/or vote, at our general meeting. However, if any resolution affecting the rights attached to the NCDs is to be placed before the members, the said resolution will first be placed before the concerned registered NCD Holders for their consideration. In terms of Section 136 of the Companies Act, 2013, the NCD Holders shall be entitled to inspect a copy of the financial statements and copy of the Debenture Trust Deed at the Registered Office of our Company during business hours on a specific request made to us.
2. Subject to applicable statutory/ regulatory requirements and terms of the Debenture Trust Deed, including requirements of the RBI, the rights, privileges and conditions attached to the NCDs may be varied, modified and/or abrogated with the consent in writing of the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution passed at a meeting of the concerned NCD Holders, provided that nothing in such consent or resolution shall be operative against us, where such consent or resolution modifies or varies the terms and conditions governing the NCDs, if the same are not acceptable to us.
3. In case of NCDs held in (i) dematerialized form, the person for the time being appearing in the register of beneficial owners of the Depositories; and (ii) physical form on account of re-materialization, the registered NCD Holders or in case of joint-holders, the one whose name stands first in the register of debenture holders shall be entitled to vote in

respect of such NCDs, either in person or by proxy, at any meeting of the concerned NCD Holders and every such NCD Holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights on every resolution placed before such meeting of the NCD Holders shall be in proportion to the outstanding nominal value of NCDs held by him/her.

4. The NCDs are subject to the provisions of the SEBI NCS Regulations, provisions of the Companies Act, 2013, our Memorandum and Articles of Association, the terms of the Draft Shelf Prospectus the Shelf Prospectus, this Tranche I Prospectus. The terms and conditions of the Debenture Trust Deed, requirements of the RBI, other applicable statutory and/or regulatory requirements relating to this issue and listing, of securities and any other documents that may be executed in connection with the NCDs.
5. For NCDs in physical form on account of re-materialization, a register of debenture holders will be maintained in accordance with Section 88 and Section 94 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the registered holder thereof for the time being or in the case of joint-holders, to the person whose name stands first in the register of debenture holders as on the Record Date. For NCDs in dematerialized form, all interest and principal sums becoming due and payable in respect of the NCDs will be paid to the person for the time being appearing in the register of beneficial owners of the Depositories. In terms of Section 88(3) of the Companies Act, 2013, the register of beneficial owners maintained by a Depository for any NCDs in dematerialized form under Section 11 of the Depositories Act shall be deemed to be a register of debenture holders for this purpose. The same shall be maintained at the Registered Office of our Company under Section 94 of the Companies Act, 2013 unless the same has been moved to another location after obtaining the consent of the NCD Holders as given thereunder.
6. Subject to compliance with RBI, NCDs can be rolled over only with the consent of the NCD Holders of at least 75% of the outstanding amount of the NCDs after providing at least 15 days prior notice for such roll over and in accordance with the SEBI NCS Regulations. Our Company shall redeem the debt securities of all the debt securities holders, who have not given their positive consent to the roll-over.

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

Trustees for the NCD holders

We have appointed IDBI Trusteeship Services Limited to act as the Debenture Trustees for the NCD Holder(s) in terms of Regulation 8 of the SEBI NCS Regulations and Section 71(5) of the Companies Act, 2013 and the rules prescribed thereunder. Our Company and the Debenture Trustee will execute a Debenture Trust Deed, *inter alia*, specifying the powers, authorities and obligations of the Debenture Trustee and us with respect to NCDs. The NCD Holder(s) shall, without further act or deed, be deemed to have irrevocably given their consent to the Debenture Trustee or any of its agents or authorised officials to do all such acts, deeds, matters and things in respect of or relating to the NCDs as the Debenture Trustee may in its absolute discretion deem necessary or require to be done in the interest of the NCD Holder(s). Any payment made by us to the Debenture Trustee on behalf of the NCD Holder(s) shall discharge us *pro tanto* to the NCD Holder(s).

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

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

Subject to the terms of the Debenture Trust Deed, the Debenture Trustee at its discretion may, or if so requested in writing by the holders of at least three-fourths of the outstanding amount of the NCDs or with the sanction of a special resolution, passed at a meeting of the NCD Holders, give notice to our Company specifying that the NCDs and/or any particular series of NCDs, in whole but not in part are and have become due and repayable on such date as may be specified in such notice, *inter alia*, if any of the events listed below occurs and is not cured within the cure period(s) (except in relation to (i) and (ii) below), as mutually agreed between the Company and the Debenture Trustee under the Transaction Documents. The description below is indicative and a complete list of events of default, its consequences and the cure periods will be specified in the Debenture Trust Deed. It is hereby clarified that point i and ii below shall not have a cure period, unless the failure to pay is caused by a technical error, in which case a cure period of 1 (one) Working Day shall be available with the Company.

Indicative list of Events of Default:

- i. default is committed in payment of the principal amount of the NCDs on the due date(s);
- ii. default is committed in payment of any interest on the NCDs on the due date(s);
- iii. Default is committed in the performance or observance of any material term, any covenants, conditions or agreements on the part of the Company under the Debenture Trust Deed or the other Transaction Documents or deeds entered into between the Company and the Debenture Holder(s)/ Beneficial Owner(s)/ Debenture Trustee;
- iv. Default is committed if any information given to the Company in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus, the Transaction Documents and/or other information furnished and/or the representations and warranties given/deemed to have been given by the Company to the Debenture Holder(s)/ Beneficial Owner(s) for financial assistance by way of subscription to the Debenture is or proves to be misleading or incorrect in any material respect or is

found to be incorrect;

- v. a petition for winding up of the Company have been admitted and an order of a court of competent jurisdiction is made for the winding up of the Company or an effective resolution is passed for the winding up of the Company by the members of the Company is made otherwise than in pursuance of a scheme of amalgamation or reconstruction previously approved in writing by the Debenture Trustee and duly carried out into effect or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or any action is taken towards its re-organisation, liquidation or dissolution;
- vi. an application is filed by the Company, the financial creditor or the operational creditor (as defined under the Insolvency and Bankruptcy Code, 2016, as amended from time to time) before a National Company Law Tribunal under the Insolvency and Bankruptcy Code, 2016, as amended from time to time and the same has been admitted by the National Company Law Tribunal;
- vii. proceedings are initiated against the Company under the insolvency laws or a resolution professional has been appointed under the insolvency laws;
- viii. if in the opinion of the Debenture Trustee further receivables are to be included as security to meet the security cover and on advising the Company, the Company fails to include such receivables as part of the Charged Receivables created in favour of the Debenture Trustee to its reasonable satisfaction;
- ix. if without the prior written approval of the Debenture Trustee, the security or any part thereof is sold, disposed off, charged, encumbered or alienated, pulled down or demolished, other than as provided in the Debenture Trust Deed;
- x. an encumbrancer, receiver or liquidator takes possession of the assets charged as security or any part thereof, or has been appointed or allowed to be appointed of all or any part of the undertaking of the Company and such appointment is, in the opinion of the Debenture Trustee, prejudicial to the security hereby created;
- xi. if an attachment has been levied on the assets charged as security or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company;
- xii. the Company without the consent of Secured NCD Holders / Debenture Trustee cease to carry on its business or gives notice of its intention to do so;
- xiii. one or more extra ordinary events, conditions or circumstances whether related or not, (including any change in Applicable Law) has occurred or might occur which could collectively or otherwise be expected to affect the ability of the Company to discharge its obligations under the Issue;
- xiv. the Company enters into amalgamation, reorganisation or reconstruction without the prior consent of the Debenture Trustee in writing;
- xv. in the opinion of the Debenture Trustee, the Security created for the benefit of Secured NCD Holders is in jeopardy; and
- xvi. Any other event described as an Event of Default in the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus and the Transaction Documents.

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

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

Regulation 51 read with the Explanation to Clause A (11) in Part B of Schedule III of the SEBI Listing Regulations, defines ‘default’ as non-payment of interest or principal amount in full on the pre-agreed date which shall be recognized at the first instance of delay in the servicing of any interest or principal on debt.

It is hereby confirmed, in case of an occurrence of a “default”, the Debenture Trustee shall abide and comply with the procedures mentioned in the abovementioned circular SEBI Operational Circular for Debenture Trustees issued by SEBI.

Minimum Subscription

In terms of the SEBI NCS Regulations for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue size (i.e., Rs. 375 crore). If our Company does not receive the minimum subscription of 75% of the Base Issue size (i.e., Rs. 375 crore), prior to the Tranche I Issue Closing Date, the entire Application Amount shall be unblocked in the ASBA Accounts of the Applicants within eight Working Days from the Tranche

I Issue Closing Date. In the event the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Account(s) of the Applicants within the timelines prescribed under Applicable Law. In the event there is delay in unblocking of funds/refunds, our Company shall be liable to repay the money, with interest at the rate of 15% per annum for the delayed period.

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

Market Lot and Trading Lot

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

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

Allotment in this Tranche I Issue will be in electronic form multiples of one NCD. For further details of Allotment, see the “*Issue Procedure*” beginning on page 55.

Nomination facility to NCD Holders

In accordance with Section 72 of the Companies Act, 2013 (read with Rule 19 of the Companies (Share Capital and Debentures) Rules, 2014, the sole NCD Holder or first NCD Holder, along with other joint NCD Holders (being individual(s) may nominate any one person (being an individual) who, in the event of death of the sole holder or all the joint-holders, as the case may be, shall become entitled to the NCDs. Where the nomination is made in respect of the NCDs held by more than one person jointly, all joint holders shall together nominate any person as nominee. A person, being a nominee, becoming entitled to the NCDs by reason of the death of the NCD Holder(s), shall be entitled to the same rights to which he would be entitled if he were the registered holder of the NCD. Where the nominee is a minor, the NCD Holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the NCDs, in the event of his death, during the minority. A nomination shall stand rescinded upon sale/transfer/alienation of the NCDs by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. When the NCDs are held by two or more persons, the nominee shall become entitled to receive the amount only on the demise of all such NCD Holders. Fresh nominations can be made only in the prescribed form available on request at our Registered/ Corporate Office, at such other addresses as may be notified by us, or at the office of the Registrar to the Issue or the transfer agent.

NCD Holders are advised to provide the specimen signature of the nominee to enable us to expedite the transmission of the NCDs to the nominee in the event of demise of the NCD Holders. The signature can be provided in the Application Form or subsequently at the time of making fresh nominations. This facility of providing the specimen signature of the nominee is purely optional.

In accordance with the Section 72 read with the Companies (Share Capital and Debentures) Rules, 2014, any person who becomes a nominee by virtue of the above said Section, shall upon the production of such evidence as may be required by our Board, elect either:

- (a) To register himself or herself as the holder of the NCDs; or
- (b) To make such transfer of the NCDs, as the deceased holder could have done.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the NCDs, and if the notice is not complied with, within a period of 90 days, our Board may thereafter withhold payment of all interests or other monies payable in respect of the NCDs, until the requirements of the notice have been complied with.

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

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

Transfer/Transmission of NCD(s)

The NCDs shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013. The NCDs held in dematerialized form shall be transferred subject to and in accordance with the rules/procedures as prescribed by the Depositories and the relevant DPs of the transferor or transferee and any other applicable laws and rules notified in respect thereof. The transferee(s) should ensure that the transfer formalities are completed prior to the Record Date.

In the absence of the same, interest will be paid/redemption will be made to the person, whose name appears in the register of debenture holders maintained by the Depositories. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with the Issuer or Registrar. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant.

For further details, see “*Issue Structure*” beginning on page 50, for the implications on the interest applicable to NCDs held by individual NCD Holders on the Record Date and NCDs held by non-individual NCD Holders on the Record Date.

NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition. Any trading of the NCDs issued pursuant to this Tranche I Issue shall be compulsorily in dematerialized form only. The procedure for transmission of securities has been further simplified vide the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2022 Gazette Notification no. SEBI/LAD-NRO/GN/2022/80 dated April 25th, 2022.

Title

In case of:

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

No transfer of title of an NCD will be valid unless and until entered on the register of NCD holders or the register of beneficial owners maintained by the Depositories prior to the Record Date. In the absence of transfer being registered, interest and/or maturity amount, as the case may be, will be paid to the person, whose name appears first in the register of the NCD Holders maintained by the Depositories and/or our Company and/or the Registrar, as the case may be. In such cases, claims, if any, by the purchasers of the NCDs will need to be settled with the seller of the NCDs and not with our Company or the Registrar. The provisions relating to transfer and transmission and other related matters in respect of our Company's shares contained in the Articles of Association of our Company and the relevant provisions of the Companies Act, 2013, shall apply, *mutatis mutandis* (to the extent applicable) to the NCD(s) as well.

Succession

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

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

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

Joint-holders

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

Procedure for re-materialisation of NCDs

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

Restriction on transfer of NCDs

There are no restrictions on transfers and transmission of NCDs allotted pursuant to the Issue. Pursuant to the SEBI LODR IV Amendment, NCDs held in physical form, pursuant to any rematerialisation, as above, cannot be transferred except by way of transmission or transposition, from December 4, 2018. However, any trading of the NCDs issued pursuant to this Tranche I Issue shall be compulsorily in dematerialised form only.

Period of subscription

ISSUE SCHEDULE*			
TRANCHE I OPENING DATE	ISSUE	April 25, 2023	
TRANCHE I CLOSING DATE	ISSUE	May 9, 2023	
PAY IN DATE		Application Date. The entire Application Amount is payable on Application	
DEEMED DATE OF ALLOTMENT		The date on which the Board of Directors/or Debenture Committee approves the Allotment of the NCDs for each Tranche Issue or such date as may be determined by the Board of Directors/ or a committee approved by the Board of Directors thereof and notified to the Designated Stock Exchange. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the NCD Holders from the Deemed Date of Allotment.	

This Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m. (Indian Standard Time) during the period indicated in this Tranche I Prospectus, except that this Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Debenture Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue have been given on or before such earlier or initial date of Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. (Indian Standard Time) on one Working Day after the Issue Closing Date. For further details please refer to the chapter titled "Issue Related Information" on page 36 of this Tranche I Prospectus.

Due to limitation of time available for uploading the Applications on the Issue Closing Date, Applicants are advised to submit their Application Forms one day prior to the Issue Closing Date and, no later than 3.00 p.m. (Indian Standard Time) on the Issue Closing Date. Applicants are cautioned that in the event a large number of Applications are received on the Issue Closing Date, there may be some Applications which are not uploaded due to lack of sufficient time to upload. Such Applications that cannot be uploaded will not be considered for allocation under the Issue. Application Forms will only be accepted on Working Days during the Issue Period. Neither our Company, nor the Lead Manager or Trading Members of the Stock Exchanges are liable for any failure in uploading the Applications due to failure in any software/ hardware systems or otherwise. Please note that the Basis of Allotment under the Issue will be on the basis of date of upload of each application into the electronic book of the Stock Exchanges in accordance with the SEBI Operational Circular. However, in the event of oversubscription, on such date, the allotments would be made to the applicants on proportionate basis.

Taxation

Income Tax is deductible at source at the rate of 10% on interest on debentures held by resident Indians as per the provisions of Section 193 of the IT Act(in case where interest is paid to Individual or HUF, no TDS will be deducted where interest paid is less than 5,000 and interest is paid by way of account payee cheque).

In case of NCDs held in physical form, as per the current provisions of the IT Act, tax will not be deducted at source from interest payable on such NCDs held by the investor, if such interest does not exceed ₹ 5,000 in any Fiscal. If interest exceeds the prescribed limit of ₹ 5,000 on account of interest on the NCDs, then the tax will be deducted at applicable rate. However in case of NCD Holders claiming non-deduction or lower deduction of tax at source, as the case may be, the NCD Holder should furnish either (a) a declaration (in duplicate) in the prescribed form i.e. (i) Form 15H which can be given by individuals who are of the age of 60 years or more (ii) Form 15G which can be given by all applicants (other than companies, and firms), or (b) a certificate, from the Assessing Officer which can be obtained by all applicants (including companies and firms) by making an application in the prescribed form i.e. Form No.13. The aforesaid documents, as may be applicable, should be submitted at the office of the Registrar to the Issue quoting the name of the sole/ first NCD Holder, NCD folio number and the distinctive number(s) of the NCD held, at least seven days prior to the Record Date to ensure non-deduction/lower deduction of tax at source from interest on the NCD. The investors need to submit Form 15H/ 15G/certificate in original with the Assessing Officer

for each Fiscal during the currency of the NCD to ensure non-deduction or lower deduction of tax at source from interest on the NCD.

Tax exemption certificate/document, if any, must be lodged at the office of the Registrar to the Issue at least seven days prior to the Record Date or as specifically required, failing which tax applicable on interest will be deducted at source on accrual thereof in our Company's books and/or on payment thereof, in accordance with the provisions of the IT Act and/or any other statutory modification, enactment or notification as the case may be. A tax deduction certificate will be issued for the amount of tax so deducted.

Subject to the terms and conditions in connection with computation of applicable interest on the Record Date, please note that in case the NCDs are transferred and/or transmitted in accordance with the provisions of this Tranche I Prospectus read with the provisions of the Articles of Association of our Company, the transferee of such NCDs or the deceased holder of NCDs, as the case may be, shall be entitled to any interest which may have accrued on the NCDs.

Maturity and Redemption

The relevant interest will be paid in the manner set out in "Issue Structure" on page 50 of this Tranche I Prospectus. The last interest payment will be made at the time of redemption of the NCDs.

Series	Maturity Period/ Redemption (as applicable)
Series I	22 months
Series II	22 months
Series III	37 months
Series IV	37 months
Series V	60 months
Series VI	60 months

Put / Call Option

Not Applicable.

Deemed Date of Allotment

The date on which our Board of Directors or the Debenture Committee approves the Allotment of the NCDs for the Issue. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs (as specified in this Tranche I Prospectus) shall be available to the Debenture holders from the deemed date of allotment.

Application in the Issue

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

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

However, in the terms of Section 8(1) of the Depositories Act, our Company at the request of the Investors who wish to hold the NCDs in physical form will rematerialise the NCDs. However, trading of the NCDs shall be compulsorily in dematerialised form only.

Application Size

Each Application should be for a minimum of 10 NCDs across all series collectively and in multiples of one NCD thereafter (for all series of NCDs taken individually or collectively), as specified in this Tranche I Prospectus.

Applicants can apply for any or all series of NCDs offered hereunder provided the Applicant has applied for minimum application size using the same Application Form.

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

Terms of Payment

The entire issue price per NCD, is blocked in the ASBA Account on application itself. In case of allotment of lesser number of NCDs than the number of NCDs applied for, our Company shall unblock the excess amount paid on application to the applicant in accordance with the terms of the Shelf Prospectus and this Tranche I Prospectus.

Record Date

15 (fifteen) days prior to the interest payment date, and/or Redemption Date for NCDs issued under this Tranche I Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the Record Date and the date of redemption. In case the Record Date falls on a day when the Stock Exchanges are having a trading holiday, the immediate subsequent trading day or a date notified by our Company to the Stock Exchanges, will be deemed as the Record Date.

Interest/Premium and Payment of Interest/ Premium

Interest/ Coupon on NCDs

1. Annual interest payment options

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

Category of NCD Holders	Coupon (per annum) for following Series		
	Series I	Series III	Series V
All categories	8.25%	8.30%	8.40%

Series I, Series III and Series V NCDs shall be redeemed at the Face Value thereof along with the interest accrued thereon, if any, at the end of 22 months, 37 months and 60 months respectively from the Deemed Date of Allotment.

2. Cumulative interest payment options

In case of Series II, Series IV and Series VI, NCDs shall be redeemed at the end of 22 months, 37 months and 60 months, respectively from the Deemed Date of Allotment as mentioned below

The Tenor, Coupon Rate / Yield and

Category of NCD Holders	Face Value (₹ per NCD)	Redemption Amount (₹ per NCD)
Series II - All categories	1,000	₹ 1,156.64
Series IV - All categories	1,000	₹ 1,279.15
Series VI - All categories	1,000	₹ 1,497.40

Payment of Interest

Amount of interest payable shall be rounded off to the nearest Rupee. In the event, the interest / payout of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer. By way of illustration if the redemption amount is ₹ 1,837.50 then the amount shall be rounded off to ₹ 1,838. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment.

Basis of payment of Interest

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

Mode of payment of Interest to NCD Holders

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

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

We may offer the facility of NACH, NEFT, RTGS, Direct Credit and any other method permitted by RBI and SEBI from time to time to effect payments to NCD Holders. The terms of this facility (including towns where this facility would be available) would be as prescribed by RBI.

Manner of Payment of Interest / Refund / Redemption*

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

The bank details will be obtained from the Depositories for payment of Interest / refund / redemption as the case may be. Applicants who are holding the NCDs in electronic form, are advised to immediately update their bank account details as appearing on the records of the depository participant. Neither the Lead Manager, nor our Company, nor the Registrar to the Issue shall have any responsibility and undertake any liability arising from such details not being up to date.

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

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

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

1. Direct Credit

Investors having their bank account with the Refund Bank, shall be eligible to receive refunds, if any, through direct credit. The refund amount, if any, would be credited directly to their bank account with the Refund Bank.

2. NACH

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

3. RTGS

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

4. NEFT

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

5. Registered Post/Speed Post

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

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

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

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

Printing of bank particulars on interest / redemption warrants

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

Bank account particulars will be printed on the orders/ warrants which can then be deposited only in the account specified.

Loan against NCDs

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

Buy Back of NCDs

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

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

Form of allotment and Denomination of NCDs

In case of Secured NCDs held in physical form on account of rematerialisation, a single certificate will be issued to the Secured NCD Holder for the aggregate amount of the Secured NCDs held ("**Consolidated Certificate**"). The Applicant can also request for the issue of Secured NCD certificates in denomination of one NCD ("**Market Lot**"). In case of NCDs held under different Options, as specified in the Prospectus, by a Secured NCD Holder, separate Consolidated Certificates will be issued to the NCD Holder for the aggregate amount of the Secured NCDs held under each Option. It is however distinctly to be understood that the Secured NCDs pursuant to the issue shall be traded only in demat form.

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

As per the SEBI NCS Regulations, the trading of the NCDs on the Stock Exchange shall be in dematerialized form only in multiples of 1 (one) NCD ("**Market Lot**"). Allotment in the Issue to all Allottees, will be in electronic form i.e., in dematerialised form and in multiples of one NCD. For details of allotment see "*Issue Procedure*" beginning on page 55.

Procedure for Redemption by NCD holders

The procedure for redemption is set out below:

NCDs held in physical form on account of rematerialisation

No action would ordinarily be required on the part of the NCD Holder at the time of redemption and the redemption proceeds would be paid to those NCD Holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of Redemption. However, our Company may require that the NCD certificate(s), duly discharged by the sole holder/all the joint-holders (signed on the reverse of the NCD certificates) be surrendered for redemption on maturity

and should be sent by the NCD Holders by Registered Post with acknowledgment due or by hand delivery to our office or to such persons at such addresses as may be notified by us from time to time. NCD Holders may be requested to surrender the NCD certificates in the manner as stated above, not more than three months and not less than one month prior to the redemption date so as to facilitate timely payment. We may at our discretion redeem the Secured NCDs without the requirement of surrendering of the NCD certificates by the holder(s) thereof. In case we decide to do so, the holders of NCDs need not submit the NCD certificates to us and the redemption proceeds would be paid to those NCD holders whose names stand in the register of debenture holders maintained by us on the Record Date fixed for the purpose of redemption of NCDs. In such case, the Secured NCD certificates would be deemed to have been cancelled. Also see the para “*Payment on Redemption*” given below.

Secured NCDs held in electronic form

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

Payment on Redemption

The manner of payment of redemption is set out below:

NCDs held in physical form on account of rematerialisation

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

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

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

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

NCDs held in electronic form

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

Our liability to NCD Holders towards his/their rights including for payment/ redemption in all events shall end when we dispatch the redemption amounts to the NCD Holders.

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

Right to reissue NCD(s)

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

Common form of transfer

Our Company undertakes that there shall be a common form of transfer for the NCDs, if applicable and the provisions of the Companies Act, 2013 and all applicable laws including the FEMA and the rules and regulations thereunder shall be duly complied with in respect of all transfer of debentures and registration thereof.

Sharing of information

We may, at our option, use on our own, as well as exchange, share or part with any financial or other information about the NCD Holders available with us with our subsidiaries, if any and affiliates and other banks, financial institutions, credit bureaus,

agencies, statutory bodies, as may be required and neither we or our affiliates nor their agents shall be liable for use of the aforesaid information.

Notices

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

Issue of duplicate NCD certificate(s)

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

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

Lien

As per the RBI circular dated June 27, 2013, the Company is not permitted to extend loans against the security of its debentures issued by way of private placement or public issues. The Company shall have the right of set-off and lien, present as well as future on the moneys due and payable to the NCD holders or deposits held in the account of the NCD holders, whether in single name or joint name, to the extent of all outstanding dues by the NCD holders to the Company, subject to applicable law.

Lien on pledge of NCDs

Our Company may, at its discretion, note a lien on pledge of NCDs if such pledge of NCD is accepted by any third party bank/institution or any other person for any loan provided to the NCD Holder against pledge of such NCDs as part of the funding, subject to applicable law.

Future Borrowings

We shall be entitled to make further issue of secured or unsecured debentures and/or raise term loans or raise further funds from time to time from any persons, banks, financial institutions or bodies corporate or any other agency by creating a charge on any assets, (a) subject to such consents and approvals and other conditions, as may be required under applicable law or existing financing agreements, including any intimation, if applicable under the Transaction Documents (b) provided the stipulated security cover for the Issue is maintained and compliance with other terms of the Transaction Documents.

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

The illustration for guidance in respect of the day count convention and effect of holidays on payments, as required by SEBI Operational Circular will be as disclosed in the this Tranche I Prospectus.

Payment of Interest

If Allotment is not made within the prescribed time period under applicable law, the entire subscription amount will be unblocked within the time prescribed under applicable law, failing which interest may be due to be paid to the Applicants, for the delayed period, as prescribed in applicable law. Our Company shall not be liable to pay any interest on monies liable to be refunded in case of (a) invalid applications or applications liable to be rejected, (b) applications which are withdrawn by the Applicant and/or (c) monies paid in excess of the amount of NCDs applied for in the Application Form. For further details, see "*Issue Procedure - Rejection of Applications*" beginning on page 76.

Listing

The NCDs proposed to be offered in pursuance of this Tranche I Prospectus will be listed on the BSE and NSE. Our Company has received an 'in-principle' approval from BSE by way of its letter bearing reference number DCS/BM/Pi-BOND/002/23-24 dated April 13, 2023 and from NSE by way of its letter bearing reference number NSE/LIST/D/2023/0090 dated April 13, 2023. The application for listing of the NCDs will be made to the Stock Exchanges at an appropriate stage.

If permissions to deal in and for an official quotation of our NCDs are not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the Applicants in pursuance of this Tranche I Prospectus. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges are taken within six Working Days from the Issue Closing Date. For the avoidance of doubt, it is hereby clarified that in the event of non-subscription to any one or more of the series, such series(s) of NCDs shall not be listed.

Guarantee/Letter of comfort

This Tranche I Issue is not backed by a guarantee or letter of comfort or any other document and/or letter with similar intent.

Monitoring and Reporting of Utilisation of Issue Proceeds

There is no requirement for appointment of a monitoring agency in terms of the SEBI NCS Regulations. Our Board shall monitor the utilisation of the proceeds of the Issue. For the relevant quarters, our Company will disclose in our quarterly financial statements, the utilisation of the net proceeds of the Issue under a separate head along with details, if any, in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue

Pre-Issue Advertisement

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

Pre-closure

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

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Operational Circular for Debenture Trustees as amended from time to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

ISSUE STRUCTURE

The following are the key terms of the NCDs. This section should be read in conjunction with, and is qualified in its entirety by more detailed information in “*Terms of the Issue*” beginning on page 36.

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

The key common terms and conditions of the Term Sheet are as follows:

Issuer	Cholamandalam Investment and Finance Company Limited
Type of instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Nature of the Instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures
Mode of the Issue	Public Issue
Mode of Allotment*	In dematerialised form
Mode of Trading*	NCDs will be traded in dematerialised form
Lead Manager	A. K. Capital Services Limited.
Debenture Trustee	IDBI Trusteeship Services Limited
Depositories	NSDL and CDSL
Registrar to the Issue	KFIN Technologies Limited (<i>formerly known as KFIN Technologies Private Limited</i>)
Issue	Public issue of Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of our Company of Face Value of ₹1,000 each for an amount aggregating up to ₹5,000 crores (“ Shelf Limit ”) (“ Issue ”), on the terms and in the manner set forth herein.
Minimum Subscription	₹ 375 crore
Seniority	Senior
Tranche I Issue Size	₹ 1,000 crore
Base Issue Size	₹ 500 crore
Option to Retain Oversubscription / Green shoe option (Amount)	₹ 500 crore
Eligible Investors	Please see “ <i>Issue Procedure – Who can apply?</i> ” on page 55.
Objects of the Issue / Purpose for which there is requirement of funds	Please see “ <i>Object of the Issue</i> ” on page 24.
Details of Utilization of the Proceeds	Please see “ <i>Objects of the Issue</i> ” on page 24.
Coupon rate	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Coupon Payment Date	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Coupon Type	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Coupon reset process	NA
Interest Rate on each category of investor	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Step up/ Step Down Coupon rates	NA
Coupon payment frequency	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Day count basis	Actual / Actual
Interest on application money	NA
Default Coupon rate	Our Company shall pay interest, over and above the agreed coupon rate, in connection with any delay in allotment, refunds, listing, dematerialized credit, execution of Debenture Trust Deed, payment of interest, redemption of principal amount beyond the time limits prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated/ prescribed under applicable laws. Our Company shall pay at least two percent per annum to the debenture holder, over and above the agreed coupon rate, till the execution of the trust deed if our Company fails to execute the trust deed within such period as prescribed under applicable law.
Tenor	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Redemption Date	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Redemption Amount	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Redemption Premium/ Discount	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Face Value	₹ 1,000 per NCD.
Issue Price	₹ 1,000 per NCD.
Discount at which security is issued and the effective yield as a result of such discount	Please refer to “ <i>Specified Terms of the NCDs</i> ” on page 53 of this Tranche I Prospectus
Transaction Documents	Transaction Documents shall mean the Draft Shelf Prospectus, the Shelf Prospectus, this Tranche I Prospectus, Abridged Prospectus read with any notices, corrigenda, addenda thereto, the Debenture Trust Deed, the Deed of Hypothecation and other documents, if applicable, the letters issued by the Rating Agency, the Debenture Trustee and/or the Registrar; and various other documents/ agreements/ undertakings, entered or to be entered by our Company with Lead Manager and/or other intermediaries for the purpose of the Issue including but not limited to the Issue Agreement, the

	Debenture Trustee Agreement, the Tripartite Agreements, the Public Issue Account and Sponsor Bank Agreement, the Registrar Agreement and the Consortium Agreement, and any other document that may be designated as a Transaction Document by the Debenture Trustee. For further details see, “ <i>Material Contracts and Document for Inspection</i> ” on page 99
Put option date	NA
Put option price	NA
Call option date	NA
Call option price	NA
Put notification time	NA
Call notification time	NA
Minimum Application size and in multiples of NCD thereafter	₹ 10,000 (10 NCDs) and in multiple of ₹ 1,000 (1 NCD) thereafter.
Market Lot / Trading Lot	One NCD
Pay-in date	Application Date. The entire Application Amount is payable on Application.
Credit Ratings / Rating of the instrument	The NCDs proposed to be issued under the Issue have been rated ICRA AA+ / Stable and IND AA+ / Stable for an amount of ₹ 5,000 crores by ICRA Limited and India Ratings & Research Private Limited, respectively, vide their rating letters dated March 16, 2023 (further revalidated on April 3, 2023) and February 15, 2023 (further revalidated on March 20, 2023 and April 13, 2023), respectively
Stock Exchange/s proposed for listing of the NCDs	BSE Limited and National Stock Exchange of India Limited.
Listing and timeline for listing	The NCDs are proposed to be listed on BSE and NSE. The NCDs shall be listed within six Working Days from the date of Tranche I Issue Closure. NSE has been appointed as the Designated Stock Exchange. For more information see “ <i>Other Regulatory and Statutory Disclosures</i> ” on page 85.
Modes of payment	Please see “ <i>Issue Structure – Terms of Payment</i> ” on page 53.
Tranche I Issue opening date	April 25, 2023
Tranche I Issue closing date**	May 9, 2023
Date of earliest closing of the Tranche I Issue, if any	NA
Record date	The record date for payment of interest in connection with the NCDs or repayment of principal in connection therewith shall be 15 (fifteen) days prior to the relevant interest payment date or relevant Redemption Date for NCDs issued under this Tranche I Prospectus. In case of redemption of NCDs, the trading in the NCDs shall remain suspended between the record date and the date of redemption. In event the Record Date falls on day when the stock exchanges are having a trading holiday, the immediately subsequent trading day or a date notified by the Company to the stock exchanges shall be considered as Record Date.
Settlement mode of instrument	Redemption
All covenants of the Issue (including side letters, accelerated payment clause, etc.)	As agreed in the Debenture Trust Deed, to be executed in accordance with applicable law.
Issue Schedule	April 25, 2023 to May 9, 2023**
Description regarding security (where applicable) including type of security (movable/ immovable/ tangible etc.) type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest of the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed this Tranche I Prospectus	The principal amount of the NCDs to be issued in terms of this Tranche I Prospectus together with all interest due and payable on the NCDs, thereof shall be secured by an exclusive charge by way of hypothecation of the Receivables of the Company as identified or to be identified under the Deed of Hypothecation (“ Charged Receivables ”) for each Tranche Issue, created in favour of the Debenture Trustee, as specifically set out in and fully described in the Debenture Trust Deed, such that a security cover minimum 100% of the outstanding principal amounts and interest thereon is maintained at all times until the Maturity Date. Without prejudice to the aforesaid, in the event our Company fails to execute the Debenture Trust Deed within the period specified in Regulation 18(1) of the SEBI NCS Regulations or such other time frame as may be stipulated from time-to-time, our Company shall also pay interest of at least 2% (two per cent) per annum to the NCD holders, over and above the interest rate on the NCDs specified in this Tranche I Prospectus, till the execution of the Debenture Trust Deed. The security shall be created prior to making the listing application for the NCDs with the Stock Exchange(s). For further details on date of creation of security/likely date of creation of security minimum security cover etc., please see “ <i>Terms of the Issue – Security</i> ” on page 36.
Security Cover	Our Company shall maintain a minimum 100% security cover on the outstanding principal amounts and interest thereon.
Condition precedent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions precedents to the Issue.
Condition subsequent to the Issue	Other than the conditions set out in the Debenture Trust Deed and as specified in the SEBI NCS Regulations, there are no conditions subsequent to the Issue.
Events of default (including manner of voting/conditions of joining Inter Creditor Agreement)	Please see “ <i>Terms of the Issue – Events of Default</i> ” on page 38.
Creation of recovery expense fund	Our Company has maintained the required amount towards recovery expense fund in the manner as specified by SEBI in SEBI Operational Circular for Debenture Trustees as amended from time

	to time and Regulation 11 of the SEBI NCS Regulations with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs and informed the Debenture Trustee regarding transfer of amount toward such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	<p>Upon occurrence of any default in the performance or observance of any term, covenant, condition or provision contained in this Tranche I Prospectus and the Debenture Trust Deed and, except where the Debenture Trustee certifies that such default is in its opinion incapable of remedy within the cure period, as set out in the Debenture Trust Deed (in which case no notice shall be required), it shall constitute an event of default.</p> <p>The Debenture Trustee may, at any time, waive, on such terms and conditions as to it shall seem expedient, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof.</p> <p>Please see “<i>Terms of the Issue - Events of default</i>” on page 38.</p>
Deemed date of Allotment	The date on which the Board of Directors/or the Debenture Committee approves the Allotment of the NCDs for the Issue or such date as may be determined by the Board of Directors/ or the Debenture Committee thereof and notified to the Designated Stock Exchanges. The actual Allotment of NCDs may take place on a date other than the Deemed Date of Allotment. All benefits relating to the NCDs including interest on NCDs shall be available to the Debenture Holders from the Deemed Date of Allotment.
Roles and responsibilities of the Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, Companies Act, the simplified listing agreement(s), and the Debenture Trust Deed, each as amended from time to time. Please see section titled “ <i>Terms of the Issue- Trustees for the NCD Holders</i> ” on page 38.
Risk factors pertaining to the Issue	Please see section titled “ <i>Risk Factors</i> ” on page 15 of the Shelf Prospectus.
Governing law and Jurisdiction	Any dispute in relation to NCDs shall be governed by laws of India and courts and tribunals in Chennai, India shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the proposed issuance of NCDs.
Working day convention / Day count convention / Effect of holidays on payment	<p>Working Day means all days on which commercial banks in Mumbai are open for business. If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day (the “Effective Date”), however the dates of the future interest payments would continue to be as per the originally stipulated schedule.</p> <p>Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Maturity Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment.</p>

**In terms of Regulation 7 of the SEBI NCS Regulations, our Company will undertake this public issue of the NCDs in dematerialised form. Trading in NCDs shall be compulsorily in dematerialized form.*

*** This Tranche I Issue shall remain open for subscription on Working Days from 10 a.m. to 5 p.m.(Indian Standard Time) during the period indicated in the Prospectus, except that this Tranche I Issue may close on such earlier date or extended date as may be decided by the Board of Directors of our Company or Debenture Committee subject to compliance with Regulation 33A of the SEBI NCS Regulations. In the event of an early closure or extension of this Tranche I Issue, our Company shall ensure that notice of the same is provided to the prospective investors through an advertisement in all the newspapers in which pre-issue advertisement for opening of this Tranche I Issue have been given on or before such earlier or initial date of Tranche I Issue closure. Application Forms for this Tranche I Issue will be accepted only from 10:00 a.m. to 5:00 p.m. or such extended time as may be permitted by the Stock Exchanges, on Working Days during the Tranche I Issue Period. On the Tranche I Issue Closing Date, the Application Forms will be accepted only between 10 a.m. and 3 p.m. (Indian Standard Time) and uploaded until 5 p.m. or such extended time as may be permitted by the Stock Exchanges. Further, pending mandate requests for bids placed on the last day of bidding will be validated by 5 p.m. For further details please refer to the chapter titled “Issue Related Information” on page 36.*

For the list of documents executed/ to be executed, please see “Material Contracts and Documents for Inspection” on page 99.

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

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

The specific terms of each instrument to be issued pursuant to an Issue shall be as set out in this Tranche I Prospectus for this Tranche I Issue. Please see “*Issue Procedure*” on page 55 for details of category wise eligibility and allotment in the Issue.

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

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to this Tranche I Issue.

For further details, see “*Issue Procedure*” beginning on page 55.

Specified Terms of the NCDs

Series	I	II	III*	IV	V	VI
Frequency of Interest Payment	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
Minimum Application	₹ 10,000 (10 NCDs) across all series					
In Multiples of thereafter (₹)	₹ 1,000 (1 NCD)					
Face Value/ Issue Price of NCDs (₹/ NCD)	₹ 1,000					
Tenor	22 months	22 months	37 months	37 months	60 months	60 months
Coupon (% per annum) for NCD Holders in all Categories of Investors	8.25%	NA	8.30%	NA	8.40%	NA
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.26%	8.25%	8.30%	8.30%	8.39%	8.40%
Mode of Interest Payment	Through various modes available					
Redemption Amount (₹ / NCD) on Maturity for NCD Holders in all Categories of Investors	₹ 1,000	₹ 1,156.64	₹ 1,000	₹ 1,279.15	₹ 1,000	₹ 1,497.40
Maturity / Redemption Date (from the Deemed Date of Allotment)	22 months	22 months	37 months	37 months	60 months	60 months
Put and Call Option	Not Applicable					

*Our Company shall allocate and allot Series III NCDs wherein the Applicants have not indicated the choice of the relevant NCD Series.

With respect to Series where interest is to be paid on an annual basis, relevant interest will be paid on each anniversary of the Deemed Date of Allotment on the face value of the NCDs. The last interest payment under annual Series will be made at the time of redemption of the NCDs. Subject to applicable tax deducted at source, if any. For further details, please see the section entitled “*Statement of Possible Tax Benefits Available to the Debenture Holders*” on page 27.

Please refer to “*Annexure C*” of this Tranche I Prospectus, for details pertaining to the cash flows of the Company in accordance with the SEBI Operational Circular.

Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking Allotment of NCDs pursuant to the Issue. For further details, see “*Issue Procedure*” and “*Terms of the Issue*” on page 55 and 36.

Terms of Payment

The entire amount of face value of NCDs applied for will be blocked in the relevant ASBA Account maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. In the event of Allotment of a lesser number of NCDs than applied for, our Company shall unblock the additional amount blocked upon application in the ASBA Account, in accordance with the terms of specified in “*Terms of the Issue*” on page 36.

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

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

held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Please ensure that such Applications contain the PAN of the HUF and not of the Karta.

In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to the first named Applicant whose name appears in the Application Form and at the address mentioned therein.

Day Count Convention

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

Effect of holidays on payments

If the date of payment of interest does not fall on a Working Day, then the interest payment will be made on succeeding Working Day, however the calculation for payment of interest will be only till the originally stipulated Interest Payment Date. The dates of the future interest payments would be as per the originally stipulated schedule. Payment of interest will be subject to the deduction of tax as per Income Tax Act or any statutory modification or re-enactment thereof for the time being in force. In case the Redemption Date (also being the last Interest Payment Date) does not fall on a Working Day, the payment will be made on the immediately preceding Working Day, along with coupon/interest on the NCDs until but excluding the date of such payment.

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

For further details, see the section titled “*Issue Procedure*” on page 55.

ISSUE PROCEDURE

This section applies to all Applicants. Pursuant to the SEBI Operational Circular, all Applicants are required to apply for in the Issue through the ASBA process. Please note that all Applicants are required to pay the full Application Amount or to ensure that the ASBA Account has sufficient credit balance such that the entire Application Amount can be blocked by the SCSB while making an Application. An amount equivalent to the full Application Amount will be blocked by the SCSBs in the relevant ASBA Accounts maintained with the SCSB or under UPI mechanism (only for Retail Individual Investors), as the case may be, in the bank account of the Applicants that is specified in the ASBA Form at the time of the submission of the Application Form. Applicants should note that they may submit their Applications to the Designated Intermediaries.

Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche I Prospectus.

Please note that this section has been prepared based on the SEBI Circular SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, as amended from time to time (the “SEBI Operational Circular”) and other related circulars. Retail Individual Investors should note that they may use the UPI mechanism to block funds for application value up to UPI Application Limit (an amount up to ₹ 500,000 for issues of debt securities pursuant to SEBI circular SEBI/HO/DDHS/P/CIR/2022/0028 dated March 8, 2022 or any other investment limit, as applicable and prescribed by SEBI from time to time) submitted through the app/web interface of the Stock Exchange or through intermediaries (Syndicate Members, Registered Stockbrokers, Registrar and Transfer agent and Depository Participants).

ASBA Applicants must ensure that their respective ASBA Accounts can be blocked by the SCSBs, in the relevant ASBA accounts for the full Application Amount. Applicants should note that they may submit their Applications to the Lead Manager or Members of the Syndicate or Registered Brokers at the Broker Centres or CDPs at the Designated CDP Locations or the RTAs at the Designated RTA Locations or designated branches of SCSBs as mentioned on the Application Form ASBA Applicants should note that they may submit their ASBA Applications to the Designated Intermediaries. Applicants are advised to make their independent investigations and ensure that their Applications do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable law or as specified in this Tranche I Prospectus. Specific attention is drawn to the SEBI Operational Circular that provides for allotment in public issues of debt securities to be made on the basis of the date of upload of each application into the electronic book of the Stock Exchanges, as opposed to the date and time of upload of each such application.

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

PLEASE NOTE THAT ALL DESIGNATED INTERMEDIARIES WHO WISH TO COLLECT AND UPLOAD APPLICATION IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE WILL NEED TO APPROACH THE STOCK EXCHANGE(S) AND FOLLOW THE REQUISITE PROCEDURES AS MAY BE PRESCRIBED BY THE STOCK EXCHANGE. THE FOLLOWING SECTION MAY CONSEQUENTLY UNDERGO CHANGE BETWEEN THE DATES OF THE DRAFT SHELF PROSPECTUS, THE SHELF PROSPECTUS, THIS TRANCHE I PROSPECTUS, THE TRANCHE I ISSUE OPENING DATE AND THE TRANCHE I ISSUE CLOSING DATE.

THE LEAD MANAGER, THE CONSORTIUM MEMBER AND THE COMPANY SHALL NOT BE RESPONSIBLE OR LIABLE FOR ANY ERRORS OR OMISSIONS ON THE PART OF THE TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN CONNECTION WITH THE RESPONSIBILITY OF SUCH TRADING MEMBERS / DESIGNATED INTERMEDIARIES IN RELATION TO COLLECTION AND UPLOAD OF APPLICATIONS IN THE ISSUE ON THE ELECTRONIC APPLICATION PLATFORM PROVIDED BY THE STOCK EXCHANGE. FURTHER, THE RELEVANT STOCK EXCHANGE SHALL BE RESPONSIBLE FOR ADDRESSING INVESTOR GRIEVANCES ARISING FROM APPLICATIONS THROUGH TRADING MEMBER/ DESIGNATED INTERMEDIARIES REGISTERED WITH SUCH STOCK EXCHANGE.

Please note that for the purposes of this section, the term “Working Day” shall mean all days on which the commercial banks in Mumbai are open for business, except with reference to the Issue Period, where Working Days shall mean all days, excluding Saturdays, Sundays and public holidays on which commercial banks in Mumbai are open for business. Furthermore, for the purpose the time period between the bid/ issue closing date and the listing of the NCDs, Working Days shall mean all days of the Stock Exchange excluding Saturdays, Sundays and bank holidays as specified by SEBI.

The information below is given for the benefit of Applicants. Our Company and the Members of the Consortium are not liable for any amendment or modification or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus.

PROCEDURE FOR APPLICATION

Who can apply?

The following categories of persons are eligible to apply in the Issue.

Category I

- Public financial institutions, scheduled commercial banks, and Indian multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds and pension funds each with a minimum corpus of ₹ 25 crore, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative Investment Funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident Venture Capital Funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- State industrial development corporations;
- Insurance funds set up and managed by the army, navy, or air force of the Union of India;
- Insurance funds set up and managed by the Department of Posts, the Union of India;
- Systemically Important Non-Banking Financial Company registered with the RBI and having a net-worth of more than ₹ 500 crores as per the last audited financial statements;
- National Investment Fund set up by resolution no. F.No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; and
- Mutual funds registered with SEBI.

Category II

- Companies within the meaning of Section 2(20) of the Companies Act, 2013;
- Statutory bodies/ corporations and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Co-operative banks and regional rural banks;
- Trusts including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners;
- Limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);
- Association of Persons; and
- Any other incorporated and/ or unincorporated body of persons.

Category III

Resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating to above ₹ 1,000,000 across all options of NCDs in the Issue.

Category IV

Retail individual investors – resident Indian individuals or Hindu Undivided Families through the Karta applying for an amount aggregating up to and including ₹ 1,000,000 across all options of NCDs in the Issue and shall include retail individual investors, who have submitted bid for an amount not more than UPI Application Limit (i.e., ₹ 500,000 for issue of debt securities) in any of the bidding options in the Issue (including Hindu Undivided Families applying through their Karta and does not include NRIs) through UPI Mechanism.

Please note that it is clarified that Persons Resident outside India shall not be entitled to participate in the Issue and any applications from such persons are liable to be rejected.

Participation of any of the aforementioned categories of persons or entities is subject to the applicable statutory and/or regulatory requirements in connection with the subscription to Indian securities by such categories of persons or entities.

Applicants are advised to ensure that Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. Applicants are advised to ensure that they have obtained the necessary statutory and/or regulatory permissions/consents/approvals in connection with applying for, subscribing to, or seeking allotment of NCDs pursuant to the Issue.

The Lead Manager, Members of Consortium and their respective associates and affiliates are permitted to subscribe in this Tranche I Issue.

Applications cannot be made by:

- (a) The following categories of persons, and entities, shall not be eligible to participate in the Issue and any Applications from such persons and entities are liable to be rejected: Minors without a guardian name* (A guardian may apply on behalf of a minor. However, Applications by minors must be made through Application Forms that contain the names of both the minor Applicant and the guardian);
- (b) Foreign nationals NRI inter-alia including any NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA;
- (c) Persons resident outside India and other foreign entities;
- (d) Foreign Institutional Investors;
- (e) Foreign Portfolio Investors;
- (f) Non Resident Indians;
- (g) Qualified Foreign Investors;
- (h) Overseas Corporate Bodies**;
- (i) Foreign Venture Capital Funds; and
- (j) Persons ineligible to contract under applicable statutory/ regulatory requirements.

* Applicant shall ensure that guardian is competent to contract under Indian Contract Act, 1872

The Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges by the Designated Intermediaries.

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of such Applications, the Registrar to the Issue shall verify the above on the basis of the records provided by the Depositories based on the DP ID and Client ID provided by the Applicants in the Application Form and uploaded onto the electronic system of the Stock Exchanges.

** *The concept of Overseas Corporate Bodies (meaning any company, partnership firm, society and other corporate body or overseas trust irrevocably owned/held directly or indirectly to the extent of at least 60% by NRIs), which was in existence until 2003, was withdrawn by the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies) Regulations, 2003. Accordingly, OCBs are not permitted to invest in the Issue.*

How to apply?

Availability of the Draft Shelf Prospectus, the Shelf Prospectus and this Tranche I Prospectus, Abridged Prospectus and Application Forms.

Physical copies of the Abridged Prospectus containing the salient features of the Shelf Prospectus, this Tranche I Prospectus together with Application Forms may be obtained from our Registered Office and Corporate Office, offices of the Lead Manager, offices of the Consortium Member, the Registrar to the Issue, Designated RTA Locations for RTAs, Designated CDP Locations for CDPs and the Designated Branches of the SCSBs.

Additionally, electronic copies of the Draft Shelf Prospectus, Shelf Prospectus, this Tranche I Prospectus and the Application Forms will be available.

- (i) for download on the website of BSE and NSE at www.bseindia.com and www.nseindia.com, respectively, and the website of the Lead Manager at www.akgroup.co.in.
- (ii) at the designated branches of the SCSBs and the Members of the Consortium at the Specified Locations.

Electronic copies of the Prospectus along with the downloadable version of the Application Form will be available on the websites of the Lead Manager, the Stock Exchanges, SEBI and SCSBs

Electronic Application Forms will also be available on the website of the Stock Exchanges and on the websites of the SCSBs that permit the submission of Applications electronically. A hyperlink to the website of the Stock Exchange for this facility will be provided on the website of the Lead Manager and the SCSBs. Further, Application Forms will also be provided to Designated Intermediaries at their request. A Unique Application number (“UAN”) will be generated for every Application Form downloaded from the websites of Stock Exchanges

Our Company may also provide Application Forms for being downloaded and filled at such websites as it may deem fit. In addition, brokers having online demat account portals may also provide a facility of submitting the Application Forms virtually online to their account holders.

Trading Members of the Stock Exchanges can download Application Forms from the websites of the Stock Exchanges. Further, Application Forms will be provided to Trading Members of the Stock Exchanges at their request.

Please note that there is a single Application Form for all Applicants who are Persons Resident in India.

Please note that only ASBA Applicants shall be permitted to make an application for the NCDs.

Method of Application

In terms of SEBI Operational circular, an eligible investor desirous of applying in the Issue can make Applications only through the ASBA process only.

All Applicants shall mandatorily apply in the Issue through the ASBA process only. Applicants intending to subscribe in the Issue shall submit a duly filled Application form to any of the Designated Intermediaries. Designated Intermediaries (other than SCSBs) shall submit/deliver the Application Form (except the Application Form from a retail individual investor bidding using the UPI mechanism) to the respective SCSB, where such investor has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Applicants are requested to note that in terms of the SEBI Operational Circular, SEBI has mandated issuers to provide, through a recognized stock exchange which offers such a facility, an online interface enabling direct application by investors to a public issue of debt securities with an online payment facility (“**Direct Online Application Mechanism**”). In this regard, SEBI has, through the SEBI Operational Circular, directed recognized Stock Exchange in India to put in necessary systems and infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism infrastructure for the implementation of the SEBI Operational Circular and the Direct Online Application Mechanism. The Direct Online Application facility will be available for this Issue as per mechanism provided in the SEBI Operational Circular

Applicants should submit the Application Form only at the bidding centres, *i.e.* to the respective Members of the Consortium at the Specified Locations, the SCSBs at the Designated Branches, the Registered Broker at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations. Kindly note that Application Forms submitted by Applicants at the Specified Locations will not be accepted if the SCSB with which the ASBA Account, as specified in the Application Form is maintained has not named at least one branch at that location for the Designated Intermediaries for deposit of the Application Forms. A list of such branches is available at <http://www.sebi.gov.in>.

The relevant Designated Intermediaries, upon receipt of physical Application Forms from ASBA Applicants, shall upload the details of these Application Forms to the online platform of the Stock Exchanges and submit these Application Forms with the SCSB with whom the relevant ASBA Accounts are maintained.

An Applicant shall submit the Application Form, which shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form. Further, the Application may also be submitted through the app or web interface developed by Stock Exchanges wherein the Application is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI mechanism, as applicable.

Designated Intermediaries (other than SCSBs) shall not accept any Application Form from a RIB who is not applying using the UPI Mechanism. For RIBs using UPI Mechanism, the Stock Exchange shall share the bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. An Applicant shall submit the Application Form, in physical form, the Application Form shall be stamped at the relevant Designated Branch of the SCSB. Application Forms in physical mode, which shall be stamped, can also be submitted to be the Designated Intermediaries at the Specified Locations. The SCSB shall block an amount in the ASBA Account equal to the Application Amount specified in the Application Form.

Our Company, our Directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to ASBA Applications accepted by the Designated Intermediaries, Applications uploaded by SCSBs, Applications accepted but not

uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount has been blocked in the relevant ASBA Account. Further, all grievances against Designated Intermediaries in relation to this Tranche I Issue should be made by Applicants directly to the relevant Stock Exchanges.

In terms of the SEBI Operational Circular, an eligible investor desirous of applying in this Tranche I Issue can make Applications through the following modes:

1. **Through Self-Certified Syndicate Bank (SCSB) or intermediaries** (viz. Syndicate members, Registered Stock Brokers, Registrar and Transfer agent and Depository Participants)
 - a. An investor may submit the bid-cum-application form, with ASBA as the sole mechanism for making payment, physically at the branch of a SCSB, i.e. investor's bank. For such applications, the existing process of uploading of bid on the Stock Exchange bidding platform and blocking of funds in investors account by the SCSB would continue.
 - b. An investor may submit the completed bid-cum-application form to intermediaries mentioned above along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.
 - c. An investor may submit the bid-cum-application form with a SCSB or the intermediaries mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is Rs.5 Lakh or less. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI mechanism in this case.
2. **Through Stock Exchanges**
 - a. An investor may submit the bid-cum-application form through the App or web interface developed by Stock Exchange (or any other permitted methods) wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism.
 - b. The Stock Exchanges have extended their web-based platforms i.e., 'BSEDirect' and 'NSE goBID' to facilitate investors to apply in public issues of debt securities through the web based platform and mobile app with a facility to block funds through Unified Payments Interface (UPI) mechanism for application value up to Rs. 5 Lakh. To place bid through 'BSEDirect' and 'NSE goBID' platform/ mobile app the eligible investor is required to register himself/ herself with BSE Direct/ NSE goBID.
 - c. An investor may use the following links to access the web-based interface developed by the Stock Exchanges to bid using the UPI Mechanism: BSE: <https://www.bsedirect.com>; and NSE: <https://www.nseindiaipo.com>
 - d. The BSE Direct and NSE goBID mobile application can be downloaded from play store in android phones. Kindly search for 'BSEdirect' or 'NSE goBID' on Google Playstore for downloading mobile applications
 - e. To further clarify the submission of bids through the App or web interface, the BSE has issued operational guidelines and circulars dated December 28, 2020 available at <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-60>, and <https://www.bseindia.com/markets/MarketInfo/DispNewNoticesCirculars.aspx?page=20201228-61>. Similar circulars by NSE can be found here: x <https://www1.nseindia.com/content/circulars/IPO46907.zip> x <https://www1.nseindia.com/content/circulars/IPO46867.zip>. Further, NSE has allowed its 'GoBid' mobile application which is currently available for placing bids for non-competitive bidding shall also be available for applications of public issues of debt securities. For further details, see "*Process for investor application submitted with UPI as mode of payment*" on page 70.

Application Size

Each Application should be for a minimum of 10 NCDs and in multiples of one NCD thereafter for all options of NCDs, as specified in this Tranche I Prospectus.

Applicants can apply for any or all types of NCDs offered hereunder (any/all series) provided the Applicant has applied for minimum application size using the same Application Form.

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

APPLICATIONS BY VARIOUS APPLICANT CATEGORIES

Applications by Mutual Funds

Pursuant to the SEBI circular SEBI/HO/IMD/DF2/CIR/P/2019/104 dated October 1, 2019 (“**SEBI Circular 2019**”), mutual funds are required to ensure that the total exposure of debt schemes of mutual funds in a particular sector shall not exceed 20 % of the net assets value of the scheme. Further, the additional exposure limit provided for financial services sector not exceeding 10 % of net assets value of scheme shall be allowed only by way of increase in exposure to HFCs. However the overall exposure in HFCs shall not exceed the sector exposure limit of 20 % of the net assets of the scheme. Further, the group level limits for debt schemes and the ceiling be fixed at 10 % of net assets value extendable to 15 % of net assets value after prior approval of the board of trustees.

A separate Application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such Applications shall not be treated as multiple Applications. Applications made by the asset management companies or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which the Application is being made. An Application Form by a mutual fund registered with SEBI for Allotment of the NCDs must also be accompanied by certified true copies of (i) its SEBI registration certificates (ii) the trust deed in respect of such mutual fund (iii) a resolution authorising investment and containing operating instructions and (iv) specimen signatures of authorized signatories. **Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Application by Scheduled Commercial Banks, Co-operative Banks and Regional Rural Banks

Scheduled commercial banks, co-operative banks and regional rural banks can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) a board resolution authorising investments; and (ii) a letter of authorisation. Failing this, our Company reserves the right to accept or reject any Application from a Mutual Fund for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.

Pursuant to SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Application by Systemically Important Non-Banking Financial Companies

Systemically Important Non-Banking Financial Companies can apply in the Issue based upon their own investment limits and approvals. Applications by them for Allotment of the NCDs must be accompanied by certified true copies of (i) their memorandum and articles of association/charter of constitution; (ii) power of attorney; (iii) a board resolution authorising investments; and (iv) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Application by Insurance Companies

Insurance companies registered with IRDAI can apply in the Issue based on their own investment limits and approvals in accordance with the regulations, guidelines and circulars issued by the IRDAI. The Application Form must be accompanied by certified true copies of their (i) certificate registered with the IRDAI; (ii) memorandum and articles of association/charter of constitution; (iii) power of attorney; (iv) resolution authorising investments/containing operating instructions; and (v) specimen signatures of authorised signatories. **Failing this, our Company reserves the right to accept or reject any Application for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by alternative investments funds

Applications made by 'alternative investment funds' eligible to invest in accordance with the SEBI AIF Regulations for Allotment of the NCDs must be accompanied by certified true copies of (i) SEBI registration certificate; (ii) a resolution authorising investment and containing operating instructions; and (iii) specimen signatures of authorised persons. The alternative investment funds shall at all times comply with the requirements applicable to it under the SEBI AIF Regulations and the relevant notifications issued by SEBI. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by Trusts

In case of Applications made by trusts, settled under the Indian Trusts Act, 1882, as amended, or any other statutory and/or regulatory provision governing the settlement of trusts in India, must submit a (i) certified copy of the registered instrument for creation of such trust, (ii) power of attorney, if any, in favour of one or more trustees thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them

under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by public financial institutions or statutory corporations, which are authorized to invest in the NCDs

The Application must be accompanied by certified true copies of: (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof. Applications made by companies, bodies corporate and societies registered under the applicable laws in India**

The Application must be accompanied by certified true copies of: (i) any Act/ rules under which they are incorporated; (ii) board resolution authorising investments; and (iii) specimen signature of authorized person. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications made by Indian scientific and/ or industrial research organizations, which are authorized to invest in the NCDs

Applications by scientific and/ or industrial research organisations which are authorised to invest in the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which such Applicant is incorporated; (ii) a resolution of the board of directors of such Applicant authorising investments; and (iii) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications made by Partnership firms formed under applicable Indian laws in the name of the partners and limited liability partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008

Applications made by partnership firms and limited liability partnerships formed and registered under the Limited Liability Partnership Act, 2008 must be accompanied by certified true copies of: (i) the partnership deed for such Applicants; (ii) any documents evidencing registration of such Applicant thereof under applicable statutory/regulatory requirements; (iii) a resolution authorizing the investment and containing operating instructions; and (iv) specimen signature of authorized persons of such Applicant. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications under a power of attorney by limited companies, corporate bodies and registered societies

In case of Applications made pursuant to a power of attorney by Applicants from Category I and Category II, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Application Form.

In case of Applications made pursuant to a power of attorney by Applicants who are HNI Investors or Retail Individual Investors, a certified copy of the power of attorney must be lodged along with the Application Form.

In case of physical ASBA Applications made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the Application Form. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Application Forms subject to such terms and conditions that our Company and the Lead Manager may deem fit.

Applications by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment

In case of Applications made by associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, must submit a (i) certified copy of the certificate of registration or proof of constitution, as applicable, (ii) power of attorney, if any, in favour of one or more persons thereof, (iii) such other documents evidencing registration thereof under applicable statutory/regulatory requirements. Further, any trusts applying for NCDs pursuant to the Issue must ensure that (a) they are authorized under applicable statutory/regulatory requirements and their constitution instrument to hold and invest in debentures, (b) they have obtained all necessary approvals, consents or other authorisations, which may be required under applicable statutory and/or regulatory requirements to invest in debentures, and (c) Applications made by them do not exceed the investment limits or maximum number of NCDs that can be held by them under applicable statutory and or regulatory provisions. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorized to invest in the NCDs

Applications by provident funds, pension funds, superannuation funds and gratuity funds which are authorised to invest in the NCDs, for Allotment of the NCDs must be accompanied by certified true copies of: (i) any Act/rules under which they are incorporated; (ii) a power of attorney, if any, in favour of one or more trustees thereof; (iii) a board resolution authorising investments; (iv) such other documents evidencing registration thereof under applicable statutory/regulatory requirements; (v) specimen signature of authorized person; (vi) a certified copy of the registered instrument for creation of such fund/trust; and (vii) any tax exemption certificate issued by the Income Tax authorities. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by National Investment Funds

Application made by a national investment fund for Allotment of the NCDs must be accompanied by certified true copies of: (i) a resolution authorising investment and containing operating instructions; and (ii) specimen signatures of authorized persons. **Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the NCDs in whole or in part, in either case, without assigning any reason thereof.**

Applications by non-banking financial companies

Non-banking financial companies can apply in the Issue based on their own investment limits and approvals. Applications made by non-banking financial companies registered with the RBI and under other applicable laws in India must be accompanied by certified true copies of: (i) board resolution authorising investments; and (ii) specimen signature of authorized person.

For each of the above applicant categories if the Application is not made in the form and along with the requirements set out above, the Company reserves the right to accept or reject any Applications in whole or in part, in either case, without assigning any reason therefor.

APPLICATIONS FOR ALLOTMENT OF NCDs IN THE DEMATERIALISED FORM

Submission of Applications

This section is for the information of the Applicants proposing to subscribe to the Issue. The Lead Manager and our Company are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Tranche I Prospectus. Applicants are advised to make their independent investigations and to ensure that the Application Form is correctly filled up.

Our Company, our directors, affiliates, associates and their respective directors and officers, Lead Manager and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms from the Applicants in the Issue, or Applications accepted and uploaded without blocking funds in the ASBA Accounts by SCSBs. It shall be presumed that for Applications uploaded by SCSBs, the Application Amount payable on Application has been blocked in the relevant ASBA Account. The list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive Application Forms from the Members of the Syndicate is available on the website of SEBI (<http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>) and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Application Forms from the Members of the Syndicate at Specified Locations, see the website of the SEBI <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes> as updated from time to time or any such other website as may be prescribed by SEBI from time to time. The list of Registered Brokers at the Broker Centres, CDPs at the Designated CDP Locations or the CRTAs at the Designated CRTA Locations, respective lists of which, including details such as address and telephone number, are available at the websites of the Stock Exchange at www.bseindia.com. The list of branches of the SCSBs at the Broker Centres, named by the respective SCSBs to receive deposits of the Application Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) and updated from time to time.

Applications can be submitted through either of the following modes:

- a. Physically or electronically to the Designated Branches of the SCSB(s) with whom an Applicant's ASBA Account is maintained. In case of Application in physical mode, the Applicant shall submit the Application Form at the relevant Designated Branch of the SCSB(s). The Designated Branch shall verify if sufficient funds equal to the Application Amount are available in the ASBA Account and shall also verify that the signature on the Application Form matches with the Applicant's bank records, as mentioned in the Application Form, prior to uploading such Application into the electronic system of the Stock Exchange. If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Application and shall not upload such Application in the electronic system of the Stock Exchange. If sufficient funds are available in the ASBA Account, the Designated Branch shall block an amount equivalent to the Application Amount and upload details of the Application in the electronic system of the Stock Exchange. The Designated Branch of the SCSBs shall stamp the Application Form and issue an acknowledgement as proof of having accepted the Application. In case of Application being made in the electronic mode, the Applicant shall submit the Application either through the internet banking facility available with the SCSB, or such other

electronically enabled mechanism for application and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Application.

- b. Physically through the Members of Consortium, or Trading Members of the Stock Exchanges only at the Specified Cities (Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bangalore, Hyderabad, Pune, Vadodara and Surat), i.e. Syndicate ASBA. Kindly note that ASBA Applications submitted to the Members of Consortium or Trading Members of the Stock Exchanges at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Application, is maintained has not named at least one branch at that Specified City for the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, to deposit ASBA Applications (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).
- c. A UPI Investor making an Application in the Issue under the UPI Mechanism, where the Application Amount is up to the UPI Application Limit, can submit his Application Form physically to a SCSB or a Designated Intermediary. The Designated Intermediary shall upload the application details along with the UPI ID on the Stock Exchange's bidding platform using appropriate protocols. Kindly note that in this case, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

A UPI Investor may also submit the Application Form for the Issue through BSE Direct, wherein the Application will be automatically uploaded onto the Stock Exchange's bidding platform and an amount equivalent to the Application Amount shall be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of the Application Form by the Designated Intermediaries, an acknowledgement shall be issued by the relevant Designated Intermediary, giving the counter foil of the Application Form to the Applicant as proof of having accepted the Application. Thereafter, the details of the Application shall be uploaded in the electronic system of the Stock Exchanges and the Application Form shall be forwarded to the relevant branch of the SCSB, in the relevant Collection Center, named by such SCSB to accept such Applications from the Designated Intermediaries (a list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>). Upon receipt of the Application Form, the relevant branch of the SCSB shall perform verification procedures including verification of the Applicant's signature with his bank records and check if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form. If sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of this Tranche I Issue or until withdrawal/ rejection of the Application Form, as the case may be. In case of an Application not involving an Application by an RIB through UPI Mechanism, if sufficient funds are not available in the ASBA Account, the relevant Application Form is liable to be rejected. If sufficient funds are available in the ASBA Account, the relevant branch of the SCSB shall block an amount equivalent to the Application Amount mentioned in the Application Form. The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the Issue or until withdrawal/ rejection of the Application Form, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, if an Applicant submits the Application Form with a Designated Intermediary and uses his/ her bank account linked UPI ID for the purpose of blocking of funds, where the application value is up to UPI Application Limit, the Application Amount will be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant and the Designated Intermediary shall upload the Application on the bidding platform developed by the Stock Exchange. If an Applicant submits the Application Form through the application or web interface developed by Stock Exchange, the bid will automatically be uploaded onto the Stock Exchange bidding platform and the amount will be blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Applicants must note that:

- a. Physical Application Forms will be available with the Designated Branches of the SCSBs and with the Designated Intermediaries (other than Trading Members of the Stock Exchanges) at the respective Collection Centers; and electronic Application Forms will be available on the websites of the SCSBs and the Stock Exchanges at least one day prior to the Tranche I Issue Opening Date. Physical Application Forms will also be provided to the Trading Members of the Stock Exchanges at their request. The Application Forms would be serially numbered. Further, the SCSBs will ensure that the electronic version of the Shelf Prospectus and this Tranche I Prospectus is made available on their websites. The physical Application Form submitted to the Designated Intermediaries shall bear the stamp of the relevant Designated Intermediary. In the event the Application Form does not bear any stamp, the same shall be liable to be rejected.
- b. The Designated Branches of the SCSBs shall accept Applications directly from Applicants only during the Issue Period. The SCSB shall not accept any Application directly from Applicants after the closing time of acceptance of Applications on the Tranche I Issue Closing Date. However, the relevant branches of the SCSBs at Specified Locations can accept Application Forms from the Designated Intermediaries, after the closing time of acceptance of Applications

on the Issue Closing Date, if the Applications have been uploaded. For further information on the Issue programme, please refer to “*Issue Structure*” on page 50 of this Tranche I Prospectus.

- c. Physical Application Forms directly submitted to SCSBs should bear the stamp of SCSBs, if not, the same are liable to be rejected.

Please note that ASBA Applicants can make an Application for Allotment of NCDs in the dematerialized form only.

Submission of Direct Online Applications

Please note that clarifications and/or confirmations regarding the implementation of the requisite infrastructure and facilities in relation to direct online applications and online payment facility have been sought from the Stock Exchanges.

In the event the Direct Online Application facility is implemented by the Stock Exchanges, relevant “know your customer” details of such Applicants will be validated online from the Depositories, on the basis of the DP ID and Client ID provided by them in the Application Form. On successful submission of a Direct Online Application, the Applicant will receive a system-generated unique application number (“UAN”) and an SMS or an email confirmation on credit of the requisite Application Amount paid through the online payment facility with the Direct Online Application. On Allotment, the Registrar to the Issue shall credit NCDs to the beneficiary account of the Applicant and in case of refund, the refund amount shall be credited directly to the Applicant’s bank account. Applicants applying through the Direct Online Application facility must preserve their UAN and quote their UAN in: (a) any cancellation/withdrawal of their Application; (b) in queries in connection with Allotment of NCDs and/or refund(s); and/or (c) in all investor grievances/complaints in connection with the Issue.

As per the SEBI Operational Circular, the availability of the Direct Online Applications facility is subject to the Stock Exchanges putting in place the necessary systems and infrastructure, and accordingly the aforementioned disclosures are subject to any further clarifications, notification, modification deletion, direction, instructions and/or correspondence that may be issued by the Stock Exchanges and/or SEBI.

Payment instructions

Payment mechanism for Applicants

An Applicant shall specify details of the ASBA Account Number in the Application Form and the relevant SCSB shall block an amount equivalent to the Application Amount in the ASBA Account specified in the Application Form.

An Applicant may submit the completed Application Form to Designated Intermediaries along with details of his/her bank account for blocking of funds. The intermediary shall upload the bid on the Designated Stock Exchange bidding platform and forward the application form to a branch of a SCSB for blocking of funds.

ASBA Applicants should ensure that they have funds equal to the Application Amount in the ASBA Account before submitting the ASBA Application to the Members of Consortium or Trading Members of the Stock Exchange, as the case may be, at the Specified Cities or to the Designated Branches of the SCSBs. An ASBA Application where the corresponding ASBA Account does not have sufficient funds equal to the Application Amount at the time of blocking the ASBA Account is liable to be rejected.

The Application Amount shall remain blocked in the ASBA Account until approval of the Basis of Allotment and consequent transfer of the amount against the Allotted NCDs to the Public Issue Account(s), or until withdrawal/ failure of the relevant Issue or until withdrawal/ rejection of the Application Form, as the case may be. Once the Basis of Allotment is approved, and upon receipt of intimation from the Registrar, the controlling branch of the SCSB shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account. The balance amount remaining after the finalization of the Basis of Allotment shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB within 6 (six) Working Days of the relevant Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the relevant Issue or until rejection of the ASBA Application, as the case may be.

In case of Application involving an Application by an RIB through UPI Mechanism, an Applicant may submit the Application Form with a SCSB or the Designated mentioned above and use his / her bank account linked UPI ID for the purpose of blocking of funds, if the application value is up to the UPI Application Limit. The intermediary shall upload the bid on the Stock Exchange bidding platform. The application amount would be blocked through the UPI Mechanism once the mandate request has been successfully accepted by the Applicant in this case.

An Applicant may submit the Application Form through the App or web interface developed by Stock Exchanges wherein the bid is automatically uploaded onto the Stock Exchange bidding platform and the amount is blocked using the UPI Mechanism once the mandate request has been successfully accepted by the Applicant.

Upon receipt of an intimation from the Registrar to the Issue, the SCSBs shall, on the Designated Date, transfer such blocked amount from the ASBA Account to the Public Issue Account in terms of the Public Issue Account and Sponsor Bank Agreement. The balance amount remaining after the finalisation of the Basis of Allotment shall be unblocked by the SCSBs on

the basis of the instructions issued in this regard by the Registrar to the Issue to the respective SCSB within six Working Days of the Issue Closing Date. The Application Amount shall remain blocked in the ASBA Account until transfer of the Application Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the Application, as the case may be.

Additional information for Applicants

1. Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected.
2. No separate receipts will be issued for the money blocked on the submission of Application Form. However, the collection centre of the Designated Intermediaries will acknowledge the receipt of the Application Forms by stamping and returning to the Applicant the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant.
3. Applications should be submitted on the Application Form only. In the event that physical Application Forms do not bear the stamp of the Designated Intermediaries, or the relevant Designated Branch, as the case may be, they are liable to be rejected.
4. Application Forms submitted by Applicants shall be for allotment of NCDs only in dematerialized form.

Applicants are advised not to submit Application Forms to Public Issue Account Banks and the same will be rejected in such cases and the Applicants will not be entitled to any compensation whatsoever.

Filing of the Shelf Prospectus and the relevant Tranche Prospectus with ROC

A copy of the Shelf Prospectus and the relevant Tranche Prospectus have been filed with the ROC in accordance with Section 26 and Section 31 of the Companies Act, 2013.

Pre-Issue Advertisement

Our Company will issue a statutory advertisement in compliance with of SEBI NCS Regulations on or before the Tranche I Issue Opening Date of this Tranche I Issue. This advertisement will contain the information as prescribed under the SEBI NCS Regulations and Section 30 of the Companies Act, 2013. Material updates, if any, between the date of filing of the Shelf Prospectus and this Tranche I Prospectus with the ROC and the date of release of the statutory advertisement will be included in the statutory advertisement.

General Instructions for completing the Application Form

- a. Applications must be made in prescribed Application Form only;
- b. Applicants should ensure that their Application Form is submitted either at a Designated Branch of a SCSB where the ASBA Account is maintained or with the Members of the Syndicate or Trading Members of the stock exchange(s) at the Specified Cities, and not directly to the escrow collecting banks (assuming that such bank is not a SCSB) or to the Company or the Registrar to the Issue.
- c. Applications through Syndicate ASBA, before submitting the physical Application Form to the Members of the Syndicate or Trading Members of the stock exchange(s), ensure that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at-least one branch in that Specified City for the Members of the Syndicate or Trading Members of the stock exchange(s), as the case may be, to deposit ASBA Forms (A list of such branches is available at <http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/> Recognised-Intermediaries)
- c. Application Forms must be completed in block letters in English, as per the instructions contained in the Shelf Prospectus, this Tranche I Prospectus, the Abridged Prospectus and the Application Form.
- c. Applications should be in single or joint names and not exceeding three names, and in the same order as their Depository Participant details (in case of Applicants applying for Allotment of the Bonds in dematerialised form) and Applications should be made by Karta in case the Applicant is an HUF. Please ensure that such Applications contain the PAN of the HUF and not of the Karta. If the Application is submitted in joint names, the Application Form should contain only the name of the first Applicant whose name should also appear as the first holder of the depository account held in joint names.
- d. Applicants applying for Allotment in dematerialized form must provide details of valid and active DP ID, Client ID and PAN clearly and without error. On the basis of such Applicant's active DP ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Members of the Syndicate at the Syndicate ASBA Application Locations and the Trading Members, as the case may be, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs

- e. Applications must be for a minimum of 10 (Ten) NCDs and in multiples of 1 NCD thereafter. For the purpose of fulfilling the requirement of minimum application size of 10 (Ten) NCDs, an Applicant may choose to apply for 10 (Ten) NCDs or more in a single Application Form.
- f. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.
- g. Applications should be made by Karta in case of HUFs. Applicants are required to ensure that the PAN details of the HUF are mentioned and not those of the Karta.
- h. Thumb impressions and signatures other than in English/Hindi/Gujarati/Marathi or any other languages specified in the 8th Schedule of the Constitution needs to be attested by a Magistrate or Notary Public or a Special Executive Magistrate under his/her seal;
- i. No separate receipts will be issued for the money payable on the submission of the Application Form. However, the Members of Consortium, Trading Members of the Stock Exchanges or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the Transaction Registration Slip (“TRS”). This TRS will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the Lead Manager, Trading Member of the Stock Exchanges or the Designated Branch of the SCSBs, as the case may be.
- j. The Designated Intermediaries or the Designated Branches of the SCSBs, as the case may be, will acknowledge the receipt of the Application Forms by stamping and returning to the Applicants the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Application Form for the records of the Applicant. Applicants must ensure that the requisite documents are attached to the Application Form prior to submission and receipt of acknowledgement from the relevant Designated Intermediaries or the Designated Branch of the SCSBs, as the case may be.
- k. Every Applicant should hold a valid PAN and mention the same in the Application Form and submit the same. Applicant without PAN is liable to be rejected, irrespective of the amount
- l. All Applicants are required to tick the relevant column of “Category of Investor” in the Application Form.
- m. Applicants should correctly mention the ASBA Account number and UPI ID in case applying through UPI mechanism, and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and also ensure that the signature in the Application Form matches with the signature in Applicant’s bank records, otherwise the Application is liable to be rejected
- n. Applicants must provide details of valid and active DP ID, UPI ID, Client ID and PAN clearly and without error. On the basis of such Applicant’s active DP ID, UPI ID, Client ID and PAN provided in the Application Form, and as entered into the electronic Application system of Stock Exchanges by SCSBs, the Designated Intermediaries, the Registrar will obtain from the Depository the Demographic Details. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended may not be considered for Allotment of the NCDs. If the ASBA Account holder is different from the Applicant, the Application Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the Application Form. Not more than five Applications can be made from one single ASBA Account;
- o. For Applicants, the Applications in physical mode should be submitted to the SCSBs or a member of the Syndicate or to the Trading Members of the Stock Exchanges on the prescribed Application Form. SCSBs may provide the electronic mode for making Application either through an internet enabled banking facility or such other secured, electronically enabled mechanism for Application and blocking funds in the ASBA Account;
- p. Application Forms should bear the stamp of the Member of the Syndicate, Trading Member of the Stock Exchanges, Designated Intermediaries and/or Designated Branch of the SCSB. Application Forms which do not bear the stamp will be rejected.
- q. Applicant should correctly mention the ASBA Account number and UPI ID in case applying through UPI Mechanism and ensure that funds equal to the Application Amount are available in the ASBA Account before submitting the Application Form and ensure that the signature in the Application Form matches with the signature in the Applicant’s bank records.

The series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries in the data entries as such data entries will be considered for allotment.

Applicants should note that neither the Designated Intermediaries nor the SCSBs, as the case may be, will be liable for error in data entry due to incomplete or illegible Application Forms. Our Company would allot the NCDs, as specified in this Tranche I Prospectus for the Issue to all valid Applications, wherein the Applicants have not indicated their choice of the relevant series of NCDs.

Applicants' PAN, Depository Account and Bank Account Details

ALL APPLICANTS APPLYING FOR ALLOTMENT OF THE NCDs SHOULD MENTION THEIR DP ID, UPI ID (IN CASE APPLYING THROUGH UPI MECHANISM), CLIENT ID AND PAN IN THE APPLICATION FORM. APPLICANTS MUST ENSURE THAT THE DP ID, UPI ID, CLIENT ID AND PAN GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE DP ID, UPI ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IF THE BENEFICIARY ACCOUNT IS HELD IN JOINT NAMES, THE APPLICATION FORM SHOULD CONTAIN THE NAME AND PAN OF BOTH THE HOLDERS OF THE BENEFICIARY ACCOUNT AND SIGNATURES OF BOTH HOLDERS WOULD BE REQUIRED IN THE APPLICATION FORM.

Applicants applying for Allotment in dematerialised form must mention their DP ID and Client ID in the Application Form and ensure that the name provided in the Application Form is exactly the same as the name in which the Beneficiary Account is held. In case the Application Form for Allotment in dematerialised form is submitted in the first Applicant's name, it should be ensured that the Beneficiary Account is held in the same joint names and in the same sequence in which they appear in the Application Form. In case the DP ID, Client ID and PAN mentioned in the Application Form for Allotment in dematerialised form and entered into the electronic system of the Stock Exchanges do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form for Allotment in dematerialised form is liable to be rejected. Further, Application Forms submitted by Applicants applying for Allotment in dematerialised form, whose beneficiary accounts are inactive, will be rejected

On the basis of the DP ID, UPI ID, Client ID and PAN provided by them in the Application Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Applicants including PAN and MICR code. These Demographic Details would be used for giving Allotment Advice and refunds, if any, to the Applicants. Hence, Applicants are advised to immediately update their Demographic Details (including bank account details) as appearing on the records of the Depository Participant and ensure that they are true and correct. Please note that failure to do so could result in delays in despatch/ credit of refunds, if any, to Applicants, delivery of Allotment Advice or unblocking of ASBA Accounts at the Applicants' sole risk, and neither the Members of the Consortium nor the Designated Intermediaries, nor the Registrar, nor the Banker(s) to the Issue, nor the SCSBs, nor our Company shall have any responsibility and undertake any liability for the same.

Applicants should note that in case the DP ID, Client ID and PAN mentioned in the Application Form, as the case may be and entered into the electronic Application system of the Stock Exchanges by the Members of the Consortium or the Designated Intermediaries, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database or in case PAN is not available in the Depository database, the Application Form is liable to be rejected and our Company, the Members of the Consortium and the other Designated Intermediaries shall not be liable for losses, if any.

These Demographic Details would be used for all correspondence with the Applicants including mailing of the Allotment Advice and for refunds (if any) as applicable. The Demographic Details given by Applicants in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to this Tranche I Issue.

By signing the Application Form, Applicants applying for the NCDs would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records. The Demographic Details given by Applicant in the Application Form would not be used for any other purpose by the Registrar to the Issue except in relation to the Issue.

Allotment Advice would be mailed by speed post or registered post at the address of the Applicants as per the Demographic Details received from the Depositories. Applicants may note that delivery of Allotment Advice may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Further, please note that any such delay shall be at such Applicants' sole risk and neither our Company, Banker(s) to the Issue, Registrar to the Issue nor the Lead Manager shall be liable to compensate the Applicant for any losses caused to the Applicants due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in this Tranche I Prospectus, refunds may be delayed if bank particulars obtained from the Depository Participant are incorrect.

In case of Applications made under powers of attorney, our Company in its absolute discretion, reserves the right to permit the holder of a power of attorney to request the Registrar to the Issue that for the purpose of printing particulars on and mailing of the Allotment Advice through speed post or registered post, the Demographic Details obtained from the Depository of the Applicant shall be used.

With effect from August 16, 2010, the beneficiary accounts of Applicants for whom PAN details have not been verified shall be suspended for credit and no credit of NCDs pursuant to this Tranche I Issue will be made into the accounts of the Applicants.

Application Forms submitted by Applicants whose beneficiary accounts are inactive shall be rejected. **Furthermore, in case no corresponding record is available with the Depositories, which matches the three parameters, namely, DP ID, UPI ID, Client ID and PAN, then such Applications are liable to be rejected.**

Applicants should note that the NCDs will be allotted to all successful Applicants only in dematerialized form. The Application Forms which do not have the details of the Applicant's depository account, including DP ID, Client ID and PAN and UPI ID (for retail individual investor Applicants bidding using the UPI mechanism), shall be treated as incomplete and will be rejected.

Unified Payments Interface (UPI)

Pursuant to the SEBI Operational Circular, the UPI Mechanism is an applicable payment mechanism for public debt issues (in addition to the mechanism of blocking funds maintained with SCSBs under ASBA) for applications by retail individual bidders through Designated Intermediaries. All SCSBs offering the facility of making applications in public issues shall also provide the facility to make applications using UPI. The Company will be required to appoint one SCSB as a Sponsor Bank to act as a conduit between the Stock Exchange and National Payments Corporation of India in order to facilitate the collection of requests and/or payment instructions of the investors.

Permanent Account Number (PAN)

The Applicant should mention his or her PAN allotted under the IT Act. For minor Applicants, applying through the guardian, it is mandatory to mention the PAN of the minor Applicant. However, Applications on behalf of the central or state government officials and the officials appointed by the courts in terms of a SEBI circular dated June 30, 2008 and Applicants residing in the state of Sikkim who in terms of a SEBI circular dated July 20, 2006 may be exempt from specifying their PAN for transacting in the securities market. In accordance with Circular No. MRD/DOP/Cir- 05/2007 dated April 27, 2007 issued by SEBI, the PAN would be the sole identification number for the participants transacting in the securities market, irrespective of the amount of transaction. **Any Application Form, without the PAN is liable to be rejected, irrespective of the amount of transaction. It is to be specifically noted that the Applicants should not submit the general index register number i.e. GIR number instead of the PAN as the Application is liable to be rejected on this ground.**

However, the exemption for the central or state government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims by collecting sufficient documentary evidence in support of their claims. At the time of ascertaining the validity of these Applications, the Registrar to the Issue will check under the Depository records for the appropriate description under the PAN field i.e. either Sikkim category or exempt category.

Joint Applications

Applications can be made in joint names (not exceeding three). In the case of joint Applications, all payments will be made out in favour of the first Applicant. All communications will be addressed to first named in the Application whose name appears in the Application Form and at the address mentioned therein. If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form.

Additional/ Multiple Applications

An Applicant is allowed to make one or more Applications for the NCDs, for the same or other Options of NCDs, as specified in this Tranche I Prospectus, subject to a minimum Application size of ₹10,000 and in multiples of ₹1,000 thereafter as specified in this Tranche I Prospectus. **Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.** Any Application made by any person in his individual capacity and an Application made by such person in his capacity as a karta of a HUF and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application. For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is one and the same. For the sake of clarity, two or more applications shall be deemed to be a multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is one and the same.

Electronic registration of Applications

- a. The Designated Intermediaries and Designated Branches of the SCSBs, as the case may be, will register the Applications using the on-line facilities of the Stock Exchanges. Direct Online Applications will be registered by Applicants using the online platform offered by the Stock Exchanges. The Lead Manager, our Company, and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Applications accepted by the SCSBs, (ii) the Applications uploaded by the SCSBs, (iii) the Applications accepted but not uploaded by the SCSBs, (iv) Applications accepted and uploaded by the SCSBs without blocking funds in the ASBA Accounts or (v) Applications accepted and uploaded by Trading members of the Stock Exchanges or (vi) the Applications accepted by and/or uploaded by and/or accepted but not uploaded by Consortium Member, Trading Members, Registered Brokers, CDPs, CRTAs and SCSBs who are authorised to collect Application Forms.

In case of apparent data entry error by the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be, in entering the Application Form number in their respective schedules other things remaining unchanged, the Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to the Designated Stock Exchanges. However, the series, mode of allotment, PAN, demat account no. etc. should be captured by the relevant Designated Intermediaries or Designated Branches of the SCSBs in the data entries as such data entries will be considered for allotment/rejection of Application.

- b. The Stock Exchanges will offer an electronic facility for registering Applications for the Issue. This facility will be available on the terminals of the Designated Intermediaries and the SCSBs during the Issue Period. Designated Intermediaries can also set up facilities for off-line electronic registration of Applications subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Applications on a regular basis, and before the expiry of the allocated time on the Tranche I Issue Closing Date. On the Tranche I Issue Closing Date, the Designated Intermediaries and the Designated Branches of the SCSBs shall upload the Applications till such time as may be permitted by the Stock Exchanges. This information will be available with the Designated Intermediaries and the Designated Branches of the SCSBs on a regular basis. Applicants are cautioned that a high inflow of high volumes on the last day of the Issue Period may lead to some Applications received on the last day not being uploaded and such Applications will not be considered for allocation. For further information on the Issue programme, please refer to “*Issue Structure*” on page 50 of this Tranche I Prospectus.
- c. With respect to Applications submitted directly to the SCSBs at the time of registering each Application, other than Direct Online Applications, the Designated Branches of the SCSBs shall enter the requisite details of the Applicants in the on-line system including:
 - Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - UPI ID (if applicable)
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Bank account number
 - Application amount
- d. With respect to Applications submitted to the Designated Intermediaries at the time of registering each Application, the requisite details of the Applicants shall be entered in the on-line system including:
 - Application Form number
 - PAN (of the first Applicant, in case of more than one Applicant)
 - Investor category and sub-category
 - DP ID
 - Client ID
 - UPI ID (if applicable)
 - Number of NCDs applied for
 - Price per NCD
 - Bank code for the SCSB where the ASBA Account is maintained
 - Location

- Application amount
- e. A system generated acknowledgement will be given to the Applicant as a proof of the registration of each Application. **It is the Applicant's responsibility to obtain the acknowledgement from the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be. The registration of the Application by the Designated Intermediaries and the Designated Branches of the SCSBs, as the case may be, does not guarantee that the NCDs shall be allocated/ Allotted by our Company. The acknowledgement will be non-negotiable and by itself will not create any obligation of any kind.**
 - f. Applications can be rejected on the technical grounds listed on page 76 of this Tranche I Prospectus or if all required information is not provided or the Application Form is incomplete in any respect.
 - g. The permission given by the Stock Exchanges to use their network and software of the online system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company, the Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Tranche I Prospectus; nor does it warrant that the NCDs will be listed or will continue to be listed on the Stock Exchanges.
 - h. Only Applications that are uploaded on the online system of the Stock Exchanges shall be considered for allocation/ Allotment. The Lead Manager, Designated Intermediaries and the Designated Branches of the SCSBs shall capture all data relevant for the purposes of finalizing the Basis of Allotment while uploading Application data in the electronic systems of the Stock Exchanges. In order that the data so captured is accurate the Designated Intermediaries and the Designated Branches of the SCSBs will be given up to one Working Day after the Tranche I Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL.

Process for investor application submitted with UPI as mode of payment

- a. Before submission of the application with the intermediary, the investor would be required to have / create a UPI ID, with a maximum length of 45 characters including the handle (Example: InvestorID@bankname).
- b. An investor shall fill in the bid details in the application form along with his/ her bank account linked UPI ID and submit the application with any of the intermediaries or through the stock exchange App/ Web interface, or any other methods as may be permitted.
- c. The intermediary, upon receipt of form, shall upload the bid details along with the UPI ID on the stock exchange bidding platform using appropriate protocols.
- d. Once the bid has been entered in the bidding platform, the Stock Exchange shall undertake validation of the PAN and Demat account combination details of investor with the depository.
- e. The Depository shall validate the aforesaid PAN and Demat account details on a near real time basis and send response to stock exchange which would be shared by stock exchange with intermediary through its platform, for corrections, if any.
- f. Once the bid details are uploaded on the Stock Exchange platform, the Stock Exchange shall send an SMS to the investor regarding submission of his / her application, at the end of day, during the bidding period. For the last day of bidding, the SMS may be sent the next working day.
- g. Post undertaking validation with the Depository, the Stock Exchange shall, on a continuous basis, electronically share the bid details along with investors UPI ID, with the Sponsor Bank appointed by the issuer.
- h. The Sponsor Bank shall initiate a mandate request on the investor i.e., request the investor to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment
- i. The request raised by the Sponsor Bank, would be electronically received by the investor as a SMS / intimation on his / her mobile no. / mobile app, associated with the UPI ID linked bank account.
- j. The investor shall be able to view the amount to be blocked as per his / her bid in such intimation. The investor shall be able to view an attachment wherein the public issue bid details submitted by investor will be visible. After reviewing the details properly, the investor shall be required to proceed to authorize the mandate. Such mandate raised by sponsor bank would be a one-time mandate for each application in the public issue.

- k. An investor is required to accept the UPI mandate latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
- l. An investor shall not be allowed to add or modify the bid(s) of the application except for modification of either DP ID/Client ID, or PAN ID but not both. However, the investor can withdraw the bid(s) and reapply.
- m. For mismatch bids, on successful validation of PAN and DP ID/ Client ID combination during T+1 modification session, such bids will be sent to Sponsor Bank for further processing by the Exchange on T+1 day till 1 PM.
- n. The facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
- o. Upon successful validation of block request by the investor, as above, the said information would be electronically received by the investors' bank, where the funds, equivalent to application amount, would get blocked in investors account. Intimation regarding confirmation of such block of funds in investors account would also be received by the investor.
- p. The information containing status of block request (e.g. accepted / decline / pending) would also be shared with the Sponsor Bank, which in turn would be shared with the Stock Exchange. The block request status would also be displayed on the Stock Exchange platform for information of the intermediary.
- q. The information received from Sponsor Bank, would be shared by stock exchange with RTA in the form of a file for the purpose of reconciliation.
- r. Post closure of the offer, the Stock Exchange shall share the bid details with RTA. Further, the Stock Exchange shall also provide the RTA, the final file received from the Sponsor Bank, containing status of blocked funds or otherwise, along with the bank account details with respect to applications made using UPI ID.
- s. The allotment of debt securities shall be done as per SEBI Operational Circular.
- t. The RTA, based on information of bidding and blocking received from the Stock Exchange, shall undertake reconciliation of the bid data and block confirmation corresponding to the bids by all investor category applications (with and without the use of UPI) and prepare the basis of allotment.
- u. Upon approval of the basis of allotment, the RTA shall share the 'debit' file with Sponsor bank (through Stock Exchange) and SCSBs, as applicable, for credit of funds in the public issue account and unblocking of excess funds in the investor's account. The Sponsor Bank, based on the mandate approved by the investor at the time of blocking of funds, shall raise the debit / collect request from the investor's bank account, whereupon funds will be transferred from investor's account to the public issue account and remaining funds, if any, will be unblocked without any manual intervention by investor or their bank.
- v. Upon confirmation of receipt of funds in the public issue account, the securities would be credited to the investor's account. The investor will be notified for full/partial allotment. For partial allotment, the remaining funds would be unblocked. For no allotment, mandate would be revoked and application amount would be unblocked for the investor.
- w. Thereafter, Stock Exchange will issue the listing and trading approval.
- x. Further, in accordance with the Operational Instructions and Guidelines for Making Application for Public Issue of Debt Securities through BSEDirect issued by BSE on December 28, 2020 the investor shall also be responsible for the following:
 - i. Investor shall check the Issue details before placing desired bids;
 - ii. Investor shall check and understand the UPI mandate acceptance and block of funds process before placing the bid;
 - iii. The receipt of the SMS for mandate acceptance is dependent upon the system response/ integration of UPI on Debt Public Issue System;
 - iv. Investor shall accept the UPI Mandate Requests within the stipulated timeline;
 - v. Investor shall note that the transaction will be treated as completed only after the acceptance of mandates by the investor by way of authorising the transaction by entering their UPI pin and successfully blocking funds through the ASBA process by the investor's bank;
 - vi. Investor shall check the status of their bid with respect to the mandate acceptance and blocking of funds for the completion of the transaction; and

- vii. In case the investor does not accept the mandate within stipulated timelines, in such case their bid will not be considered for allocation.
- y. Further, in accordance with circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 5, 2021 the investor shall also be responsible for the following:
 - i. After successful registration & log-in, the investors shall view and check the active Debt IPO's available from IPO dashboard.
 - ii. Investors shall check the issue/series details. Existing registered users of NSE goBID shall also be able to access once they accept the updated terms and condition.
 - iii. After successfully bidding on the platform, investors shall check the NSE goBID app/psp/sms for receipt of mandate & take necessary action.
 - iv. UPI mandate can be accepted latest by 5 pm on the third working day from the day of bidding on the stock exchange platform except for the last day of the issue period or any other modified closure date of the issue period in which case, he / she is required to accept the UPI mandate latest by 5 pm the next working day.
 - v. For UPI bid the facility of re-initiation/ resending the UPI mandate shall be available only till 5 pm on the day of bidding.
 - vi. Investors can use the re-initiation/ resending facility only once in case of any issue in receipt/acceptance of mandate.

The Investors are advised to read the operational guidelines mentioned for Making Application for Public Issue of Debt Securities through BSE Direct issued by BSE on December 28, 2020 and the circular issued by National Stock Exchange of India Limited for Introduction of Unified Payment Interface (UPI) for Debt IPO through NSE goBID on January 05, 2021 before investing through the through the app/ web interface of Stock Exchange(s)

Kindly note, the Stock Exchange(s) shall be responsible for addressing investor grievances arising from Applications submitted online through the App based/ web interface platform of Stock Exchanges or through their Trading Members

Further, the collecting bank shall be responsible for addressing any investor grievances arising from non-confirmation of funds to the Registrar despite successful realization/blocking of funds, or any delay or operational lapse by the collecting bank in sending the Application forms to the Registrar to the Issue.

General Instructions

Do's and Don'ts Applicants are advised to take note of the following while filling and submitting the Application Form

Do's

- Check if you are eligible to apply as per the terms of the this Tranche I Prospectus and applicable law;
- Read all the instructions carefully and complete the Application Form in the prescribed form;
- Ensure that you have obtained all necessary approvals from the relevant statutory and/or regulatory authorities to apply for, subscribe to and/or seek Allotment of NCDs pursuant to the Issue;
- Ensure that the DP ID and Client ID and PAN mentioned in the Application Form, which shall be entered into the electronic system of the Stock Exchange are correct and match with the DP ID, Client ID and PAN available in the Depository database. Ensure that the DP ID and Client ID are correct and beneficiary account is activated. The requirement for providing Depository Participant details shall be mandatory for all Applicants;
- Ensure that you have mentioned the correct ASBA Account number (i.e., bank account number or UPI ID, as applicable) in the Application Form;
- Ensure that the Application Form is signed by the ASBA Account holder in case the Applicant is not the ASBA account holder;
- Ensure that you have funds equal to the Application Amount in the ASBA Account before submitting the Application Form to the respective Designated Branch of the SCSB, or to the Designated Intermediaries, as the case may be;
- Ensure that the Application Forms are submitted at the Designated Branches of SCSBs or the Bidding Centres provided in the Application Forms, bearing the stamp of the relevant Designated Intermediaries/Designated branch of the SCSB as the case may be;

- Before submitting the Application Form with the Designated Intermediaries ensure that the SCSB, whose name has been filled in the Application Form, has named a branch in that relevant Bidding Centre;
- Ensure that you have been given an acknowledgement as proof of having accepted the Application Form;
- In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, ensure that you have first withdrawn your original Application and submit a fresh Application. For instance, as per the notice No: 20120831-22 dated August 31, 2012 issued by the BSE, fields namely, quantity, series, application no., sub-category codes will not be allowed for modification during the Issue. In such a case the date of the fresh Application will be considered for date priority for allotment purposes;
- Ensure that signatures other than in the languages specified in the 8th Schedule to the Constitution of India is attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
- Ensure that you mention your PAN in the Application Form. In case of joint Applicants, the PAN of all the Applicants should be provided, and for HUFs, PAN of the HUF should be provided. Any Application Form without the PAN is liable to be rejected. Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground;
- In case of an HUF applying through its Karta, the Applicant is required to specify the name of an Applicant in the Application Form as 'XYZ Hindu Undivided Family applying through PQR', where PQR is the name of the Karta. However, the PAN number of the HUF should be mentioned in the Application Form and not that of the Karta;
- Ensure that the Applications are submitted to the Designated Intermediaries, or Designated Branches of the SCSBs, as the case may be, before the closure of application hours on the Tranche I Issue Closing Date. For further information on the Issue programme, please refer to "*Issue Structure*" on page 50 of this Tranche I Prospectus.
- Ensure that you have correctly signed the authorisation /undertaking box in the Application Form or have otherwise provided an authorisation to the SCSB or Sponsor Bank, as applicable, via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Application Form, as the case may be, at the time of submission of the Bid. In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
- **Permanent Account Number:** Except for Application (i) on behalf of the central or state government and officials appointed by the courts, and (ii) (subject to SEBI circular dated April 3, 2008) from the residents of the state of Sikkim, each of the Applicants should provide their PAN. Application Forms in which the PAN is not provided will be rejected. The exemption for the central or state government and officials appointed by the courts and for investors residing in the state of Sikkim is subject to (a) the demographic details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the demographic details evidencing the same;
- Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- All Applicants are requested to tick the relevant column "Category of Investor" in the Application Form.
- Retail individual investors using the UPI Mechanism to ensure that they submit bids up to the application value of up to the UPI Application Limit as applicable and prescribed by SEBI from time to time.
- Investor using the UPI Mechanism should ensure that the correct UPI ID (with maximum length of 45 characters including the handle) is mentioned in the Bid cum Application Form.
- Investors bidding using the UPI Mechanism should ensure that they use only their own bank account linked UPI ID to make an application in the issue and submit the application with any of the intermediaries or through the Stock Exchange App/ Web interface.
- Ensure that you have mentioned the correct details of ASBA Account (i.e., bank account number or UPI ID, as applicable) in the Application Form;
- Ensure that the Demographic Details including PAN are updated, true and correct in all respects;

- In case of Retail Individual Investor submitting their Bids and participating in the Offer through the UPI Mechanism, ensure that you authorise the UPI Mandate Request raised by the Sponsor Bank for blocking of funds equivalent to Bid Amount and subsequent debit of funds in case of Allotment.
- Retail Individual Investors submitting Application Form using the UPI Mechanism, should ensure that the: (a) bank where the bank account linked to their UPI ID is maintained; and (b) the Mobile App and UPI handle being used for making the Bid, are listed on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40
- Ensure that if the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only this person would be required in the Application Form. This Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form;
- All Applicants are requested to tick the relevant column “Category of Investor” in the Application Form.

In terms of SEBI Operational Circular, SCSBs making applications on their own account using ASBA facility, should have a separate account in their own name with any other SEBI registered SCSB. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account.

SEBI Operational Circular stipulates the time between closure of the Issue and listing at 6 (six) Working Days. In order to enable compliance with the above timelines, investors are advised to use ASBA facility only to make payment.

Don'ts

- Do not apply for lower than the minimum application size;
- Do not pay the Application Amount in cash, by cheque, by money order or by postal order or by stock invest;
- Do not send Application Forms by post instead submit the same to the Designated Intermediaries or Designated Branches of the SCSBs, as the case may be;
- Do not submit the Application Form to any non-SCSB bank or our Company.
- Do not submit an Application Form that does not have the stamp of the relevant Designated Intermediary or the Designated Branch of the SCSB, as the case may be.
- Do not fill up the Application Form such that the NCDs applied for exceeds the Issue size and/or investment limit or maximum number of NCDs that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;
- Do not submit the GIR number instead of the PAN as the Application is liable to be rejected on this ground;
- Do not submit incorrect details of the DP ID, Client ID, UPI ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
- Do not submit the Application Forms without ensuring that funds equivalent to the entire Application Amount are available for blocking in the relevant ASBA Account;
- Do not submit Applications on plain paper or on incomplete or illegible Application Forms;
- Do not apply if you are not competent to contract under the Indian Contract Act, 1872;
- Do not submit an Application in case you are not eligible to acquire NCDs under applicable law or your relevant constitutional documents or otherwise;
- Do not submit Application Forms to a Designated Intermediary at a location other than Collection Centers;
- Do not submit an Application that does not comply with the securities law of your respective jurisdiction;
- Do not apply if you are a person ineligible to apply for NCDs under the Issue including Applications by persons resident outside India, NRI (*inter-alia* including NRIs who are (i) based in the USA, and/or, (ii) domiciled in the USA, and/or, (iii) residents/citizens of the USA, and/or, (iv) subject to any taxation laws of the USA);
- Do not make an application of the NCD on multiple copies taken of a single form.

- Payment of Application Amount in any mode other than through blocking of Application Amount in the ASBA Accounts shall not be accepted in the Issue;
- Do not submit more than five Application Forms per ASBA Account.
- Do not submit an Application Form using UPI ID, if the Application is for an amount more than UPI Application Limit;
- Do not submit a bid using UPI ID, if you are not a Retail Individual Investor;
- Do not apply through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
- Bidding through the UPI Mechanism using the incorrect UPI handle or using a bank account of an SCSB and/or mobile applications which are not mentioned in the list provided in the SEBI;
- If you are a Retail Individual Investor who is submitting the ASBA Application with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of funds, do not use any third party bank account or third-party linked bank account UPI ID.

Kindly note that Applications submitted to the Designated Intermediaries will not be accepted if the SCSB where the ASBA Account, as specified in the Application Form, is maintained has not named at least one branch at that location for the Designated Intermediaries to deposit such Application Forms. (A list of such branches is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>).

Please refer to “Rejection of Applications” on page 76 of this Tranche I Prospectus for information on rejection of Applications.

Submission of completed Application Forms

For details in relation to the manner of submission of Application Forms, see “Issue Procedure” beginning on page 55.

OTHER INSTRUCTIONS

Depository Arrangements

We have made depository arrangements with NSDL and CDSL for issue and holding of the NCDs in dematerialised form. In this context:

- Tripartite Agreement dated November 26, 1997 entered into between our Company, Registrar to the Issue (*formerly known as Karvy Consultants Limited*) and NSDL.
- Tripartite Agreement dated January 28, 2000 entered into between our Company, Registrar to the Issue (*formerly known as Karvy Consultants Limited*) and CDSL.
- An Applicant must have at least one beneficiary account with any of the Depository Participants of NSDL or CDSL prior to making the Application.
- The Applicant must necessarily provide the DP ID and Client ID details in the Application Form.
- NCDs Allotted to an Applicant in the electronic form will be credited directly to the Applicant's respective beneficiary account(s) with the DP.
- Non-transferable Allotment Advice/ refund orders will be directly sent to the Applicant by the Registrar to the Issue.
- It may be noted that NCDs in electronic form can be traded only on Stock Exchanges having electronic connectivity with NSDL or CDSL. The Stock Exchanges have connectivity with NSDL and CDSL.
- Interest or other benefits with respect to the NCDs held in dematerialised form would be paid to those NCD holders whose names appear on the list of beneficial owners given by the Depositories to us as on Record Date. In case of those NCDs for which the beneficial owner is not identified by the Depository as on the Record Date/ book closure date, we would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to us, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days.
- The trading of the NCDs on the floor of the Stock Exchanges shall be in dematerialized form in multiples of One NCD only.

Allottees will have the option to rematerialise the NCDs Allotted under Tranche I Issue as per the provisions of the Companies Act, 2013 and the Depositories Act.

Please note that the NCDs shall cease to trade from the Record Date (for payment of the principal amount and the 387 applicable premium and interest for such NCDs) prior to redemption of the NCDs

PLEASE NOTE THAT TRADING OF NCDs ON THE FLOOR OF THE STOCK EXCHANGES SHALL BE IN DEMATERIALISED FORM ONLY IN MULTIPLE OF ONE NCD.

For further information relating to Applications for Allotment of the NCDs in dematerialised form, see “*Issue Procedure*” beginning on page 55.

Communications

All future communications in connection with Applications made in this Tranche I Issue should be addressed to the Registrar to the Issue quoting all relevant details as regards the Applicant and its Application.

Applicants can contact our Company Secretary and Compliance Officer or the Registrar to the Issue in case of any pre Issue related problems and/or post Issue related problems such as non-receipt of Allotment Advice non-credit of NCDs in depository’s beneficiary account/ etc. Please note that Applicants who have applied for the NCDs through Designated Intermediaries should contact the Stock Exchanges in case of any post Issue related problems, such as non-receipt of Allotment Advice / non-credit of NCDs in depository’s beneficiary account/ etc.

Interest in case of Delay

Our Company undertakes to pay interest, in connection with any delay in allotment, demat credit and refunds, beyond the time limit as may be prescribed under applicable statutory and/or regulatory requirements, at such rates as stipulated under such applicable statutory and/or regulatory requirements.

Rejection of Applications

As set out below or if all required information is not provided or the Application Form is incomplete in any respect, our Board of Directors and / or any committee reserves its full, unqualified and absolute right to accept or reject any Application in whole or in part and in either case without assigning any reason thereof.

Application may be rejected on one or more technical grounds, including but not restricted to:

- i. Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- ii. Applications accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Applicant’s ASBA Account maintained with an SCSB;
- iii. Applications not being signed by the sole/joint Applicant(s);
- iv. Applications not made through the ASBA facility;
- v. Number of NCDs applied for or Applications for an amount being less than the minimum Application size;
- vi. Applications submitted without blocking of the entire Application Amount. However, our Company may allot NCDs up to the value of application monies paid, if such application monies exceed the minimum application size as prescribed hereunder;
- vii. Investor Category in the Application Form not being ticked;
- viii. Application Amount blocked being higher or lower than the value of NCDs Applied for. However, our Company may allot NCDs up to the number of NCDs Applied for, if the value of such NCDs Applied for exceeds the minimum Application size;
- ix. ASBA Bank account details to block Application Amount not provided in the Application Form;
- x. Applications where a registered address in India is not provided for the Applicant;
- xi. In case of partnership firms (except LLPs), NCDs applied for in the name of the partnership and not the names of the individual partner(s);
- xii. Minor Applicants (applying through the guardian) without mentioning the PAN of the minor Applicant;
- xiii. PAN not mentioned in the Application Form, except for Applications by or on behalf of the central or state government and the officials appointed by the courts and by investors residing in the State of Sikkim, provided such claims have

been verified by the Depository Participants. In case of minor Applicants applying through guardian, when PAN of the Applicant is not mentioned;

- xiv. DP ID and Client ID not mentioned in the Application Form;
- xv. GIR number furnished instead of PAN;
- xvi. Applications by OCBs;
- xvii. Applications for an amount below the minimum application size;
- xviii. Submission of more than five Application per ASBA Account;
- xix. Applications by persons who are not eligible to acquire NCDs of our Company in terms of applicable laws, rules, regulations, guidelines and approvals;
- xx. Applications under power of attorney or by limited companies, corporate, trust etc., submitted without relevant documents;
- xxi. Applications accompanied by Stock invest/ cheque/ money order/ postal order/ cash;
- xxii. Signature of sole Applicant missing, or, in case of joint Applicants, the Application Forms not being signed by the first Applicant (as per the order appearing in the records of the Depository);
- xxiii. Applications by persons debarred from accessing capital markets, by SEBI or any other regulatory authority.
- xxiv. Date of birth for first/sole Applicant (in case of Category III) not mentioned in the Application Form.
- xxv. Application Forms not being signed by the ASBA Account holder, if the account holder is different from the Applicant
- xxvi. Signature of the ASBA Account holder on the Application Form does not match with the signature available on the SCSB bank's records where the ASBA Account mentioned in the Application Form is maintained;
- xxvii. Application Forms submitted to the Designated Intermediaries or to the Designated Branches of the SCSBs does not bear the stamp of the SCSB and/or the Designated Intermediaries, as the case may be;
- xxviii. Applications not having details of the ASBA Account to be blocked;
- xxix. In case no corresponding record is available with the Depositories that matches three parameters namely, DP ID, Client ID, UPI ID and PAN or if PAN is not available in the Depository database;
- xxx. Inadequate funds in the ASBA Account to enable the SCSB to block the Application Amount specified in the Application Form at the time of blocking such Application Amount in the ASBA Account or no confirmation is received from the SCSB for blocking of funds;
- xxxi. SCSB making an Application (a) through an ASBA account maintained with its own self or (b) through an ASBA Account maintained through a different SCSB not in its own name or (c) through an ASBA Account maintained through a different SCSB in its own name, where clear demarcated funds are not present or (d) through an ASBA Account maintained through a different SCSB in its own name which ASBA Account is not utilised solely for the purpose of applying in public issues;
- xxxii. Applications for amounts greater than the maximum permissible amount prescribed by the regulations and applicable law;
- xxxiii. Authorization to the SCSB for blocking funds in the ASBA Account not provided or acceptance of UPI Mandate Request raised has not been provided;
- xxxiv. Applications by persons prohibited from buying, selling or dealing in shares, directly or indirectly, by SEBI or any other regulatory authority;
- xxxv. Applications by any person outside India;
- xxxvi. Applications by other persons who are not eligible to apply for NCDs under the Issue under applicable Indian or foreign statutory/regulatory requirements;
- xxxvii. Applications not uploaded on the online platform of the Stock Exchanges;
- xxxviii. Submission of more than five ASBA Forms per ASBA Account

- xxxix. Applications uploaded after the expiry of the allocated time on the Tranche I Issue Closing Date, unless extended by the Stock Exchanges, as applicable;
- xl. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the this Tranche I Prospectus;
- xli. Applications by Applicants whose demat accounts have been 'suspended for credit' pursuant to the circular issued by SEBI on July 29, 2010 bearing number CIR/MRD/DP/22/2010;
- xlii. Where PAN details in the Application Form and as entered into the electronic system of the Stock Exchanges, are not as per the records of the Depositories;
- xliii. Applications providing an inoperative demat account number;
- xliv. Applications submitted to the Designated Intermediaries, at locations other than the Specified Cities or at a Designated Branch of a SCSB where the ASBA Account is not maintained, and Applications submitted directly to the Public Issue Account Bank (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue;
- xlvi. Category not ticked;
- xlvi. Forms not uploaded on the electronic software of the Stock Exchanges;
- xlvi. In case of cancellation of one or more orders within an Application, leading to total order quantity falling under the minimum quantity required for a single Application;
- xlvi. Application Forms not delivered by the Applicant within the time prescribed as per the Application Form and the Shelf Prospectus and as per the instructions in the Application Form;
- xlix. UPI Mandate Request is not approved by Retail Individual Investors.

Kindly note that Applications submitted to the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries at the Specified Cities will not be accepted if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that Specified City for the Lead Manager, or Trading Members of the Stock Exchanges, Members of the Syndicate, Designated Intermediaries, as the case may be, to deposit Applications.

Mode of making refunds

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

Our Company and the Registrar to the Issue shall credit the allotted NCDs to the respective beneficiary accounts/ dispatch the Letters of Allotment or letters of regret by registered post/speed post at the Applicant's sole risk, within six Working Days from the Tranche I Issue Closing Date. We may enter into an arrangement with one or more banks in one or more cities for refund to the account of the applicants through Direct Credit/RTGS/NEFT/NACH.

Further,

- (a) Allotment of NCDs in this Tranche I Issue shall be made within the time period stipulated by SEBI;
- (b) Credit to dematerialised accounts will be given within one Working Day from the Date of Allotment;
- (c) Interest at a rate of 15% per annum will be paid if the Allotment has not been made and/or the refund effected within five Working days from the Tranche I Issue Closing Date, for the delay beyond five Working days; and
- (d) Our Company will provide adequate funds to the Registrar to the Issue for this purpose.

Retention of oversubscription

The base issue size of this Tranche I Issue is ₹ 500 crore. Our Company may at its discretion have the option to retain any amount of oversubscription up to ₹ 500 crore.

Basis of Allotment for NCDs

The Registrar to the Issue will aggregate the Applications based on the Applications received through an electronic book from the Stock Exchange and determine the valid Applications for the purpose of drawing the Basis of Allotment. Grouping of the Applications received will be then done in the following manner:

Grouping of Applications and allocation ratio

For the purposes of the basis of allotment:

- A. Applications received from Category I Applicants: Applications received from Applicants belonging to Category I shall be grouped together, (**“Institutional Portion”**);
- B. Applications received from Category II Applicants: Applications received from Applicants belonging to Category II, shall be grouped together, (**“Non-Institutional Portion”**).
- C. Applications received from Category III Applicants: Applications received from Applicants belonging to Category III shall be grouped together, (**“High Net Worth Individual Investors Portion”**).
- D. Applications received from Category IV Applicants: Applications received from Applicants belonging to Category IV shall be grouped together, (**“Retail Individual Investors Portion”**).

For removal of doubt, the terms **“Institutional Portion”**, **“Non-Institutional Portion”**, **“High Net Worth Individual Investors Portion”** and **“Retail Individual Investors Portion”** are individually referred to as **“Portion”** and collectively referred to as **“Portions”**.

For the purposes of determining the number of Secured NCDs available for allocation to each of the abovementioned Portions, our Company shall have the discretion of determining the number of Secured NCDs to be allotted over and above the Base Issue, in case our Company opts to retain any portion of oversubscription in this Tranche I Issue up to an amount specified under this Tranche I Prospectus. The aggregate value of NCDs decided to be allotted over and above the Base Issue, (in case our Company opts to retain any portion of oversubscription in this Tranche I Issue), and/or the aggregate value of NCDs up to the Base Issue Size shall be collectively termed as Tranche I Issue Size for the purpose of Allocation under this Tranche I Issue.

Allocation Ratio

Institutional Portion	Non-Institutional Portion	High Net Worth Individual Investors Portion	Retail Individual Investors Portion
20%	25%	25%	30%

(a) Allotments in the first instance:

- (i) Applicants belonging to the Institutional Portion, in the first instance, will be allocated NCDs up to 20% of Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (ii) Applicants belonging to the Non-Institutional Portion, in the first instance, will be allocated NCDs up to 25% of Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (iii) Applicants belonging to the High Net Worth Individual Investors Portion, in the first instance, will be allocated NCDs up to 25% of Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges;
- (iv) Applicants belonging to the Retail Individual Investors Portion, in the first instance, will be allocated NCDs up to 30% of Tranche I Issue Size on first come first serve basis which would be determined on the date of upload of their Applications in to the electronic platform of the Stock Exchanges.

Allotments, in consultation with the Designated Stock Exchange, shall be made on date priority basis i.e. a first-come first-serve basis, based on the date of upload of each Application in to the Electronic Book with Stock Exchanges, in each Portion subject to the Allocation Ratio indicated herein above.

As per the SEBI Operational Circular, the allotment in this Tranche I Issue is required to be made on the basis of date of upload of each application into the electronic book of the Stock Exchanges. However, from the date of oversubscription and thereafter, the allotments will be made to the applicants on proportionate basis.

(b) Under Subscription

- (i) If there is any under subscription in any Category, priority in Allotments will be given to the Retail Individual Investors Portion, High Net Worth Individual Investors Portion, and balance, if any, shall be first made to applicants of the Non Institutional Portion, followed by the Institutional Portion on a first come first serve basis, on proportionate basis. If there is under subscription in the Tranche I Issue Size due to under subscription in each Portion, all valid Applications received till

the end of last day of the Tranche I Issue Closure day shall be grouped together in each Portion and full and firm Allotments will be made to all valid Applications in each Portion.

- (ii) For each Category, all Applications uploaded on the same day onto the electronic platform of the Stock Exchanges would be treated at par with each other. Allotment would be on proportionate basis, where NCDs uploaded into the platform of the Stock Exchanges exceeds NCDs to be Allotted for each portion respectively from the date of oversubscription and thereafter.
- (iii) Minimum Allotments of 10 NCDs and in multiples of 1 NCD thereafter would be made in case of each valid Application to all Applicants.

(c) Allotments in case of oversubscription

In case of an oversubscription, allotments to the maximum extent, as possible, will be made on a first-come first-serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first basis up to the date falling 1 (one) day prior to the date of oversubscription and proportionate allotment of NCDs to the applicants from the date of oversubscription (based on the date of upload of each Application on the electronic platform of the Stock Exchanges, in each Portion).

For the purpose of clarity, in case of oversubscription please see the below indicative scenarios:

- (i) In case of an oversubscription in all Portions resulting in an oversubscription in the Tranche I Issue Size, Allotments to the maximum permissible limit, as possible, will be made on a first-come first serve basis and thereafter on proportionate basis, i.e. full allotment of the NCDs to the Applicants on a first come first serve basis up to the date falling 1 (one) day prior to the date of oversubscription to respective Portion and proportionate allotment of NCDs to the Applicants from the date of oversubscription in respective Portion (based on the date of upload of each Application on the electronic platform of the Stock Exchanges in each Portion).
- (ii) In case there is oversubscription in Tranche I Issue Size, however there is under subscription in one or more Portion(s), Allotments will be made in the following order:
 - a) All valid Applications in the undersubscribed Portion(s) uploaded on the electronic platform of the Stock Exchanges till the end of the last day of the Issue Period, shall receive full and firm allotment.
 - b) In case of Portion(s) that are oversubscribed, allotment shall be made to valid Applications received on a first come first serve basis, based on the date of upload of each Application in to the electronic platform of the Stock Exchanges. Priority for allocation of the remaining undersubscribed Portion(s) shall be given to day wise Applications received in the Retail Individual Investors Portion followed by High Net Worth Individual Investors Portion, next Non-Institutional Portion and lastly Institutional Portion each according to the day of upload of Applications to the Electronic Book with Stock Exchange during the Tranche I Issue period.
 - c) For the sake of clarity, once full and firm allotment has been made to all the valid Applications in the undersubscribed portion, the remaining balance in the undersubscribed Portion will be Allocated to the oversubscribed Portion(s) and proportionate allotments shall be made to all valid Applications in the oversubscribed Portion(s) uploaded on the date of oversubscription and thereafter on the remaining days of the Tranche I Issue Period.

(d) Proportionate Allotments:

For each Portion, from the date of oversubscription and thereafter:

- (i) Allotments to the Applicants shall be made in proportion to their respective Application size, rounded off to the nearest integer.
- (ii) If the process of rounding off to the nearest integer results in the actual allocation of NCDs being higher than the Tranche I Issue size, not all Applicants will be allotted the number of NCDs arrived at after such rounding off. Rather, each Applicant whose Allotment size, prior to rounding off, had the highest decimal point would be given preference.
- (iii) In the event, there are more than one Applicant whose entitlement remain equal after the manner of distribution referred to above, our Company will ensure that the basis of allotment is finalised by draw of lots in a fair and equitable manner.

Applicant applying for more than one Series of NCDs

If an Applicant has applied for more than one Series of NCDs and in case such Applicant is entitled to allocation of only a part of the aggregate number of NCDs applied for, the Series-wise allocation of NCDs to such Applicants shall be in proportion to the number of NCDs with respect to each Series, applied for by such Applicant, subject to rounding off to the nearest integer, as

appropriate in consultation with the Lead Manager and the Designated Stock Exchange. Further, in the aforesaid scenario, wherein the Applicant has applied for all the six Series and in case such Applicant cannot be allotted all the six Series, then the Applicant would be allotted NCDs, at the discretion of the Company, the Registrar and the Lead Manager wherein the NCDs with the least tenor i.e. Allotment of NCDs with tenor of 22 months followed by Allotment of NCDs with tenor of 37 months.

All decisions pertaining to the Basis of Allotment of NCDs pursuant to the Tranche I Issue shall be taken by our Company in consultation with the Lead Manager, and the Designated Stock Exchange and in compliance with the aforementioned provisions of this Tranche I Prospectus. Any other queries / issues in connection with the Applications will be appropriately dealt with and decided upon by our Company in consultation with the Lead Manager.

Information for Applicants

Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship).

Unblocking of funds

The Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful ASBA Applications within the applicable regulatory timelines.

Information for Applicants

In case of ASBA Applications submitted to the SCSBs, in terms of the SEBI circular CIR/CFD/DIL/3/2010 dated April 22, 2010, the Registrar to the Issue will reconcile the compiled data received from the Stock Exchange and all SCSBs and match the same with the Depository database for correctness of DP ID, Client ID and PAN. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records for such ASBA Applications or treat such ASBA Applications as rejected. In case of Applicants submitted to the Lead Managers, Consortium Members and Trading Members of the Stock Exchange at the Specified Cities, the basis of allotment will be based on the Registrar's validation of the electronic details with the Depository records, and the complete reconciliation of the final certificates received from the SCSBs with the electronic details in terms of the SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011. The Registrar to the Issue will undertake technical rejections based on the electronic details and the Depository database. In case of any discrepancy between the electronic data and the Depository records, our Company, in consultation with the Designated Stock Exchange, the Lead Manager and the Registrar to the Issue, reserves the right to proceed as per the Depository records or treat such ASBA Application as rejected. Based on the information provided by the Depositories, our Company shall have the right to accept Applications belonging to an account for the benefit of a minor (under guardianship). In case of Applications for a higher number of NCDs than specified for that category of Applicant, only the maximum amount permissible for such category of Applicant will be considered for Allotment.

Investor Withdrawals and Pre-closure

Investor Withdrawal: Applicants are allowed to withdraw their Applications at any time prior to the Tranche I Issue Closing Date.

Withdrawal of Applications after the Issue Period: In case an Applicant wishes to withdraw the Application after the Tranche I Issue Closing Date or early closure date, the same can be done by submitting a withdrawal request to the Registrar prior to the finalization of the Basis of Allotment but not later than 2 (two) Working days from the Issue Closing Date or early closure date, as applicable.

Pre-closure: Our Company, in consultation with the Lead Manager reserves the right to close the Tranche I Issue at any time prior to the Tranche I Issue Closing Date, subject to receipt of minimum subscription which is 75% of the Base Issue before the Tranche I Issue Closing Date. Our Company shall allot NCDs with respect to the Applications received at the time of such pre-closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

Further, the Issue will also be withdrawn by our Company in the event that the aggregate Applications received for the NCDs is lesser than the minimum subscription which is 75% of the Base Issue before the Tranche I Issue Closing Date.

In the event of such early closure of this Tranche I Issue, our Company shall ensure that public notice of such early closure is published on or before such early date of closure or the Tranche I Issue Closing Date of the Issue, as applicable, through advertisement(s) in all those newspapers in which pre-Issue advertisement and advertisement for opening or closure of this Tranche I Issue have been given.

Under Section 39(3) of the Companies Act, 2013 read with Rule 11(2) of the Companies (Prospectus and Allotment of Securities) Rules, 2014 if the stated minimum subscription amount has not been subscribed or received, as applicable, within the specified period, the application money received is to be unblocked/credited only to the bank account in/from which the subscription was blocked/remitted. To the extent possible, where the required information for making such refunds is available

with our Company and/or Registrar, refunds will be made to the account prescribed. However, where our Company and/or Registrar does not have the necessary information for making such refunds, our Company and/or the Registrar will follow the guidelines prescribed by SEBI in this regard.

Issuance of Allotment Advice

Our Company shall ensure dispatch/and/or mail the Allotment Advice within 6 (six) Working Days of the Tranche I Issue Closing Date to the Applicants. The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories. Instructions for credit of NCDs to the beneficiary account with Depository Participants shall be made within 6 (six) Working Days of the Tranche I Issue Closing Date.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for commencement of trading at the Stock Exchanges where the NCDs are proposed to be listed are taken within 6 (six) Working Days from the Tranche I Issue Closing Date.

Allotment Advices shall be issued, or Application Amount shall be unblocked within 15 (fifteen) days from the Tranche I Issue Closing Date or such lesser time as may be specified by SEBI or else the Application Amount shall be unblocked in the ASBA Accounts of the Applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Our Company will provide adequate funds required for dispatch of Allotment Advice, as applicable, to the Registrar to the Issue.

Revision of Applications

As per the notice no: 20120831-22 dated August 31, 2012 issued by BSE, cancellation of one or more orders (series) within an Application is permitted during the Issue Period as long as the total order quantity does not fall under the minimum quantity required for a single Application. However, please note that in case of cancellation of one or more orders (series) within an Application, leading to total order quantity falling under the minimum quantity required for a single Application will be liable for rejection by the Registrar.

Applicants may revise/ modify their Application details during the Issue Period, as allowed/permitted by the Stock Exchanges, by submitting a written request to the Designated Intermediary, as the case may be. However, for the purpose of Allotment, the date of original upload of the Application will be considered in case of such revision/modification. In case of any revision of Application in connection with any of the fields which are not allowed to be modified on the electronic Application platform of the Stock Exchanges as per the procedures and requirements prescribed by each relevant Stock Exchanges, Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case the date of the new Application will be considered for date priority for Allotment purposes.

Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Tranche I Issue Closing Date. However, in order that the data so captured is accurate, the Designated Intermediaries will be given up to one Working Day after the Tranche I Issue Closing Date to modify/ verify certain selected fields uploaded in the online system during the Issue Period, after which the data will be sent to the Registrar to the Issue for reconciliation with the data available with the NSDL and CDSL.

Early Closure

Our Company, in consultation with the Lead Manager reserves the right to close the Issue at any time prior to the Closing Date of respective Prospectus, subject to receipt of minimum subscription for NCDs aggregating to 75% of the Base Issue Size i.e., ₹375 crore. Our Company shall allot NCDs with respect to the Applications received at the time of such early closure in accordance with the Basis of Allotment as described hereinabove and subject to applicable statutory and/or regulatory requirements.

If our Company does not receive the minimum subscription of 75% of Base Issue Size i.e., ₹ 375 crore within the timelines prescribed under applicable laws, the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within eight Working Days from the Tranche I Issue Closing Date as specified in this Tranche I Prospectus, or such time as may be specified by SEBI. In case of failure of the Issue due to reasons such as non-receipt of listing and trading approval from the Stock Exchanges wherein the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be unblocked in the Applicants ASBA Account within two Working Days from the scheduled listing date, failing which the Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum from the scheduled listing date till the date of actual payment.

Utilisation of Application Amounts

The sum received in respect of the Issue will be kept in separate bank accounts and we will have access to such funds as per applicable provisions of law(s), regulations and approvals.

Impersonation

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

“Any person who:

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

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act 2013 for fraud involving an amount of at least ₹0.10 crore or 1.00% of the turnover of our Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud involves (i) an amount which is less than ₹0.10 crore or 1.00% of the turnover of our Company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹0.50 crore or with both.

Undertakings by our Company

We undertake that:

- a) All monies received pursuant to the Issue of Secured NCDs to public shall be transferred to a separate bank account as referred to in sub-section (3) of section 40 of the Companies Act, 2013.
- b) Details of all monies utilised out of Issue referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the purpose for which such monies had been utilised.
- c) Details of all unutilised monies out of issue of Secured NCDs, if any, referred to in sub-item (a) shall be disclosed under an appropriate separate head in our Balance Sheet indicating the form in which such unutilised monies have been invested.
- d) The details of all utilized and unutilised monies out of the monies collected in the previous issue made by way of public offer shall be disclosed and continued to be disclosed in the balance sheet till the time any part of the proceeds of such previous issue remains unutilized indicating the purpose for which such monies have been utilized, and the securities or other forms of financial assets in which such unutilized monies have been invested.
- e) We shall utilize the Issue proceeds only upon allotment of the Secured NCDs, execution of the Debenture Trust Deed as stated in this Tranche I Prospectus and on receipt of the minimum subscription of 75% of the Base Issue and receipt of listing and trading approval from the Stock Exchanges.
- f) The Issue proceeds shall not be utilized towards full or part consideration for the purchase or any other acquisition, *inter alia* by way of a lease, of any immovable property dealing of equity of listed companies or lending/investment in group companies.
- g) The allotment letter shall be issued, or Application Amount shall be unblocked within 15 days from the closure of the Issue or such lesser time as may be specified by SEBI, or else the Application Amount shall be refunded to the applicants forthwith, failing which interest shall be due to be paid to the applicants at the rate of 15% per annum for the delayed period.

Other Undertakings by our Company

Our Company undertakes that:

- a) Complaints received in respect of the Issue (except for complaints in relation to Applications submitted to Designated Intermediaries) will be attended to by our Company expeditiously and satisfactorily;
- b) Necessary cooperation to the relevant credit rating agency(ies) will be extended in providing true and adequate information until the obligations in respect of the Secured NCDs are outstanding;
- c) Our Company will take necessary steps for the purpose of getting the Secured NCDs listed within the specified time, i.e., within six Working Days from the Tranche I Issue Closing Date;

- d) Funds required for dispatch of Allotment Advice will be made available by our Company to the Registrar to the Issue;
- e) Our Company will forward details of utilisation of the proceeds of the Issue, duly certified by the Statutory Auditor, to the Debenture Trustee;
- f) We shall make necessary disclosures/ reporting under any other legal or regulatory requirement as may be required by our Company from time to time;
- g) Our Company will provide a compliance certificate to the Debenture Trustee on an annual basis in respect of compliance with the terms and conditions of the Tranche I Issue as contained in this Tranche I Prospectus;
- h) Our Company will disclose the complete name and address of the Debenture Trustee in its annual report;
- i) We have created a recovery expense fund in the manner as specified by SEBI from time to time; and
- j) Inform the Debenture Trustee about the same.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Issuer's Absolute Responsibility

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

Authority for the Issue

Our Board of Directors, through its resolution dated January 31, 2023 have approved the issuance of NCDs to the public, up to an amount not exceeding ₹ 5,000 crores.

The Shareholders by way of resolution passed under Section 180(1)(c) of the Companies Act, 2013 in its annual general meeting held on July 29, 2022, approved the borrowing limits of up to ₹ 110,000 crores. The Issue is within the borrowing limit approved by the shareholders.

Prohibition by SEBI

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

Our Company is not in default of payment of interest or repayment of principal amount in respect of non-convertible securities, for a period of more than six-months.

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

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

Categorisation as wilful defaulter

Our Company or persons in control of our Company or any of our Directors or our Promoter have not been categorised as wilful defaulters by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI, ECGC or any other governmental / regulatory authority.

None of our Whole-time Directors and/or our Promoters, is a whole-time director or promoter of another company which has been categorised as a wilful defaulter.

Declarations Fugitive Economic Offender

None of our Directors and/or Promoters have been declared as Fugitive Economic Offender.

Other confirmations

None of our Company or our Directors or our Promoters, or person(s) in control of our Company was a promoter, director or person in control of any company which was delisted within a period of ten years preceding the date of Shelf Prospectus, in accordance with Chapter V of the SEBI Delisting Regulations.

Disclaimer Clause of SEBI

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

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER IS PRIMARILY RESPONSIBLE FOR CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ISSUER DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER, A. K. CAPITAL SERVICES LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED APRIL 19, 2023, WHICH READS AS FOLLOWS:

1. WE CONFIRM THAT NEITHER THE ISSUER NOR ITS PROMOTERS OR DIRECTORS HAVE BEEN PROHIBITED FROM ACCESSING THE CAPITAL MARKET UNDER ANY ORDER OR DIRECTION PASSED BY SEBI. WE ALSO CONFIRM THAT NONE OF THE INTERMEDIARIES NAMED IN THE OFFER DOCUMENT HAVE BEEN DEBARRED FROM FUNCTIONING BY ANY REGULATORY AUTHORITY.
2. WE CONFIRM THAT ALL THE MATERIAL DISCLOSURES IN RESPECT OF THE ISSUER HAVE BEEN MADE IN THE OFFER DOCUMENT AND CERTIFY THAT ANY MATERIAL DEVELOPMENT IN THE TRANCHE I ISSUE OR RELATING TO THE TRANCHE I ISSUE UP TO THE COMMENCEMENT OF LISTING AND TRADING OF THE NCDs OFFERED THROUGH THIS TRANCHE I ISSUE SHALL BE INFORMED THROUGH PUBLIC NOTICES/ ADVERTISEMENTS IN ALL THE NEWSPAPERS IN WHICH PRE ISSUE ADVERTISEMENT AND ADVERTISEMENT FOR OPENING OR CLOSURE OF THE TRANCHE I ISSUE HAVE BEEN GIVEN.
3. WE CONFIRM THAT THE OFFER DOCUMENT CONTAINS ALL DISCLOSURES AS SPECIFIED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021.
4. WE ALSO CONFIRM THAT ALL RELEVANT PROVISIONS OF THE COMPANIES ACT, SECURITIES CONTRACTS (REGULATION) ACT, 1956, SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES, REGULATIONS, GUIDELINES, CIRCULARS ISSUED THEREUNDER ARE COMPLIED WITH.

THE LEAD MANAGER CONFIRMS THAT NO COMMENTS/ COMPLAINTS WERE RECEIVED ON THE DRAFT SHELF PROSPECTUS DATED MARCH 31, 2023 FILED WITH THE STOCK EXCHANGES. NATIONAL STOCK EXCHANGE OF INDIA LIMITED IS THE DESIGNATED STOCK EXCHANGE FOR THE ISSUE.

Disclaimer Clause of BSE

BSE LIMITED ("THE EXCHANGE") HAS GIVEN, VIDE ITS APPROVAL LETTER DATED APRIL 13, 2023 PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT/OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER:

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

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

Disclaimer Clause of NSE

AS REQUIRED, A COPY OF THIS OFFER DOCUMENT HAS BEEN SUBMITTED TO NATIONAL STOCK EXCHANGE OF INDIA LIMITED (HEREINAFTER REFERRED TO AS NSE). NSE HAS, VIDE ITS LETTER REF.: NSE/LIST/D/2023/0090 DATED APRIL 13, 2023, GIVEN PERMISSION TO THE ISSUER TO USE THE EXCHANGE'S NAME IN THIS OFFER DOCUMENT AS ONE OF THE STOCK EXCHANGES ON WHICH THIS ISSUER'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINIZED THIS DRAFT OFFER DOCUMENT FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS ISSUER.

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE AFORESAID PERMISSION GIVEN BY NSE SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE OFFER DOCUMENT HAS BEEN CLEARED OR APPROVED BY NSE; NOR DOES IT IN ANY MANNER WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS OFFER DOCUMENT; NOR DOES IT WARRANT THAT THIS ISSUER'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; NOR DOES IT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS ISSUER, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS ISSUER. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRE ANY SECURITIES OF THIS ISSUER MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION /ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR ANY OTHER REASON WHATSOEVER.

Disclaimer Clause of RBI

A COPY OF THIS SHLF PROSPECTUS HAS NOT BEEN FILED WITH OR SUBMITTED TO THE RESERVE BANK OF INDIA ("RBI"). IT IS DISTINCTLY UNDERSTOOD THAT THIS TRANCHE I PROSPECTUS SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED TO BE APPROVED OR VETTED BY RBI. RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE ISSUER OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE ISSUER AND FOR DISCHARGE OF LIABILITY BY THE ISSUER. RBI NEITHER ACCEPTS ANY RESPONSIBILITY NOR GUARANTEE FOR THE PAYMENT OF ANY AMOUNT DUE TO ANY INVESTOR IN RESPECT OF THE PROPOSED NCDS

Disclaimer statement from the Issuer

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

Undertaking by the Issuer

INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THE ISSUE. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED. THE NCDs HAVE NOT BEEN RECOMMENDED OR APPROVED BY ANY REGULATORY AUTHORITY IN INDIA, INCLUDING THE SECURITIES AND EXCHANGE BOARD OF INDIA (SEBI) NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS DOCUMENT. SPECIFIC ATTENTION OF INVESTORS IS INVITED TO THE STATEMENT OF THE "*RISK FACTORS*" CHAPTER ON PAGE 15 OF THE SHELF PROSPECTUS.

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

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

OUR COMPANY DECLARES THAT NOTHING IN THE SHELF PROSPECTUS AND THIS TRANCHE I PROSPECTUS IS CONTRARY TO THE PROVISIONS OF COMPANIES ACT, 2013 (18 OF 2013), THE

SECURITIES CONTRACTS (REGULATION) ACT, 1956 AND THE SECURITIES AND EXCHANGE BOARD OF INDIA ACT, 1992 AND THE RULES AND REGULATIONS MADE THEREUNDER.

Disclaimer statement from the Lead Manager

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

Disclaimer in Respect of Jurisdiction

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

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Appointment of Debenture Trustee

The Company has appointed the Debenture Trustee in accordance with the terms of the Debenture Trustee Agreement.

Separately, the Company and the Debenture Trustee have agreed the payment of an acceptance fee of ₹20,000 (Indian Rupees Twenty Thousand Only) plus applicable GST (one-time payment, payable upfront and non-refundable) and a service charge of ₹20,000 (Indian Rupees Twenty Thousand Only) per annum plus applicable GST. The first such payment would become payable on the date of execution for the pro-rata period from execution date till March 31; thereafter, the service charges are payable on an annual basis in advance on April 1 every year till the redemption and satisfaction of charges in full.

Debenture Trustee Agreement

Our Company has entered into a Debenture Trustee Agreement with the Debenture Trustee which provides for, *inter alia*, the following terms and conditions:

The Debenture Trustee, either through itself or its agents / advisors / consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents (including each Tranche Prospectus) and applicable laws, has been obtained for each Tranche Issue. For the purpose of carrying out the due diligence as required in terms of applicable laws, the Debenture Trustee, either through itself or its agents/ advisors/ consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/ valuers/ consultants/ lawyers/ technical experts/ management consultants appointed by the Debenture Trustee;

1. Our Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority,

as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by our Company or any other person, are registered / disclosed;

2. The Debenture Trustee shall have the power to either independently appoint, or direct our Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on NCDs at all times. All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports / certificates / documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by our Company;
3. Our Company has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;
4. The Debenture Trustee, ipso facto does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the NCDs.

Terms of carrying out due diligence

As per the SEBI Operational Circular for Debenture Trustees, the Debenture Trustee is required to exercise independent due diligence to ensure that the assets of the Issuer are sufficient to discharge the interest and principal amount with respect to the debt securities of the Issuer at all times.

Accordingly, the Debenture Trustee shall exercise due diligence as per the following process, for which our Company has consented to.

- (a) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the Offer Documents and the Applicable Laws, has been obtained. For the purpose of carrying out the due diligence as required in terms of the Applicable Laws, the Debenture Trustee, either through itself or its agents /advisors/consultants, shall have the power to examine the books of account of the Company and to have the Company's assets inspected by its officers and/or external auditors/valuers/consultants/lawyers/technical-experts/management consultants appointed by the Debenture Trustee.
- (b) The Company shall provide all assistance to the Debenture Trustee to enable verification from the registrar of companies, sub-registrar of assurances (as applicable), CERSAI, depositories, information utility or any other authority, as may be required, where the assets and/or prior encumbrances in relation to the assets proposed to secure the NCDs, whether owned by the Company or any other person, are registered / disclosed.
- (c) Further, in the event that existing charge holders or the concerned trustee on behalf of the existing charge holders, have provided conditional consent / permissions to the Company to create further charge on the assets, the Debenture Trustee shall also have the power to verify such conditions by reviewing the relevant transaction documents or any other documents executed between existing charge holders and the Company. The Debenture Trustee shall also have the power to intimate the existing charge holders about proposal of creation of further encumbrance and seeking their comments/ objections, if any.
- (d) Without prejudice to the aforesaid, the Company shall ensure that it provides and procures all information, representations, confirmations and disclosures as may be required in the sole discretion of the Debenture Trustee to carry out the requisite diligence in connection with the issuance and allotment of the NCDs, in accordance with the Applicable Laws.
- (e) All costs, charges, fees and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by the Company.

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

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

Other confirmations

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

The Debenture Trustee confirms that they have undertaken the necessary due diligence in accordance with applicable law, including the SEBI (Debenture Trustees) Regulations, 1993, read with the SEBI circulars titled (i) "Creation of Security in issuance of listed debt securities and 'due diligence' by debenture trustee(s)" dated November 3, 2020; and (ii) "Monitoring and Disclosures by Debenture Trustee(s)" dated November 12, 2020.

IDBI TRUSTEESHIP SERVICES LIMITED HAVE FURNISHED TO STOCK EXCHANGES A DUE DILIGENCE CERTIFICATE DATED APRIL 19, 2023, AS PER THE FORMAT SPECIFIED IN ANNEXURE A OF SEBI DUE DILIGENCE CIRCULAR WHICH READS AS FOLLOWS:

- 1. WE HAVE EXAMINED DOCUMENTS PERTAINING TO THE SAID ISSUE AND OTHER SUCH RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS.**
- 2. ON THE BASIS OF SUCH EXAMINATION AND OF THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND ON INDEPENDENT VERIFICATION OF THE VARIOUS RELEVANT DOCUMENTS, REPORTS AND CERTIFICATIONS, WE CONFIRM THAT:**
 - A. THE ISSUER HAS MADE ADEQUATE PROVISIONS FOR AND / OR HAS TAKEN STEPS TO PROVIDE FOR ADEQUATE SECURITY FOR THE DEBT SECURITIES TO BE ISSUED.**
 - B. THE ISSUER HAS OBTAINED THE PERMISSIONS / CONSENTS NECESSARY FOR CREATING SECURITY ON THE SAID PROPERTY(IES).**
 - C. THE ISSUER HAS MADE ALL THE RELEVANT DISCLOSURES ABOUT THE SECURITY AND ALSO ITS CONTINUED OBLIGATIONS TOWARDS THE HOLDERS OF DEBT SECURITIES.**
 - D. ISSUER HAS ADEQUATELY DISCLOSED ALL CONSENTS / PERMISSIONS REQUIRED FOR CREATION OF FURTHER CHARGE ON ASSETS IN OFFER DOCUMENT AND ALL DISCLOSURES MADE IN THE OFFER DOCUMENT WITH RESPECT TO CREATION OF SECURITY ARE IN CONFIRMATION WITH THE CLAUSES OF DEBENTURE TRUSTEE AGREEMENT.**
 - E. ISSUER HAS DISCLOSED ALL COVENANTS PROPOSED TO BE INCLUDED IN DEBENTURE TRUST DEED (INCLUDING ANY SIDE LETTER, ACCELERATED PAYMENT CLAUSE ETC.), OFFER DOCUMENT AND GIVEN AN UNDERTAKING THAT DEBENTURE TRUST DEED WOULD BE EXECUTED BEFORE FILING OF LISTING APPLICATION**
 - F. ISSUER HAS GIVEN AN UNDERTAKING THAT CHARGE SHALL BE CREATED IN FAVOUR OF DEBENTURE TRUSTEE AS PER TERMS OF ISSUE BEFORE FILING OF LISTING APPLICATION.**
 - G. ALL DISCLOSURES MADE IN THE DRAFT OFFER DOCUMENT WITH RESPECT TO THE DEBT SECURITIES ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE.**

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

Our Company undertakes that it shall submit the due diligence certificate from Debenture Trustee to the Stock Exchange as per format specified in Annexure A of the SEBI Due Diligence Circular.

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

Track record of past public issues handled by the Lead Manager

The track record of past issues handled by the Lead Manager, as required by SEBI circular number CIR/MIRSD/1/2012 dated January 10, 2012, is available at www.akgroup.co.in

Listing

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

If permission to deal in and for an official quotation of our NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the applications in pursuance of this Tranche I Prospectus.

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

For the avoidance of doubt, it is hereby clarified that in the event of under subscription, NCDs shall not be listed.

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

Consents

Consents in writing of: (a) our Directors, (b) Company Secretary and Compliance Officer, (c) Chief Financial Officer, (d) Lead Manager, (e) the Registrar to the Issue, (f) the Debenture Trustee to the Issue, (g) Legal Advisor to the Issue, (h) Credit Rating Agency, (i) Banker to our Company, (j) Consortium Member; (k) Public Issue Account Bank, Refund Bank and Sponsor Bank; (l) lenders, to act in their respective capacities, have been obtained and will be filed along with a copy of this Tranche I Prospectus with the RoC as required under Section 26 of the Companies Act, 2013. Further, such consents have not been withdrawn up to the time of delivery of this Tranche I Prospectus with the Stock Exchange.

The consent of the Statutory Auditors of our Company, M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan, for (a) inclusion of their names as the Statutory Auditors, and (b) examination reports on the Reformatted Financial Information under Ind AS in the form and context in which they appear in the Shelf Prospectus, have been obtained and has not withdrawn such consent and the same will be filed along with a copy of this Tranche I Prospectus.

Further, M/s. Sundaram & Srinivasan has consented for inclusion of the statement of possible tax benefits available to the debenture holders in the form and context in which they appear in this Tranche I Prospectus.

Expert Opinion

Except for the reports on Reformatted Financial Information dated April 19, 2023 appearing in the Shelf Prospectus, our Company has not obtained any other expert opinion with respect to the Issue.

The above experts are not, and has not been, engaged or interested in the formation or promotion or management, of the Company and have given their written consent to the Company as stated in the paragraph above and has not withdrawn such consent before the filing of this Tranche I Prospectus with the Stock Exchanges.

Common form of Transfer

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

Minimum Subscription

In terms of the SEBI NCS Regulations, for an issuer undertaking a public issue of debt securities the minimum subscription for public issue of debt securities shall be 75% of the Base Issue Size. If our Company does not receive the minimum subscription of 75% of Base Issue Size, prior to the Tranche I Issue Closing Date the entire Application Amount shall be unblocked in the relevant ASBA Account(s) of the Applicants within six Working Days from the Tranche I Issue Closing Date or such time as may be specified by SEBI provided wherein, the Application Amount has been transferred to the Public Issue Account from the respective ASBA Accounts, such Application Amount shall be refunded from the Refund Account to the relevant ASBA Accounts(s) of the Applicants within eight Working Days from the Tranche I Issue Closing Date, failing which our Company will become liable to refund the Application Amount along with interest at the rate 15 (fifteen) percent per annum for the delayed period.

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

Filing of the Draft Shelf Prospectus

The Draft Shelf Prospectus has been filed with the Stock Exchanges in terms of Regulation 27 of the SEBI NCS Regulations for dissemination on its website(s) prior to the opening of the Issue. The Draft Shelf Prospectus has also been displayed on the website of the Company and the Lead Manager.

Filing of the Shelf Prospectus and the relevant Tranche Prospectus with the RoC

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

Debenture Redemption Reserve (“DRR”)

In accordance with the Companies Act, 2013 and the Companies (Share Capital and Debentures) Rules 2014, any non-banking financial company that intends to issue debentures to the public is not required to create a DRR for the purpose of redemption of debentures.

Pursuant to the amendment to the Companies (Share Capital and Debentures) Rules 2014, notified on August 16, 2019, and as on the date of filing of this Tranche I Prospectus, the Company is not required to create DRR for the purpose of redemption of the NCDs. Accordingly, no debenture redemption reserve shall be created by our Company for the purpose of redemption of the NCDs or in connection with this Tranche I Issue. The Company shall, as per the Companies (Share Capital and Debentures) Rules 2014 and other laws applicable from time to time, invest or deposit, as the case may be, the applicable amounts, within the specified timelines, in respect of debentures maturing during the year ending on the 31st day of March of the next year, in any one or more methods of investments or deposits stipulated under the applicable law. Provided that the amount remaining invested or deposited, as the case may be, shall not at any time fall below the specified percentage, which is presently stipulated at fifteen percent of the amount of the debentures maturing during the year ending on March 31 of the next year, in any of the following instruments or such other instruments as may be permitted under the applicable laws.

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

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

Recovery Expense Fund

Our Company has created a recovery expense fund in the manner as specified by SEBI in SEBI Operational Circular for Debenture Trustees as amended from time to time and Regulation 11 of SEBI NCS Regulations with the Designated Stock Exchange for an amount equal to 0.01% of the issue size, subject to a maximum of deposit of ₹2,500,000 at the time of making the application for listing of NCDs and informed the Debenture Trustee regarding the creation of such fund. The recovery expense fund may be utilised by Debenture Trustee, in the event of default by our Company under the terms of the Debenture Trust Deed, for taking appropriate legal action to enforce the security.

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

Issue related expenses

The expenses for this Tranche I Issue include, inter alia, lead management fees and selling commission to the Lead Manager, Consortium Members and intermediaries as provided for in the SEBI Operational Circular, fees payable to debenture trustees, the Registrar to the Issue, SCSBs' commission/ fees, fees payable to sponsor bank, printing and distribution expenses, legal fees, advertisement expenses, listing fees and any other expense directly related to the Issue. The Issue expenses and listing fees will be paid by our Company. For details of Issue related expenses, see “*Objects of the Issue*” on page 24.

Underwriting

This Tranche I Issue will not be underwritten.

Revaluation of Assets

Our Company has not revalued its assets in the last three Fiscal Years.

Reservation

No portion of this Tranche I Issue has been reserved.

Previous Issues

Public / Rights Issues of Equity Shares in the last three years from this Tranche I Prospectus

Public Issue:

Our Company, Subsidiary or Group Companies have not undertaken any public issue of Equity Shares in last three years.

Rights Issue:

Our Company, our Subsidiaries and Group Company has not undertaken rights issue of equity shares in the last three years.

Previous Public Issues of Non - Convertible Debenture

Our Company, Subsidiary or Group Companies have not made any previous public issues of non - convertible debentures.

Utilisation details of previous issues

Our Company, Subsidiary and Group Companies, as applicable, have issued non-convertible debentures by way of various private placements, for which, our Company and Subsidiary have utilised the proceeds from such issuances in accordance with the use of proceeds set out in the respective offer documents and/or information memorandums under which such non-convertible debentures were issued which include, among others, its various financing activities, to repay its existing loans and for its business operations and for general corporate purposes in accordance with the object clause of the Memorandum of Association of our Company and Subsidiary, respectively, for further details of such non-convertible debentures, see "Disclosures on Existing Financial Indebtedness" beginning on page 193 of the Shelf Prospectus.

Benefit/ interest accruing to Promoters/ Directors out of the Object of the Issue

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

Details regarding the Company and other listed companies under the same management within the meaning of Section 370(1B) of the Companies Act, which made any capital issue during the last three years

There are no public or rights or composite issue of capital by listed companies under the same management within the meaning of Section 370(1) (B) of the Companies Act, 1956 during the last three years.

Utilisation of proceeds by our Group Companies

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

Delay in listing

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

Details regarding lending out of issue proceeds of previous issues of debt securities (whether public issue or private placement)

Lending Policy

Please see "Our Business" on page 136 of the Shelf Prospectus.

Loans given by our Company

The Company has not provided any loans/advances to associates, entities / persons related to the Board, senior management or our Promoters out of the proceeds of previous private placements of debentures.

Types of loans

Classification of loans/advances given

The detailed breakup of the types of loans given by the Company as on December 31, 2022 is as follows:

S. No.	Ticket Size	AUM (In Rs. crore)	AUM (%)
1.	Secured	90,214	94.50
2.	Unsecured	5,254	5.50
Total assets under management (AUM)		95,468	100

Denomination of loans outstanding by LTV as on December 31, 2022:

LTV band	Outstanding amount (In Rs. crore)	%
Below 50%	12,747.60	13.29
Between 50-60%	7,843.27	8.18
Between 60-70%	12,191.96	12.71
Between 70-80%	12,711.14	13.26
More than 80%	45,669.53	47.63
Unsecured Loans	4,729.54	4.93
Total	95,893.04	100.00

Sectoral Exposure

The sectoral exposure of loans given by the Company as on December 31, 2022 is as follows:

S. No	Segment- wise breakup of AUM	Percentage of AUM
1.	Retail	
A.	Mortgages (home loans and loans against property)	28.57
B.	Vehicle Finance	64.19
C.	MSME	1.52
D.	Capital market funding (loans against shares, margin funding)	0.13
E.	Others	5.18
2.	Wholesale	
A.	Promoter Funding	0.06
B.	Others	0.34
Total		100.00%

Denomination of AUM by ticket size as on December 31, 2022:

S. No.	Ticket Size	AUM (In Rs. crore)	% of AUM
1.	Upto 2 Lakhs	4367.46	5
2.	Between 2 and 5 Lakhs	12,637.81	13
3.	Between 5 and 10 Lakhs	24,290.14	25
4.	Between 10 and 25 Lakhs	25,623.42	27
5.	Between 25 and 50 Lakhs	12,018.88	13
6.	Between 50 Lakhs and 1 Crore	5,496.14	6
7.	Between 1 and 5 Crore	8,889.09	9
8.	Between 5 and 25 Crore	1,954.58	2
9.	Between 25 and 100 Crore	90.16	0
10.	More than 100 Crore	99.99	0
Total		95,467.66	100.00%

Geographical classification of AUM as on December 31, 2022:

S. No.	Top Five States	% of AUM
1.	Tamil Nadu	14.06
2.	Maharashtra	11.02
3.	Karnataka	7.16
4.	Rajasthan	6.33
5.	Gujarat	5.66
Total		44.22

Aggregated exposure to top 20 borrowers with respect to concentration of advances as on December 31, 2022

	Amount
Total exposure to twenty largest borrowers / customers (in ₹ crore)*	494.49
Percentage of exposures to twenty largest borrowers / customers to total exposure on borrowers / customers (in %)	0.01

* Includes loans and advances, interest accrued thereon

Aggregated exposure to top 20 borrowers with respect to concentration of exposures as on December 31, 2022

	Amount
Total Advances to twenty largest borrowers (in ₹ crore)*	498.01
Percentage of Advances to twenty largest borrowers to Total Advances (in %)	0.01

* Includes loans and advances and interest accrued thereon.

Details of loans overdue and classified as non – performing in accordance with the RBI guidelines as on December 31, 2022

Movement of gross NPAs	Amount (in ₹ crore)
(a) Opening gross NPA	5,212.03
(b) Additions during the year	2,683.63
(c) Reductions during the year	(2,750.03)

Movement of gross NPAs	Amount (in ₹ crore)
(d) Closing balance of gross NPA	5,145.63

Movement of net NPA	Amount (in ₹ crore)
(a) Opening balance	3,629.79
(b) Additions during the year	1,976.14
(c) Reductions during the year	(2,063.75)
(d) Closing balance of the Net NPA	3,542.18

Movement of provisions for NPAs	Amount (in ₹ crore)
(a) Opening balance	1,582.24
(b) Provisions made during the year	707.50
(c) Write-off / write -back of excess provisions	(686.28)
(d) Closing balance	1,603.46

Segment-wise gross NPA as on December 31, 2022

S. No	Segment- wise breakup of gross NPAs	Gross NPA (%)
1.	Retail	
A.	Mortgages (home loans and loans against property)	5.63
B.	Vehicle Finance	5.80
C.	MSME	0.67
D.	Capital market funding (loans against shares, margin funding)	0.00
E.	Others	1.12
2.	Wholesale	
A.	Promoter Funding	0
B.	Others	0
Total		5.37

Details of any other contingent liabilities of the issuer based on Limited Review Financials including amount and nature of liability

S. No.	Particulars	Nature of Liability	Amount as on December 31, 2022
1	Income tax and Interest on Tax issues where the Company has gone on appeal	Contingent Liability	66.17
2	Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Income Tax	Contingent Liability	0.28
3	Sales Tax issues pending before Appellate Authorities in respect of which the Company is on appeal	Contingent Liability	27.55
4	Decided in the Company's favour by Appellate Authorities and for which the Department is on further appeal with respect to Sales Tax	Contingent Liability	1.02
5	Service Tax & GST issues pending before Appellate Authorities in respect of which the Company is on appeal	Contingent Liability	199.92
6	Disputed claims against the Company lodged by various parties under litigation (to the extent quantifiable)	Contingent Liability	151.06

Promoter Shareholding

Please see "Capital Structure" beginning on page 48 of the Shelf Prospectus for details with respect to Promoter shareholding in our Company as on the date of the Shelf Prospectus.

Residual maturity profile of assets and liabilities as on December 31, 2022 (in Rs. crore)

Particulars	Up to 30/31 days	More than 1 month to 2 months	More than 2 months to 3 months	More than 3 months to 6 months	More than 6 months to 1 year	More than 1 year to 3 years	More than 3 years to 5 years	More than 5 years	Total In ₹ crore
Deposits	2,920.00	899.28	1,662.68	0.8	381.18	-	-	1,532.34	7,396.27
Advances	4,744.75	3,685.19	3,237.35	9,430.04	15,033.08	39,653.44	12,212.76	10,432.02	98,428.63
Investments	4	17.07	41.99	6.79	50.03	419.52	242.92	584.26	1,366.58
Borrowings	5,008.28	4,472.32	4,832.06	5,421.74	13,196.85	37,566.11	14,992.16	3,210.24	88,699.75
Foreign Currency Assets	-	-	-	-	-	-	-	-	-

Foreign currency liabilities	15.65	0	56.59	60.55	107.91	1,872.81	431.65	71.16	2,616.32
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In case the issuer is a NBFC or HFC or PFI and the objects of the public issue entail loan to any entity which is a 'Group Company', then disclosures shall be made in the following format:

Sr No	Name of Borrower	Amount of Advance/ exposure to such borrower (Group Company) (₹ in million) (A)	Percentage of Exposure = (A/ Total AUM)
1	NA	NA	NA

The disclosure above is not applicable to our Company as the objects of the public issue do not entail loan to any entity which is a 'Group Company'.

Dividend

Our Company has formulated a dividend distribution policy in compliance with Regulation 43 of SEBI LODR Regulations.

Other than as disclosed below, our Company has not declared any Dividend in the last three years and in the quarter and nine months ended December 31, 2022.

<i>(Rs. In crores)</i>				
Particulars	December 31, 2022	March 31, 2022	March 31, 2021	March 31, 2020
Equity Share Capital	164.43	164.21	164.01	163.92
Face Value per share	2	2	2	2
Interim Dividend per share	NA	1.3	1.3	1.7
Interim Dividend	NA	106.73	106.56	134.90
Interim Dividend Rate (%)	NA	65	65	85
Final Dividend per share	NA	0.7	0.7	0
Final Dividend	NA	57.50	57.42	-
Final Dividend Rate (%)	NA	35	35	0

Jurisdiction

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

Commission or Brokerage on Previous Issues

This is the maiden public issue of NCDs by the Company. Hence no commission has been paid in relation to any public issue of the NCDs.

Refusal of listing of any security of the issuer during last three years by any of the stock exchanges in India or abroad

There has been no refusal of listing of any security of our Company during the last three years prior to the date of this Tranche I Prospectus by any Stock Exchange in India.

Mechanism for redressal of investor grievances

KFin Technologies Limited (*formerly known as KFIN Technologies Private Limited*) has been appointed as the Registrar to the Issue to ensure that investor grievances are handled expeditiously and satisfactorily and to effectively deal with investor complaints.

Agreement dated March 29, 2023 between the Registrar to the Issue and our Company provides for settling of investor grievances in a timely manner and for retention of records with the Registrar to the Issue for a period of eight years from the last date of dispatch of the Allotment Advice, demat credit and refund through unblocking to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

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

Additionally, all grievances related to UPI process may be addressed to the Stock Exchange which shall be responsible for addressing investor grievances arising from applications submitted online through the app based/ web interface platform of the Stock Exchange or through its Trading Members. Further, in accordance with the Debt UPI Circular, the Designated Intermediaries shall be responsible for addressing any investor grievances arising from the Applications uploaded by them in respect of quantity, price or any other data entry or other errors made by them.

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be three (3) Working Days from the date of receipt of the complaint. In case of non -routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible

Registrar to the Issue



KFin Technologies Limited (formerly known as KFIN Technologies Private Limited)

Address: Selenium, Tower B, Plot No- 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi 500 032, Telangana, India

Tel: +91 40 6716 2222

Facsimile: +91 40 23431551

Email: chola.ncdipo@kfintech.com

Investor Grievance Email: einward.ris@kfintech.com

Website: www.kfintech.com

Contact Person: M Murali Krishna

SEBI Registration No.: INR000000221

CIN: L72400TG2017PLC117649

Compliance Officer of our Company

P. Sujatha is the Company Secretary and Compliance Officer of our Company for this Issue. The contact details of the Compliance Officer are as follows:

Address: Dare House, No. 2, N.S.C. Bose Road, Parrys, Chennai 600 001, Tamil Nadu, India

Tel: +91 44 4090 7172

Email: sujathap@chola.murugappa.com

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

Change in Auditors of our Company during the last three years

Except as disclosed below, there has been no changes in the statutory auditor of our Company:

Name of the Auditor	Address	Date of Appointment	Date of cessation if applicable	Date of Resignation if applicable
M/s Price Waterhouse LLP, Chartered Accountants	252, Veer Savarkar Marg, Shivaji Park, Dadar (West), Mumbai, 400 028, Maharashtra, India	July 30, 2021	-	-
M/s Sundaram & Srinivasan	#23, CP Ramaswamy Road, Alwarpet, Chennai 600 018, Tamil Nadu, India			
S.R. Batliboi and Associates LLP	6 th Floor – “A” Block Tidel Park No. 4, Rajiv Gandhi Salai, Taramani Chennai – 600 113	July 27, 2017	-	July 30, 2021

Auditor’s Remarks or Emphasis of Matter by Auditors

Except as disclosed in “*Risk Factors*” and “*Outstanding Litigations and Defaults*” of the Shelf Prospectus, there are no reservations or qualifications or adverse remarks in the financial statements and financial position of our Company in the last three Fiscals and the nine month period ending December 31, 2022 immediately preceding this Tranche I Prospectus.

Trading

Debt securities issued by our Company, which are listed on BSE’s and NSE’s wholesale debt market are infrequently traded with limited or no volumes. Consequently, there has been no material fluctuation in prices or volumes of such listed debt securities.

Disclaimer statement from our Company, our Directors and the Lead Manager

Our Company, our Directors and the Lead Manager accepts no responsibility for statements made other than in the Shelf Prospectus and this Tranche I Prospectus or in the advertisements or any other material issued by or at our Company's instance in connection with the Issue of the NCDs and anyone placing reliance on any other source of information including our Company's website, or any website of any affiliate of our Company would be doing so at their own risk. The Lead Manager accept no responsibility, save to the limited extent as provided in the Issue Agreement.

None among our Company or the Lead Manager or any Member of the Syndicate is liable for any failure in uploading the Application due to faults in any software/ hardware system or otherwise; the blocking of Application Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism.

Investors who make an Application in the Issue will be required to confirm and will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs and will not issue, sell, pledge, or transfer the NCDs to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the NCDs. Our Company, the Lead Manager and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the NCDs being offered in the Issue.

Latest ALM statement

The following table describes the standalone ALM of our Company as on December 31, 2022:

INR Million	Over 1 Month	Over 2 Months	Over 3 Months	Over 3-6 Months	Over 6-12 Months	Over 1-3 Years	Over 3-5 Years	Over 5 Years	Total
Liabilities									
Borrowings	50,239.28	44,723.18	48,886.48	54,822.88	1,33,047.57	3,94,389.19	1,54,238.06	32,814.03	9,13,160.67
Other Liabilities	26,438.92	1,815.98	553.55	3,333.32	5,908.33	1,913.52	1,122.03	1,282.53	42,368.19
Equity	-	-	-	-	-	-	-	1,38,194.23	1,38,194.23
Total	76,678.21	46,539.16	49,440.03	58,156.20	1,38,955.90	3,96,302.71	1,55,360.10	1,72,290.79	10,93,723.09
Assets									
Cash & Bank Balances	29,199.97	8,992.78	16,626.75	8.02	3,811.77	-	-	15,323.41	73,962.70
Investments	40.00	170.73	419.86	67.87	500.30	4,195.24	2,429.17	5,842.59	13,665.76
Loans & Advances	47,447.50	36,851.95	32,373.50	94,300.38	1,50,330.85	3,96,534.41	1,22,127.56	1,04,320.18	9,84,286.32
Fixed Assets	-	-	-	-	-	-	-	2,918.79	2,918.79
Other Assets	888.20	1,103.18	66.46	125.90	410.70	2,236.92	2,916.73	11,141.44	18,889.54
Total	77,575.67	47,118.63	49,486.57	94,502.17	1,55,053.62	4,02,966.56	1,27,473.47	1,39,546.41	1,09,372.30
Mismatch	897.46	579.47	46.54	36,345.97	16,097.72	6,663.86	27,886.63	32,744.38	-
Cumulative Mismatch	897.46	1,476.93	1,523.47	37,869.44	53,967.15	60,631.01	32,744.38	0.00	-

Note: Basis unaudited provision return filed with RBI as on December 31, 2022.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts which are or may be deemed material have been entered or are to be entered into by our Company. These contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company from 10:00 a.m. to 5:00 p.m. on any Working Day from the date of filing of this Tranche I Prospectus with Registrar of Companies until the Tranche I Issue Closing Date.

A. *Material Contracts*

1. Issue Agreement dated March 31, 2023 executed between our Company and the Lead Manager.
2. Registrar Agreement dated March 31, 2023 executed between our Company and the Registrar to the Issue.
3. Debenture Trustee Agreement dated March 31, 2023 executed between our Company and the Debenture Trustee.
4. Agreed form of Debenture Trust Deed to be executed between our Company and the Debenture Trustee.
5. Consortium Agreement dated April 19, 2023 executed between our Company, Consortium Member and the Lead Manager.
6. Public Issue Account Agreement dated April 19, 2023 executed between our Company, the Registrar, the Public Issue Account Bank, Refund Bank and Sponsor Bank, and the Lead Manager
7. Tripartite Agreement dated November 26, 1997 entered into between our Company, Registrar to the Issue (formerly known as *Karvy Consultants Limited*) and NSDL.
8. Tripartite Agreement dated January 28, 2000 entered into between our Company, Registrar to the Issue (formerly known as *Karvy Consultants Limited*) and CDSL.

B. *Material Documents*

1. Memorandum of Association and Articles of Association of our Company.
2. Certificate of incorporation dated August 17, 1978 issued to our Company, under the name 'Cholamandalam Investment and Finance Company Limited' by the Registrar of Companies, Tamil Nadu at Chennai.
3. Fresh certificate of incorporation dated April 12, 2006 issued to our Company pursuant to change of name of our Company from 'Cholamandalam Investment and Finance Company Limited' to 'Cholamandalam DBS Finance Limited' issued by the RoC.
4. Fresh certificate of incorporation dated June 2, 2010 issued to our Company pursuant to change of name of our Company from 'Cholamandalam DBS Finance Limited' to 'Cholamandalam Investment and Finance Company Limited'.
4. The certificate of registration bearing number 07-00306 dated June 9, 2011 issued by the RBI to commence/ carry on the business of non-banking financial institution.
5. The certificate of registration bearing number N-07-00893 dated December 15, 2022 issued by the RBI to commence/ carry on the factoring business without accepting public deposits.
6. Share Subscription Agreement dated September 15, 2021 executed by and amongst our Company, Amit Jain, Amit Hooja, Paytail Commerce Private Limited, Vikas Garg and Amit Kumar Chaturvedi.
7. Share Purchase Agreement dated January 17, 2022, executed by and amongst our Company, Payswiff Technologies Private Limited and the sellers specified therein.
8. Scheme of Amalgamation between Payswiff Solutions Private Limited, Payswiff Services Private Limited, Payswiff Technologies Private Limited and their respective shareholders and creditors.
9. Share Swap Agreement dated March 28, 2023 entered amongst our Company and TVS Supply Chain Solutions Limited, White Data Systems India Private Limited, Vellayan Narayanan, Vellayan Lakshmanan and S Ramesh Kumar.
10. Credit rating letter and credit rating rationale dated February 15, 2023 (further revalidated on March 20, 2023 and April 13, 2023) from India Ratings assigning a rating IND AA+/Stable to the NCDs.

11. Credit rating letter and credit rating rationale dated March 16, 2023 (further revalidated on April 3, 2023) from ICRA assigning a rating [ICRA]AA+(Stable) to the NCDs.
12. Copy of the resolution passed at a meeting of Board of Directors held on January 31, 2023 authorising the Issue for an amount aggregating up to ₹ 5,000 crores.
13. Copy of the resolution passed by our Shareholders, pursuant to Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013, at the AGM held July 29, 2022, approving the overall borrowing limit and security creation limits of our Company.
14. Copy of the resolution of our Debenture Committee dated March 31, 2023 for approval of the Draft Shelf Prospectus.
15. Copy of the resolution of our Debenture Committee dated April 19, 2023 for approval of the Shelf Prospectus.
16. Copy of the resolution of our Debenture Committee dated April 19, 2023 for approval of this Tranche I Prospectus.
17. Consents of our Directors, Lead Manager to the Issue, Chief Financial Officer, Company Secretary and Compliance Officer, Debenture Trustee for the NCDs, Credit Rating Agency for this Issue, Legal Advisor to the Issue, Bankers to the Company, the Registrar to the Issue, to include their names in this Tranche I Prospectus in their respective capacity.
18. The consent dated April 19, 2023 from the Joint Statutory Auditors of our Company, namely M/s. Price Waterhouse LLP and M/s. Sundaram & Srinivasan for inclusion of: (a) their names as the Joint Statutory Auditors and as "experts" as defined under Section 2(38) of the Companies Act, and (b) examination reports on the Reformatted Financial Information as at and for each of the years ended March 31, 2022, March 31, 2021, March 31, 2020.
19. Consent letter from M/s. Sundaram & Srinivasan for inclusion of the statement of possible tax benefits available to the debenture holders in the form and context in which they appear in this Tranche I Prospectus.
20. Statement of possible tax benefits dated April 19, 2023 issued by our M/s Sundaram and Srinivasan.
21. Annual reports of our Company for the financial years ended March 31, 2022, 2021 and 2020.
22. Examination report dated April 19, 2023 from the Joint Statutory Auditors of our Company in relation to the Reformatted Standalone Financial Information and Reformatted Consolidated Financial Information for the financial years ended March 31, 2022, March 31, 2021 and March 31, 2020.
23. Limited Review Financials as at and for the nine month period ended December 31, 2022.
24. Due diligence certificate dated April 19, 2023 filed by the Lead Manager with SEBI.
25. Due diligence certificate dated March 31, 2023 from the Debenture Trustee to the Issue for the Draft Shelf Prospectus.
26. Due diligence certificate dated April 19, 2023 from Debenture Trustee for the Shelf Prospectus and Tranche I Prospectus.
27. In-principle approval dated April 13, 2023 for the Issue issued by BSE, by its letter no. DCS/BM/PI-BOND/002/23-24.
28. In-principle approval dated April 13, 2023 for the Issue issued by NSE, by its letter no. NSE/LIST/D/2023/0090.

DECLARATION

We, the Directors of the Company, hereby certify and declare that all the applicable legal requirements in connection with the Tranche I Issue and the Company including the all relevant provisions of the Companies Act, 2013, as amended, and the rules prescribed thereunder, to the extent applicable and the guidelines issued by the Government of India and/or the regulations/guidelines/circulars issued by the Reserve Bank of India, and the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as applicable, including the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, provisions under the Securities Contracts (Regulation) Act, 1956, as amended, and rules made thereunder, including the Securities Contracts (Regulation) Rules, 1957, as amended, including the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable, as the case may be have been complied with and no statement made in this Tranche I Prospectus is contrary to the provisions of the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be. We hereby confirm that the compliance with the Securities and Exchange Board of India Act, 1992 or rules made there under does not imply that payment of dividend or interest or repayment of debt securities, is guaranteed by the Central Government.

We further certify that all the disclosures and statements made in this Tranche I Prospectus are true, correct and complete in all material respects, are in conformity with Companies Act, 2013, Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended, the Securities Contracts (Regulation) Act, 1956, as amended and rules made thereunder including the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Securities and Exchange Board of India Act, 1992 or rules made there under, regulations or guidelines or circulars issued, as the case may be and do not omit disclosure of any material fact which may make the statements made therein, in light of circumstances under which they were made, misleading and that this Tranche I Prospectus does not contain any misstatements. Furthermore, all the monies received under this Tranche I Issue shall be used only for the purposes and objects indicated in this Tranche I Prospectus. No information material to the subject matter of this form has been suppressed or concealed and whatever is stated in this Tranche I Prospectus is as per the original records maintained by the Promoter(s) subscribing to the Memorandum of Association and Articles of Association.

Signed by the Directors of our Company

Vellayan Subbiah

Chairman and Non-Executive Director
DIN: 01138759

Ravindra Kumar Kundu

Executive Director
DIN: 07337155

M.A.M. Arunachalam

Non-Executive Director
DIN: 00202958

Ramesh Rajan Natarajan

Non-Executive Independent Director
DIN: 01628318

Anand Kumar

Non-Executive Independent Director
DIN: 00818724

Rohan Verma

Non-Executive Independent Director
DIN: 01797489

Bhama Krishnamurthy

Non-Executive Independent Director
DIN: 02196839

Date: April 19, 2023

Place: Chennai

ANNEXURE A: CREDIT RATINGS AND RATING RATIONALES

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India Ratings Assigns Cholamandalam Investment and Finance Company's Additional NCDs 'IND AA+'/Stable; Affirms Other Ratings

Feb 15, 2023 | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has taken the following rating actions on Cholamandalam Investment and Finance Company Limited (CIFCL):

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-Term Issuer Rating					IND AA+/Stable	Affirmed
NCDs*				INR 104.63 (reduced from INR 105.98)	IND AA+/Stable	Affirmed
NCDs (Public issue) @	-	-	-	INR 50	IND AA+/Stable	Assigned
Lower Tier 2 subordinated debt*	-	-	-	INR 33.17	IND AA+/Stable	Affirmed
Perpetual debt (Tier 1 instrument) *,#	-	-	-	INR 14.4(reduced from INR 14.7)	IND AA/Stable	Affirmed

*Details in Annexure

Perpetual debt instruments are subject to coupon deferring if capital levels fall below the regulatory minimum, or if servicing of coupon leads to capital levels falling below the regulatory minimum, or if servicing of coupon leads to a loss after tax or an increase in loss after tax, and requires prior approval from the regulator, even if the capital levels then are above the regulatory minimum.

@ Yet to utilise

Key Rating Drivers

Large and Diversified Franchise: CIFCL is among India's largest asset finance non-bank financing companies, with a geographically well-diversified vehicle finance portfolio (3QFY23: 64.3% of assets under management (AUM), FY22: 68.8%; FY21: 72%). The company has been able to maintain a strong position in both new and used vehicle segments across multiple product lines such as light commercial vehicles, heavy commercial vehicles, cars, and multi-utility vehicles

and tractors. CIFCL has a large network of 1,166 branches spread across 29 states. The company is also a significant player in the loan against property (LAP) segment (3QFY23: 20.9% of AUM) and has increased its focus on small ticket LAP loans. Its home loan segment, which largely caters to self-construction and resale properties in the affordable segment, has also attained a meaningful size, with a contribution of 7.6% to the overall AUM. The company has entered into three new verticals - consumer and small enterprise loans, secured business and personal loans, and small and medium enterprises loans - which form around 7.3% of the AUM. It has also made a substantial investment in Payswiff Technologies Pvt Ltd, which is a point-of-sale provider that enables a digital payment gateway for the e-commerce business, thereby helping CIFCL in building its customer base and providing customer solutions.

Experienced Management: CIFCL has an experienced top management and a reasonably seasoned second line of management with decades of experience in the industry through multiple cycles. The company has established risk management and analytics teams to drive operating efficiency and risk-based product pricing. The company also benefits from its linkages with the Murugappa group, which, through its group entities, holds a 51.49% stake in CIFCL. The company is an important part of the group and contributes significantly to its profitability.

Liquidity Indicator - Adequate: In terms of asset-liability management (ALM), CIFCL's structural liquidity statement at end-December 2022 was matched up to the one-year bucket with minor gaps. As per Ind-Ra's stress test on the ALM, the peak cumulative gap in the less-than-one-year time buckets could be substantially covered by its unutilised bank lines at end-December 2022. CIFCL maintains a healthy on-balance sheet liquidity, with cash and liquid investments of INR74.07 billion as of December 2022, along with unutilised bank lines of INR27.07 billion; however, there has been some moderation in the liquidity with the increase in disbursements. CIFCL has a demonstrated history of securitising its assets. Moreover, it has a diversified funding profile, with a fairly strong access to banks and capital markets, and it can raise funds at competitive rates. The funding cost for CIFCL inched up to 6.4% in 3QFY23 (FY22: 5.8%; FY21: 6.7%).

Adequate Capitalisation: CIFCL's tier I stood at 15.1% in 3QFY23 (FY22: 16.5%; FY21: 15.1%) with common equity tier 1 of 13.8%. The leverage (debt/equity) stood at 6.6x in 3QFY23 (FY22: 5.9x; FY21: 6.7x). Also, the internal accruals have improved due to a moderation in credit cost post the pandemic, supporting higher loan growth. However, the growth in loans has been higher than that in internal accruals, leading to absorption in capital buffers. Ind-Ra expects the company to maintain adequate capital buffers over the medium term, above the regulatory minimum, comparable to similarly rated peers and in line with its asset profile.

Profitability Buffers Stable: CIFCL's profitability buffers (pre-provision operating profit buffers to credit costs) improved to 4.3x in 9MFY23 (FY22: 4.4x; FY21: 2.5x). Furthermore, the net interest margins were stable at 7.7% in 9MFY23 (9MFY22: 7.8%), largely driven by the high yielding book across new businesses and the loan against property book being repriced with higher interest rates during 9MFY23. The operating expenses to average total assets ratio stood at 3% for 9MFY23 (9MFY22: 2.6%); Ind-Ra expects it to remain around 3% in the medium term.

Asset Quality on Improving Trend, Supported by Strong Loan Growth: CIFCL's asset quality was impacted by COVID-19 in FY22; however, it has been on a recovering trend in FY23. The gross stage-3 non-performing assets (NPA) stood at 3.51% in 3QFY23 (3QFY22: 5.85%; FY22: 4.37%) due to the strong loan growth of 32.2% yoy in the gross stage assets. In 3QFY23, the absolute stage-3 assets moderated by 20.7% yoy, while disbursements rose 68.4% yoy (up 20.1% qoq). The provision coverage ratio on Ind-AS gross stage-3 assets stood at 41% in 3QFY23 (FY22: 39.7%; FY21: 44.3%). The restructured book has also been improving and stood at 2.36% in 3QFY23 (3QFY22: 6.35%).

Also, as per the Income Recognition and Asset Classification (IRAC) norms, the gross NPA stood at 5.4% in 9MFY23 (FY22: 6.8%, 9MFY22: 8.5%). The gap between IRAC and IND-AS reporting has been narrowing; however, it is to be noted that the provisions under IND-AS exceed the provisions under IRAC by INR5 billion.

Improving Legacy Assets in Home Equity Segment: A large part of the stressed book in home equity is quite seasoned, with legacy assets contributing the most to delinquencies. The average ticket size of CIFCL's LAP portfolio was INR 4.64 million in 9MFY23. The company has a decade-long experience in this segment. This, along with its cautious approach in scaling up the business over the past couple of years, should help it contain ultimate losses. Also, CIFCL has

been diversifying across geographies by expanding its branch network and reducing the ticket size from the existing levels. Its home equity book is mostly concentrated in the National Capital Region and Tamil Nadu, which jointly formed 29% of the book at 3QFY23.

The vehicle finance NPA ratio (90+ DPD) improved to 3.63% in 3QFY23 (2QFY23: 3.85%; FY22: 3.90%; FY21: 3.08%) and the home equity NPA ratio (90+ DPD) to 4.76% (5.11%; 6.47%; 7.34%).

CIFCL's home loan book, which largely caters to the affordable housing segment, had witnessed a rise in delinquencies during the pandemic; however, the delinquencies have been moderating in the subsequent period (90+ dpd - 3QFY23: 1.97%; FY22: 3.18%; FY21: 3.25%). The collection efficiency in this segment has largely improved, supported by increased focus on collections, a lower loan-to-value ratio in self-constructed properties, which form a large part of the home loan book, and in-house sourcing, which has helped control credit costs.

Rating Sensitivities

Positive: A substantial proportion of granular stable funding in the borrowing mix, stronger capital buffers with stable through-the-cycle credit costs across segments, while sustaining superior business competitiveness and establishing leadership in the core product segments will be positive for the ratings.

Negative: Developments that could, individually or collectively, lead to a negative rating action include:

- a material weakening of the business franchise or deterioration of the business competitiveness, which could lead to a sustained decline in the operating profit buffers such that pre-provision operating profit buffers/credit costs falls below 2.5x, without adequate capital buffers, on a sustained basis,
- inadequate profitability buffers to absorb a rise in the credit costs in case of a perpetual debt instrument,
- a weakened funding or liquidity profile in the form of significant gaps in the ALM profile,
- an increase in the leverage ratio, on a sustained basis, and
- an inability to raise capital such that the Tier 1 capital ratio falls below Ind-Ra's expectations.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on CIFCL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

Incorporated in 1978, CIFCL is the financial services arm of Chennai-based Murugappa group. The company operates primarily in the commercial vehicle financing and LAP segments. In FY15, CIFCL ventured into the small and medium enterprise loan and housing finance business. The Murugappa group holds a 51.5% stake in CIFCL, of which 45.4% and 4.1% stakes were held through the group entities - Cholamandalam Finance Holdings Limited and Ambadi Investments Ltd, respectively, as of 3QFY23.

FINANCIAL SUMMARY

Particulars (INR billion)	9MFY23	FY22	FY21
Total assets	1,044.9	823.6	745.5
Total equity	135.3	117.1	95.6
Net profit	18.1	21.5	15.1
Return on average assets (%)	2.5	2.7	2.2
Tier 1 capital (%)	15.1	16.5	15.1
Source: CIFCL, Ind Ra			

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook				
	Rating Type	Rated Limits (billion)	Rating	5 January 2023	28 November 2022	22 April 2022	8 February 2022	11 December 2021
Issuer rating	Long-term	-	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
NCDs	Long-term	INR 104.63	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
NCDs (Public Issue)	Long-term	INR 50	IND AA+/Stable	-	-	-	-	-
Lower Tier 2 sub-debt	Long-term	INR 33.17	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable
Perpetual debt (Tier 1 instrument)	Long-term	INR 14.7	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable	IND AA+/Stable

Annexure

NCDs

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
INE121A07OI7	17 April 2018	8.62	11 April 2024	INR1.5	IND AA+/Stable
INE121A07PF0	12 February 2020	7.41	10 February 2023	INR 1.1	WD(Paid in Full)
INE121A07PF0	28 February 2020	7.41	10 February 2023	INR 0.25	WD(Paid in Full)
INE121A07PM6	8 July 2020	7.92	8 July 2025	INR5	IND AA+/Stable
INE121A07PL8	8 July 2020	7.88	8 July 2025	INR1.25	IND AA+/Stable
INE121A07PN4	31 July 2020	7.38	31 July 2024	INR3	IND AA+/Stable
INE121A07PP9	26 October 2020	6.8	25 October 2024	INR1.5	IND AA+/Stable
INE121A07PQ7	26 October 2020	6.8	25 October 2024	INR0.35	IND AA+/Stable
INE121A07PY1	18 February 2021	6.26	18 April 2023	INR3.25	IND AA+/Stable

INE121A08OP0	5 July 2021	3M T-bill linked	5 July 2023	INR0.25	IND AA+/Stable
INE121A07QJ0	11 February 2022	7.08	11 March 2025	INR4	IND AA+/Stable
INE121A07QJ0	29 March 2022	7.08	11 March 2025	INR0.97	IND AA+/Stable
INE121A07QM4	29 March 2022	7.3	29 March 2027	INR2.7	IND AA+/Stable
INE121A07QN2	28 April 2022	7.5	28 April 2027	INR2.75	IND AA+/Stable
INE121A07QO0	28 April 2022	7.32	28 April 2026	INR7	IND AA+/Stable
INE121A07QP7	18 May 2022	7.95	18 May 2027	INR3.5	IND AA+/Stable
INE121A07QP7	16 June 2022	7.95	18 May 2027	INR1.05	IND AA+/Stable
INE121A07QQ5	29 June 2022	ZCB - Yield - 7.90	30 June 2025	INR5	IND AA+/Stable
INE121A07QR3	14 July 2022	7.9217	14 January 2026	INR8	IND AA+/Stable
INE121A07PN4	18 August 2022	7.38	31 July 2034	INR10	IND AA+/Stable
INE121A07PP9	19 September 2022	6.8	25 October 2024	INR2	IND AA+/Stable
INE121A07OI7	15 November 2022	8.6179(8.29 – yield)	11 April 2024	INR10	IND AA+/Stable
INE121A07QT9	21 November 2022	8.45	21 November 2025	INR5	IND AA+/Stable
Total utilised				INR78.07	
Total unutilised				INR26.56	IND AA+/Stable
Total limit				INR104.63	

Subordinated debt

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
INE121A08NW8	27 October 2016	9.08	27 October 2023	INR0.5	IND AA+/Stable
INE121A08NX6	9 November 2016	9.2	9 November 2023	INR0.5	IND AA+/Stable
INE121A08NY4	10 November 2016	9.2	10 November 2026	INR0.1	IND AA+/Stable
INE121A08NZ1	16 November 2016	9.1	16 November 2023	INR0.15	IND AA+/Stable
INE121A08OA2	23 November 2016	9.08	23 November 2023	INR0.5	IND AA+/Stable
INE121A08OB0	24 November 2016	9.15	24 November 2023	INR1	IND AA+/Stable
INE121A08OC8	15 June 2017	8.8	15 June 2027	INR1.25	IND AA+/Stable
INE121A08OD6	20 June 2017	8.78	18 June 2027	INR0.5	IND AA+/Stable
INE121A08OG9	5 April 2018	9.05	24 March 2028	INR5.3	IND AA+/Stable
INE121A08OF1	30 August 2017	8.53	30 August 2027	INR1.5	IND AA+/Stable
INE121A08OE4	28 June 2017	8.8	28 June 2027	INR0.75	IND AA+/Stable
INE121A08OH7	23 August 2018	9.75	23 August 2028	INR3	IND AA+/Stable
INE121A08MY6	30 September 2013	11	29 September 2023	INR0.15	IND AA+/Stable
INE121A08NG1	30 January 2014	11	30 January 2024	INR0.25	IND AA+/Stable
INE121A08NH9	24 February 2014	11	23 February 2024	INR0.2	IND AA+/Stable
INE121A08NL1	26 March 2014	11	26 March 2024	INR0.25	IND AA+/Stable
INE121A08NN7	25 April 2014	11	25 April 2024	INR0.25	IND AA+/Stable
INE121A08NO5	17 May 2014	11	20 May 2024	INR0.05	IND AA+/Stable
INE121A08NQ0	11 June 2014	11	11 June 2024	INR0.15	IND AA+/Stable
INE121A08OR6	4 October 2021	7.9	6 October 2031	INR2	IND AA+/Stable
INE121A08OZ9	6 December 2022	8.7	6 December 2032	INR 2.9	IND AA+/Stable
INE121A08OS4	28 February 2022	8.1	27 February 2032	INR1.5	IND AA+/Stable
Total utilised				INR22.75	
Total unutilised				INR10.42	IND AA+/Stable
Total limit				INR33.17	

Perpetual debt instrument

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
INE121A08OI5	12 February 2019	10.88	12 February 2029	INR2.5	IND AA/Stable

INE121A08OJ3	29 March 2019	10.83	29 March 2029	INR0.56	IND AA/Stable
INE121A08OL9	3 November 2020	9.3	4 November 2030	INR0.45	IND AA/Stable
INE121A08MW0	7 February 2013	12.8	7 February 2023	INR0.3	WD(Paid in Full)
INE121A08MZ3	23 October 2013	12.6	23 October 2023	INR0.25	IND AA/Stable
INE121A08NC0	27 December 2013	12.6	26 December 2023	INR0.12	IND AA/Stable
INE121A08NE6	27 December 2013	12.5	27 December 2023	INR0.26	IND AA/Stable
INE121A08NF3	23 January 2014	12.6	23 January 2024	INR0.05	IND AA/Stable
INE121A08NJ5	23 February 2014	12.9	23 February 2024	INR0.25	IND AA/Stable
INE121A08NB2	30 October 2013	12.9	30 October 2023	INR0.5	IND AA/Stable
INE121A08NS6	27 June 2014	12.9	27 June 2024	INR0.25	IND AA/Stable
INE121A08ND8	27 December 2013	12.5	27 December 2023	INR0.6	IND AA/Stable
INE121A08ND8	27 December 2013	12.5	27 December 2023	INR0.05	IND AA/Stable
INE121A08NT4	9 July 2014	12.9	27 June 2024	INR0.17	IND AA/Stable
INE121A08NU2	27 August 2014	12.8	27 August 2024	INR0.25	IND AA/Stable
INE121A08OM7	8 March 2021	9.25	10 March 2031	INR1	IND AA/Stable
INE121A08ON5	25 May 2021	9.2	26 May 2031	INR1	IND AA/Stable
INE121A08OO3	30 June 2021	9.05	1 July 2031	INR0.4	IND AA/Stable
INE121A08OQ8	6 September 2021	8.98	8 September 2031	INR0.3	IND AA/Stable
INE121A08OT2	7 March 2022	9.1	8 March 2032	INR0.25	IND AA/Stable
INE121A08OU0	30 May 2022	9.2	31 May 2032	INR0.45	IND AA/Stable
INE121A08OV8	23 August 2022	9.15	24 August 2032 (Call Option Date)	INR0.6	IND AA/Stable
INE121A08OW6	22 September 2022	9.15	28 September 2032 (Call Option Date)	INR0.24	IND AA/Stable
INE121A08OX4	28 October 2022	9.15	29 October 2032 (Call option)	INR0.21	IND AA/Stable
INE121A08OY2	30 November 2022	9.15	12 January 2032 (Call option)	INR0.2	IND AA/Stable
INE121A08PA9	12 January 2023	9.15	13 January 2033	INR0.2	IND AA/Stable
Total utilised				INR11.11	
Total unutilised				INR3.29	IND AA/Stable
Total limit				INR14.4	

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low
Lower tier 2 sub-debt	Low
Perpetual debt (tier 1 instrument)	High

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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APPLICABLE CRITERIA

Financial Institutions Rating Criteria**Rating of Financial Institutions Legacy Hybrids and Sub-Debt****Non-Bank Finance Companies Criteria****The Rating Process****Evaluating Corporate Governance****DISCLAIMER**

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India Ratings Assigns Cholamandalam Investment and Finance Company's Additional Perpetual Debt 'IND AA'/Stable; Affirms Other Ratings

Mar 20, 2023 | Non Banking Financial Company (NBFC)

India Ratings and Research (Ind-Ra) has taken the following rating actions on Cholamandalam Investment and Finance Company Limited (CIFCL):

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook	Rating Action
Long-Term Issuer Rating	-	-	-	-	IND AA+/Stable	Affirmed
NCDs*				INR104.63	IND AA+/Stable	Affirmed
NCDs (Public issue) @	-	-	-	INR50	IND AA+/Stable	Affirmed
Lower Tier 2 subordinated debt*	-	-	-	INR33.17	IND AA+/Stable	Affirmed
Perpetual debt (Tier 1 instrument) *,#	-	-	-	INR14.4	IND AA/Stable	Affirmed
Perpetual debt (Tier 1 instrument) *,#,@	-	-	-	INR5	IND AA/Stable	Assigned

*Details in Annexure

Perpetual debt instruments are subject to coupon deferring if capital levels fall below the regulatory minimum, or if servicing of coupon leads to capital levels falling below the regulatory minimum, or if servicing of coupon leads to a loss after tax or an increase in loss after tax, and requires prior approval from the regulator, even if the capital levels then are above the regulatory minimum.

@ Yet to utilise

Key Rating Drivers

For the last published rationale, please click [here](#).

Rating Sensitivities

Positive: A substantial proportion of granular stable funding in the borrowing mix, stronger capital buffers with stable through-the-cycle credit costs across segments, while sustaining superior business competitiveness and establishing leadership in the core product segments will be positive for the ratings.

Negative: Developments that could, individually or collectively, lead to a negative rating action include:

- a material weakening of the business franchise or deterioration of the business competitiveness, which could lead to a sustained decline in the operating profit buffers such that pre-provision operating profit buffers/credit costs falls below 2.5x, without adequate capital buffers, on a sustained basis,
- inadequate profitability buffers to absorb a rise in the credit costs in case of a perpetual debt instrument,
- a weakened funding or liquidity profile in the form of significant gaps in the ALM profile,
- an increase in the leverage ratio, on a sustained basis, and
- an inability to raise capital such that the Tier 1 capital ratio falls below Ind-Ra's expectations.

ESG Issues

ESG Factors Minimally Relevant to Rating: Unless otherwise disclosed in this section, the ESG issues are credit neutral or have only a minimal credit impact on CIFCL, due to either their nature or the way in which they are being managed by the entity. For more information on Ind-Ra's ESG Relevance Disclosures, click [here](#). For answers to frequently asked questions regarding ESG Relevance Disclosures and their impact on ratings, please click [here](#).

Company Profile

Incorporated in 1978, CIFCL is the financial services arm of Chennai-based Murugappa group. The company operates primarily in the commercial vehicle financing and LAP segments. In FY15, CIFCL ventured into the small and medium enterprise loan and housing finance business. The Murugappa group holds a 51.5% stake in CIFCL, of which 45.4% and 4.1% stakes were held through the group entities - Cholamandalam Finance Holdings Limited and Ambadi Investments Ltd, respectively, as of 3QFY23.

FINANCIAL SUMMARY

Particulars (INR billion)	9MFY23	FY22	FY21
Total assets	1,044.9	823.6	745.5
Total equity	135.3	117.1	95.6
Net profit	18.1	21.5	15.1
Return on average assets (%)	2.5	2.7	2.2
Tier 1 capital (%)	15.1	16.5	15.1
Source: CIFCL, Ind-Ra			

Solicitation Disclosures

Additional information is available at www.indiaratings.co.in. The ratings above were solicited by, or on behalf of, the issuer, and therefore, India Ratings has been compensated for the provision of the ratings.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

Rating History

Instrument Type	Current Rating/Outlook			Historical Rating/Outlook							
	Rating Type	Rated Limits (billion)	Rating	15 February 2023	5 January 2023	28 November 2022	22 April 2022	8 February 2022	10 December 2021	23 June 2021	De
Issuer rating	Long-term	-	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IN s
NCDs	Long-term	INR104.63	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IN s
NCDs (public issue)	Long-term	INR50	IND AA+/ Stable	IND AA+/ Stable	-	-	-	-	-	-	
Lower Tier 2 sub-debt	Long-term	INR33.17	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IND AA+/ Stable	IN s
Perpetual debt (Tier 1 instrument)	Long-term	INR19.4	IND AA/ Stable	IND AA/ Stable	IND AA/ Stable	IND AA/ Stable	IND AA/ Stable	IND AA/ Stable	IND AA/ Stable	IND AA/ Stable	IN s

Annexure

NCDs

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
INE121A07OI7	17 April 2018	8.62	11 April 2024	INR1.5	IND AA+/Stable
INE121A07PM6	8 July 2020	7.92	8 July 2025	INR5	IND AA+/Stable
INE121A07PL8	8 July 2020	7.88	8 July 2025	INR1.25	IND AA+/Stable
INE121A07PN4	31 July 2020	7.38	31 July 2024	INR3	IND AA+/Stable
INE121A07PP9	26 October 2020	6.8	25 October 2024	INR1.5	IND AA+/Stable
INE121A07PQ7	26 October 2020	6.8	25 October 2024	INR0.35	IND AA+/Stable
INE121A07PY1	18 February 2021	6.26	18 April 2023	INR3.25	IND AA+/Stable
INE121A08OP0	05 July 2021	3M T-bill linked	05 July 2023	INR0.25	IND AA+/Stable
INE121A07QJ0	11 February 2022	7.08	11 March 2025	INR4	IND AA+/Stable
INE121A07QJ0	29 March 2022	7.08	11 March 2025	INR0.97	IND AA+/Stable
INE121A07QM4	29 March 2022	7.3	29 March 2027	INR2.7	IND AA+/Stable
INE121A07QN2	28 April 2022	7.5	28 April 2027	INR2.75	IND AA+/Stable
INE121A07QO0	28 April 2022	7.32	28 April 2026	INR7	IND AA+/Stable
INE121A07QP7	18 May 2022	7.95	18 May 2027	INR3.5	IND AA+/Stable
INE121A07QP7	16 June 2022	7.95	18 May 2027	INR1.05	IND AA+/Stable
INE121A07QQ5	29 June 2022	ZCB - Yield - 7.90	30 June 2025	INR5	IND AA+/Stable

INE121A07QR3	14 July 2022	7.9217	14 January 2026	INR8	IND AA+/Stable
INE121A07PN4	18 August 2022	7.38	31 July 2034	INR10	IND AA+/Stable
INE121A07PP9	19 September 2022	6.8	25 October 2024	INR2	IND AA+/Stable
INE121A07OI7	15 November 2022	8.6179(8.29 – yield)	11 April 2024	INR10	IND AA+/Stable
INE121A07QT9	21 November 2022	8.45	21 November 2025	INR5	IND AA+/Stable
INE121A07QV5	23 February 2023	8.50	27 March 2026	INR6.02	IND AA+/Stable
Total utilised				INR84.09	
Total unutilised				INR20.54	
Total limit				INR104.63	

Subordinated debt

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
INE121A08NW8	27 October 2016	9.08	27 October 2023	INR0.5	IND AA+/Stable
INE121A08NX6	9 November 2016	9.2	9 November 2023	INR0.5	IND AA+/Stable
INE121A08NY4	10 November 2016	9.2	10 November 2026	INR0.1	IND AA+/Stable
INE121A08NZ1	16 November 2016	9.1	16 November 2023	INR0.15	IND AA+/Stable
INE121A08OA2	23 November 2016	9.08	23 November 2023	INR0.5	IND AA+/Stable
INE121A08OB0	24 November 2016	9.15	24 November 2023	INR1	IND AA+/Stable
INE121A08OC8	15 June 2017	8.8	15 June 2027	INR1.25	IND AA+/Stable
INE121A08OD6	20 June 2017	8.78	18 June 2027	INR0.5	IND AA+/Stable
INE121A08OG9	5 April 2018	9.05	24 March 2028	INR5.3	IND AA+/Stable
INE121A08OF1	30 August 2017	8.53	30 August 2027	INR1.5	IND AA+/Stable
INE121A08OE4	28 June 2017	8.8	28 June 2027	INR0.75	IND AA+/Stable
INE121A08OH7	23 August 2018	9.75	23 August 2028	INR3	IND AA+/Stable
INE121A08MY6	30 September 2013	11	29 September 2023	INR0.15	IND AA+/Stable
INE121A08NG1	30 January 2014	11	30 January 2024	INR0.25	IND AA+/Stable
INE121A08NH9	24 February 2014	11	23 February 2024	INR0.2	IND AA+/Stable
INE121A08NL1	26 March 2014	11	26 March 2024	INR0.25	IND AA+/Stable
INE121A08NN7	25 April 2014	11	25 April 2024	INR0.25	IND AA+/Stable
INE121A08NO5	17 May 2014	11	20 May 2024	INR0.05	IND AA+/Stable
INE121A08NQ0	11 June 2014	11	11 June 2024	INR0.15	IND AA+/Stable
INE121A08OR6	4 October 2021	7.9	6 October 2031	INR2	IND AA+/Stable
INE121A08OZ9	6 December 2022	8.7	6 December 2032	INR 2.9	IND AA+/Stable
INE121A08OS4	28 February 2022	8.1	27 February 2032	INR1.5	IND AA+/Stable
INE121A08PC5	13 March 2023	9.0	12 October 2029	INR2	IND AA+/Stable
Total utilised				INR24.75	
Total unutilised				INR8.42	
Total limit				INR33.17	

Perpetual debt instrument

ISIN	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
INE121A08OI5	12 February 2019	10.88	12 February 2029	INR2.5	IND AA/Stable
INE121A08OJ3	29 March 2019	10.83	29 March 2029	INR0.56	IND AA/Stable
INE121A08OL9	03 November 2020	9.3	4 November 2030	INR0.45	IND AA/Stable
INE121A08MZ3	23 October 2013	12.6	23 October 2023	INR0.25	IND AA/Stable
INE121A08NC0	27 December 2013	12.6	26 December 2023	INR0.12	IND AA/Stable
INE121A08NE6	27 December 2013	12.5	27 December 2023	INR0.26	IND AA/Stable
INE121A08NF3	23 January 2014	12.6	23 January 2024	INR0.05	IND AA/Stable
INE121A08NJ5	23 February 2014	12.9	23 February 2024	INR0.25	IND AA/Stable
INE121A08NB2	30 October 2013	12.9	30 October 2023	INR0.5	IND AA/Stable

INE121A08NS6	27 June 2014	12.9	27 June 2024	INR0.25	IND AA/Stable
INE121A08ND8	27 December 2013	12.5	27 December 2023	INR0.6	IND AA/Stable
INE121A08ND8	27 December 2013	12.5	27 December 2023	INR0.05	IND AA/Stable
INE121A08NT4	9 July 2014	12.9	27 June 2024	INR0.17	IND AA/Stable
INE121A08NU2	27 August 2014	12.8	27 August 2024	INR0.25	IND AA/Stable
INE121A08OM7	8 March 2021	9.25	10 March 2031	INR1	IND AA/Stable
INE121A08ON5	25 May 2021	9.2	26 May 2031	INR1	IND AA/Stable
INE121A08OO3	30 June 2021	9.05	1 July 2031	INR0.4	IND AA/Stable
INE121A08OQ8	06 September 2021	8.98	8 September 2031	INR0.3	IND AA/Stable
INE121A08OT2	07 March 2022	9.1	8 March 2032	INR0.25	IND AA/Stable
INE121A08OU0	30 May 2022	9.2	31 May 2032	INR0.45	IND AA/Stable
INE121A08OV8	23 August 2022	9.15	24 August 2032 (Call option date)	INR0.6	IND AA/Stable
INE121A08OW6	22 September 2022	9.15	28 September 2032 (Call option date)	INR0.24	IND AA/Stable
INE121A08OX4	28 October 2022	9.15	29 October 2032 (Call option date)	INR0.21	IND AA/Stable
INE121A08OY2	30 November 2022	9.15	12 January 2032 (Call option date)	INR0.2	IND AA/Stable
INE121A08PA9	12 January 2023	9.15	13 January 2033	INR0.2	IND AA/Stable
INE121A08PB7	28 February 2023	9.45	1 March 2033 (Call option)	INR3	IND AA/Stable
INE121A08PD3	16 March 2023	9.40	17 March 2033	INR0.23	IND AA/Stable
Total Utilised				INR14.34	
Total Unutilised				INR5.06	
Total Limit				INR19.4	

Complexity Level of Instruments

Instrument Type	Complexity Indicator
NCDs	Low
Lower tier 2 sub-debt	Low
Perpetual debt (tier 1 instrument)	High

For details on the complexity level of the instruments, please visit <https://www.indiaratings.co.in/complexity-indicators>.

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APPLICABLE CRITERIA

Financial Institutions Rating Criteria

Rating of Financial Institutions Legacy Hybrids and Sub-Debt

Non-Bank Finance Companies Criteria

The Rating Process

Evaluating Corporate Governance

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Cholamandalam Investment and Finance Co. Ltd.
Dare House, No.2, N.S.C. Bose Road,
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April 13, 2023

Dear Sir/Madam,

Re: Rating Letter for non-convertible debenture (NCD) programme of Cholamandalam Investment and Finance Company Limited

India Ratings and Research (Ind-Ra) is pleased to communicate the rating of:

Instrument Type	Date of Issuance	Coupon Rate (%)	Maturity Date	Size of Issue (billion)	Rating/Outlook
NCDs*				INR104.63	IND AA+/Stable
NCDs (Public issue) @	-	-	-	INR50	IND AA+/Stable
Lower Tier 2 subordinated debt*	-	-	-	INR33.17	IND AA+/Stable
Perpetual debt (Tier 1 instrument) *,#	-	-	-	INR14.4	IND AA/Stable
Perpetual debt (Tier 1 instrument) *,#,@	-	-	-	INR5	IND AA/Stable

*Details in Annexure

Perpetual debt instruments are subject to coupon deferring if capital levels fall below the regulatory minimum, or if servicing of coupon leads to capital levels falling below the regulatory minimum, or if servicing of coupon leads to a loss after tax or an increase in loss after tax, and requires prior approval from the regulator, even if the capital levels then are above the regulatory minimum.

@ Yet to utilise

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are

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It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

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In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings

Prakash Agarwal
Prakash Agarwal
Senior Director

Annexure: ISIN

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE121A07OI7	17/04/2018	8.62	11/04/2024	IND AA+/Stable	1500
NCDs	INE121A07PM6	08/07/2020	7.92	08/07/2025	IND AA+/Stable	5000
NCDs	INE121A07PL8	08/07/2020	7.88	08/07/2025	IND AA+/Stable	1250
NCDs	INE121A07PN4	31/07/2020	7.38	31/07/2024	IND AA+/Stable	3000
NCDs	INE121A07PP9	26/10/2020	6.8	25/10/2024	IND AA+/Stable	1500
NCDs	INE121A07PQ7	26/10/2020	6.8	25/10/2024	IND AA+/Stable	350
NCDs	INE121A07PY1	18/02/2021	6.26	18/04/2023	IND AA+/Stable	3250
NCDs	INE121A08OP0	05/07/2021	3M T-bill linked	05/07/2023	IND AA+/Stable	250
NCDs	INE121A07QJ0	11/02/2022	7.08	11/03/2025	IND AA+/Stable	4000
NCDs	INE121A07QJ0	29/03/2022	7.08	11/03/2025	IND AA+/Stable	970
NCDs	INE121A07QM4	29/03/2022	7.3	29/03/2027	IND AA+/Stable	2700
NCDs	INE121A07QN2	28/04/2022	7.5	28/04/2027	IND AA+/Stable	2750
NCDs	INE121A07QO0	28/04/2022	7.32	28/04/2026	IND AA+/Stable	7000
NCDs	INE121A07QP7	18/05/2022	7.95	18/05/2027	IND AA+/Stable	3500
NCDs	INE121A07QP7	16/06/2022	7.95	18/05/2027	IND AA+/Stable	1050
NCDs	INE121A07QQ5	29/06/2022	ZCB - Yield - 7.90	30/06/2025	IND AA+/Stable	5000
NCDs	INE121A07QR3	14/07/2022	7.9217	14/01/2026	IND AA+/Stable	8000
NCDs	INE121A07PN4	18/08/2022	7.38	31/07/2034	IND AA+/Stable	10000
NCDs	INE121A07PP9	19/09/2022	6.8	25/10/2024	IND AA+/Stable	2000

NCDs	INE121A07OI7	15/11/2022	8.6179(8.29 – yield)	11/04/2024	IND AA+/Stable	10000
NCDs	INE121A07QT9	21/11/2022	8.45	21/11/2025	IND AA+/Stable	5000
NCDs	INE121A07QV5		8.5	27/03/2026	IND AA+/Stable	6020
NCDs (unutilised)					IND AA+/Stable	20540
Subordinated debt	INE121A08NW8	27/10/2016	9.08	27/10/2023	IND AA+/Stable	500
Subordinated debt	INE121A08NX6	09/11/2016	9.2	09/11/2023	IND AA+/Stable	500
Subordinated debt	INE121A08NY4	10/11/2016	9.2	10/11/2026	IND AA+/Stable	100
Subordinated debt	INE121A08NZ1	16/11/2016	9.1	16/11/2023	IND AA+/Stable	150
Subordinated debt	INE121A08OA2	23/11/2016	9.08	23/11/2023	IND AA+/Stable	500
Subordinated debt	INE121A08OB0	24/11/2016	9.15	24/11/2023	IND AA+/Stable	1000
Subordinated debt	INE121A08OC8	15/06/2017	8.8	15/06/2027	IND AA+/Stable	1250
Subordinated debt	INE121A08OD6	20/06/2017	8.78	18/06/2027	IND AA+/Stable	500
Subordinated debt	INE121A08OG9	05/04/2018	9.05	24/03/2028	IND AA+/Stable	5300
Subordinated debt	INE121A08OF1	30/08/2017	8.53	30/08/2027	IND AA+/Stable	1500
Subordinated debt	INE121A08OE4	28/06/2017	8.8	28/06/2027	IND AA+/Stable	750
Subordinated debt	INE121A08OH7	23/08/2018	9.75	23/08/2028	IND AA+/Stable	3000
Subordinated debt	INE121A08MY6	30/09/2013	11	29/09/2023	IND AA+/Stable	150
Subordinated debt	INE121A08NG1	30/01/2014	11	30/01/2024	IND AA+/Stable	250
Subordinated debt	INE121A08NH9	24/02/2014	11	23/02/2024	IND AA+/Stable	200
Subordinated debt	INE121A08NLI	26/03/2014	11	26/03/2024	IND AA+/Stable	250
Subordinated debt	INE121A08NN7	25/04/2014	11	25/04/2024	IND AA+/Stable	250
Subordinated debt	INE121A08NO5	17/05/2014	11	20/05/2024	IND AA+/Stable	50
Subordinated debt	INE121A08NQ0	11/06/2014	11	11/06/2024	IND AA+/Stable	150
Subordinated debt	INE121A08OR6	04/10/2021	7.9	06/10/2031	IND AA+/Stable	2000
Subordinated debt	INE121A08OZ9	06/12/2022	8.7	06/12/2032	IND AA+/Stable	2900

Subordinated debt	INE121A08OS4	28/02/2022	8.1	27/02/2032	IND AA+/Stable	1500
Subordinated debt	INE121A08PC5	13/03/2023	9	12/10/2029	IND AA+/Stable	2000
Subordinated debt (Unutilised)					IND AA+/Stable	8420
Perpetual debt instrument	INE121A08OI5	12/02/2019	10.88	12/02/2029	IND AA/Stable	2500
Perpetual debt instrument	INE121A08OJ3	29/03/2019	10.83	29/03/2029	IND AA/Stable	560
Perpetual debt instrument	INE121A08OL9	03/11/2020	9.3	04/11/2030	IND AA/Stable	450
Perpetual debt instrument	INE121A08MZ3	23/10/2013	12.6	23/10/2023	IND AA/Stable	250
Perpetual debt instrument	INE121A08NC0	27/12/2013	12.6	26/12/2023	IND AA/Stable	120
Perpetual debt instrument	INE121A08NE6	27/12/2013	12.5	27/12/2023	IND AA/Stable	260
Perpetual debt instrument	INE121A08NF3	23/01/2014	12.6	23/01/2024	IND AA/Stable	50
Perpetual debt instrument	INE121A08NJ5	23/02/2014	12.9	23/02/2024	IND AA/Stable	250
Perpetual debt instrument	INE121A08NB2	30/10/2013	12.9	30/10/2023	IND AA/Stable	500
Perpetual debt instrument	INE121A08NS6	27/06/2014	12.9	27/06/2024	IND AA/Stable	250
Perpetual debt instrument	INE121A08ND8	27/12/2013	12.5	27/12/2023	IND AA/Stable	600
Perpetual debt instrument	INE121A08ND8	27/12/2013	12.5	27/12/2023	IND AA/Stable	50
Perpetual debt instrument	INE121A08NT4	09/07/2014	12.9	27/06/2024	IND AA/Stable	170
Perpetual debt instrument	INE121A08NU2	27/08/2014	12.8	27/08/2024	IND AA/Stable	250
Perpetual debt instrument	INE121A08OM7	08/03/2021	9.25	10/03/2031	IND AA/Stable	1000
Perpetual debt instrument	INE121A08ON5	25/05/2021	9.2	26/05/2031	IND AA/Stable	1000
Perpetual debt instrument	INE121A08OO3	30/06/2021	9.05	01/07/2031	IND AA/Stable	400
Perpetual debt instrument	INE121A08OQ8	06/09/2021	8.98	08/09/2031	IND AA/Stable	300
Perpetual debt instrument	INE121A08OT2	07/03/2022	9.1	08/03/2032	IND AA/Stable	250
Perpetual debt instrument	INE121A08OU0	30/05/2022	9.2	31/05/2032	IND AA/Stable	450
Perpetual debt instrument	INE121A08OV8	23/08/2022	9.15	24/08/2032	IND AA/Stable	600
Perpetual debt instrument	INE121A08OW6	22/09/2022	9.15	28/09/2032	IND AA/Stable	240
Perpetual debt instrument	INE121A08OX4	28/10/2022	9.15	29/10/2032	IND AA/Stable	210
Perpetual debt instrument	INE121A08OY2	30/11/2022	9.15	12/01/2032	IND AA/Stable	200
Perpetual debt instrument	INE121A08PA9	12/01/2023	9.15	13/01/2033	IND AA/Stable	200
Perpetual debt instrument	INE121A08PB7	28/02/2023	9.45	01/03/2033	IND AA/Stable	3000
Perpetual debt instrument	INE121A08PD3	16/03/2023	9.4	17/03/2033	IND AA/Stable	230
Perpetual debt instrument (Unutilised)					IND AA/Stable	5060

RA

March 16, 2023

Cholamandalam Investment and Finance Company Limited: Rating reaffirmed; rated amount enhanced

Summary of rating action

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Non-convertible debenture (NCD) programme (private placement)	18,222.60	18,222.60	[ICRA]AA+ (Stable); outstanding
NCD programme (public placement)	5,000.00	5,000.00	[ICRA]AA+ (Stable); outstanding
Subordinated debentures	2,305.00	2,305.00	[ICRA]AA+ (Stable); outstanding
Perpetual debt instrument (PDI)	1,976.30	1,976.30	[ICRA]AA (Stable); outstanding
Market linked debentures (MLD)	200.00	200.00	PP-MLD[ICRA]AA+ (Stable); outstanding
Fund based – Term loans	52,340.91	58,730.04	[ICRA]AA+ (Stable); reaffirmed/assigned for enhanced portion
Fund-based facilities from banks [#]	4,000.00	4,000.00	[ICRA]AA+ (Stable)/[ICRA]A1+; reaffirmed
Sub-limit – Non-fund based limits from banks [^]	(100.00)	(100.00)	[ICRA]AA+ (Stable); reaffirmed
Commercial paper	12,000.00	12,000.00	[ICRA]A1+; outstanding
Total	96,044.81	1,02,433.94	

*Instrument details are provided in Annexure I

[#] Rs. 4,000-crore fund-based limits are interchangeable with cash credit and short-term working capital facilities (rated [ICRA]A1+), subject to total utilisation not exceeding Rs. 4,000 crore

[^] Sub-limit of Rs. 100-crore working capital facilities included as part of the rated Rs. 4,000-crore fund-based facilities from banks

Rationale

The rating action factors in Cholamandalam Investment and Finance Company Limited's (CIFCL) established track record in the vehicle finance segment, a fairly-diversified portfolio and demonstrated support from the Murugappa Group. ICRA notes CIFCL's comfortable profitability indicators, with the return on managed assets (RoMA) at 2.5% in 9M FY2023 and 2.6% in FY2022, and its strong liquidity profile. It also takes into account the improvement in the asset quality over the last six quarters, as seen in the decline in CIFCL's gross stage 3 to 3.5% in December 2022 from 4.4% in March 2022 and the peak of 6.8% in June 2021. The restructured book also declined to 2.9% (standard restructured book of 2.4%) of the assets under management (AUM) in December 2022 from 5.0% in March 2022. With the improvement in the asset quality profile, the company lowered its overall expected credit loss (ECL) provision cover to 2.5% of AUM as of December 2022 from the peak of 4.6% as of June 2021. Consequently, the management overlay on provisions also moderated to 0.5% of AUM in December 2022 from 1.0% in June 2021 (1.6% in March 2021).

ICRA also notes that the share of new businesses, namely consumer & small enterprise loan (CSEL), secured business & personal loan (SBPL), and SME loan (SME), in the overall portfolio is gradually increasing, and the asset quality metrics of these businesses would be a key monitorable. CIFCL's capitalisation profile is characterised by core Tier-I and managed gearing of 13.8% (Tier-I of 15.1%) and 6.7x, respectively, as of December 2022 (14.7% (Tier-I of 16.5%) and 6.1x, respectively, as of March 2022). The company's ability to maintain an adequate capital buffer as the portfolio expands would be crucial, going forward.

Key rating drivers and their description

Credit strengths

Established franchise and position in vehicle finance business – CIFCL has an established position in the vehicle finance market backed by its strong franchisee base and fairly diverse product portfolio. As of December 2022, it had 1,166 branches in India (1,145 branches as of March 2022 and 1,137 branches as of March 2021), of which vehicle finance is offered at 1,109 branches, home equity (HE) at 571 branches (HE; 562 are co-located with vehicle finance), home loans at 426 branches (383 are co-located with vehicle finance), and CSEL, SBPL and SME at 328, 1881 and 49 branches, respectively (all co-located with vehicle finance). About 80% of CIFCL's branches are in rural areas. The company has a diversified network with no single region (North/South/East/West) accounting for more than 30% of the total branches as of December 2022.

Disbursements grew by 100% year-on-year (YoY) in 9M FY2023 on account of healthy demand across segments, contribution from new businesses, which have lower tenor, and the lower base in 9M FY2022 due to the second wave of the Covid-19 pandemic. Consequently, the AUM grew by 31% YoY in 9M FY2023 compared to 10% YoY in FY2022 and the compound annual growth rate (CAGR) was 20% between March 2017 and March 2021. The AUM stood at Rs. 95,468 crore in December 2022 with vehicle finance, HE, home finance and new businesses accounting for 64%, 21%, 8% and 7%, respectively. Within vehicle finance, CIFCL caters to various segments including light commercial vehicles (LCVs), heavy commercial vehicles (HCVs), cars and multi utility vehicles (MUVs), used vehicles and tractors, which accounted for 25%, 7%, 19%, 27% and 9%, respectively, of the vehicle finance portfolio in December 2022.

CIFCL has forayed into three new business divisions in the consumer and small enterprise/business loan ecosystem, namely CSEL, SBPL, and SME. These businesses accounted for 20% of the disbursements in 9M FY2023 (7% in FY2022) and 7% of the AUM as on December 31, 2022 (2% as on March 31, 2022). The share of these segments in the overall portfolio and their performance would increase to about 10-12% by the end of the next financial year and the share of the vehicle finance in the overall book, which has dropped to the current level from 72-75% during March 2018-March 2021, would moderate further.

Comfortable profitability indicators – CIFCL's RoMA stood at 2.5% in 9M FY2023 and 2.6% in FY2022 vis-à-vis 2.1% in FY2021 (1.6% in FY2020); profitability was supported by the improvement in margins and moderation in credit costs. The net interest margin (as a percentage of AMA¹) improved to 6.9% in 9M FY2023 (6.9% in FY2022) from 6.6% in FY2021 and 6.2% in FY2020, largely because of the reduction in the average cost of funds. The operating expense to total managed assets ratio increased to 2.8% in 9M FY2023 and 2.5% in FY2022 from 2.1% in FY2021 (2.5% in FY2020) on account of the improvement in branch activities and increase in employee expenses.

CIFCL's credit costs moderated to 1.0% in 9M FY2023 and 1.1% in FY2022 from 1.8% in FY2021 (1.4% in FY2020 and 0.6% in FY2019), following the improvement in the gross stage 3 position. The company continues to maintain a healthy provision cover with total provisions/AUM at 2.5% as of December 2022 (3.0% as of March 2022), similar to the level held in March 2022. Going forward, CIFCL's ability to maintain adequate margins as the cost of funds increases and keep its credit costs under control would be crucial for incremental profitability.

Improving asset quality trend – CIFCL faced asset quality pressures over the last two years because of the pandemic-induced disruptions faced by its borrowers. The delinquencies were especially affected with the overall 90+ days past due (dpd) peaking at 6.8% in June 2021 vis-à-vis 4.0% in March 2021 (3.8% in March 2020). However, with the recovery in economic activity and steep portfolio growth, the delinquencies improved steadily in subsequent quarters with the 90+dpd at 3.5% in December

¹ AMA – Average managed assets

2022. The restructured book improved to 2.9% in December 2022 (standard restructured book of 2.4%) from 6.3% and 5.0% of the AUM in December 2021 and March 2022, respectively.

The 90+dpd in vehicle finance improved to 3.6% in December 2022 and 3.9% in March 2022 from 6.4% in June 2021 while the same improved to 4.8% (6.5% as of March 2022 and 8.9% as of June 2021) in the HE segment, which constituted 21% of the net AUM as of December 2022. ICRA takes comfort from the adequate collateral cover in the HE segment (about 81% of the HE portfolio is backed by self-occupied residential properties) with an average loan to-value on origination of around 50%. Although the asset quality profile has improved over the last six quarters, performance remains a monitorable in the near term, especially in the new business segments.

Committed financial, operational and management support from Murugappa Group – As a part of the Murugappa Group, CIFCL derives management, operational and financial support from the Group, which holds a sizeable stake in the company through Chola mandalam Financial Holdings Limited (CFHL) and Ambadi Investments Limited. CIFCL's board includes eight directors, of which three are from the Murugappa Group, while the rest are independent non-executive directors. Operationally, CIFCL derives synergies in its various business segments, including vehicle finance, micro, small and medium enterprise (MSME) finance and home finance, by tapping the captive customer and vendor bases of the Group companies. ICRA expects timely capital or other support from the Group, if required, as observed in the past.

Credit challenges

Moderation in capitalisation buffers on account of robust portfolio growth – CIFCL's core Tier-I moderated to 13.8% as of December 2022 from 14.7% as of March 2022 (13.2% as of March 2021) due to robust portfolio growth. Its total Tier-I capital stood at 15.1% as of December 2022 and 16.5% as of March 2022 (15.1% as of March 2021), supported by the perpetual debt instruments. The managed gearing increased to 6.7x as of December 2022 from 6.1x as of March 2022, due to the steep growth witnessed in 9M FY2023. While the current managed gearing is lower than the levels witnessed in March 2021 (7.1x) and March 2020 (7.4x), the same is expected to trend upwards in view of the robust growth expectations for Q4 FY2023 and FY2024. Going forward, CIFCL's ability to maintain adequate capital buffer, in view of its growth plans, and keep its solvency (net stage 3/net worth at 14.7% as of December 2022) under control would be critical.

Environmental and social risks

Given the service-oriented business of CIFCL, its direct exposure to environmental risks/ material physical climate risks is not significant. Lending institutions can be exposed to environmental risks indirectly through their portfolio of assets; about 64% of CIFCL's portfolio is towards vehicle financing. The residual value of the security in the vehicle finance business could reduce in case of policy changes such as an incremental ruling on the reduction in the operating life of vehicles, thereby impacting the profitability. Further, there is increasing interest from policymakers towards identifying the exposure of financing companies to carbon emissions through their financing activities. This process, however, is in an early stage, and ICRA expects any adverse implications to manifest only over a longer time horizon, giving financing companies adequate time to adapt and minimise the credit implications.

With regards to social risks, data security and customer privacy are among the key sources of vulnerabilities for lending institutions as any material lapses could be detrimental to the reputation and invite regulatory censure. CIFCL hasn't faced any significant lapses in this regard. It serves the financing needs of a relatively underserved category of borrowers, which supports social inclusion and economic development.

² Gross non-performing advances (NPAs) and net NPAs stood at 5.4% and 3.8% respectively as on December 31, 2022 and 6.8% and 4.9%, respectively, as on March 31, 2022 adhering to the Reserve Bank of India's (RBI) circular dated November 12, 2021

Liquidity position: Strong

CIFCL had cash and liquid investments of Rs. 7,408 crore as on December 31, 2022 and undrawn bank lines of about Rs. 2,708 crore. It has debt payment obligations (including interest) of about Rs. 11,673 crore during January-March 2023. CIFCL's funding profile remains comfortable owing to its established relationships with various institutional lenders. Bank loans accounted for 63% of its borrowings, as of December 2022, while debentures, commercial papers and portfolio sell-downs accounted for 22%, 6%, and 9%, respectively.

Rating sensitivities

Positive factors – ICRA could revise the outlook to Positive or upgrade the ratings if the company improves its asset quality, maintains comfortable profitability, and has Tier-I capital adequacy above 15% on a sustained basis.

Negative factors – ICRA could revise the outlook to Negative or downgrade the ratings if the 90+dpd increases beyond 5%, impacting its earnings on a sustained basis. A weakening in the Tier-I capital adequacy below 13% on a sustained basis could also exert pressure on the ratings.

Analytical approach

Analytical Approach	Comments
Applicable rating methodologies	ICRA's Credit Rating Methodology for Non-banking Finance Companies
Parent/Group support	Not Applicable
Consolidation/Standalone	The ratings are based on the standalone financial statements of CIFCL

About the company

CIFCL, a non-banking financial company, is a part of the Chennai-based Murugappa Group of companies. Incorporated in 1978, CIFCL operates through 1,166 branches across 29 states and Union Territories (UTs) with a net AUM of Rs. 95,468 crore as of December 2022. The company's core business segments include vehicle finance (64%) and HE loans (21%). It has housing loan and small and medium enterprise (SME) loan segments, which largely constitute the rest of the portfolio. CIFCL has forayed into three new business divisions in the consumer and SME ecosystem, namely CSEL, SBPL and SME. The share and performance of these segments in the overall portfolio remain to be seen.

As of December 2022, CIFCL had two wholly-owned subsidiaries, Chola mandalam Home Finance Limited and Chola mandalam Securities Limited, a joint venture with Payswiff Technologies Private Limited, and the following associate entities – White Data Systems India Private Limited (31% stake), Vishvakarma Payments Private Limited (21% stake) and Paytail Commerce Private Limited. Chola mandalam Home Finance Limited is awaiting a licence from National Housing Bank.

In FY2022, CIFCL (standalone) reported a net profit of Rs. 2,147 crore on a managed asset base of Rs. 85,128 crore compared with a net profit of Rs. 1,515 crore on a managed asset base of Rs. 78,709 crore in FY2021. In 9M FY2023, it reported a net profit of Rs. 1,813 crore on a managed asset base of Rs. 1,06,412 crore.

Key financial indicators (audited)

CIFCL – Standalone	FY2020	FY2021	FY2022	9M FY2023
Total income	8,653	9,520	10,139	9,184
Profit after tax	1,052	1,515	2,147	1,813
Net worth	8,172	9,560	11,708	13,530
Loan book	60,549	69,996	76,907	95,468
Total managed assets	69,150	78,709	85,128	1,06,412
Return on managed assets	1.6%	2.1%	2.6%	2.5%
Return on net worth	14.7%	17.1%	20.2%	19.2%
Managed gearing (times)	7.4	7.1	6.1	6.7
Gross stage 3	3.8%	4.0%	4.4%	3.5%
Net stage 3	2.2%	2.2%	2.6%	2.1%
Solvency (Net stage 3/Net worth)	15.5%	15.8%	17.2%	14.7%
CRAR	20.7%	19.1%	19.6%	17.8%

Source: Company, ICRA Research; Amount in Rs. crore

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for past three years

	Instrument	Current Rating (FY2023)						Chronology of Rating History for the Past 3 Years		
		Type	Amount Rated (Rs. crore)	Amount Outstanding (Rs. crore)	Date & Rating in FY2023			Date & Rating in FY2022	Date & Rating in FY2021	Date & Rating in FY2020
					Mar 16, 2023	Mar 10, 2023	Aug 12, 2022 Jun 17, 2022 May 20, 2022 Nov 29, 2022			
1	Fund based – Term loans	Long term	58,730.04	58,730.04	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
2	Fund-based facilities	Long term/ short term	4,000.00	4,000.00	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+	[ICRA]AA+ (Stable)/ [ICRA]A1+
3	Non-fund based limit (sub-limit)	Long term	(100.00)	(100.00)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
4	NCD-private placement	Long term	18,222.60	18,222.60	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
5	NCD-public placement	Long term	5,000.00	5,000.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	-	-	-	-
6	Subordinated debt	Long term	2,305.00	2,305.00	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)	[ICRA]AA+ (Stable)
7	Perpetual debt	Long term	1,976.30	1,976.30	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)	[ICRA]AA (Stable)
8	Commercial paper	Short term	12,000.00	12,000.00	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+	[ICRA]A1+
9	MLD	Long term	200.00	200.00	PP-MLD [ICRA]AA+ (Stable)	PP-MLD [ICRA]AA+ (Stable)	PP-MLD [ICRA]AA+ (Stable)	PP-MLD [ICRA]AA+ (Stable)	PP-MLD [ICRA]AA+ (Stable)	-

Complexity level of the rated instrument

Instrument	Complexity Indicator
Non-convertible debentures	Very Simple
Subordinated debentures	Very Simple
Perpetual debt instrument (PDI)	Moderately Complex
Fund based – Term loans	Simple
Fund-based facilities from banks	Simple
Sub-limit – Non-fund based limits from banks	Simple
Commercial paper	Very Simple
Market linked debentures	Moderately Complex

The Complexity Indicator refers to the ease with which the returns associated with the rated instrument could be estimated. It does not indicate the risk related to the timely payments on the instrument, which is rather indicated by the instrument's credit rating. It also does not indicate the complexity associated with analysing an entity's financial, business, industry risks or complexity related to the structural, transactional or legal aspects. Details on the complexity levels of the instruments are available on ICRA's website: [Click Here](#)

Annexure I: Instrument details

ISIN	Instrument	Date of Issuance/ Sanction	Coupon Rate	Maturity Date	Amount Rated	Current Rating and Outlook
					(Rs. crore)	
NA	Term loans	Jan 2019 to Feb 2023	NA	Mar 2023 to May 2028	58,730.04	[ICRA]AA+ (Stable)
NA	Fund-based bank facilities (cash credit/ST limits)	NA	NA	NA	4,000.00	[ICRA]AA+ (Stable)/ [ICRA]A1+
NA	Sub-limit – Non- fund based bank facilities	NA	NA	NA	(100.00)	[ICRA]AA+ (Stable)
INE121A14TV5	Commercial paper	13-Apr-22	5.50%	20-Mar-23	500.00	[ICRA]A1+
INE121A14UC3	Commercial paper	08-Jul-22	6.90%	06-Jul-23	150.00	[ICRA]A1+
INE121A14UD1	Commercial paper	05-Aug-22	6.84%	04-Aug-23	50.00	[ICRA]A1+
INE121A14UO8	Commercial Paper	06-Jan-23	6.75%	29-Mar-23	800.00	[ICRA]A1+
INE121A14UP5	Commercial Paper	06-Jan-23	6.75%	24-Mar-23	200.00	[ICRA]A1+
INE121A14UQ3	Commercial Paper	09-Jan-23	6.75%	21-Mar-23	750.00	[ICRA]A1+
INE121A14UR1	Commercial Paper	25-Jan-23	7.59%	24-Apr-23	1,000.00	[ICRA]A1+
INE121A14US9	Commercial Paper	06-Feb-23	7.60%	28-Apr-23	500.00	[ICRA]A1+
INE121A14UT7	Commercial Paper	07-Feb-23	7.59%	09-May-23	500.00	[ICRA]A1+
INE121A14UU5	Commercial Paper	08-Feb-23	7.59%	10-May-23	500.00	[ICRA]A1+
INE121A14UV3	Commercial Paper	14-Feb-23	7.65%	12-May-23	1,500.00	[ICRA]A1+
INE121A14UW1	Commercial Paper	16-Feb-23	7.65%	17-May-23	150.00	[ICRA]A1+
Unutilised	Commercial paper	NA	NA	NA	5,400.00	[ICRA]A1+
INE121A07MZ5	NCD	15-Nov-16	8.55%	13-Nov-26	25.00	[ICRA]AA+ (Stable)
INE121A07QC5	NCD	1-Aug-18	9.06%	1-Aug-23	1.00	[ICRA]AA+ (Stable)
INE121A07OT4	NCD	12-Sep-18	8.80%	12-Sep-23	352.30	[ICRA]AA+ (Stable)
INE121A07PH6	NCD	29-May-20	7.50%	29-May-23	150.00	[ICRA]AA+ (Stable)
INE121A07PL8	NCD	8-Jul-20	7.88%	8-Jul-25	125.00	[ICRA]AA+ (Stable)
INE121A07PM6	NCD	8-Jul-20	7.92%	8-Jul-25	500.00	[ICRA]AA+ (Stable)
INE121A07PN4	NCD	31-Jul-20	7.38%	31-Jul-24	300.00	[ICRA]AA+ (Stable)
INE121A07PO2	NCD	21-Oct-20	5.85%	21-Mar-23	500.00	[ICRA]AA+ (Stable)
INE121A07PP9	NCD	26-Oct-20	6.80%	25-Oct-24	150.00	[ICRA]AA+ (Stable)
INE121A07PQ7	NCD	26-Oct-20	6.80%	25-Oct-24	35.00	[ICRA]AA+ (Stable)
INE121A07PT1	NCD	2-Dec-20	6.65%	2-Dec-24	25.00	[ICRA]AA+ (Stable)
INE121A07PU9	NCD	14-Dec-20	5.68%	14-Mar-23	300.00	[ICRA]AA+ (Stable)
INE121A07PV7	NCD	18-Dec-20	6.10%	18-Dec-23	550.00	[ICRA]AA+ (Stable)
INE121A07PX3	NCD	19-Jan-21	Zero Coupon (YTD-6.9%)	31-Jul-25	85.00	[ICRA]AA+ (Stable)
INE121A07PZ8	NCD	23-Feb-21	6.45%	23-Feb-24	585.00	[ICRA]AA+ (Stable)
INE121A07QA9	NCD	11-May-21	5.70%	11-May-23	250.00	[ICRA]AA+ (Stable)
INE121A07QA9	NCD	19-May-21	5.70%	11-May-23	500.00	[ICRA]AA+ (Stable)
INE121A07QB7	NCD	30-Jul-21	5.46%	30-Jul-24	300.00	[ICRA]AA+ (Stable)
INE121A07QC5	NCD	30-Jul-21	9.06%	01-Aug-23	199.00	[ICRA]AA+ (Stable)
INE121A07QD3	NCD	04-Aug-21	5.53%	04-Aug-24	200.00	[ICRA]AA+ (Stable)
INE121A07QE1	NCD	17-Aug-21	5.58%	17-Aug-24	200.00	[ICRA]AA+ (Stable)

INE121A07QF8	NCD	20-Sep-21	5.58%	20-Sep-23	250.00	[ICRA]AA+ (Stable)
INE121A07QG6	NCD	07-Dec-21	5.39%	06-Dec-24	500.00	[ICRA]AA+ (Stable)
INE121A07QH4	NCD	29-Dec-21	6.30%	27-Dec-24	360.00	[ICRA]AA+ (Stable)
INE121A07QI2	NCD	11-Feb-22	5.85%	11-Feb-25	200.00	[ICRA]AA+ (Stable)
INE121A07QJ0	NCD	11-Feb-22	7.08%	11-Mar-25	497.40	[ICRA]AA+ (Stable)
INE121A07QK8	NCD	21-Feb-22	6.25%	21-Feb-24	100.00	[ICRA]AA+ (Stable)
INE121A07QL6	NCD	29-Mar-22	Zero Coupon (YTD-7.3%)	29-Mar-27	100.00	[ICRA]AA+ (Stable)
INE121A07QM4	NCD	29-Mar-22	7.3%	29-Mar-27	270.00	[ICRA]AA+ (Stable)
INE121A07QN2	NCD	28-Apr-22	7.50%	28-Apr-27	275.00	[ICRA]AA+ (Stable)
INE121A07QO0	NCD	28-Apr-22	7.32%	28-Apr-26	700.00	[ICRA]AA+ (Stable)
INE121A07QP7	NCD	18-May-22	7.95%	18-May-27	350.00	[ICRA]AA+ (Stable)
INE121A07QP7	NCD	16-Jun-22	7.95%	18-May-27	105.00	[ICRA]AA+ (Stable)
INE121A07QQ5	NCD	29-Jun-22	Zero Coupon (YTD – 7.9%)	30-Jun-25	500.00	[ICRA]AA+ (Stable)
INE121A07QR3	NCD	14-Jul-22	7.92%	14-Jan-26	800.00	[ICRA]AA+ (Stable)
INE121A07PN4	NCD	18-Aug-22	7.38%	31-Jul-24	1,000.00	[ICRA]AA+ (Stable)
INE121A07QS1	NCD	29-Aug-22	7.31%	27-Feb-24	320.00	[ICRA]AA+ (Stable)
INE121A07PP9	NCD	19-Sep-22	6.80%	25-Oct-24	200.00	[ICRA]AA+ (Stable)
INE121A07QT9	NCD	21-Nov-22	8.45%	21-Nov-25	500.00	[ICRA]AA+ (Stable)
INE121A07QH4	NCD	21-Nov-22	6.30%	27-Dec-24	500.00	[ICRA]AA+ (Stable)
INE121A07QU7	NCD	12-Dec-22	8.30%	12-Dec-25	605.00	[ICRA]AA+ (Stable)
INE121A07QV5	NCD	23-Feb-23	8.50%	27-Mar-26	602.00	[ICRA]AA+ (Stable)
Unutilised	NCD	NA	NA	NA	4,155.90	[ICRA]AA+ (Stable)
Unutilised	NCD (public placement)	NA	NA	NA	5,000.00	[ICRA]AA+ (Stable)
INE121A08MY6	Sub debt	27-Sep-13	11.00%	29-Sep-23	15.00	[ICRA]AA+ (Stable)
INE121A08NG1	Sub debt	27-Jan-14	11.00%	30-Jan-24	25.00	[ICRA]AA+ (Stable)
INE121A08NH9	Sub debt	14-Feb-14	11.00%	23-Feb-24	20.00	[ICRA]AA+ (Stable)
INE121A08NL1	Sub debt	10-Mar-14	11.00%	26-Mar-24	15.00	[ICRA]AA+ (Stable)
INE121A08NL1	Sub debt	14-Mar-14	11.00%	26-Mar-24	10.00	[ICRA]AA+ (Stable)
INE121A08NN7	Sub debt	25-Apr-14	11.00%	25-Apr-24	25.00	[ICRA]AA+ (Stable)
INE121A08NO5	Sub debt	17-May-14	11.00%	20-May-24	5.00	[ICRA]AA+ (Stable)
INE121A08NQ0	Sub debt	10-Jun-14	11.00%	11-Jun-24	15.00	[ICRA]AA+ (Stable)
INE121A08NW8	Sub debt	27-Oct-16	9.08%	27-Oct-23	50.00	[ICRA]AA+ (Stable)
INE121A08NX6	Sub debt	9-Nov-16	9.20%	9-Nov-23	25.00	[ICRA]AA+ (Stable)
INE121A08NX6	Sub debt	9-Nov-16	9.20%	9-Nov-23	25.00	[ICRA]AA+ (Stable)
INE121A08NY4	Sub debt	10-Nov-16	9.20%	10-Nov-26	5.00	[ICRA]AA+ (Stable)
INE121A08NY4	Sub debt	10-Nov-16	9.20%	10-Nov-26	5.00	[ICRA]AA+ (Stable)
INE121A08NZ1	Sub debt	16-Nov-16	9.10%	16-Nov-23	15.00	[ICRA]AA+ (Stable)
INE121A08OA2	Sub debt	23-Nov-16	9.08%	23-Nov-23	40.00	[ICRA]AA+ (Stable)
INE121A08OA2	Sub debt	23-Nov-16	9.08%	23-Nov-23	10.00	[ICRA]AA+ (Stable)
INE121A08OB0	Sub debt	24-Nov-16	9.15%	24-Nov-23	100.00	[ICRA]AA+ (Stable)
INE121A08OC8	Sub debt	15-Jun-17	8.80%	15-Jun-27	25.00	[ICRA]AA+ (Stable)
INE121A08OC8	Sub debt	15-Jun-17	8.80%	15-Jun-27	20.00	[ICRA]AA+ (Stable)

INE121A08OC8	Sub debt	15-Jun-17	8.80%	15-Jun-27	20.00	[ICRA]AA+ (Stable)
INE121A08OC8	Sub debt	15-Jun-17	8.80%	15-Jun-27	10.00	[ICRA]AA+ (Stable)
INE121A08OC8	Sub debt	15-Jun-17	8.80%	15-Jun-27	50.00	[ICRA]AA+ (Stable)
INE121A08OD6	Sub debt	20-Jun-17	8.78%	18-Jun-27	50.00	[ICRA]AA+ (Stable)
INE121A08OE4	Sub debt	28-Jun-17	8.80%	28-Jun-27	75.00	[ICRA]AA+ (Stable)
INE121A08OF1	Sub debt	30-Aug-17	8.53%	30-Aug-27	150.00	[ICRA]AA+ (Stable)
INE121A08OR6	Sub debt	04-Oct-21	7.90%	06-Oct-31	200.00	[ICRA]AA+ (Stable)
INE121A08OS4	Sub debt	28-Feb-22	8.10%	27-Feb-31	150.00	[ICRA]AA+ (Stable)
INE121A08OZ9	Sub debt	06-Dec-22	8.65%	06-Dec-32	290.00	[ICRA]AA+ (Stable)
Unutilised	Sub debt	NA	NA	NA	860.00	[ICRA]AA+ (Stable)
INE121A08MZ3	PDI	18-Oct-13	12.60%	23-Oct-23	24.50	[ICRA]AA (Stable)
INE121A08NB2	PDI	25-Oct-13	12.90%	30-Oct-23	50.00	[ICRA]AA (Stable)
INE121A08NC0	PDI	4-Dec-13	12.60%	24-Dec-23	12.00	[ICRA]AA (Stable)
INE121A08ND8	PDI	26-Dec-13	12.50%	27-Dec-23	65.00	[ICRA]AA (Stable)
INE121A08NE6	PDI	27-Dec-13	12.50%	27-Dec-23	26.10	[ICRA]AA (Stable)
INE121A08NF3	PDI	20-Jan-14	12.60%	23-Jan-24	5.00	[ICRA]AA (Stable)
INE121A08NJ5	PDI	20-Feb-14	12.90%	25-Feb-24	25.00	[ICRA]AA (Stable)
INE121A08NT4	PDI	9-Jul-14	12.90%	9-Jul-24	17.40	[ICRA]AA (Stable)
INE121A08OJ3	PDI	29-Mar-19	10.83%	29-Mar-29	56.00	[ICRA]AA (Stable)
INE121A08OI5	PDI	12-Feb-19	10.88%	12-Feb-29	250.00	[ICRA]AA (Stable)
INE121A08OK1	PDI	13-Dec-19	10.75%	13-Dec-29	50.00	[ICRA]AA (Stable)
INE121A08OL9	PDI	3-Nov-20	9.30%	04-Nov-30	45.00	[ICRA]AA (Stable)
INE121A08OM7	PDI	08-Mar-21	9.25%	10-Mar-31	100.00	[ICRA]AA (Stable)
INE121A08ON5	PDI	25-May-21	9.20%	26-May-31	100.00	[ICRA]AA (Stable)
INE121A08OO3	PDI	30-Jun-21	9.05%	01-Jul-31	40.00	[ICRA]AA (Stable)
INE121A08OQ8	PDI	06-Sep-21	8.98%	08-Sep-31	30.00	[ICRA]AA (Stable)
INE121A08OT2	PDI	07-Mar-22	9.10%	08-Mar-32	25.00	[ICRA]AA (Stable)
INE121A08OU0	PDI	30-May-22	9.20%	31-May-32	45.00	[ICRA]AA (Stable)
INE121A08OV8	PDI	23-Aug-22	9.15%	24-Aug-32	60.00	[ICRA]AA (Stable)
INE121A08OW6	PDI	27-Sep-22	9.15%	28-Sep-32	24.00	[ICRA]AA (Stable)
INE121A08OX4	PDI	28-Oct-22	9.15%	29-Oct-32	21.00	[ICRA]AA (Stable)
INE121A08OY2	PDI	30-Nov-22	9.15%	01-Dec-32	20.00	[ICRA]AA (Stable)
INE121A08PA9	PDI	12-Jan-23	9.15%	13-Jan-33	20.00	[ICRA]AA (Stable)
INE121A08PB7	PDI	28-Feb-23	9.45%	01-Mar-33	300.00	[ICRA]AA (Stable)
Unutilised	PDI	NA	NA	NA	565.30	[ICRA]AA (Stable)
Unutilised	MLD	NA	NA	NA	200.00	PP-MLD[ICRA]AA+ (Stable)

Source: Company

[Please click here to view details of lender-wise facilities rated by ICRA](#)

Annexure II: List of entities considered for consolidated analysis: Not applicable

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Ms. Naznin Prodhani

Tel: +91 124 4545 860

communications@icraindia.com

Helpline for business queries

+91-9354738909 (open Monday to Friday, from 9:30 am to 6 pm)

info@icraindia.com

About ICRA Limited:

ICRA Limited was set up in 1991 by leading financial/investment institutions, commercial banks and financial services companies as an independent and professional investment Information and Credit Rating Agency.

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For more information, visit www.icra.in

ICRA Limited



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Branches



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ICRA

ICRA Limited

CONFIDENTIAL

Ref. No. ICRA/Cholamandalam Investment and Finance Company Limited/03042023/2
April 03, 2023

Mr. D. Arulselvan
Chief Financial Officer
Cholamandalam Investment and Finance Company Limited
Dare House, First Floor
No.2, N.S.C. Bose Road, Parrys
Chennai - 600 001

Dear Sir,

Re: ICRA Credit rating for Rs. 23,222.60 crore Non-Convertible Debenture Programme of Cholamandalam Investment and Finance Company Limited (instrument details in Annexure)

This is with reference to your email dated March 29, 2023, for re-validating your rating for the Non-Convertible Debenture Programme.

We confirm that the “[ICRA]AA+” (pronounced ICRA double A plus) rating with a Stable outlook, assigned to the captioned Non-Convertible Debenture Programme of your company and last communicated to you vide our letters dated March 06, 2023 stands. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. Within this category rating modifier { "+" (plus) or "-" (minus) } can be used with the rating symbols. The modifier reflects the comparative standing within the category.

The other terms and conditions for the credit rating of the aforementioned instrument shall remain the same vide our letter Ref: ICRA/Cholamandalam Investment and Finance Company Limited/06032023/1 and ICRA/Cholamandalam Investment and Finance Company Limited/06032023/5 dated March 06, 2023.

The rating, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold long term debt/non-convertible debenture to be issued by you.

We look forward to further strengthening our existing relationship and assure you of our best services.

With kind regards,

Yours sincerely,
For ICRA Limited

(K Srikumar)
Vice President
E mail: ksrikumar@icraindia.com

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Registered Office: B-710, Statesman House, 148, Barakhamba Road, New Delhi 110001. Tel.+91.11.23357940-41

RATING • RESEARCH • INFORMATION

Annexure
LIST OF ALL INSTRUMENT RATED (WITH AMOUNT OUTSTANDING)

Rated Instrument	Rated Amount (In Crores)	Amount Outstanding (In Crores)	Rating Action
NCD (Private Placement)			
INE121A07MZ5	25.00	25.00	[ICRA]AA+ (Stable)
INE121A07ON7	1.00	1.00	
INE121A07OT4	352.30	352.30	
INE121A07PH6	150.00	150.00	
INE121A07PL8	125.00	125.00	
INE121A07PM6	500.00	500.00	
INE121A07PN4	300.00	300.00	
INE121A07PO2	500.00	500.00	
INE121A07PP9	150.00	150.00	
INE121A07PQ7	35.00	35.00	
INE121A07PT1	25.00	25.00	
INE121A07PU9	300.00	300.00	
INE121A07PV7	550.00	550.00	
INE121A07PX3	85.00	85.00	
INE121A07PZ8	585.00	585.00	
INE121A07QA9	750.00	750.00	
INE121A07QB7	300.00	300.00	
INE121A07QC5	199.00	199.00	
INE121A07QD3	200.00	200.00	
INE121A07QE1	200.00	200.00	
INE121A07QF8	250.00	250.00	
INE121A07QG6	500.00	500.00	
INE121A07QH4	360.00	360.00	
INE121A07QI2	200.00	200.00	
INE121A07QJ0	497.40	400.00	
INE121A07QK8	100.00	100.00	
INE121A07QL6	100.00	100.00	
INE121A07QM4	270.00	270.00	
INE121A07QN2	275.00	275.00	
INE121A07QO0	700.00	700.00	
INE121A07QP7	350.00	350.00	
INE121A07QP7	105.00	105.00	
INE121A07QQ5	500.00	500.00	
INE121A07QR3	800.00	800.00	
INE121A07PN4	1000.00	1000.00	
INE121A07QS1	320.00	320.00	
INE121A07PP9	200.00	200.00	
INE121A07QH4	500.00	500.00	
INE121A07QT9	500.00	500.00	
INE121A07QU7	605.00	605.00	
INE121A07QV5	602.00	602.00	
Unutilised	4155.90	4155.90	
Sub-total (NCD – Private Placement)	18,222.60	18,222.60	
NCD (Public placement)			
Unutilised	5,000.00	5,000.00	[ICRA]AA+ (Stable)
Sub-total (NCD – Public Placement)	5,000.00	5,000.00	
Grand total	23,222.60	23,222.60	

ANNEXURE B: CONSENT OF THE DEBENTURE TRUSTEE

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54245/ITSL/OPR/2022-23
Date: 27th March, 2023

Cholamandalam Investment & Finance Company Limited
Dare House, 2, N.S.C. Bose Road,
Parrys, Chennai - 600001

Dear Sir,

Sub: PROPOSED PUBLIC ISSUE BY CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED, ("COMPANY" OR "ISSUER") OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH, ("NCDs"), FOR AN AMOUNT UPTO ₹5000 CRORES ("SHELF LIMIT"), HEREINAFTER REFERRED TO AS THE "ISSUE."

We, the undersigned, hereby consent to act as the Debenture Trustee to the Issue pursuant to Regulation 2.2.24 of the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time and to our name being inserted as the Debenture Trustee to the Issue in the Draft Shelf Prospectus / Shelf Prospectus / Tranche Prospectus(es) to be filed with the National Stock Exchange of India Limited, BSE Limited ("Stock Exchanges") and the Securities and Exchange Board of India ("SEBI") and the Shelf Prospectus / Tranche Prospectus(es) to be filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana ("RoC"), which the Company intends to issue in respect of the Issue of NCDs and also in all related advertisements and communications sent pursuant to the Issue of NCDs.

The following details with respect to us may be disclosed:

Name:	IDBI Trusteeship Services Limited
Address:	Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate,
Mumbai-400001	
Tel:	+91 022 40807073
Fax:	+91 022 66311776
E-mail:	itsl@idbitrustee.com / jinal@idbitrustee.com
Investor Grievance id:	response@idbitrustee.com
Website:	www.idbitrustee.com
Contact Person:	Ms. Jinal Shah
Compliance Officer:	Ms Sneha Jadhav
SEBI Registration Number:	IND000000460

Logo:



We confirm that we are registered with the SEBI and that such registration is valid as on date of this letter. We enclose a copy of our registration certificate and declaration regarding our registration with SEBI in the required format in Annexure A. We also certify that we have not been prohibited by SEBI to act as an intermediary in capital market issues. We also authorize you to deliver a copy of this letter of consent to the RoC, pursuant to the provisions of Section 26 of the Companies Act, 2013 and other applicable laws or any other regulatory authority as required by law.

We also agree to keep strictly confidential, until such time as the proposed transaction is publicly announced by the company in the form of a press release, (i) the nature and scope of this transaction; and (ii) our knowledge of the proposed transaction of the Company.

We undertake that we shall immediately intimate the Company and the Lead Managers to the Public Issue of any changes in the aforesaid details until the listing and trading of the NCDs on the Stock Exchanges. In absence of any such communication from us, the above information should be taken as updated information until the listing and trading of NCD on the Stock Exchange.

The Company hereby agrees and undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015, SEBI (Issue and Listing of Non-Convertible Securities) Regulation, 2021, SEBI Circular on Uniform Listing Agreement dated October 13th, 2015; SEBI (Debenture Trustees) Regulations, 1993, SEBI Circular bearing ref. no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/230 dated 12th November, 2020 and



Regd. Office : Universal Insurance Building, Ground Floor, Sir P. M. Road, Fort, Mumbai - 400 001.
Tel. : 022-4080 7000 • Fax : 022-6631 1776 • Email : itsl@idbitrustee.com • response@idbitrustee.com
Website : www.idbitrustee.com

Companies Act, 2013, as may be amended from time to time and such other applicable provisions as may be applicable from time to time and the Company agree to furnish to Debenture Trustee such information as may be required by Trustee on regular basis

This consent letter is subject to the Due Diligence required to be done by the Debenture Trustee pursuant to SEBI Circular dated 03.11.20 and the company agrees that the issue shall be opened only after the due diligence has been carried by the debenture trustee.

We also confirm that we are not disqualified to be appointed as Debenture Trustee within the meaning of Rule 18(2)(c) of the Companies (Share Capital and Debentures) Rules, 2014.

Sincerely,

For IDBI Trusteeship Services Limited



Authorised Signatory



Annexure ADate: 10th February, 2023

Cholamandalam Investment & Finance Company Limited
Dare House, 2, N.S.C. Bose Road,
Parrys, Chennai – 600001

Dear Sir/ Madam,

Sub: PROPOSED PUBLIC ISSUE BY CHOLAMANDALAM INVESTMENT & FINANCE COMPANY LIMITED, ("COMPANY" OR "ISSUER") OF SECURED, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF ₹1,000 EACH, ("NCDs"), FOR AN AMOUNT UPTO ₹500 CRORES ("SHELF LIMIT"), HEREINAFTER REFERRED TO AS THE "ISSUE."

We hereby confirm that as on date the following details in relation to our registration with the Securities and Exchange Board of India as a Debenture Trustee is true and correct:

S. No.	Particulars	Details
1.	Permanent Registration Number	IND000000460
2.	Date of registration/ date of last renewal of registration/ date of application for renewal of registration	14-Feb-2017
3.	Date of expiry of registration	Permanent
4.	Details of any communication from SEBI prohibiting from acting as an intermediary	NA
5.	Details of any pending inquiry/ investigation being conducted by SEBI	NA
6.	Details of any penalty imposed by SEBI	NA

We shall immediately intimate the Company of any changes, additions or deletions in respect of the matters covered in this certificate till the date when the securities of the Issuer, offered, issued and allotted pursuant to the Issue, are traded on the Stock Exchanges. In the absence of any such communication from us, the above information should be taken as updated information until the listing and trading of the Non-convertible Debentures on the Stock Exchanges.

Sincerely

For IDBI Trusteeship Services Limited


Authorised Signatory



डिबेंचर न्यासी

प्ररूप ख
FORM-B

DEBENTURE TRUSTEE

भारतीय प्रतिभूति और विनियम बोर्ड
SECURITIES AND EXCHANGE BOARD OF INDIA

(डिबेंचर न्यासी) विनियम, 1993

(DEBENTURE TRUSTEE) REGULATIONS, 1993

000263

(विनियम 8)

(Regulation 8)

रजिस्ट्रीकरण प्रमाणपत्र

CERTIFICATE OF REGISTRATION

- 1) बोर्ड, भारतीय प्रतिभूति और विनियम बोर्ड अधिनियम, 1992 के अधीन डिबेंचर न्यासी के लिए बनाए गए नियमों और विनियमों के साथ पठित उस अधिनियम की धारा-12 की उपधारा (1) द्वारा प्रदत्त शक्तियों का प्रयोग करते हुए,
- 1) In exercise of the powers conferred by sub-section (1) of section 12 of the Securities and Exchange Board of India Act, 1992, read with the rules and regulations made thereunder for the debenture trustee the Board hereby grants a certificate of registration to

**IDBI TRUSTEESHIP SERVICES LIMITED
ASIAN BUILDING, GROUND FLOOR
17, R. KAMANI MARG
BALLARD ESTATE
MUMBAI-400 001**

को नियमों में, शर्तों के अधीन रहते हुए और विनियमों के अनुसार डिबेंचर न्यासी के रूप में रजिस्ट्रीकरण का प्रमाणपत्र इसके द्वारा प्रदान करता है।
as a debenture trustee subject to the conditions in the rules and in accordance with the regulations.

- 2) डिबेंचर न्यासी के लिए रजिस्ट्रीकरण कूट
- 2) Registration Code for the debenture trustee is

है।
IND000000460

- 3) जब तक नवीकृत न किया जाए, रजिस्ट्रीकरण का प्रमाणपत्र
- 3) Unless renewed, the certificate of registration is valid from

से तक विधिमन्य है।
This certificate of registration shall be valid unless it is suspended or cancelled by the board

स्थान Place : **MUMBAI**

तारीख Date : **FEBRUARY14, 2017**



आदेश से
भारतीय प्रतिभूति और विनियम बोर्ड
के लिए और उसकी ओर से
By order
For and on behalf of
Securities and Exchange Board of India

M. Sonparote
MEDHASONPAROTE

प्राधिकृत हस्ताक्षरकर्ता Authorised Signatory

ANNEXURE C: ILLUSTRATIVE CASH FLOW AND DAY COUNT CONVENTION

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ANNEXURE C - ILLUSTRATIVE CASH FLOW AND DAY COUNT CONVENTION

ILLUSTRATION FOR GUIDANCE IN RESPECT OF THE DAY COUNT CONVENTION AND EFFECT OF HOLIDAYS ON PAYMENTS

Series I

22 Months – Annual Coupon Payment	
Company	Cholamandalam Investment and Finance Company Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	May 15, 2023
Tenor	22 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	8.25%
Redemption Date/Maturity Date (assumed)	March 15, 2025
Frequency of interest payment	Annual
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.26%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (INR)
Deemed date of allotment	Monday, 15 May, 2023	Monday, 15 May, 2023		-1000.00
Coupon/Interest Payment 1	Wednesday, 15 May, 2024	Wednesday, 15 May, 2024	366	82.50
Coupon/Interest Payment 2	Saturday, 15 March, 2025	Saturday, 15 March, 2025	304	68.71
Principal	Saturday, 15 March, 2025	Saturday, 15 March, 2025		1000

Series II

22 Months – Cumulative Coupon Payment	
Company	Cholamandalam Investment and Finance Company Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	May 15, 2023
Tenor	22 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	March 15, 2025
Frequency of interest payment	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.25%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (INR)
Deemed date of allotment	Monday, 15 May, 2023	Monday, 15 May, 2023		-1000.00
Coupon/Interest Payment	Saturday, 15 March, 2025	Saturday, 15 March, 2025	670	156.64
Principal	Saturday, 15 March, 2025	Saturday, 15 March, 2025		1000

Series III

37 Months – Annual Coupon Payment	
Company	Cholamandalam Investment and Finance Company Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	May 15, 2023
Tenor	37 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	8.30%
Redemption Date/Maturity Date (assumed)	June 15, 2026
Frequency of interest payment	Annual
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.30%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (INR)
Deemed date of allotment	Monday, 15 May, 2023	Monday, 15 May, 2023		-1000.00
Coupon/Interest Payment 1	Wednesday, 15 May, 2024	Wednesday, 15 May, 2024	366	83.00
Coupon/Interest Payment 2	Thursday, 15 May, 2025	Thursday, 15 May, 2025	365	83.00
Coupon/Interest Payment 3	Friday, 15 May, 2026	Friday, 15 May, 2026	365	83.00
Coupon/Interest Payment 4	Monday, 15 June, 2026	Monday, 15 June, 2026	31	07.05
Principal	Monday, 15 June, 2026	Monday, 15 June, 2026		1000

Series IV

37 Months – Cumulative Coupon Payment	
Company	Cholamandalam Investment and Finance Company Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	May 15, 2023
Tenor	37 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	June 15, 2026
Frequency of interest payment	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.30%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (INR)
Deemed date of allotment	Monday, 15 May, 2023	Monday, 15 May, 2023		-1000.00
Coupon/Interest Payment	Monday, 15 June, 2026	Monday, 15 June, 2026	1127	279.15
Principal	Monday, 15 June, 2026	Monday, 15 June, 2026		1000

Series V

60 Months – Annual Coupon Payment	
Company	Cholamandalam Investment and Finance Company Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	May 15, 2023
Tenor	60 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	8.40%
Redemption Date/Maturity Date (assumed)	May 15, 2028
Frequency of interest payment	Annual
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.39%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (INR)
Deemed date of allotment	Monday, 15 May, 2023	Monday, 15 May, 2023		-1000.00
Coupon/Interest Payment 1	Wednesday, 15 May, 2024	Wednesday, 15 May, 2024	366	84.00
Coupon/Interest Payment 2	Thursday, 15 May, 2025	Thursday, 15 May, 2025	365	84.00
Coupon/Interest Payment 3	Friday, 15 May, 2026	Friday, 15 May, 2026	365	84.00
Coupon/Interest Payment 4	Saturday, 15 May, 2027	Saturday, 15 May, 2027	365	84.00
Coupon/Interest Payment 5	Monday, 15 May, 2028	Monday, 15 May, 2028	366	84.00
Principal	Monday, 15 May, 2028	Monday, 15 May, 2028		1000

Series VI

60 Months – Cumulative Coupon Payment	
Company	Cholamandalam Investment and Finance Company Limited
Face Value per NCD (in Rs.)	1000
Number of NCDs held (assumed)	1
Deemed date of allotment (assumed)	May 15, 2023
Tenor	60 months
Coupon Rate (% per annum) for NCD Holders in all Categories of Investors	NA
Redemption Date/Maturity Date (assumed)	May 15, 2028
Frequency of interest payment	Cumulative
Effective Yield (% per annum) for NCD Holders in all Categories of Investors	8.40%
Day Count Convention	Actual/Actual

Cash Flows	Due Date	Date of Payment	No. of days in Coupon Period	For Category I, II, III & IV Investors (INR)
Deemed date of allotment	Monday, 15 May, 2023	Monday, 15 May, 2023		-1000.00
Coupon/Interest Payment	Monday, 15 May, 2028	Monday, 15 May, 2028	1827	497.40
Principal	Monday, 15 May, 2028	Monday, 15 May, 2028		1000

Assumptions:

1. The Deemed Date of Allotment is assumed to be Monday, May 15, 2023. If the Deemed Date of Allotment undergoes a change, the coupon payments dates, redemption dates, redemption amount and other cash flow working shall be changed accordingly.
2. In case of the leap year (February 29, 2024 or February 29, 2028) falling during the tenor of the NCD, the number of days have been reckoned as 366 days for the entire year.
3. In the event, the interest / pay-out of total coupon / redemption amount is a fraction and not an integer, such amount will be rounded off to the nearest integer.