

PLACEMENT MEMORANDUM

Private & Confidential – For Private Circulation Only

Offer Document Serial No. 1/2023-24

Addressed to: Eligible Investors

Dated: May 08, 2023

Type of Placement Memorandum: Private Placement

Date of Placement Memorandum: May 08, 2023



ISSUE OF 30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") AGGREGATING TO INR 300,00,00,000 (INDIAN RUPEES THREE HUNDRED CRORES) OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE"), ("ISSUE") IN ONE OR MORE TRanches TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) BY IIFL SAMASTA FINANCE LIMITED (THE "ISSUER")

IIFL SAMASTA FINANCE LIMITED (Erstwhile Samasta Microfinance Limited)

A Public Limited Company Incorporated under the Companies Act, 1956, as amended.

Registered as a Non-Banking Financial Company within the meaning of the Reserve Bank of India Act, 1934 (2 of 1934).

REGISTERED OFFICE:

110/3, Lalbagh Main Road,
Krishnappa Layout, Bangalore
Karnataka 560027
Tel: 080-42913548
E-mail: venkatesh@iiflsamasta.com

CORPORATE OFFICE:

37A, Sannathi Street, Theradi,
Thiruvottiyur,
Chennai- 600019
Tel: 080-42913500
E-mail: venkatesh@iiflsamasta.com

Website: <https://iiflsamasta.com>, **Date of Incorporation:** 09/08/1995,
CIN: U65191KA1995PLC057884, **PAN:** AAACC4577H, **RBI Registration No.** B-02-00250
IRDAI Registration No. CA0751
Place of Incorporation: Chennai

COMPLIANCE OFFICER AND COMPANY SECRETARY:

Mr. Manoranjan Biswal
E-mail: manoranjan@iiflsamasta.com
Contact No. 080-42913510

CHIEF FINANCIAL OFFICER:

Mr. Anantha Kumar T
E-mail: ananthakumart@iiflsamasta.com
Contact No. 080-42913509

PROMOTERS/ PARENT

IIFL Finance Limited Contact Number: (91-22) 2580 6650 Email: governance@iifl.com	Mr. Venkatesh N Contact Number: 080-42913505 Email: venkatesh@iiflsamasta.com	Mr. Shivaprakash Deviah Contact Number: 080-42913506 Email: shivaprakashd@iiflsamasta.com
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ARRANGERS TO THE ISSUE

REGISTRAR TO THE ISSUE

Mr. Amit Dhabade
LINK INTIME INDIA PRIVATE LIMITED

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083.
Tel: +91 22 49186000, Fax: +91 22 49186060
Email: debtca@linkintime.co.in/amit.dabhade@linkintime.co.in
Website: www.linkintime.co.in

DEBENTURE TRUSTEE

BEACON TRUSTEESHIP LIMITED,

Address: 4C & D, Siddhivinayak Chambers, Opp. MIG Cricket Club,
Gandhi Nagar, Bandra (East), Mumbai – 400 051
CIN: U74999MH2015PLC271288
Tel: 022 - 26558759
E-mail: compliance@beacontrustee.co.in
Investor Grievance id: investorgrievances@beacontrustee.co.in
Website: <http://beacontrustee.co.in/>
Contact Person: Mr. Kaustubh Kulkarni (Compliance Officer)
SEBI Registration Number: IND000000569



CREDIT RATING AGENCY

CRISIL LIMITED

Hiranandani Business Park, Central Avenue, Hiranandani Gardens,
Powai, Mumbai -400076





ACUITÉ RATINGS & RESEARCH LIMITED 708, Lodha Supremus Lodha iThink Techno Campus, Kanjurmarg East Mumbai - 400042	
<u>LEGAL COUNSEL</u> VERIST LAW The Empire Business Centre, 414 Senapati Bapat Marg, Lower Parel, Mumbai 400013 Website: www.veristlaw.com Telephone: +91 2266 907 368 Email: srishti.ojha@veristlaw.com	

THIS PLACEMENT MEMORANDUM HAS BEEN PREPARED IN ACCORDANCE WITH SCHEDULE – II OF SEBI (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 AS AMENDED FROM TIME TO TIME AND SECTION 42 OF COMPANIES ACT 2013 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) SECOND AMENDMENT RULES, 2018, RESPECTIVELY AND IN COMPLIANCE WITH COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014 AND IN COMPLIANCE WITH - MASTER DIRECTION - NON-BANKING FINANCIAL COMPANY - SYSTEMICALLY IMPORTANT NON-DEPOSIT TAKING COMPANY AND DEPOSIT TAKING COMPANY (RESERVE BANK) DIRECTIONS, 2016 DATED SEPTEMBER 01, 2016 ANNEXURE XXII, UPDATED AS ON FEBRUARY 17, 2020 AND AS AMENDED FROM TIME TO TIME.

GENERAL RISK	
<p>The issue of NCDs in one or more tranches and to be listed on the NSE is being made strictly on a private placement basis. Investors are advised to read the Disclosure Document carefully before taking an investment decision in this Issue. For taking an investment decision the investor must rely on his examination of the Issuer and the offer including the risks involved. The Issue of Debentures has not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document. Special attention of investors is invited to the statement of Risk Factors in this Disclosure Document.</p> <p>Investment in non-convertible securities involve a degree of risk and investors should not invest any funds in such securities unless they can afford to take the risk attached to such investments. Investors are advised to take an informed decision and to read the risk factors carefully before investing in this offering. For taking an investment decision, investors must rely on their examination of the issue including the risks involved in it. Specific attention of investors is invited to statement of risk factors contained under section 9 of this placement memorandum. These risks are not, and are not intended to be, a complete list of all risks and considerations relevant to the non-convertible securities or investor's decision to purchase such securities.</p>	
ISSUER'S ABSOLUTE RESPONSIBILITY	
<p>"The issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this placement memorandum contains all information with regard to the issuer and the issue which is material in the context of the issue, that the information contained in the placement memorandum is true and correct in all material aspects and is not misleading, that the opinions and intentions expressed herein are honestly stated and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading."</p>	
CREDIT RATING	
<p>CRISIL Ratings has assigned "CRISIL AA- /Stable" for the Non-Convertible Debentures programme of Rs. 950 Crore of the Issuer and Acuite Ratings and Research has assigned ACUITE AA Stable for the Non-Convertible Debentures programme of Rs. 350 Crore. The rating is not a recommendation to buy, sell or hold securities and investors should take their own decision. The rating may be subject to revision or withdrawal at any time by the assigning rating agency and each rating should be evaluated independently of any other rating. The rating agency has a right to suspend or withdraw the rating at any time on the basis of factors such as new information.</p>	
LISTING	
<p>Subordinated Redeemable Non-Convertible Debentures will be listed on the Wholesale Debt Market (WDM) segment of the National Stock Exchange of India Limited ("NSE").</p>	
<p>Issue Opens on: As mentioned in the Term Sheet annexed herewith as Annexure A</p>	<p>Issue Closes on: As mentioned in the Term Sheet annexed herewith as Annexure A</p>

Eligible investors are those as mentioned in the term sheet annexed herewith as Annexure A. Coupon rate, coupon payment frequency, redemption date, redemption amount as mentioned in the Term Sheet annexed herewith as Annexure A.

This Disclosure Document is not a Prospectus under the Companies Act. This Disclosure Document is prepared in conformity with (i) Securities and Exchange Board of India (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 (issued vide circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 as amended from time to time (together "SEBI Debt Regulations"); (ii) relevant provisions of the Companies Act and rules made thereunder; and (iii) Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 dated September 01, 2016 - Annexure XXII, updated as on February 17, 2020 and as amended from time to time.

The Issuer reserves the right to change the issue closing date and in such an event, the Deemed Date of Allotment for the Debentures may also be revised by the Issuer at its sole and absolute discretion.

THIS ISSUANCE OF LISTED, UNSECURED, SUBORDINATED, REDEEMABLE NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS DOES NOT FORM PART OF NON-EQUITY REGULATORY CAPITAL OF THE COMPANY IN TERMS OF CHAPTER V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 READ WITH SEBI OPERATIONAL CIRCULAR NO. SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021.

Nature and issue size, base issue and green shoe option, if any, shelf or tranche size, each as may be applicable	<p>ISSUE of 30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 300,00,00,000 (INDIAN RUPEES THREE HUNDRED CRORES) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION)</p> <p>Base issue: 15,000 unsecured, subordinated redeemable non-convertible debentures of face value of Rs. 1,00,000/- (Rupees one lakhs only) each,</p> <p>Green shoe: 15,000 subordinated redeemable non-convertible debentures of face value of Rs. 1,00,000/- (Rupees one Lakhs only) each, aggregating to Rs.150,00,00,000 (Rupees One Hundred and Fifty Crores only)</p>
Coupon Rate	11.00% per annum
Coupon payment Frequency	Annual, fixed
Final Redemption Date	17 th May 2030
Details about underwriting of the issue including the amount undertaken to be	Not applicable.

underwritten by the underwriters:													
Inclusion of a compliance clause in relation to electronic book mechanism and details pertaining to the uploading the placement memorandum on the Electronic Book Provider Platform, if applicable.	<p>This Issue, offer and subscription to the Debentures shall be made by the Eligible Investors through the electronic book mechanism as prescribed by SEBI and NSE under the EBP Guidelines (as defined below) by placing bids on the EBP Platform during the period of the Issue. The Eligible Investors should also refer to the operational guidelines of the EBP in this respect. The disclosures required pursuant to the EBP Guidelines (as defined below) are set out herein below:</p> <table border="1"> <tr> <td></td><td></td></tr> <tr> <td>Bid opening and closing date</td><td>Bid Opening Date: May 17, 2023; and Bid closing date: May 17, 2023</td></tr> <tr> <td>Minimum Bid lot</td><td>100 Debenture of face values of INR 1,00,000, and in the multiples of 1 Debentures thereafter</td></tr> <tr> <td>Manner of allotment in the Issue</td><td>The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.</td></tr> <tr> <td>Manner of settlement in the Issue</td><td>Pay-in of funds through ICCL and the account details are given in the Clause 8.9 (<i>Issue Procedure</i>) of this Placement Memorandum</td></tr> <tr> <td>Settlement cycle</td><td>T+1; where T refers to the date of bid opening date / issue opening date</td></tr> </table>			Bid opening and closing date	Bid Opening Date: May 17, 2023; and Bid closing date: May 17, 2023	Minimum Bid lot	100 Debenture of face values of INR 1,00,000, and in the multiples of 1 Debentures thereafter	Manner of allotment in the Issue	The allotment will be done on Uniform Yield basis in accordance with EBP Guidelines.	Manner of settlement in the Issue	Pay-in of funds through ICCL and the account details are given in the Clause 8.9 (<i>Issue Procedure</i>) of this Placement Memorandum	Settlement cycle	T+1; where T refers to the date of bid opening date / issue opening date
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Settlement cycle	T+1; where T refers to the date of bid opening date / issue opening date												

ISSUE SCHEDULE

Particulars	Date
Issue/BID Opening Date	May 17, 2023
Issue/BID Closing Date	May 17, 2023
Pay In Date	May 18, 2023
Deemed Date of Allotment	May 18, 2023

Bid Book Type: Close Book, Allocation Option: Uniform, Settlement Mode: Through Clearing Corporation Settlement Cycle T+1.

Settlement mode of the Instrument:

The pay-in of subscription monies for the Debentures shall be made by way of transfer of funds from the bank account(s) of the Eligible Investors (whose bids have been accepted) as registered with the Electronic Book Provider into the account of the ICCL.

Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account

of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of ICCL shall be released into the Issuer's bank account, the details of which are as set out below:

Beneficiary Name	IIFL SAMASTA FINANCE LIMITED
Beneficiary Account No.	40803086705
Bank	State Bank of India
Branch	Specialized Agri Commercial Branch
Account Type	Overdraft Account
MICR Code	160002017
IFSC Code	SBIN0014431

The Issuer reserves the right to change the Issue programme including the Deemed Date of Allotment (as defined hereinafter) at its sole discretion in accordance with the timelines specified in the Operational Guidelines, without giving any reasons or prior notice.

Further Borrowings:

The Company shall, without the approval of the Trustee, be entitled to, to make further issue(s) of debentures, raise further loans and advances and/or avail further deferred payment guarantees or, provide corporate guarantees/comforts or avail any other financial facilities from time to time from such persons/ banks/ financial institutions or body corporate/ any other agency as it deems fit. The Disclosure Document is dated May 08, 2023.

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SECTION I - IMPORTANT NOTICE TO THE INVESTORS

GENERAL DISCLAIMER:

THIS PLACEMENT MEMORANDUM ("DISCLOSURE DOCUMENT") IS NEITHER A PROSPECTUS NOR A STATEMENT IN LIEU OF PROSPECTUS. THIS DISCLOSURE DOCUMENT IS INTENDED FOR PRIVATE USE AND SHOULD NOT BE CONSTRUED TO BE A PROSPECTUS AND/OR AN INVITATION TO THE PUBLIC OR A SECTION OF THE PUBLIC FOR SUBSCRIPTION TO DEBENTURES UNDER ANY LAW FOR THE TIME BEING IN FORCE. NEITHER THIS DISCLOSURE DOCUMENT NOR ANY OTHER INFORMATION SUPPLIED IN CONNECTION WITH THE CONTEMPLATED ISSUE SHOULD BE CONSTRUED AS LEGAL, TAX, ACCOUNTING OR INVESTMENT ADVICE. THE ISSUE OF NCDS IN ONE OR MORE TRANCHES AND TO BE LISTED ON THE NSE IS BEING MADE STRICTLY ON A PRIVATE PLACEMENT BASIS.

APART FROM THIS PLACEMENT MEMORANDUM, NO OTHER OFFER DOCUMENT OR PROSPECTUS HAS BEEN PREPARED IN CONNECTION WITH THE OFFERING OF THIS ISSUE NOR IS SUCH A PROSPECTUS REQUIRED TO BE REGISTERED UNDER APPLICABLE LAWS. ACCORDINGLY, THIS PLACEMENT MEMORANDUM HAS NEITHER BEEN DELIVERED FOR REGISTRATION NOR IS IT INTENDED TO BE REGISTERED. THE ISSUER DOES NOT UNDERTAKE TO UPDATE THE DISCLOSURE DOCUMENT TO REFLECT SUBSEQUENT EVENTS AFTER THE DATE OF THIS MEMORANDUM AND THUS IT SHOULD NOT BE RELIED UPON WITH RESPECT TO ANY SUCH SUBSEQUENT EVENTS WITHOUT FIRST CONFIRMING ITS ACCURACY WITH THE ISSUER. NEITHER THE DELIVERY OF THIS DISCLOSURE DOCUMENT NOR ANY SALE OF THE NCD MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CONSTITUTE A REPRESENTATION OR CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE ISSUER SINCE THE DATE HEREOF.

This Disclosure Document is for private placement of Debentures and has been prepared in conformity with the Securities and Exchange Board of India (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 issued vide circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 (as amended from time to time), the SEBI (Listing Disclosures and Requirements) Regulations, 2015 and section 42 of the Companies Act, 2013 and the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 and the RBI circulars on the subject and relevant laws, rules and regulations. As per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to SEBI for its review and/or approval.

This Disclosure Document has been prepared to provide general information about the Issuer to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Debentures. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Debentures is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to purchase any Debentures. Each investor contemplating purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Each recipient of this Disclosure Document acknowledges that such person has not relied on the Issuer or any of its affiliates, shareholders, directors, employees, agents or advisors in connection with its investigation of the accuracy of such information or its investment decision and such person has relied solely on its own examination of the creditworthiness of the Issuer and the merits and risks involved in investing in the Debentures. Potential investors should consult their own financial, legal, tax and other professional

advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

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

No invitation is being made to any persons other than those to whom application forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

Each person receiving this Disclosure Document acknowledges that:

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein. Each such person (i) is a knowledgeable and sophisticated investor; (ii) have the expertise in assessing the credit, market and all the other risks involved in purchasing the Debentures; (iii) has done its own independent assessment and analysis of the Issue; (iv) understands that, by purchase or holding of the Debentures, it is assuming and is capable of bearing the risk of loss that may occur with respect to Debentures, including the possibility that it may lose all or a substantial portion of investment.

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document except as required under law.

Neither the delivery of this Disclosure Document nor any sale of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof.

This Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering and sale of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

It is the responsibility of investors to ensure that any transfer of the Debentures is in accordance with this Disclosure Document and the applicable laws, and ensure that the same does not constitute an offer to the public.

The information and data contained herein is submitted to each of the recipient of this Disclosure Document on a strictly private and confidential basis. By accepting a copy of this Disclosure Document, each recipient agrees that neither it nor any of its employees or advisors will use the information contained herein for any purpose other than evaluating the subscription to the Issue or will divulge to any other party any such information. This Disclosure Document must not be photocopied, reproduced, extracted or distributed in full or in part to any person other than the recipient without the prior written consent of the Issuer.

DISCLAIMER OF THE SECURITIES AND EXCHANGE BOARD OF INDIA

This Disclosure Document has not been filed with the Securities & Exchange Board of India (SEBI). The securities have not been recommended or approved by SEBI nor does SEBI guarantee the accuracy or adequacy of this document. This document should not, in any way, be deemed or construed to have been cleared or vetted 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 this document. The issue of Debentures is being made on a private placement basis and, therefore, filing of this document with SEBI is not required, however SEBI reserves the right to take up at any point of time, with the Issuer, any irregularities or lapses in this document.

ELIGIBILITY OF THE ISSUER TO COME OUT WITH THE ISSUE

- I. Neither the Issuer nor its promoters, promoters group or any of its directors are debarred from accessing the securities market or dealing in securities by SEBI.
- II. Neither its promoters or any of its directors is a promoter or director of another company which is debarred from accessing the securities market or dealing in securities by SEBI.
- III. Neither its promoters or any of its directors is a fugitive economic offender.
- IV. No fine or penalties has been levied by SEBI / any Stock Exchange on the Issuer.

DISCLAIMER OF THE STOCK EXCHANGE

As required, a copy of this Disclosure Document shall be submitted to the NSE for hosting the same on its website. It is to be distinctly understood that such submission of the document with NSE or hosting the same on its website should not in any way be deemed or construed that the 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 document; nor does it warrant that this Issuer's securities will be listed or continue to be listed on the exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the 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 IN RESPECT OF JURISDICTION

The private placement of Debenture is made in India to Companies, Corporate Bodies, Trusts registered under the Indian Trusts Act, 1882, Societies registered under the Societies Registration Act, 1860 or any other

applicable laws, provided that such Trust/ Society is authorised under constitution/ rules/ bye-laws to hold debenture in a Company, Indian Mutual Funds registered with SEBI, Indian Financial Institutions, Insurance Companies, Commercial Banks including Regional Rural Banks and Cooperative Banks, Provident, Pension, Gratuity, Superannuation Funds as defined under Indian laws. The Disclosure Document does not, however, constitute an offer to sell or an invitation to subscribe to securities offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Disclosure Document comes is required to inform him about and to observe any such restrictions. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the courts at Bangalore.

DISCLAIMER BY RESERVE BANK OF INDIA:

THE COMPANY IS HAVING A VALID CERTIFICATE OF REGISTRATION BEARING REGISTRATION NO. B-02-00250 ISSUED BY THE RESERVE BANK OF INDIA UNDER SECTION 45 IA OF THE RESERVE BANK OF INDIA ACT, 1934. HOWEVER, RBI DOES NOT ACCEPT ANY RESPONSIBILITY OR GUARANTEE ABOUT THE PRESENT POSITION AS TO THE FINANCIAL SOUNDNESS OF THE COMPANY OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS OR REPRESENTATIONS MADE OR OPINIONS EXPRESSED BY THE COMPANY AND FOR REPAYMENT OF DEPOSITS/ DISCHARGE OF LIABILITY BY THE COMPANY. THE INVESTOR MAY MAKE INVESTMENT DECISION ON THE BASIS OF ITS OWN ANALYSIS AND THE RBI DOES NOT ACCEPT ANY RESPONSIBILITY ABOUT REPAYMENT OF SUCH INVESTMENT.

DISCLAIMER BY DEBENTURE TRUSTEE:

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 Debenture Holders.

FORCE MAJEURE

The Company reserves the right to withdraw the Issue prior to the earliest closing date in the event of any unforeseen development adversely affecting the economic and regulatory environment or otherwise. In such an event, the Company will refund the application money, if any, along with interest payable on such application money, if any, without assigning any reason.

DISCLAIMER BY CREDIT RATING AGENCY:

CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All CRISIL ratings are under surveillance. CRISIL or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. CRISIL Ratings rating criteria are available without

charge to the public on the CRISIL web site, www.crisil.com.

ACUITE rating reflects ACUITE's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by ACUITE. ACUITE ratings are based on information provided by the issuer or obtained by ACUITE from sources it considers reliable. ACUITE does not guarantee the completeness or accuracy of the information on which the rating is based. A ACUITE rating is not a recommendation to buy, sell, or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. All ACUITE ratings are under surveillance. ACUITE or its associates may have other commercial transactions with the company/entity. Ratings are revised as and when circumstances so warrant. ACUITE is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of this product. ACUITE Ratings rating criteria are available without charge to the public on the CRISIL web site, <https://www.acuite.in>.

FORWARD LOOKING STATEMENTS

All statements in this Disclosure Document that are not statements of historical fact constitute "forward looking statements". All statements regarding the Issuer's expected financial condition and results of operations, business, plans and prospects are forward looking statements. These forward looking statements and any other projections contained in this Disclosure Document (whether made by the Issuer or any third party) are predictions and involve known and unknown risks, uncertainties and other factors that may cause the Issuer's actual results, performance and achievements to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements or other projections. The forward looking statements, if any, contained in this Disclosure Document are based on the beliefs of the management of the Issuer, as well as the assumptions made by and information available to management as at the date of this Disclosure Document. There can be no assurance that the expectations will prove to be correct. The Issuer expressly disclaims any obligation or undertaking to release any updated information or revisions to any forward looking statements contained herein to reflect any changes in the expectations or assumptions with regard thereto or any change in the events, conditions or circumstances on which such statements are based. Given these uncertainties, recipients are cautioned not to place undue reliance on such forward looking statements. All subsequent written and oral forward looking statements attributable to the Issuer are expressly qualified in their entirety by reference to these cautionary statements.

DEFINITION/ ABBREVIATIONS

In this Placement Memorandum, unless the context otherwise requires, the terms defined, and abbreviations expanded below, have the same meaning as stated in this section. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Issuer Related Terms

Term	Description
"Issuer", "the Company" and "our Company"	IIFL SAMASTA FINANCE LIMITED, a company incorporated under the Companies Act, 1956 and registered as a Non-Banking Financial Company with the Reserve Bank of India under Section 45-IA of the Reserve Bank of India Act, 1934.
Act / Companies Act	The Companies Act, 1956 or Companies Act 2013 (such sections which have been notified by the Government) as amended from time to time, whichever is applicable.
AOA / Articles / Articles of Association	Articles of Association of our Company
Board / Board of Directors	The Board of Directors of our Company and includes any Committee thereof
Designated Stock Exchange	NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE)
SEBI Regulations	SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended from time to time.
Debenture Trust Deed	The debenture trust deed which shall be entered into between the Company and the Debenture Trustee pursuant to which the Company shall settle the trust in favour of the Debenture Trustee acting on behalf of the Debenture Holders.
Debentures / NCDs/ Unsecured NCDs	Subordinated Redeemable Non-Convertible Debentures of the face value of Rs. 1,00,000/- each.
DIN	Director Identification Number
Equity Shares	Equity shares of face value of Rs.10 each of our Company
MIS	Management Information System of our Company
Memorandum / MOA / Memorandum of Association	Memorandum of Association of our Company
NBFC-MFI	Non-Banking Financial Company as defined under Section 45-IA of the RBI Act, 1934
NBFC-ND-SI	Non-Deposit Accepting / Holding Systemically Important NBFC
NPA	Non-Performing Asset
Promoter	IIFL Finance Limited, Mr. Venkatesh N and Mr. Shivaprakash D
Rs./ ₹ / INR / Rupees	Indian Rupees

EBP	Electronic Bidding Platform
EBP Guidelines	The guidelines issued by SEBI with respect to electronic book mechanism under the terms of the SEBI Circular dated August 10, 2021 (bearing reference number: SEBI/HO/DDHS/P/CIR/2021/613) as updated vide the SEBI circular dated October 10, 2022 (bearing reference number: SEBI/HO/DDHS/ DDHS_Div1/P/CIR/2022/00139), each as may be further updated, amended, modified or replaced from time to time and the operational guidelines issued by the relevant Electronic Book Provider, as may be amended, clarified or updated from time to time.
Receivables	Identified receivables of the Company in form of book debts, loans and advances and current assets of the Company
Statutory Auditors / Auditors	Our statutory auditors being Brahmayya & Co, Chartered Accountants.
"We", "us" and "our"	Our Company and/or its Subsidiaries, unless the context otherwise requires
Qualified Institutional Buyer	<p>Qualified Institutional Buyer means:</p> <p>(i) a mutual fund, venture capital fund, Alternative Investment Fund and foreign venture capital investor registered with the Board;</p> <p>(ii) a foreign portfolio investor other than Category III foreign portfolio investor, registered with the Board;</p> <p>(iii) a public financial institution as defined in section 4A of the Companies Act, 1956;</p> <p>(iv) a scheduled commercial bank;</p> <p>(v) a multilateral and bilateral development financial institution;</p> <p>(vi) a state industrial development corporation;</p> <p>(vii) an insurance company registered with the Insurance Regulatory and Development Authority;</p> <p>(viii) a provident fund with minimum corpus of twenty-five crore rupees;</p> <p>(ix) a pension fund with minimum corpus of twenty-five crore rupees;</p> <p>(x) 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;</p> <p>(xi) insurance funds set up and managed by army, navy or air force of the</p>

	Union of India; (xii) insurance funds set up and managed by the Department of Posts, India												
Subordinated Debt	<p>As per Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time) of RBI, Subordinated Debt means an instrument, which is fully paid up, is unsecured and is subordinated to the claims of other creditors and is free from restrictive clauses and is not redeemable at the instance of the holder or without the consent of the supervisory authority of the non-banking financial company. The book value of such instrument shall be subjected to discounting as provided hereunder:</p> <table> <thead> <tr> <th>Remaining maturity of the instruments</th><th>Rate of discount</th></tr> </thead> <tbody> <tr> <td>a) Up to one year</td><td>100%</td></tr> <tr> <td>b) More than one year but up to two years</td><td>80%</td></tr> <tr> <td>c) More than two years but up to three years</td><td>60%</td></tr> <tr> <td>d) More than three years but up to four years</td><td>40%</td></tr> <tr> <td>e) More than four years but up to five years</td><td>20%</td></tr> </tbody> </table> <p>to the extent such discounted value does not exceed fifty percent of Tier I Capital.</p>	Remaining maturity of the instruments	Rate of discount	a) Up to one year	100%	b) More than one year but up to two years	80%	c) More than two years but up to three years	60%	d) More than three years but up to four years	40%	e) More than four years but up to five years	20%
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d) More than three years but up to four years	40%												
e) More than four years but up to five years	20%												
Tier I Capital	<p>“Tier I capital” means owned fund as reduced by investment in shares of other non-banking financial companies and in shares, debentures, bonds, outstanding loans and advances including hire purchase and lease finance made to and deposits with subsidiaries and companies in the same group exceeding, in aggregate, ten per cent of the owned fund; and perpetual debt instruments issued by a non-deposit taking non-banking financial company in each year to the extent it does not exceed 15% of the aggregate Tier I Capital of such company as on March 31 of the previous accounting year</p>												
Tier II Capital	<p>As per Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 (as amended from time to time) of RBI, Tier II Capital includes the following:</p> <p>(a) preference shares other than those which are compulsorily convertible into equity;</p> <p>(b) revaluation reserves at discounted rate of fifty-five percent;</p> <p>(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;</p> <p>(d) hybrid debt capital instruments;</p>												

	<p>(e) subordinated debt; and</p> <p>(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</p>
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SECTION II - RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties described below and the information contained elsewhere in this Placement Memorandum before making an investment in the Debentures. In making an investment decision, each investor must rely on its own examination of the Group and the terms of the offering of the Debentures. The risks described below are not the only ones faced by the Group or investments in India in general that may adversely affect the Group's ability to make payment on the Debentures. The Group's business, prospects, financial condition, cash flows and results of operations could be materially and adversely affected by any of these risks.

The financial and other related implications of the risk factors, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are certain risk factors where the financial impact is not quantifiable and, therefore, cannot be disclosed in such risk factors.

An investment in this type of security involves a certain degree of risk. The investor should carefully consider all the information contained in this disclosure document, including the risks and uncertainties described below, before making an investment decision. The risk factors set forth below do not purport to be complete or comprehensive in terms of all the risks that may arise in connection with our business or any decision to purchase, own or dispose of the Debentures. Additional risks, which are currently unknown, if materialises, may in the future have a material adverse effect on our business, financial condition and results of operations. The market prices of the NCDs could decline due to such risks and you may lose all or part of your investment

Risks Relating to Our Business

The following are the risks envisaged by the management. Potential investors should consider these risk factors carefully for evaluating the trading or profitability of the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to the Company only.

The Investors must rely on their own examination and investigation of the Company and its business, their promoters, associate companies and the Issue including the risks and uncertainties involved.

The Company and its business are subject to risks, uncertainties and assumptions, internal as well as external, and could materially affect the performance of the Company. The following are some of the important factors that could cause actual results to differ materially from the Company's expectations:

We deal with higher risk clients and provide unsecured loans. Hence our business is exposed to risk of NPAs.

The majority of our loans are unsecured and the clients of these unsecured loans are of the high risk category and if we are unable to control the level of non-performing loans ("NPAs") in the future, or if our loan loss reserves are insufficient to cover future loan losses, our financial condition and results of operations may be materially and adversely affected.

A majority of our loans are unsecured and the clients of these unsecured loans are of the high risk category. There is uncertainty on the client's ability to fulfil its loan obligations as MFI clients typically do not have bank accounts or proper income proof verification so it can be difficult to verify all client details and assess the risk. Such non-performing or low credit quality loans can negatively impact our results of operations.

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

We cannot assure you that we will be able to effectively control and reduce the level of the impaired loans in our total loan portfolio. The amount of our reported NPAs may increase in the future as a result of growth in our total loan portfolio, and also due to factors beyond our control, such as over - extended member credit that we are unaware of. If we are unable to manage our NPAs or adequately recover our loans, our results of operations will be adversely affected. Our current loan loss reserves may not be adequate to cover an increase in the amount of NPAs or any future deterioration in the overall credit quality of our total loan portfolio. As a result, if the quality of our total loan portfolio deteriorates we may be required to increase our loan loss reserves, which will adversely affect our financial condition and results of operations. Our customers/borrowers are poor and, as a result, might be vulnerable if economic conditions worsen or growth rates decelerate in India, or if there are natural disasters such as floods and droughts in areas where our customers live. Moreover, there is no precise method for predicting loan and credit losses, and we cannot assure you that our monitoring and risk management procedures will effectively predict such losses or that loan loss reserves will be sufficient to cover actual losses. If we are unable to control or reduce the level of our NPAs or poor credit quality loans, our financial condition and results of our operations could be materially and adversely affected.

Further, while we believe that our interests are perfected and legally enforceable, they might not be deemed as such in an Indian court.

Our business operates through a large number of rural and semi urban branches and is exposed to operational risks including fraud.

We are exposed to operational risks, including fraud, petty theft and embezzlement, as we handle a large amount of cash due to high volume of small transactions. This could harm our operations and our financial position.

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

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

Loans due within two years' account for almost all of our interest income, and a significant reduction in short term loans may result in a corresponding decrease in our interest income.

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

We are exposed to certain political, regulatory and concentration of risks and plan to expand into newer geographic locations.

Due to the nature of operations, we are exposed to political, regulatory and concentration risks. We believe a mitigation to this is to expand its geographical reach and we are consequently expanding operations in different geographies.

If we are not effectively able to manage such operations and expansion, we may lose money invested in such expansion, which could adversely affect our business and results of operations.

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

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

Our business and results of operations would be adversely affected by strikes, work stoppages or increased wage demands by our employees.

Our employees are not currently unionized. However, there can be no assurance that they will not unionize in the future. If our employees unionize, it may become difficult for us to maintain flexible labour policies, and we could incur higher labour costs, which would adversely affect our business and results of operations.

Our insurance coverage may not adequately protect us against losses.

Successful claims that exceed our insurance coverage could harm our results of operations and diminish our financial position.

We maintain insurance coverage of the type and in the amounts that we believe are commensurate with our operations and other general liability insurances. Our insurance policies, however, may not provide adequate coverage in certain circumstances and may be subject to certain deductibles, exclusions and limits on coverage.

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

including premium increases or the imposition of a larger deductible or co-insurance requirement, could adversely affect our business, financial condition and results of operations. We do not have director's and officer's insurance which could impact an individual's decision to serve on our Board of Directors.

Micro credit lending poses unique risks not generally associated with other forms of lending in India, and, as a result, we may experience increased levels of NPAs and related provisions and write-offs that negatively impact our results of operations

Our core mission is to provide loans to fund the small businesses and other income generating activities of our customers. Our customers are typically poor and illiterate women living in rural India, who have limited sources of income, savings and credit histories, and who cannot provide us with any collateral or security for their borrowings. We also disburse non-interest bearing loans to our customers in the event of emergencies, such as pregnancy, funerals and natural disasters. In addition, we have extended loan repayment moratoriums of two to three weeks to customers who have been victims of flood conditions. While we do extend such moratoriums on a case by case basis, extensive flood conditions could adversely affect the ability of our customers to make loan payments on time and in turn negatively impact our results of operations. As a result, our customers pose a higher risk of default than borrowers with greater financial resources and more established credit histories and borrowers living in urban areas with better access to education, employment opportunities, and social services.

In addition, we rely on non-traditional guarantee mechanisms in connection with our loan products, which are generally secured by informal individual and group guarantees, rather than tangible assets. As a result, our loan products pose a higher degree of risk than loans secured with physical collateral. Due to the precarious circumstances of our customers and our non-traditional lending practices we may, in the future, experience increased levels of non-performing loans and related provisions and write-offs that negatively impact our business and results of operations.

A credit enhancement happens by way of guarantee of loan to an individual member of a group by all the other members of the group. The ability to repay the loan is taken care of by internal credit evaluation and intention to repay is taken care of by the mutual guarantee of group customers.

We require certain statutory and regulatory approvals for conducting our business and our failure to obtain or retain them in a timely manner, or at all, may adversely affect our operations.

NBFCs in India are subject to strict regulation and supervision by the RBI. Pursuant to the Master Circular- 'Non-Banking Financial Company-Micro Finance Institutions' (NBFC-MFIs) – Directions dated July 1, 2014 (as updated from time to time, the NBFC-MFI Directions) issued by the RBI, we are required to maintain our status as a Non-Banking Finance Company – Micro Finance Institution ("**NBFC- MFI**") in order to be eligible for categorization as priority sector advance for bank loans. See risk factor titled – 'Current Micro-Finance Industry Challenges' for details. We require certain approvals, licenses, registrations and permissions for operating our business, including registration with the RBI as a NBFC-MFI. Further, such approvals, licenses, registrations and permissions must be maintained/renewed over time, applicable requirements may change and we may not be aware of or comply with all requirements all of the time. Additionally, we may need additional approvals from regulators to introduce new insurance and other fee based products to our members. In particular, we are required to obtain a certificate of registration for carrying on business as a NBFC-MFI that is subject to numerous conditions. In addition, our branches are required to be registered under the relevant shops and establishments laws of the states in which they are located. The shops and establishment laws regulate various employment conditions, including working hours, holidays and leave and overtime compensation. If we fail to obtain or retain any of these approvals or licenses, or renewals

thereof, in a timely manner, or at all, our business may be adversely affected. If we fail to comply, or a regulator claims we have not complied, with any of these conditions, our certificate of registration may be suspended or cancelled and we shall not be able to carry on such activities. If we fail to comply with the NBFC-MFI Directions and fail to maintain the status of NBFC-MFI, we will not be eligible for priority sector loans from the Indian banking sector and may also attract penal provisions under the RBI Act, 1934 for non-compliance.

We may be required to increase our capital ratio or amount of loan loss reserves, which may result in changes to our business and accounting practices that would harm our business and results of operation.

We are subject to the RBI minimum capital to risk weighted assets ratio regulations. Pursuant to Section 45-IC of the Reserve Bank of India Act 1934, every NBFC-MFI is required to create a reserve fund and transfer thereto a sum not less than 20 percent of its net profit every year, as disclosed in the profit and loss account and before any dividend is declared. We are also required to maintain a minimum capital adequacy ratio of 15.00 percent in relation to our aggregate risk-weighted assets and risk adjusted assigned loans. The ratio must equal or exceed 15.00 percent.

The RBI may also in the future require compliance with other financial ratios and standards. Compliance with such regulatory requirements in the future may require us to alter our business and accounting practices or take other actions that could materially harm our business and operating results.

Competition from banks and financial institutions, as well as state-sponsored social programs, may adversely affect our profitability and position in the Indian micro-credit lending industry.

We face our most significant competition from other micro finance institutions (Fis) and banks in India. Many of the institutions with which we compete have greater assets and better access to, and lower cost of, funding than we do. In certain areas, they may also have better name recognition and larger member bases than us. We anticipate that we may encounter greater competition as we continue expanding our operations in India, which may result in an adverse effect on our business, results of operations and financial condition.

We believe traditional commercial banks as well as regional rural and cooperative banks have generally not directly targeted the rural lower income segments of the population for new customers. However, some banks do participate in micro-finance by financing the loan programs of self-help groups often in partnership with NGOs. Banks also indirectly participate in microfinance by making loans and providing other sources of funding to other MFIs. In addition, we are aware that some commercial banks are beginning to directly compete with for –profit MFIs for lower income segment customers in certain geographies.

Movement in market interest rates may adversely affect the margins of the Issuer, Changes in interest rates at which the Issuer borrows can impact spreads, especially in the short term. Increase in cost of funds can severely squeeze margins, impacting profitability and operational self-sufficiency of MFIs. With increasing competition and pressure to cut interest rates, the Issuer may not be in a position to pass interest rate increases to clients. Further, the new directions issued by the RBI, the NBFC-MFI Directions (following the recommendations of the Malegam Committee Report) has introduced restrictions on margins, interest rates and processing fees and will increase interest rate risk for the Issuer.

External Risk Factors:

- 1. Financial difficulties and other problems in certain financial institutions in India could cause our business to suffer and adversely affect our results of operations.***

We are exposed to the risks of the Indian financial system, which in turn may be affected by financial difficulties and other problems faced by certain Indian financial institutions. Certain Indian financial institutions have experienced difficulties during recent years. Some co-operative banks (which tend to operate in rural sector) have also faced serious financial and liquidity crises. There has been a trend towards consolidation with weaker banks and NBFCs being merged with stronger entities. The problems faced by individual Indian financial institutions and any instability in or difficulties faced by the Indian financial system generally could create adverse market perception about Indian financial institutions, banks and NBFCs. This in turn could adversely affect our business, our future financial performance, our shareholders' funds and the market price of our NCDs.

2. *Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect the financial markets and our business*

Terrorist attacks and other acts of violence or war may negatively affect our business and may also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence. In addition, any deterioration in relations between India and its neighboring countries might result in investor concern about stability in the region, which could adversely affect our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have a negative impact on us. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the market price of our NCDs.

3. *Natural calamities, pandemics could have a negative impact on the Indian economy and cause our business to suffer;*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their impact on the Indian economy. The erratic progress of the monsoon in 2012 affected sowing operations for certain crops. Further, prolonged spells of below normal rainfall or other natural calamities could have a negative impact on the Indian economy thereby, adversely affecting our business.

Further, the World Health Organization as well as the Government of India vide its Office Memorandum dated February 19, 2020 declared the recent outbreak of the COVID-19 pandemic as a natural calamity. While we expect the impacts of COVID-19 to have an adverse effect on our business, financial condition including raising of funds and results of operations, we are unable to predict the extent or nature of these impacts at this time.

4. *Instability of economic policies and the political situation in India could adversely affect the fortunes of the industry*

There is no assurance that the liberalization policies of the government will continue in the future. Protests against privatization could slow down the pace of liberalization and deregulation. The Government of India plays an important role by regulating the policies and regulations that govern the private sector. The current economic policies of the government may change at a later date. The pace of economic liberalization could change and specific laws and policies affecting the industry and other policies affecting investments in our Company's business could change as well. A significant change in India's economic liberalization and deregulation policies could disrupt business and economic conditions in India and thereby affect our Company's business.

Unstable domestic as well as international political environment could impact the economic performance in the short term as well as the long term. The Government of India has pursued the economic liberalization policies including relaxing restrictions on the private sector over the past several years. The present Government has also announced policies and taken initiatives that support continued economic liberalization.

The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the Indian economy. Our Company's business may be affected not only by changes in interest rates, changes in Government policy, taxation, social and civil unrest but also by other political, economic or other developments in or affecting India.

5. *Companies operating in India are subject to a variety of central and state government taxes and surcharges.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability include: (i) central and state taxes and other levies; (ii) income tax; (iii) value added tax; (iv) turnover tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. For example, a Direct tax code is proposed to be introduced in the Indian Parliament.

The statutory corporate income tax in India, which includes a surcharge on the tax and an education cess on the tax and the surcharge. The central or state government may in the future increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

6. *There is no assurance that the NCDs issued pursuant to this Issue will be listed on Stock Exchanges in a timely manner, or at all.*

In accordance with Indian law and practice, permissions for listing and trading of the NCDs issued pursuant to this Issue will not be granted until after the NCDs have been issued and allotted. Approval for listing and trading will require all relevant documents to be submitted and carrying out of necessary procedures with the Exchanges. There could be a failure or delay in listing the NCDs on the Stock Exchange for reasons unforeseen. If permission to deal in and for an official quotation of the NCDs is not granted by the Stock Exchanges, our Company will forthwith repay, without interest, all monies received from the Applicants in accordance with prevailing law in this context, and pursuant to the Prospectus.

RISKS IN RELATION TO THE NON-CONVERTIBLE SECURITIES:

1. Repayment is subject to the credit risk of the Issuer.

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

2. The secondary market for non-convertible securities may be illiquid.

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

3. Credit Risk & Rating Downgrade Risk

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

4. Changes in interest rates may affect the price of Debentures.

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

5. Tax Considerations and Legal Considerations:

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

6. Accounting Considerations:

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

7. Material changes in regulations to which the Issuer is subject could impair the Issuer's ability to meet payment or other obligations.

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

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

As of date, the Issuer has not been refused in listing of any security during the last 3 years by any of the stock exchanges in India or abroad and therefore, this would not be applicable.


LIMITED OR SPORADIC TRADING OF NON-CONVERTIBLE SECURITIES OF THE ISSUER ON STOCK EXCHANGES:

As of date, we are not aware of any limited or sporadic trading of the non-convertible securities of the Issuer on stock exchanges and therefore, this would not be applicable.

IN CASE OF OUTSTANDING DEBT INSTRUMENTS OR DEPOSITS OR BORROWINGS, ANY DEFAULT IN COMPLIANCE WITH THE MATERIAL COVENANTS SUCH AS CREATION OF SECURITY AS PER TERMS AGREED, DEFAULT IN PAYMENT OF INTEREST, DEFAULT IN REDEMPTION OR REPAYMENT, NON-CREATION OF DEBENTURE REDEMPTION RESERVE, DEFAULT IN PAYMENT OF PENAL INTEREST WHEREVER APPLICABLE

As of date, the Issuer has not defaulted in compliance with any material covenants agreed to by the Issuer and therefore, this would not be applicable.

SECTION III - ISSUER INFORMATION

Issuer Name	IIFL SAMASTA FINANCE LIMITED (Erstwhile Samasta Microfinance Limited) 
Nature of Company	Public, Unlisted. (Debt is Listed)
Registered office	110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore Karnataka 560027 Tel:08042913548 E-mail: venkatesh@iiflsamasta.com
Corporate office	37A, Sannathi Street, Theradi, Thiruvottiyur, Chennai-600019, Tamil Nadu, India Tel: 08042913500 E-mail: venkatesh@iiflsamasta.com
Date of incorporation	August 09, 1995
Website	https://iiflsamasta.com
Contact Details and Compliance Officer for the Issue	Mr. Manoranjan Biswal Company Secretary & Compliance Officer 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore, Karnataka 560027 Email: manoranjan@iiflsamasta.com Tel.: 080-42913564
Chief Financial Officer of the Company	Mr. Anantha Kumar T Chief Financial Officer 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore Karnataka 560027, India Email: ananthakumart@iiflsamasta.com Tel.: 080-42913509
Trustee of the Issue	BEACON TRUSTEESHIP LIMITED, Address: 4C & D, Siddhivinayak Chambers, Opp. MIG Cricket Club, Gandhi Nagar, Bandra (East), Mumbai – 400 051 CIN: U74999MH2015PLC271288 Tel: 022 - 26558759 E-mail: compliance@beacontrustee.co.in Investor Grievance id: investorgrievances@beacontrustee.co.in Website: http://beacontrustee.co.in/ Contact Person: Mr. Kaustubh Kulkarni (Compliance Officer)

	SEBI Registration Number: IND000000569
Registrar of the Issue	LINK INTIME INDIA PRIVATE LIMITED C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083. Tel: +91 22 49186000 Fax: +91 22 49186060 Email: amit.dabhade@linkintime.co.in/ debtca@linkintime.co.in Website: www.linkintime.co.in
Credit Rating Agency of the Issue	CRISIL Limited Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai -400076
	ACUITÉ RATINGS & RESEARCH LIMITED 708, Lodha Supremus Lodha iThink Techno Campus, Kanjurmarg East Mumbai – 400042
Auditors of the Issuer	Brahmayya & Co: 10/2, Kasturba Road, Khivraj Mansion, Bengaluru-560001, Karnataka, India.
Arrangers if any of the instrument	N.A.
Legal Counsel (if any)	VERIST LAW The Empire Business Centre, 414 Senapati Bapat Marg, Lower Parel, Mumbai 400013 Website: www.veristlaw.com Telephone: +91 2266 907 368 Email: srishti.ojha@veristlaw.com

Brief profile/particulars of directors of the Company & Key Managerial Personnel of the Company (As on 31.03.2023)

Mr. Venkatesh N. -Managing Director.

Venkatesh N is the Founder and Managing Director of IIFL Samasta Finance Limited. He has over 22 years of experience in the financial services industry as an entrepreneur. Venkatesh was also the Founder of the erstwhile PNV Techno Acquisitions Private Limited that marketed financial products, and Affluence Edifice, that provided wealth management services for individuals. Venkatesh holds a Bachelor's degree in computer Science and has completed the Harvard Business School-ACCION Program on Strategic Leadership in Microfinance

Mr. Shivaprakash D – Whole-time Director.

Shivaprakash co-founded IIFL Samasta in 2008. He leads IIFL Samasta's technology initiatives which include the setting up of comprehensive IT infrastructure for lending activities and enhancing process efficiency through automation. His purview includes enabling a data-driven culture through the analytics platform and driving the implementation of strategic initiatives across the organisation. He also oversees Operations to ensure seamless execution of business strategies. Shivaprakash has over two decades of experience spanning the software and

financial services industries. Before co-founding IIFL Samasta, he managed global technology projects for Wipro. He holds a Bachelor's degree in computer Science & Engineering from PSG college of Technology and a Diploma in Microfinance from the Indian Institute of Banking & Finance

Mr. Ramanathan A. -Independent Director.

Ramanathan was the Chief General Manager in the Micro Credit Innovations Department of NABARD and has extensive experience in development banking in the agriculture and rural sectors. He managed the SHG Bank Linkage programme, the largest microfinance programme in the world. As in-charge of the Financial Inclusion department, he has managed Financial Inclusion Fund and Financial Inclusion Technology Fund

Mr. Vikraman A. -Independent Director.

Vikraman retired as Chief General Manager of SIDBI Foundation for Micro Credit. As CGM, along with other functions, he has headed the SIDBI Foundation for Microfinance. Vikraman has extensive experience in the Microfinance sector. In his experience spanning 38 years, he was with Reserve Bank of India for 5 years, IDBI for 16 years and SIDBI for 17 years. He is also on the board of other Microfinance and Financial corporations.

Mr. Badri Seshadri -Independent Director

Badrinarayanan Seshadri has a B.Tech in Mechanical Engineering from IIT Madras and a PhD in Mechanical Engineering from Cornell University, US. He co-founded the world's leading cricket portal Cricinfo.com. He is currently running Synprosoft, a software services company providing IT solutions on the Zoho platform, and Kizhakku Pathippagam, a leading Tamil book publisher. He also co-owns Aargee Staffing Services Pvt Ltd, an IT Staffing company. Badri regularly writes for newspapers and magazines in Tamil and English on current affairs and politics and appears on Tamil TV news channels in discussion programs.

Mrs. Malini B. Eden- Independent Director

Malini has been a Development Specialist and Strategy Consultant for over two decades and has significant experience of working for the marginalized and drawing them into policy across several developmental themes. She has been part of bilateral agencies and government Boards at the state, national and international levels in areas such as economic empowerment, health and donor relations. She presently heads Women's Education Project, Trust India as Director and Founding Trustee. WEP-India provides Leadership Academy to NGOs who work among young women from underprivileged communities across India.

Mr. Anantha Kumar T– Chief Financial Officer

Anantha Kumar is the Chief Financial Officer at Samasta. In this role, he is responsible for overall budgeting, reviewing and managing operational expenses, and monitoring payroll. Anantha joined Samasta in May 2016 and has over 11 years of experience across industries such as financial services, steel, garments and IT. His expertise lies in audit, strategy, accounts & finance, treasury, and tax. Before joining Samasta, Anantha was a Senior Consultant at GBA Consulting Services, where he managed assignments in India as well as globally. Anantha is a Chartered Accountant and Company Secretary.


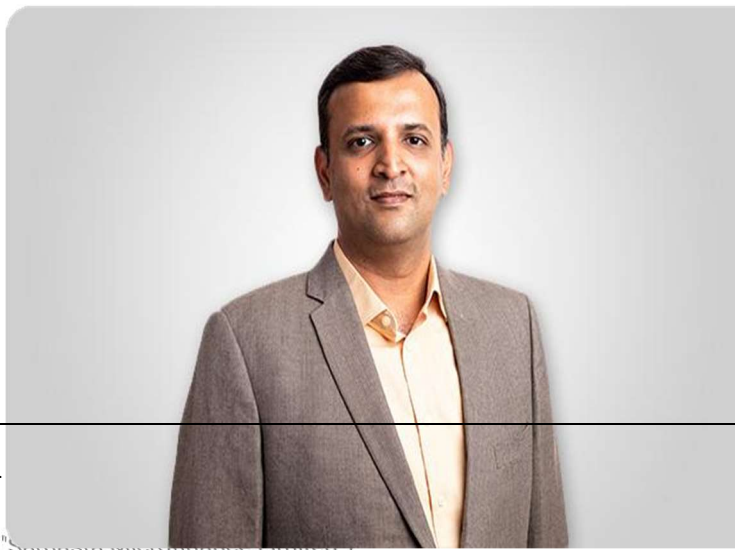
Mr. Manoranjan Biswal – Company Secretary

Mr. Manoranjan Biswal is a qualified Company Secretary from the Institute of Company Secretaries of India along with holding an experience of over 8 years. Previously he has been associated with many NBFC Company with a know-how in handling Corporate Laws, Funding, drafting Agreements, Issuance of Listed Debt securities on private placement basis, issuance of listed Commercial Paper on private placement basis. Equity Infusion, RBI & IRDAI compliance and Incorporation of entities etc.

Brief Particulars of the Management of the Company as on the date of this Placement Memorandum:

Sr. No.	Name	Designation
1	Mr. Venkatesh Narayanaswamy	Managing Director
2	Mr. Shivaprakash Deviah	Whole Time Director
3	Mr. Badrinarayanan Seshadri	Independent Director
4	Mr. Vikraman Ampalakkat	Independent Director
5	Mr. Ramanathan Annamalai	Independent Director
6	Mrs. Malini B. Eden	Independent Director
8	Mr. Anantha Kumar. T	Chief Financial Officer
9	Mr. Manoranjan Biswal	Company Secretary & Compliance Officer

Details of Promoters

Name, Designation, Nationality, DIN and Address, Occupation	Photograph
<p>Mr. Venkatesh N. Designation: Managing Director DIN: 01018821 Nationality: Indian Occupation: Professional PAN: AAJPV2474Q Address: No.472, 19th Main, 35th Cross, 4th T Block, Jayanagar Bengaluru-560041 Date of Appointment: 01/02/2004 Date of Birth: 19-06-1975 Age (years): 47</p> <p>He is the Founder and Managing Director of IIFL Samasta Finance Limited. He has over 22 years of experience in the financial services industry as an entrepreneur. Venkatesh was also the Founder of the erstwhile PNV Techno Acquisitions Private Limited that marketed financial products, and Affluence Edifice, that provided wealth management services for individuals. Venkatesh holds a bachelor's degree in computer Science and has completed the Harvard Business School-ACCION Program on Strategic Leadership in Microfinance.</p>	
<p>Mr. Shivaprakash D. Designation: Whole-time Director DIN: 02216802 Nationality: Indian Occupation: Business PAN: AELPS6775B Address: NO.51, Uttarathalli Main Road, Komarla Brigade Residency, A 417, Chikkalasandara, Bengaluru-560061 Date of Appointment: 30/07/2008 Date of Birth: 11-03-1975 Age: 47</p> <p>Shivaprakash co-founded IIFL Samasta in 2008. He leads Samasta's technology initiatives which includes the setting up of comprehensive IT infrastructure for lending activities and enhancing process efficiency through automation. His purview includes enabling a data-driven culture through the analytics</p>	

platform and driving the implementation of strategic initiatives across the organization. he also oversees Operations to ensure seamless execution of business strategies. Shivaprakash has over two decades of experience spanning the software and financial services industries. Before co-founding Samasta, he managed global technology projects for Wipro. He holds a Bachelor's degree in computer Science & Engineering from PSG college of Technology and a Diploma in Microfinance from the Indian Institute of Banking & Finance.

IIFL FINANCE LIMITED

CIN: L67100MH1995PLC093797

PAN: AABCI0745G

Date of Incorporation: 18/10/1995

Address: IIFL House, Sun Infotech Park, Road No. 16V, Plot No. B-23, Thane Industrial Area, Wagle Estate Thane MH 400604

IIFL Finance Limited (erstwhile IIFL Holdings Limited, hitherto referred to as IIFL) (NSE: IIFL, BSE: 532636) is one of the leading players in the financial services space in india. Together with its subsidiaries – IIFL Home Finance Limited and IIFL Samasta Finance Limited, it provides a diverse range of loans and mortgages.

These include home loans, gold loans, business loans including loans against property and medium & small enterprise financing, micro finance, developer & construction finance and capital market finance; catering to both retail and corporate clients.

The company has a nationwide presence with a thriving network of 3,119 branches across 500+ cities.



Declaration

The Issuer confirms that the Permanent Account Number, Aadhaar Number, Driving License Number, Bank Account Number(s) and Passport Number of the promoters and Permanent Account Number of directors have been submitted to the stock exchanges on which the non-convertible securities are proposed to be listed, at the time of filing the draft offer document

I. A Brief Summary of the Business/ Activities of the Issuer and its Line of Business:

Overview

IIFL Samasta Finance Limited, an IIFL Group company, is a microfinance institution committed to working towards women's economic empowerment. Since its inception in March 2008, Samasta has been providing innovative and affordable financial products to women from unbanked sections in society in both rural and semi urban areas. Today as the organization caters to 16 states across India, Samasta with its wide array of responsible financial products and services acts as a catalyst for sustainable and inclusive economic growth.

We are leveraging innovative technology solutions to enable customers to enjoy the benefits of digitization and we aim to create economic opportunities for all and to improve the standard of living in the communities we serve.

Over the past several years, we have diversified our products and expanded our presence into segments that are of greater relevance to the evolving business environment and customer demand trends

Details of default, if any, including therein the amount involved, duration of default and present status in repayment of:

- Statutory Dues: As per audited financials, our Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, GST, Cess and other material statutory dues with the appropriate authorities, where applicable.
- Debentures and interest thereon – NIL
- Deposits and interest thereon – NA
- Loan from any bank or financial institution and interest thereon – NIL

A summary of our key operational and financial parameters for the last three completed financial years, as specified below, on a Standalone basis are as follows: Rs. In Millions

Particulars	December 2022	FY22	FY21	FY20
Net Fixed assets	223.28	159.25	120.51	130.87
Current assets	44,371.61	41,302.10	26,377.77	16,652.08
Non-current assets	27,533.44	22,482.95	17,583.87	9,836.45
Total assets	71,905.05	63,944.30	44,082.15	26,619.40

Non-Current Liabilities (including maturities of long-term borrowings and short-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Deferred tax liabilities (net) Other non-current liabilities	34,638.77	25,674.61	16,306.67	11,020.29
Current Liabilities (including maturities of long-term borrowings) Financial (borrowings, trade payables, and other financial liabilities) Provisions Current tax liabilities (net) Other current liabilities	37,266.27	28,276.85	21,280.41	10,507.55
Equity (equity and other equity)	10,625.32	9,992.83	6,495.07	5,091.55
Total equity and liabilities	71,905.05	63,944.30	44,082.15	26,619.40
Total revenue From operations Other income	11,945.19	10,127.87	6,989.51	5,817.07
Total Expenses	11,142.60	9,609.83	6,200.49	4,382.75
Total comprehensive income Profit / loss Other comprehensive income	682.31	497.76	663.92	1,068.02
Profit / loss after tax	682.52	506.04	666.23	1,073.04
Earnings per equity share: (a) basic; and (b) diluted Continuing operations Discontinued operations Total Continuing and discontinued operations	1.37	1.22	2.38	5.47
Net cash generated from operating activities	-6,359.16	-16,904.80	-15,201.95	-3,419.04
Net cash used in / generated from investing	-1,657.48	-	-	-1,962.50

activities		950.48	653.00	
Net cash used in financing activities	5,827.08	20,909.76	15,412.42	5,191.38
Cash and cash equivalents	4,520.89	1,466.42	1,908.95	431.61
Balance as per statement of cash flows	-2,189.67	4,520.89	1,466.42	241.45
Net worth	10,625.32	9,992.83	6,495.07	5,091.55
Cash and Cash Equivalents	2,560.39	4,550.81	1,787.01	2,009.10
Current Investments	-	-	-	-
Assets Under Management	84,781.60	64,838.41	47,955.73	33,998.39
Off Balance Sheet Assets	19,740.09	7,111.21	6,787.96	10,992.29
Total Debts to Total assets	0.81	0.81	0.78	0.74
Debt Service Coverage Ratios	-	-	-	-
Interest Income	10,638.11	9,842.32	6,885.92	5,101.87
Interest Expense	4,117.84	3,951.03	2,545.64	1,775.75
Interest service coverage ratio	1.21	1.15	1.32	1.79
Provisioning & Write-offs	3,115.46	2305.63	1,281.61	595.2
Bad debts to Account receivable ratio	2.71%	3.07%	1.82%	1.49%
Gross NPA (%)	2.71%	3.07%	1.82%	1.49%
Net NPA (%)	0.86%	0.82%	-	-
Tier I Capital Adequacy Ratio (%)	13.63%	15.85%	15.14%	20.91%
Tier II Capital Adequacy Ratio (%)	3.90%	1.98%	3.42%	4.96%

Debt: Equity Ratio

Before the issue	5.65
After the issue	5.77

The amount of corporate guarantee issued by the Issuer along with details of the counterparty (viz. name and nature of the counterparty - - subsidiary, Joint Venture entity, group company etc) on behalf of whom it has been issued. - Nil

Details of any other contingent liabilities of the issuer based on the last audited financial statements including amount and nature of liability. - Nil

A brief history of the Issuer since its incorporation giving details of its activities including any reorganization, reconstruction or amalgamation, changes in its capital structure, (authorized, issued and subscribed) and borrowings, if any.

Corporate profile

Our Company was originally incorporated on August 9, 1995 as a public limited company under the provisions of the Companies Act as Colonac Finance Limited under the State of Tamil Nadu. Our Company changed its name to Samasta Microfinance Limited ("Samasta") w.e.f. July 25, 2008 and its registered office from the State of Tamil Nadu to Karnataka on March 31, 2011.

Our Company has obtained a certificate of registration dated May 17, 2011 bearing registration no. B-02-00250 issued by the RBI to carry on the activities of a NBFC under section 45 IA of the RBI Act, 1934

IIFL Samasta focuses on bridging the gap between ambition and achievement of the working poor across India, by providing financial and non-financial services, in a sustainable long-term relationship and enable them to achieve a better quality of life.

As a business correspondent, Samasta uses their market know how and accessibility to the rural and semi urban BOP families in India to bring microfinance services like micro loans, credit linked insurance, group based savings account etc to their doorstep.

IIFL Samasta, as a Non-Banking Financial Company-MFI registered under the RBI, believes that the way forward lies in microfinance which empowers individuals and enriches communities. By alleviating financial stress among the poor and offering an opportunity for income-generation, it helps improve the quality of life. The micro loans can be used to pay off outstanding debts borrowed from local money lenders at very high interest rates, start small businesses, which are the primary requirements of the people we cater to.

Change in registered office of our Company

Registered Office of the Company changed from 418, 1/2A, 4th Cross, 6th Main, Wilson Garden, Bangalore- 560027 to 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027 with effect from May 27, 2019.

Change the name of the Company.

The company name has been changed from Samasta Microfinance Limited to IIFL SAMASTA FINANCE LIMITED with effect from 1st of September, 2021.

Main objects of our Company

The broad objectives of IIFL Samasta Finance Limited are:

- To forge long-term partnerships and foster innovative business practices to form the bridge between ideation and achievement.
- To work with the poor in India who are creative entrepreneurs, value-demanding consumers and innovative business partners, by means of a robust microfinance model leading to the creation of businesses and markets which mutually benefit IIFL Samasta and the poor communities in India.
- To provide both financial and non-financial products to the economically poor to improve their standard of living.
- To operate in the supply chain domain and offer manpower training, and industry-specific vocational training programs.
- To engage in private-public partnerships in rural and urban markets with a focus on supplementing income generation activities with the application of appropriate technology.

CAPITAL STRUCTURE

Details of share capital as on March 31, 2023

The share capital of our Company as at March 31, 2023 is set forth below:

Share Capital	In Rs.
Authorised Share Capital	
69,80,00,000 equity shares of Rs. 10 each	6,98,00,00,000
20,00,000 Preference Shares of Rs. 10 each	2,00,00,000
Total Authorised Share Capital	7,00,00,00,000
Issued, Subscribed and Paid-up share capital	
59,36,43,037 equity shares of Rs. 10 each	593,64,30,370
Total Issued, Subscribed and Paid-up share capital	593,64,30,370
Paid up capital:	593,64,30,370

Note: There will be no change in the capital structure and securities premium account due to the issue and allotment of the NCDs.

Changes in the authorized capital of our Company in last Five years as on March 31, 2023:

Date of Change/ Approval	Authorized Share Capital (in Rs.)	Particulars
November 04, 2017	1,150,000,000	Increase of Authorised Share Capital, by creation of 50,000,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 1150 Million comprising of 11,30,00,000 Equity Shares of Rs. 10 each and 20,00,000 (Twenty Lakhs Only) Preference Shares of Its. 10/- (Rupees Ten Only) aggregating to Rs. 2,00,00,000 (Rupees Two Crores Only).
June 23, 2018	1,50,00,00,000	Increase of Authorised Share Capital, by creation of 3,50,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 150 crores comprising of 14,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
December 3, 2018	1,52,25,00,000	Increase of Authorised Share Capital pursuant to the confirmation order No.3/(Kar)/CPNo.24/CAA11/2017/RD(SER)/Sec.233/2017/3003 dated 09.08.2018 given by Regional Director w.r.t. Merger of Ayusha Dairy Private Limited (Transferor Company) with Samasta Microfinance Limited (Transferee Company) under Section 233 of the Companies Act, 2013. The revised authorized capital was Rs. 152,25,00,000 consisting of Rs.150,25,00,000 Equity share capital divided into 15,02,50,000 Equity Shares of Rs.10 each and, Rs.2,00,00,000 Preference share capital divided into 20,00,000 preference share of Rs. 10 each
March 16, 2019	1,80,50,00,000	Increase of Authorised Share Capital, by creation of 2,82,50,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 180.50 crores comprising of 17,85,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
September 23, 2019	2,15,50,00,000	Increase of Authorised Share Capital, by creation of 3,50,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 215.50 crores comprising of 21,35,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.

January 24, 2020	3,00,00,00,000	Increase of Authorised Share Capital, by creation of 8,45,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 300 crores comprising of 29,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
December 14, 2020	4,00,00,00,000	Increase of Authorised Share Capital, by creation of 10,00,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 400 crores comprising of 39,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
June 28, 2021	6,00,00,00,000	Increase of Authorised Share Capital, by creation of 20,00,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 600 crores comprising of 59,80,00,000 Equity Shares of Rs. 10 each and 20,00,000 Preference Shares of Rs. 10/- aggregating to Rs. 2,00,00,000.
January 30, 2023	7,00,00,00,000	Increase of Authorised Share Capital, by creation of 10,00,00,000 new Equity Shares of Rs. 10 each. The revised Authorised Share Capital stood at Rs. 700,00,00,000 consisting of Equity share Capital divided into 69,80,00,000 Equity shares of Rs.10 each and 20,00,000 Preference shares of Rs. 10 each which is further divided into 1,45,000 Redeemable Non-Convertible Cumulative Preference Shares of Rs.10 each aggregating to Rs. 14,50,000 and 18,55,000 Preference Shares of Rs.10 each aggregating to Rs.1,85,50,000.

Equity Share Capital History of the Company, for the last three years:

Equity Share Capital History of our Company as on March 31, 2023

Date of allotment / transfer	Name of Shareholder	No. of equity shares issued	Face value	Nature of Allotment	Cumulative number of equity shares	Cumulative paid up share capital (in Cr)	Cumulative share premium (In rs. Cr)	Remarks
30-07-2008	Shivaprakash. D	250000	10	Allotment				
01-01-2015	Shivaprakash. D	95000	10	Allotment	345000	0.345		
30-07-2008	R.C. Shekar	250000	10	Allotment				

08-11-2008	R.C. Shekar	250000	10	Allotment				
03-07-2009	R.C. Shekar	50000	10	Allotment				
30-10-2009	R.C. Shekar	160000	10	Allotment				
26-12-2009	R.C. Shekar	469000	10	Allotment				
26-12-2009	R.C. Shekar	100000	10	Allotment				
01-01-2015	R.C. Shekar	486020	10	Allotment	1765020	1.7650		
31-03-2006	Narayanaswamy	20000	10	Allotment				
31-03-2007	Narayanaswamy	10000	10	Allotment				
18-04-2008	Narayanaswamy	110000	10	Allotment				
18-04-2008	Narayanaswamy	25	10	Allotment				
30-07-2008	Narayanaswamy	25	10	Allotment				
30-07-2008	Narayanaswamy	30000	10	Allotment				
30-07-2008	Narayanaswamy	20000	10	Allotment				
30-07-2008	Narayanaswamy	10000	10	Allotment				
30-07-2008	Narayanaswamy	20000	10	Allotment				
30-07-2008	Narayanaswamy	27500	10	Allotment				
30-07-2008	Narayanaswamy	10000	10	Allotment				
30-07-2008	Narayanaswamy	502450	10	Allotment				
01-01-2015	Narayanaswamy	288800	10	Allotment	1048800	1.0488		
30-07-2008	G.J. Krishnaprasad	120000	10	Allotment				
26-12-2009	G.J.Krishnaprasad	280000	10	Allotment				
01-10-2015	G.J. Krishnaprasad	152000	10	Allotment	552000	0.552		
30-07-2008	Anitha Shivaprakash	30000	10	Allotment				

08-11-2008	Anitha Shivaprakash	20000	10	Allotment				
26-12-2009	Anitha Shivaprakash	90000	10	Allotment				
01-01-2015	Anitha Shivaprakash	53200	10	Allotment	193200	0.1932		
01-01-2015	Christopher	7600	10	Allotment	7600	0.0076		
31-03-2006	Venkatesh N	23402	10	Allotment				
31-03-2007	Venkatesh N	16247	10	Allotment				
25-02-2008	Venkatesh N	202801	10	Allotment				
30-07-2008	Venkatesh N	151650	10	Allotment				
08-11-2008	Venkatesh N	222900	10	Allotment				
27-01-2009	Venkatesh N	350000	10	Allotment				
03-07-2009	Venkatesh N	1000	10	Allotment				
01-01-2015	Venkatesh N	367840	10	Allotment	1335840	1.33584		
08-11-2008	Swaminathan	50000	10	Allotment				
26-12-2009	Swaminathan	15000	10	Allotment				
01-01-2015	Swaminathan	24700	10	Allotment	89700	0.0897		
30-07-2008	G.Prema Narayanaswamy	1000	10	Allotment				
01-01-2015	G.Prema Narayanaswamy	380	10	Allotment	1380	0.00138		
30-07-2008	Vidya Anand	1000	10	Allotment				
01-01-2015	Vidya Anand	380	10	Allotment	1380	0.00138		
30-07-2008	S. Anand	1000	10	Allotment				

01-01-2015	S. Anand	380	10	Allotment	1380	0.00138		
30-10-2009	Vinodh	200000	10	Allotment				
01-01-2015	Vinodh	76000	10	Allotment	276000	0.276		
30-10-2009	Tara Vinodh	50000	10	Allotment				
01-01-2015	Tara Vinodh	19000	10	Allotment	69000	0.069		
26-12-2009	Shiva Srinivasan	100000	10	Allotment				
01-01-2015	Shiva Srinivasan	38000	10	Allotment	138000	0.138		
26-12-2009	R.Satya – HUF	70000	10	Allotment				
01-01-2015	R.Satya – HUF	26600	10	Allotment	96600	0.0966		
24-12-2015	Jeganathan Ramanathan	41400	10	Allotment	41400	0.0414		
26-12-2009	P.S.Anand Ram	70000	10	Allotment				
01-01-2015	P.S.Anand Ram	26600	10	Allotment	96600	0.0966		
26-12-2009	Kalpathi Investments Pvt Ltd	120000 0	10	Allotment				
01-01-2015	Kalpathi Investments Pvt Ltd	456000	10	Allotment	1656000	1.656		
28-04-2010	B.H.Krishnamurt Hy	400000	10	Allotment				
01-01-2015	B.H.Krishnamurt Hy	152000	10	Allotment	552000	0.552		
28-04-2010	Sanjay Shenoy	400000	10	Allotment				
01-01-2015	Sanjay Shenoy	152000	10	Allotment				
07-08-2015	Sanjay Shenoy	27600	10	Allotment				

07-08-2015	Sanjay Shenoy	103500	10	Allotment	683100	0.6831		
12-03-2015	SIDBI	150000	10	Allotment	1500000	1.5		
08-11-2008	Ramesh J	5000	10	Allotment	5000	0.005		
08-11-2008	Girish	5000	10	Allotment	5000	0.005		
08-11-2008	T M Durai	5000	10	Allotment	5000	0.005		
08-11-2008	Anilkumar	5000	10	Allotment	5000	0.005		
07-03-2017	India Infoline Finance Limited	8,417,631	10	Transfer	8,417,631			
08-03-2017	India Infoline Finance Limited	5,00,00,000	10	Allotment	6,13,44,609	61.34		
08-11-2017	India Infoline Finance Limited	5,00,00,000	10	Allotment	11,13,44,609	111.34		
29-06-2018	India Infoline Finance Limited	3,46,02,076	10	Allotment	14,59,46,685	145.94		
30-03-2019	India Infoline Finance Limited	3,20,92,426	10	Allotment	17,80,39,111	178.04		
30-09-2019	India Infoline Finance Limited	2,97,08,853	10	Allotment	20,77,47,964	207.74		
04-03-2020	India Infoline Finance Limited	2,82,48,587	10	Allotment	23,59,96,551	235.99		
24-03-2020	India Infoline Finance Limited	2,82,48,587	10	Allotment	26,42,45,138	264.24		
23-06-2020	IIFL Home Finance Limited	6,60,61,285	10	Transfer of Shares from IIFL Finance Limited (Formerly known as India Infoline Finance	6,60,61,285	264.24		

				Limited)				
21-12-2020	IIFL Finance Limited(Formerly known as India Infoline Finance Limited)	4,24,26,147	10	Allotment	30,66,71,285	306.67		
21-12-2020	IIFL Home Finance Limited(Formerly known as India Infoline Finance Limited)	1,41,42,049	10	Allotment	32,08,13,334	320.81		
28-06-2021	IIFL Finance Limited(Formerly known as India Infoline Finance Limited)	9,15,75,091	10	Allotment	41,23,88,425	412.38		
28-06-2021	IIFL Home Finance Limited(Formerly known as India Infoline Finance Limited)	3,05,25,030	10	Allotment	44,29,13,455	442.91		
30-03-2022	IIFL Finance Limited(Formerly known as India Infoline Finance Limited)	4,14,82,300	10	Allotment	484,39,57,570	484.39		
31-03-2022	IIFL Home Finance Limited(Formerly known as India Infoline Finance Limited)	1,38,27,433	10	Allotment	498,22,31,900	498.22		
08-02-2023	IIFL Finance Limited	9,54,19,847	10	Allotment	593,64,30,370	593.64		

Details of any acquisition or amalgamation in the last 1 year-NIL

Details of any reorganization or reconstruction in the last 1 year. Nil- However, details of previous year are given

Type of Event	Date of Announcement	Date of Completion	Details
Amalgamation of wholly owned subsidiary i.e. Ayusha Dairy Private Limited.	April 1, 2017: Effective date of the Scheme.	August 6, 2018: Confirmation Order of the Scheme of merger or amalgamation passed by the Regional Director (South Eastern Region), Ministry of Corporate Affairs.	The Board of Directors of the Company presented a Scheme of Amalgamation or merger under section 233 of the Companies Act, to the regional director, ministry of corporate affairs for amalgamation of its wholly owned subsidiary Ayusha Dairy Private Limited with the Company, the concerned authority sanctioned the scheme vide its order dated August 6, 2018.

SHAREHOLDING PATTERN AS ON MARCH 31, 2023

Sl. No.	Name of Share holder	No. of Equity Shares	Face Value in(Rs)	Total Amount In (Rs.)	% of Share Holding
1	IIFL Finance Limited	59,07,16,057	10	590,71,60,570	99.51
2	Narayanaswamy Venkatesh	13,35,840	10	1,33,58,400	0.22
3	Venkatakrishnama Appanaidu Narayanaswamy	10,52,938	10	1,05,29,380	0.18
4	Shivaprakash Deviah	3,45,000	10	34,50,000	0.06
5	Anitha Shivanna	1,93,200	10	19,32,000	0.03
6	Prema Narayanaswamy	1	10	10	0.00
7	Vidhya Anand	1	10	10	0.00
Total		59,36,43,037	Rs.10	593,64,30,370	100

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*Prema Narayanaswamy and Vidhya Anand holding 1 equity share of Rs.10 each respectively are Registered Owners and Beneficial Interest of such shares lies with Narayanaswamy V.A

No shares are pledged or encumbered by the promoter i.e. IIFL Finance Limited.

Post Issue Shareholding Pattern.

There will be no change in the shareholding after the issuance.

Top 10 holders of Equity Shareholders of our Company as on March 31, 2023:

Sl. No.	Name of Share holder	No. of Equity Shares	Face Value in(Rs)	Total Amount In (Rs.)	% of Share Holding
1	IIFL Finance Limited	59,07,16,057	10	590,71,60,570	99.51
2	Narayanaswamy Venkatesh	13,35,840	10	1,33,58,400	0.22
3	Venkatakrishnama Appanaidu Narayanaswamy	10,52,938	10	1,05,29,380	0.18
4	Shivaprakash Deviah	3,45,000	10	34,50,000	0.06
5	Anitha Shivanna	1,93,200	10	19,32,000	0.03
6	Prema Narayanaswamy	1	10	10	0.00
7	Vidhya Anand	1	10	10	0.00
Total		59,36,43,037	Rs.10	593,64,30,370	100

Note: Prema Narayanaswamy and Vidhya Anand holding 1 equity share of Rs.10 each respectively are Registered owners and Beneficial Interest of such shares lies with Narayanaswamy

Details of Promoters:

Details of Promoter Holding in the Company as on March 31, 2023

Name of Promoter shareholder	Total Number of Equity Shares	Number of shares in demat form	Total shareholding as % of total no of equity Shares	Number of Shares Pledged	% of Shares pledged with respect to shares owned
IIFL Finance Limited	59,07,16,057	59,07,16,057	99.51	NIL	NIL
Venkatesh N.	13,35,840	13,35,840	0.22	NIL	NIL
Shivaprakash D.	3,45,000	3,45,000	0.06	NIL	NIL

II. Directors of the Company:

The following table sets out the details regarding current directors of the company.

Name, Designation, Nationality, DIN and Address, Occupation	Age (years)	Address	Date of Appointment	Details of Other Directorships	Whether willful defaulter
Mr. Venkatesh N. Designation: Managing Director DIN: 01018821	47	No.472, 19th Main, 35th Cross, 4th T Block, Jayanagar Bengaluru-560041	01/02/2004	NIL	No
Mr. Shivaprakash D. Designation: Whole-time Director DIN: 02216802	47	N0.51, Uttarathalli Main Road, Komarla Brigade Residency, A 417,	30/07/2008	NIL	No

		Chikkalas andara, Bengaluru-560061			
Mr. Badrinarayanan Seshadri Designation: Independent Director DIN: 00507371	52	F3, Warren Manere, Old No 22, New No 66, Warren Road, Mylapore, Chennai, Tamil Nadu-600004	30/07/2008	1.New Horizon Media Private Limited. 2.Chromosome Distributors Private Limited. 3.Hethi Business Services Private Limited. 4.Aargee Staffing Services Private Limited. 5.Backyard Search Software Private Limited.	No
Mr. Vikraman Ampalakkat Designation: Independent Director DIN: 01978341	75	G-3 V B Royal Apartments Elamakkar Road, Edappally Kochi 682024	26/06/2009	1.ESAF Financial Holdings Private Limited. 2.Muthoot Fincorp Limited. 3.Saggraha Management Services Private Limited.	No
Mr. Ramanathan Annamalai Designation: Independent Director DIN: 02645247	74	28 Tansi Ngr 18th St. Velachery Chennai 600042.	23/04/2009	1.Asirvad Micro Finance Limited 2.Magalir Micro Capital Private Limited 3. South India Finvest Private Limited 4.Mangal Credit and Fincorp Limited 5.Svasti Microfinance Private Limited. 7. RGVN (North East Microfinance Limited)	No

Mrs. Malini B. Eden Designation: Independent Director DIN: 00732954	62	#50, 2nd Stage, 2nd Main Road, BHBCS Behind Royal Durbar BTM Layout, Bannerghatta Road, Bangalore 560076.	26/04/2018	NIL	No
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Note: None of the above directors appear in the RBI defaulter list and/or ECGC default list

Details of change in Directors since Last Three years: -

Name of Director and Designation	DIN	Date of appointment / Resignation	Director of the Company since (in case of resignation)	Remarks
Mr. Kalyanaraman Chandrachoodan (Director)	07712306	August 30, 2017	Appointed on January 20, 2017	Resignation
Mr. R. Venkataraman (Director)	00011919	September 16, 2019	Appointed on January 20, 2017	Resignation
Mr. Gaurav Malhotra (Director)	07640504	December 06, 2019	Appointed on March 7, 2017	Resignation
Mr. Sumit Bali (Director)	02896088	September 18, 2019	-	Appointment
Mrs. Malini B Eden (Woman Independent Director)	00732954	April 26, 2018	-	Appointment
Mr. Sumit Bali (Director)	02896088	June 24, 2020	Appointed on September 18, 2019	Resignation
Mr. Monu Ratra (Non-Executive Director)	07406284	June 24, 2020	-	Appointment

Mr. Monu Ratra (Non-Executive Director)	07406284	September 07, 2022	Appointed on June 24, 2020	Resignation
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Details of the auditors of the Company: -

Name	Address	Auditor since
M/s. Brahmayya & Co	M/s. BRAHMAYYA & CO. Chartered Accountants Address: 10/2, Kasturba Road, Khivraj Mansion, Bengaluru-560001	2021

Details of change in Auditor since last three years: -

Name of the Auditor	Address	Date of Appointment	Date of cessation, if applicable	Date of Resignation, if applicable
M/s. V Sankar Aiyar and Co	41, Circular Road, 1st Floor, United India Colony, Chennai-600024	July 16, 2018	-	23/07/2021

Brahmayya & Co, Chartered Accountants, have been appointed as the Statutory Auditors of the Company with effect from July 24, 2021 to fill the casual vacancy caused due to resignation of M/s. V Sankar Aiyar and Co., Chartered Accountants pursuant to RBI Circular no. DOS.CO.ARG/SEC.01/08.91.001/2021-22 dated 27th April, 2021.

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

Refer to Section IV titled '*Financial Information of the Issuer*'

Abridged version of Latest Audited / Limited Review Half Yearly Standalone (wherever available) and Standalone Financial Information (like Profit & Loss statement, and Balance Sheet) and auditor's qualifications, if any

Refer to Section IV titled '*Financial Information of the Issuer*'

Other disclosures in accordance with Section 42 of the Companies Act, 2013 and rule 14(1) of Companies (Prospectus and Allotment of Securities) Rules, 2014

Disclosures made in Annexure I to this Placement Memorandum – Form PAS – 4.

PARTICIPATION IN ELECTRONIC BOOK MECHANISM

SEBI has, vide its circular number SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021, Operational Circular ("Operational Circular") for issue and listing of Non-Convertible Securities (NCS), Securitised Debt Instruments (SDI), Security Receipts (SR), Municipal Debt Securities and Commercial Paper (CP) revised the framework for Electronic Book Mechanism and repealed the SEBI circular SEBI/HO/DDHS/CIR/P/2018/05 dated January 5, 2018. The said Circular will be effective for issues after August 16, 2021. Accordingly, the Company is bound by the said Circular and the terms and conditions of the Agreement executed/to be executed with NSE for the use of the EBP platform and the operating guidelines issued by NSE, all as amended from time to time. The investor may accordingly note that, for issues that are governed by the aforesaid Circular, it can participate in such book building processes on EBP through prior registration with NSE and that the investor will be bound by the terms and conditions of the Circular and the Agreement entered into by the Issuer with NSE in this regard.

SECTION IV – FINANCIAL INFORMATION OF THE ISSUER

A SUMMARY OF THE FINANCIAL POSITION AND CASH FLOW STATEMENT OF THE COMPANY (STANDALONE):^{##}

Balance Sheet as at As at 31st December, 2022, 31st March 2022, 31 March 2021 prepared in accordance with IND AS: (Standalone) – Rs.In Million.

	Particulars	As at 31 st December, 2022	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
	ASSETS				
1	Financial Assets				
(a)	Cash and cash equivalents	2,560.39	4,550.81	1,787.01	2,009.10
(b)	Bank Balance other than (a) above	3,347.49	2,555.63	1,544.41	799.61
(c)	Derivative financial instruments	104.43	98.69	86.99	21.28
(c)	Receivables	-	-	-	-
	(I) Trade Receivables	120.73	84.85	30.6	18.54
	(I) Other Receivables	-	-	-	-
(d)	Loans	62,479.86	55,186.27	39,630.26	22,873.88
(e)	Investments	850.50	0.50	0.5	0.5
(f)	Other Financial assets	1,316.10	519.63	507.79	648.48
2	Non-financial Assets				
(a)	Current tax assets	34.62	16.37	16.13	41.89
(b)	Deferred tax Assets	513.17	631.24	346.12	64.78
(c)	Investment Property	0.43	0.50	0.53	0.56
(d)	Property, Plant and Equipment	136.98	91.24	62.65	80.78
(e)	Right to Use	85.85	67.38	56.29	46.35
(f)	Capital work-in-progress	-	-	-	-
(g)	Other Intangible assets	0.02	0.13	1.04	3.19
(h)	Other non-financial assets	354.49	141.06	11.84	10.47

	Total Assets	71,905.05	63,944.30	44,082.15	26,619.40
	LIABILITIES AND EQUITY				
1	Financial Liabilities				
(a)	Derivative financial instruments	104.43	98.69	86.99	21.28
(b)	Payables				
	(I) Trade Payables				
	(i) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
	(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	165.81	80.60	86.01	35.31
(c)	Debt Securities	5,720.33	5,148.08	8,829.27	4,521.25
(d)	Borrowings (Other than Debt Securities)	49,242.95	46,033.66	25,541.12	13,895.46
(e)	Subordinated Liabilities	3,923.15	1,407.20	1,278.56	992.55
(f)	Lease Liability	95.25	74.18	61.77	46.73
(g)	Other financial liabilities	1,801.58	913.58	1,599.56	1,953.85
2	Non-financial liabilities				
(a)	Current tax liabilities	1.78	55.12	11.58	-
(b)	Provisions	127.68	84.59	54.34	37.06
(c)	Other non-financial liabilities	96.77	55.76	37.88	24.34
3	Equity				
(a)	Equity and Share Capital	4,982.23	4,982.23	3,208.13	2,642.45
(b)	Other Equity	5,643.09	5,010.60	3,286.94	2,449.10
	Total Liabilities and Equity	71,905.05	63,944.30	44,082.15	26,619.40

Profit and Loss for the as at 31st December, 2022, 31st March 2022, 31 March 2021 prepared in accordance with IND-AS (STANDALONE) Rs.In Millions

	Particulars	As at 31 st December, 2022	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2020
	Revenue from operations				
(i)	Interest Income	10,638.11	9,842.32	6,885.92	5,101.87
(ii)	Fees and commission Income	582.97	260.90	102.86	192.36
(iii)	Net gain on fair value changes	724.11	24.64	0.72	454.02
(I)	Total Revenue from operations	11,945.19	10,127.87	6,989.51	5,748.25
(II)	Other Income	54.65	71.41	32.51	72.83
(III)	Total Income (I+II)	11,999.84	10,174.64	7,021.30	5,821.08
	Expenses				
(i)	Finance Costs	4,117.84	3,951.03	2,545.64	1,775.75
(ii)	Net loss on derecognition of financial instruments under amortised cost category	3,141.29	1,385.77	552.95	129.09
(iii)	Impairment on financial instruments	-25.83	987.25	852.91	466.11
(iv)	Employee Benefits Expenses	2,786.12	2,366.50	1,575.35	1,357.22
(v)	Depreciation, amortization and impairment	100.73	78.60	63.22	73.48
(vi)	Other expenses	1,022.45	840.67	610.4	585.11
(IV)	Total Expenses (IV)	11,142.60	9,585.19	6,199.76	4,386.76
(V)	Profit / (Loss) before exceptional items and tax (III-IV)	857.24	589.45	821.54	1,434.32
(VI)	Exceptional Items	-	-	-	31.02
(VII)	Profit/(loss) before tax (V+VI)	857.24	589.45	821.54	1,403.30
(VIII)	Tax Expense:				
	(1) Current Tax	72.86	367.69	435	336.15
	(2) Deferred Tax	118.14	-282.34	-280.56	-7.01
	(3) Current tax expense relating to prior years	-16.28	-1.95	0.87	1.12
	Total Tax Expense	174.72	83.41	155.3	330.26
(IX)	Profit / (loss) for the period from continuing operations (VII-VIII)	682.52	506.04	666.23	1,073.04

(X)	Profit / (loss) from discontinued operations	-	-	-	-
(XI)	Tax Expense of discontinued operations	-	-	-	-
(XII)	Profit / (loss) from discontinued operations (After tax) (X-XI)	-	-	-	-
(X)	Profit/(loss) for the period	682.52	506.04	666.23	1,073.04
(XI)	Other Comprehensive Income				
	A (i) Items that will not be reclassified to profit or loss (specify items and amounts)	-0.27	-11.07	-3.09	-6.7
	(ii) Income tax relating to items that will not be reclassified to profit or loss	0.07	2.79	0.78	1.69
	Subtotal (A)	-0.21	-8.28	-2.31	-5.01
	B (i) Items that will be reclassified to profit or loss (specify items amounts)	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-
	Subtotal (B)	-	-	-	-
	Other Comprehensive Income (A+B)	-0.21	-8.28	-2.31	-5.01
(XII)	Total Comprehensive Income for the period	682.31	497.76	663.92	1,068.02
(XIII)	Earnings Per Share (Face Value Rs. 10 each)				
	Basic	1.37	1.22	2.38	5.47
	Diluted	1.37	1.22	2.38	5.47

Cash Flow Statement for December 31, 2022, 31st March 2022, 31 March 2021, prepared in accordance with Ind-AS (STANDALONE) – Rs.In Millions

Particulars	As at December 31, 2022	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
A. CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	857.24	589.45	821.54	1,403.30
Adjustments for:				
Depreciation, amortisation and impairment	100.73	78.60	63.22	73.48

Particulars	As at December 31, 2022		Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
Impairment on financial instruments	-25.83		987.25		852.91		466.11	
(Profit)/Loss on sale of assets	-		-		-		-	
Net (Gain)/Loss on fair value changes - unrealised	-		-		-		-	
Net (Gain)/Loss on fair value changes - realised	-		-		-		-	
Net (Gain) / loss on derecognition of financial instruments under amortised cost	-639.75		67.40		124.25		-451.59	
Employee Benefit expenses - share based								
Employee benefit expenses - others	42.89		21.97		14.96		13.82	
Interest on deposits with Banks	-126.95		-106.46		-82.32		-62.14	
Interest on loans								
Interest on Investments								
Finance cost								
Loss on buy back of commercial paper (net)								
Loss on buy back of debentures (net)								
Premium paid on early redemption of debentures								
Income received on loans								
Interest received on deposits with Banks								
Income received on Investments	-53.04		-70.16		-30.6		-67.57	
Finance cost paid								
Bad Debts Written Off	3,141.29		1,318.37		428.70		129.09	
Operating profit before working capital changes		3,296.57		2,886.43		2,192.66		1,504.49
Decrease / (Increase) in financial and non financial assets	-10,718.16		-18,171.71		-18,049.80		-5,602.47	
Increase in financial and non financial liabilities	1,206.53		-1,271.58		1,061.63		1,027.16	
Cash generated from operations		-6,215.06		-16,556.86		-14,795.51		-3,070.81
Taxes paid	-51		-290		-410		-321.66	
Net cash from operating activities		-6,266.06		-16,846.86		-15,205.51		-3,392.47
Loans (disbursed) / repaid (net)	-93.20		-57.94		3.56		-26.57	
Net cash (used in)/from operating activities (A)		-6,359.26		-16,904.80		-15,201.95		-3,419.04

Particulars	As at December 31, 2022		Year ended March 31, 2022		Year ended March 31, 2021		Year ended March 31, 2020	
B. CASH FLOWS FROM INVESTING ACTIVITIES								
Purchase of property, plant and equipment and other intangible assets	-130.74		-93.71		-33.24		-51.47	
Sale of property, plant and equipment and other intangible assets	0.03		0.08		0.15		7.72	
Investments in subsidiaries								
Purchase of Investment properties								
Purchase of Investments	52,360.71		61,177.94		27,843.25		-32,951.17	
Proceeds from sale/maturity of Investments	52,413.74		61,248.10		27,873.85		33,029.32	
Deposits placed with Banks	-1,641.86		-1,011.22		-744.80		-396.23	
Interest Received	62.05		84.21		94.29		48.81	
Dividend Received	-		-		-		0.15	
Net cash used in investing activities (B)		1,657.48		-950.48		-653.00		-312.88
C. CASH FLOWS FROM FINANCING ACTIVITIES								
Proceeds from issue of equity share capital	-		3,000.00		900		1,500.00	
Dividend paid (including dividend distribution tax)	-49.82		-		-160.41		-142.25	
Proceeds towards Borrowings	32,922.42		45,507.69		39,012.40		15,472.72	
Repayment of Borrowings	27,045.52		27,597.94		24,339.58		-11,639.08	
Net cash (used in)/from financing activities (C)		5,827.08		20,909.76		15,412.42		5,191.38
Net (Decrease) / Increase in cash and cash equivalents (A + B + C)		2,189.67		3,054.47		-442.53		1459.46
Add : Opening Cash and cash equivalents as at the beginning of the year		4,520.89		1,466.42		1,908.95		449.49
Cash and cash equivalents as at the end of the year		2,331.23		4,520.89		1,466.42		1908.95

SECTION V – DISCLOSURES ON EXISTING FINANCIAL INDEBTEDNESS OF THE COMPANY

Debt: Equity Ratio as on December 31, 2022

Before the issue	5.67
After the issue	5.72

Details of Outstanding Secured Loan facilities as on December 31, 2022.

Details of Outstanding Secured Loan facilities as on December 31, 2022.

Name of the Lender	Type of Facility	Amount Sanctioned	Principal Outstanding as on 31st December 2022 in Rs million	Repayment Date / Schedule	Security
Aditya Birla Finance Limited	Term Loan	260.00	162.50	01-04-2024	Book Debts
Aditya Birla Finance Limited	Term Loan	188.60	165.03	01-10-2024	Book Debts
Axis Bank Limited	Term Loan	125.00	16.37	09-03-2023	Book Debts and Cash Collateral
Axis Bank Limited	Term Loan	375.00	50.17	09-03-2023	Book Debts and Cash Collateral
Axis Bank Limited	Term Loan	1,500.00	814.81	09-11-2023	Book Debts and Cash Collateral
Axis Bank Limited	Term Loan	2,000.00	500.00	13-12-2024	Book Debts
Bank of Baroda	Term Loan	500.00	291.67	30-09-2024	Book Debts
Bank of Maharashtra	Term Loan	1,500.00	953.34	01-09-2024	Book Debts
Bank of Maharashtra	Term Loan	1,000.00	1,000.00	31-12-2025	Book Debts
Bandhan Bank Limited	Term Loan	1,000.00	285.71	25-03-2023	Book Debts
Bandhan Bank Limited	Term Loan	2,000.00	714.29	22-12-2023	Book Debts
Bandhan Bank Limited	Term Loan		714.29	18-02-2024	Book Debts
Bandhan Bank Limited	Term Loan	750.00	750.00	28-07-2024	Book Debts
Bajaj Finance Limited	Term Loan	300.00	137.50	28-10-2023	Book Debts
Canara Bank	Term Loan	3,000.00	1,909.09	22-09-2024	Book Debts and Cash Collateral
Capital Small Finance Bank	Term Loan	150.00	67.06	01-03-2024	Book Debts
CSB Bank	Term Loan	500.00	226.65	29-01-2024	Book Debts
DBS Bank India Limited	Term Loan	750.00	272.73	01-09-2023	Book Debts and Cash Collateral
DBS Bank India Limited	Term Loan	1,000.00	479.17	04-11-2024	Book Debts and Cash Collateral
DBS Bank India Limited	Term Loan		500.00	22-12-2024	Book Debts and Cash Collateral

DCB Bank	Term Loan	200.00	99.89	04-12-2023	Book Debts and Cash Collateral
Dhanlakshmi Bank Ltd.	Term Loan	300.00	18.73	21-02-2023	Book Debts and Cash Collateral
Dhanlakshmi Bank Ltd.	Term Loan	250.00	113.61	12-03-2024	Book Debts and Cash Collateral
Dhanlakshmi Bank Ltd.	Term Loan	350.00	222.72	29-09-2024	Book Debts and Cash Collateral
Federal Bank	Term Loan	200.00	99.97	29-12-2023	Book Debts
Federal Bank	Term Loan	250.00	218.75	12-09-2024	Book Debts
HDFC Bank	Term Loan	750.00	437.50	25-02-2024	Book Debts
HDFC Bank	Term Loan	500.00	479.17	24-11-2024	Book Debts
Hinduja Leyland Finance Limited	Term Loan	400.00	384.89	30-11-2024	Book Debts
HSBC Bank	Term Loan	600.00	85.71	19-03-2023	Book Debts
HSBC Bank	Term Loan	600.00	375.00	23-03-2024	Book Debts
HSBC Bank	Term Loan	400.00	250.00	15-03-2024	Book Debts
HERO FINCORP LIMITED	Term Loan	500.00	500.00	22-12-2024	Book Debts
IDFC First Bank Limited	Term Loan	1,000.00	125.00	18-03-2023	Book Debts
IDFC First Bank Limited	Term Loan	1,000.00	500.00	31-12-2023	Book Debts
IDFC First Bank Limited	Term Loan	2,100.00	1,371.43	30-06-2024	Book Debts
IDFC First Bank Limited	Term Loan		500.00	27-10-2024	Book Debts
ICICI Bank Ltd	Term Loan	750.00	77.65	10-04-2023	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan	3,000.00	97.65	10-01-2023	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		9.41	10-02-2023	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		58.82	10-05-2023	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		77.65	10-06-2023	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		207.06	10-08-2023	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		470.45	10-03-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan	2,500.00	309.09	10-05-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		204.55	09-06-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		207.27	10-07-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		227.27	09-08-2024	Book Debts and Cash Collateral

ICICI Bank Ltd	Term Loan		257.73	10-09-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		260.00	10-10-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan		140.00	10-11-2024	Book Debts and Cash Collateral
ICICI Bank Ltd	Term Loan	4,000.00	890.00	30-12-2024	Book Debts and Cash Collateral
IDBI Bank	Term Loan	1,000.00	541.67	29-10-2023	Book Debts and Cash Collateral
IDBI Bank	Term Loan	750.00	562.50	30-06-2024	Book Debts and Cash Collateral
IDBI Bank	Term Loan	600.00	600.00	28-12-2024	Book Debts and Cash Collateral
Indian Bank	Term Loan	500.00	124.14	18-06-2023	Book Debts and Cash Collateral
Indian Bank	Term Loan	500.00	124.81	03-09-2023	Book Debts and Cash Collateral
Indian Bank	Term Loan	2,000.00	818.15	30-03-2025	Book Debts and Cash Collateral
Indian Bank	Term Loan		818.08	30-03-2025	Book Debts and Cash Collateral
Indian Overseas Bank	Term Loan	750.00	458.33	31-07-2025	Book Debts and Cash Collateral
Indian Overseas Bank	Term Loan		229.17	31-07-2025	Book Debts and Cash Collateral
Jana Small Finance Bank	Term Loan	500.00	296.46	03-08-2024	Book Debts
Jana Small Finance Bank	Term Loan	400.00	366.67	03-09-2024	Book Debts
JM Financial Products Limited	Term Loan	2,500.00	2,110.34	25-03-2024	Book Debts
Karnataka Bank Limited	Term Loan	500.00	249.89	28-12-2023	Book Debts
Karur Vysya Bank	Term Loan	250.00	242.42	30-08-2025	Book Debts
Kotak Mahindra Bank	Term Loan	500.00	249.95	29-12-2023	Book Debts
Kotak Mahindra Bank	Term Loan	400.00	333.33	29-08-2025	Book Debts
Maanaveeya Finance Development Limited	Term Loan	500.00	208.31	26-03-2024	Book Debts
MAS Financial Services Ltd.	Term Loan	200.00	50.00	01-07-2023	Book Debts
MAS Financial Services Ltd.	Term Loan	150.00	75.00	25-12-2023	Book Debts
Mahindra & Mahindra Financial Services Limited	Term Loan	1,000.00	403.93	27-07-2024	Book Debts
Mahindra & Mahindra Financial Services Limited	Term Loan		424.62	17-08-2024	Book Debts
National Bank for Agriculture and Rural Development	Term Loan	1,500.00	600.00	31-01-2025	Book Debts
National Bank for Agriculture and Rural Development	Term Loan	1,500.00	765.00	31-03-2026	Book Debts

National Bank for Agriculture and Rural Development	Special Liquidity Facility	1,000.00	300.00	31-01-2023	Book Debts and Cash Collateral
National Bank for Agriculture and Rural Development	Special Liquidity Facility	600.00	180.00	30-06-2023	Book Debts and Cash Collateral
National Bank for Agriculture and Rural Development	Term Loan	2,000.00	1,520.00	31-12-2026	Book Debts
Nabkisan Finance Limited	Term Loan	200.00	83.01	01-03-2024	Book Debts
Nabkisan Finance Limited	Term Loan	250.00	187.50	01-02-2025	Book Debts
Nabsamrudhi Finance Ltd	Term Loan	150.00	64.13	29-02-2024	Book Debts
Northern Arc	Term Loan	1,000.00	324.62	25-03-2024	Book Debts
Northern Arc	Term Loan		325.46	25-03-2024	Book Debts
Punjab & Sind Bank	Term Loan	250.00	204.47	31-03-2025	Book Debts
RBL Bank Ltd.	Term Loan	1,050.00	100.00	30-03-2023	Book Debts and Cash Collateral
RBL Bank Ltd.	Term Loan		100.00	24-06-2023	Book Debts and Cash Collateral
RBL Bank Ltd.	Term Loan	2,500.00	750.00	16-11-2024	Book Debts
RBL Bank Ltd.	Term Loan		750.00	16-11-2024	Book Debts
RBL Bank Ltd.	Term Loan		100.00	30-12-2024	Book Debts
SBM Bank India Ltd	Term Loan	300.00	112.50	28-07-2023	Book Debts
SBM Bank India Ltd	Term Loan	200.00	125.00	30-03-2024	Book Debts
SBM Bank India Ltd	Term Loan	300.00	225.00	24-04-2024	Book Debts
SBM Bank India Ltd	Term Loan	125.00	109.38	28-08-2024	Book Debts
SBM Bank India Ltd	Term Loan	220.00	220.00	29-11-2024	Book Debts
Small Industries Development Bank of India	Term Loan	750.00	375.00	10-03-2024	Book Debts and Cash Collateral
Small Industries Development Bank of India	Term Loan	1,500.00	1,100.00	10-10-2024	Book Debts and Cash Collateral
Small Industries Development Bank of India	Term Loan	4,000.00	4,000.00	10-08-2025	Book Debts and Cash Collateral
South Indian Bank	Term Loan	60.00	4.97	23-04-2023	Book Debts and Cash Collateral
South Indian Bank	Term Loan	40.00	2.67	23-04-2023	Book Debts and Cash Collateral
South Indian Bank	Term Loan	1,000.00	624.08	21-03-2024	Book Debts
Standard Chartered Bank	Term Loan	1,225.00	333.33	24-11-2023	Book Debts and Cash Collateral
Standard Chartered Bank	Term Loan		483.33	30-11-2023	Book Debts and Cash Collateral
Standard Chartered Bank	Term Loan		200.00	27-06-2024	Book Debts
Standard Chartered Bank	Term Loan	1,145.20	1,145.20	08-11-2024	Book Debts and Cash Collateral

State Bank of India	Term Loan	3,000.00	1,000.00	28-10-2023	Book Debts and Cash Collateral
State Bank of India	Term Loan	3,000.00	2,343.75	31-01-2025	Book Debts and Cash Collateral
Suryoday Small Finance Bank Limited	Term Loan	200.00	97.56	05-11-2023	Book Debts
UCO Bank	Term Loan	500.00	373.84	31-03-2025	Book Debts and Cash Collateral
Union Bank	Term Loan	200.00	84.85	26-02-2024	Book Debts and Cash Collateral
Union Bank	Term Loan	450.00	368.20	31-03-2025	Book Debts and Cash Collateral
Uthkarsh Small Finance Bank	Term Loan	300.00	125.00	25-10-2023	Book Debts and Cash Collateral
Uthkarsh Small Finance Bank	Term Loan	230.00	201.25	25-09-2024	Book Debts and Cash Collateral
Woori Bank	Term Loan	380.00	181.74	30-11-2023	Book Debts and Cash Collateral
Woori Bank	Term Loan	350.00	258.70	28-06-2024	Book Debts and Cash Collateral
YES Bank Ltd.	Term Loan	600.00	25.00	01-02-2023	Book Debts and Cash Collateral

Details of outstanding Non-Convertible securities as on December 31, 2022

Series of NCS	Tenor	Coupon	Amount in Rs million	Date of Allotment	Redemption	Credit Rating	Secured/Unsecured	Security
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11.50% RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TAXABLE, REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES 1. DATE OF MATURITY 05/06/2023	36	11.50%	600	05-06-2020	05-06-2023	Crisil AA-/Stable	Secured	Book Debts
11.50% SECURED LISTED, RATED SENIOR TAXABLE REDEEMABLE NON-CONVERTIBLE DEBENTURES. SMFL NCD SERIES 3. DATE OF MATURITY 21/04/2023	33	11.50%	1150	26-06-2020	21-04-2023	Crisil AA-/Stable	Secured	Book Debts
11.50% RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TAXABLE, INR DENOMINATED NON-CONVERTIBLE DEBENTURES. SMFL NCD SERIES 4. DATE OF MATURITY 10/07/2023	36	11.50%	250	10-07-2020	10-07-2023	Crisil AA-/Stable	Secured	Book Debts
GSEC LINKED SECURED RATED LISTED SENIOR REDEEMABLE PRINCIPAL PROTECTED MARKET LINKED NON CONVERTIBLE DEBENTURES. SERIES 2. DATE OF MATURITY 02/01/2023	22	9.65%	150	02-03-2021	02-01-2023	Crisil AA-/Stable	Secured	Book Debts
10.50% SECURED RATED UNLISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. DATE OF MATURITY 18/03/2023	24	10.50%	125	18-03-2021	18-03-2023	Crisil AA-/Stable	Secured	Book Debts
GSEC LINKED SECURED RATED LISTED REDEEMABLE MARKET LINKED PRINCIPAL PROTECTED NON CONVERTIBLE DEBENTURES. DATE OF MATURITY 30/04/2024	37	9%	1338	30-03-2021	30-04-2024	CRISIL PP-MLD AA-r/Stable	Secured	Book Debts
NIFTY 50 INDEX LINKED UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. DATE OF MATURITY 18/04/2024	69	9.05%	110	20-07-2018	18-04-2024	CRISIL PP-MLD AA-r/Stable	Unsecured	Nil
NIFTY 50 INDEX LINKED UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES. DATE OF MATURITY 19/04/2024	69	10.20%	890	20-07-2018	19-04-2024	CRISIL PP-MLD AA-r/Stable	Unsecured	Nil

11.25% UNSECURED RATED LISTED SUBORDINATE TIER II REDEEMABLE NON CONVERTIBLE DEBENTURE. LETTER OF ALLOTMENT. DATE OF MATURITY 19/07/2028	71	11.25%	1500	19-08-2022	19-07-2028	Crisil AA-/Stable	Unsecured	Nil
GSEC LINKED SECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURE. SERIES MLD1 22-23. DATE OF MATURITY 01/09/2023.	15	8.70%	1050	01-06-2022	01-09-2023	CRISIL PP-MLD AA-r/Stable	Secured	Book Debts
10.50% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES LETTER OF ALLOTMENT SERIES A DATE OF MATURITY 20/12/2023	12	10.50%	500	19-12-2022	20-12-2023	Crisil AA-/Stable	Unsecured	Nil
11.40% UNSECURED RATED LISTED REDEEMABLE NON CONVERTIBLE DEBENTURES LETTER OF ALLOTMENT SERIES B DATE OF MATURITY 19/12/2024	24	11.40%	500	19-12-2022	19-12-2024	Crisil AA-/Stable	Unsecured	Nil
11.50% RATED, LISTED, SENIOR, SECURED, REDEEMABLE, TAXABLE, REDEEMABLE NON CONVERTIBLE DEBENTURES. SERIES 1. DATE OF MATURITY 05/06/2023	36	11.50%	600	05-06-2020	05-06-2023	Crisil AA-/Stable	Secured	Book Debts

List of Top 10 holders of Non-Convertible Securities in terms of value (in cumulative basis) as on December 31, 2022

S. No	Name of the holder of Non-Convertible Securities	Amount in Rs million	% Of total Non-Convertible securities outstanding
1	STATE BANK OF INDIA	1000	12.25%
2	South Indian Bank	1000	12.25%
3	Northern Arc Capital Limited	579	7.10%
4	Northern Arc Money Market Alpha Trust	500	6.13%
5	Karnataka Bank	500	6.13%
6	BANK OF INDIA	250	3.06%
7	INDIAN BANK	250	3.06%

8	RIKANT PITTIE	200	2.45%
9	CANARA BANK-MUMBAI	200	2.45%
10	BANK OF MAHARASHTRA	150	1.84%

Details of Outstanding Commercial Paper as on December 31, 2022:

S. No	ISIN	Maturity Date	Amount Outstanding in Rs million
1	INE413U14166	28-Feb-23	259
2	INE413U14174	27-Feb-23	500

Details of Rest of the borrowing (if any including hybrid debt like FCCB, Optionally Convertible Debentures / Preference Shares) as on December 31, 2022:

NIL

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

Not Applicable

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

The Company confirms that currently it does not have any outstanding borrowing taken or currently it has not issued debt securities for consideration other than cash, whether in whole or in part; at a premium or discount; or in pursuance of an option.

The following disclosures on Asset Liability Management (ALM) shall be provided for the latest audited financials:

S. No	Particulars of disclosure	Details
1	Details with regard to lending done out of the issue proceeds of earlier issuances of debt securities (whether public issue or private placement) in the last three years.	
1.a	Lending Policy: Should contain overview of origination, risk management, monitoring and collections	Refer Annexure H
1.b	Classification of Loans given to associate or entities related to Board, Senior management, promoters, etc	Refer Annexure H
1.c	Classification of loans into several maturity profile denomination,	Refer Annexure H

1.d	Aggregated exposure to top 20 borrowers	Refer Annexure H
1.e	Details of loans, overdue and classified as Non-performing assets (NPA)	Refer Annexure H
2.	Details of borrowings made by NBFC	
2.a	Portfolio Summary of borrowings made by NBFC.	Refer Annexure H
2.b	Quantum and percentage of Secured vs. Unsecured borrowings	Refer Annexure H
3	Details of change in Shareholding	Refer Page number 37 for the latest shareholding pattern
4	Disclosure of Assets under management	Refer Annexure H
5	Details of borrowers	Refer Annexure H
6	Details of Gross NPA	Refer Annexure H
7	Details of Assets and Liabilities	Refer Annexure H
8	Additional details of loans made by, Housing Finance Company	NA
9	Disclosure of latest ALM statements to stock exchange.	<p>The latest ALM statements is simultaneously submitted to the stock exchanges (BSE) as and when they are submitted to RBI.</p> <p>Link: https://www.bseindia.com/stock-share-price/debt-other/scripcode/973032/973032/</p>

Annexure- H

1.a Lending Policy of MFI for ISFL

Business Loans

The MFI loan facilities in ISFL are extended to JLG women groups from unbanked sections in the rural and urban areas across 16 states and 1 UT in the country.

We source the loans through multiple channels like direct sourcing through field representatives, walk-ins at our branches and cross sell. All of our loan origination are being done using our proprietary portable mobile-based application. All our customer representative officers are equipped with tablets, who upon lead generation visit the customers. Post lead generation, they obtain the requisite information including identity, KYC documents, income assessment and existing financial liabilities (obligations) of the customers and organize them into groups. Upon preliminary assessment of all basic parameters, customers are trained on the joint liability concept, and how group members are primarily responsible for the repayment by every member in the group. The branch manager inspects the member house on the next day, interacts with the member(s) and grants approval of the loan application. Our on-field presence provides greater convenience and ease of access to our customers with incurring additional

operational costs.

Credit Policy and controls

For all our MFI loans, credit policy is approved by the Board of Directors, Senior management members, risk and audit committees. In most cases the digital underwriting process is sufficient to assess the eligibility of a prospective borrower and provide instant credit decision. For appraisal of applications of customers with any deviation or lesser credit score, multiple document checks, assessment of financial and credit history, and risk control checks are carried out by the central credit committee and at the board level. Depending on customer payment track record and creditworthiness of the customer, the loan is sanctioned. Senior members of the credit teams are empowered at the local level to underwrite and approve the cases. In accordance with our credit policy, once a customer has been identified and has completed an application, the loan proposal is evaluated based on the following credit appraisal process:

Customer house visit through CPV (Capturing Lat & Long)

PD(GRT) for all new member onboarding

KYC verification

Credit score (CB Verification) with the below parameters:

Parameters	Norms
Household income	Maximum Rs3,00,000 Annual Income
Household monthly Obligation ratio	Maximum 50% of the household income including applied loan installment.
Credit Bureau	Combo CB check for all earning members of household
Write-off criteria	No write-off customers are allowed

If score parameters defined in policy are met, then the case is logged in for further processing.

Various checks are performed on the documents provided by the borrower to assess genuineness by through an independent Fraud Control Unit.

Risk Management

Our robust risk management procedures include monthly portfolio quality reports analysis and portfolio performance. We generate, analyze and review extensive MIS reports which are broken down by multiple segments in order to better understand each segment we are active in, logically analyse performance trends and mitigate potential/perceived risks in the portfolio by way of modification in credit policy or other measures as relevant. Our Risk Management process also include extensive market analysis,

pincode based analysis and or performance with peers (competitive analysis). We are also in process of automating all our risk parameters and regular analysis.

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

4. Type of loans:

The detailed break-up of the type of loans and advances including bills receivables given by our Company as on March 31, 2022, is as follows (Rs in Million)

Sr. No.	Type of Loans	31st March 2020	31st March 2021	31st March, 2022
1	Secured	214.24	580.07	3,291.97
2	Unsecured	33,784.15	47,375.65	61,546.43
	Asset under Management ("AUM")	33,998.39	47,955.73	64,838.41

B. Sectoral Exposure as on March 31, 2022.

Sr.No.	Segment wise break up of AUM	31st March,2020	31st March, 2021	31st March,2022
1	Retail			
	(a) Mortgages (Home loans)	NA	NA	NA
	(b) Gold loans	NA	NA	NA
	(c) MFI	99.37%	98.79%	94.92%
	(d) Business Loan (MS&ME)	0.63%	1.21%	5.08%
	(e) Capital market funding (loan against shares, margin funding)	NA	NA	NA
	(f) Others	NA	NA	NA
2	Wholesale			
	(a) Infrastructure	NA	NA	NA
	(b) Real Estate (including builder loans)	NA	NA	NA
	(c) Promoter funding	NA	NA	NA
	(d) Others	NA	NA	NA
	Total	100.00%	100.00%	100.00%

C. Denomination of loans outstanding by ticket size* as on March 31, 2022:

Sr. No.	Ticket Size	31st March, 2020	31st March, 2021	31st March, 2022
1	A - <4K	0.17%	0.08%	0.08%
2	B - 4K+1-8K	0.07%	0.69%	0.32%
3	C - 8K+1-12K	0.78%	0.50%	0.27%
4	D - 12K+1-16K	2.66%	0.87%	0.75%
5	E - 16K+1-20K	6.81%	6.63%	4.63%
6	F - 20K+1-24K	0.66%	0.59%	0.73%
7	G - 24K+1-28K	2.20%	3.59%	5.03%
8	H - 28K+1-32K	65.91%	24.14%	6.82%
9	I - 32K+1-36K	7.48%	14.06%	16.95%
10	J - 36K+1-40K	9.09%	21.12%	10.69%
11	K - >40K	4.16%	27.73%	53.74%
Total	Total	100.00%	100.00%	100.00%

D. Geographical classification of borrowers as on March 31, 2022
As at 31st march, 2020

Sr. No.	Top five States	Percentage of AUM
1	Bihar	21.09%
2	Tamil Nadu	18.63%
3	Orissa	12.00%
4	Karnataka	11.25%
5	Rajasthan	9.60%
	Others	27.44%
	Total	100.00%

As at 31st March, 2021

Sr. No.	Top five States	Percentage of AUM
1	Bihar	19.10%
2	Tamil Nadu	18.44%
3	Orissa	13.19%
4	Karnataka	12.02%
5	Rajasthan	10.09%
	Others	27.16%
	Total	100.00%

As at 31st March, 2022 -

Sr. No.	Top five States	Percentage of AUM
1	Tamil Nadu	18.46%
2	Bihar	17.95%
3	Karnataka	12.99%
4	Orissa	11.36%
5	Rajasthan	10.12%

	Others	29.12%
	Total	100.00%

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

(a) Details of top 20 borrowers with respect to concentration of advances

(Rs in Million)

Particulars	31st March, 2020	31st March, 2021	31st March, 2022
Total advances to twenty largest borrowers	34.28	24.71	22.61
Percentage of Advances to twenty largest borrowers to Total Advances of the NBFC	0.10%	0.05%	0.03%

(b) Details of top 20 borrowers with respect to concentration of exposure

(Rs in Million)

Particulars	31st March, 2020	31st March, 2021	31st March, 2022
Total advances to twenty largest borrowers	34.00	24.33	22.41
Percentage of exposure to twenty largest borrowers to total exposure of the NBFC	0.10%	0.05%	0.03%

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

1. Movement of Gross NPAs:

Movements of Gross NPA	31st March, 2020	31st March, 2021	31st March, 2022
Opening balance of gross NPAs	66.65	343.12	747.82
Additions during the year	412.12	732.76	1,647.12
Reductions during the year	135.65	328.06	620.47
Closing balance of gross NPAs	343.12	747.82	1,774.47

1. Movement of provisions for NPAs (excluding provisions on standard assets)

Movements of provisions for NPA	31st March, 2020	31st March 2021	31st March, 2022
Opening balance	66.65	343.12	747.82
Provisions made during the year	412.12	732.76	1,207.87
Write-off/ write-back of excess provisions	135.65	328.06	654.43
Closing balance of Provision for NPAs	343.12	747.82	1,301.26

3. Segment-wise gross NPA

Sr. No.	Segment-wise gross NPA	Gross NPA (%)	Gross NPA (%)	Gross NPA (%)
1	Retail	31st March, 2020	31st March, 2021	31st March, 2022
	(a) Mortgages (Home loans)	NA	NA	NA
	(b) Gold loans	NA	NA	NA
	(c) MFI	3.07%	1.84%	1.51%
	(d) Business Loan (MSME)	3.03%	0.45%	0.00%
	(e) Capital market funding (loan against shares, margin funding)	NA	NA	NA
	(f) Others	NA	NA	NA
2	Wholesale			
	(a) Infrastructure	NA	NA	NA
	(b) Real Estate (including builder loans)	NA	NA	NA
	(c) Promoter funding	NA	NA	NA
	(d) Others	NA	NA	NA

Cash Credit Working Capital Loans Working Capital Demand Loans Short Term Loans from Banks:

(₹ in million)

Sr. No.	Lender's name	Amount Sanctioned	Amount outstanding (Rs. In	Repayment Schedule	Security*
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			Millions)		
1	RBL Bank	50.00	-	On demand	Secured by 1.10 times general charge on receivables

Overdraft against Fixed Deposit ("ODFD") facility availed by our Company:

Sr. N o.	Bank	Amount Sanctioned	Amount outstanding (Rs. In Millions)	Repayment date schedule	Security
1	ICICI Bank Ltd	180.00	0.00	On demand	100% secured by fixed deposits i.e.Rs.200 millions
2	ICICI Bank Ltd	180.00	0.00	On demand	100% secured by fixed deposits i.e.Rs.200 millions
2	IDFC Bank Ltd	500.00	0.10	On demand	100% secured by fixed deposits i.e.Rs.500 millions

Servicing behaviour on existing debt securities, payment of due interest on due dates on financing facilities or debt securities

In the past 3 years preceding the date of this Prospectus, there has been no delay and or default in servicing of debt or interest or in payment of principal or interest on any financing facilities or term loan or debt security issued by the Company.

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

Loan Book	Mar-22	Mar-21	Mar-20
GNPA	1,774.50	747.80	343.10
GNPA_(as % of Loan Book)	3.07%	1.82%	1.49%
Provisions Made during the year	1301.3	747.80	343.10
NNPA	473.20	0.00	0.00
NNPA(as % of Loan Book)	0.82%	0.00%	0.00%

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

Nil

J. Residual maturity profile of assets and liabilities (in line with the RBI format):
As at 31st March, 2022

(Rs in million)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	1,113.07	1,098.16	1,141.18	3,425.95	6,511.19	9,243.11	337.77	0.01	22,870.43
Reserves and Surplus	-	-	-	-	-	-	-	2,287.34	2,287.34
Investment	-	-	-	-	55.66	-	-	0.5	56.16
Borrowings (Includes foreign currency borrowings)	396.63	1,759.99	621.97	2,049.73	4,138.96	8,894.55	1,498.26	-	19,360.09
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

As at 31st March, 2021

(Rs in million)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 Months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	1,813.56	1,841.44	1,945.44	5,903.50	12,267.16	15,239.03	248.93	21.15	39,280.22
Reserves and Surplus	-	-	-	-	-	-	-	3,286.94	3,286.94
Investment	-	-	-	-	-	-	-	0.50	0.50
Borrowings (Includes foreign currency borrowings)	1,742.43	1,734.58	1,245.70	2,730.66	11,236.94	13,647.02	1,941.04	-	34,278.38
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

As at 31st March, 2020

(Rs in million)

Particulars	Upto 30/31 days	Over 1 month upto 2 month	Over 2 months upto 3 months	Over 3 months & upto 6 Months	Over 6 months & upto 1 year	Over 1 year & upto 3 year	Over 3 year & upto 5 year	Over 5 years	Total
Deposits	-	-	-	-	-	-	-	-	-
Advances	2,600.78	2,843.24	2,876.96	8,768.65	17,552.42	19,818.73	199.21	38.77	54,698.76
Reserves and Surplus	-	-	-	-	-	-	-	5,010.60	5,010.60
Investment	-	-	-	-	-	-	-	0.50	0.50
Borrowings (Includes foreign currency borrowings)	1,731.45	2,552.22	2,865.66	6,842.28	12,826.97	24,341.86	623.15	-	51,783.60
Foreign currency assets	-	-	-	-	-	-	-	-	-
Foreign currency liabilities	-	-	-	-	-	-	-	-	-

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

There has been no default in payment of any interest or principal amount of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the previous 3 years including the current financial year as on the date of this document.

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

There has been no default in payment of any interest or principal amount of any kind of term loans, debt securities and other financial indebtedness including corporate guarantee issued by the Company in the previous 3 years including the current financial year as on the date of this document.

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

To the best of the knowledge and belief of the Company, save and except mentioned hereunder, there has been no material event/ development or change having implications on the business of the Issuer at the time of Issue which may affect the Issue or investor's decision to invest or continue to invest in the Issue.

Any litigation or legal action pending or taken by a Government Department or a statutory body during the last three years immediately preceding the year of the issue of prospectus against the promoter of the company; -

Nil

Details of default and non-payment of statutory Dues-

Nil

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

Beacon Trusteeship Limited is the debenture trustee appointed for the issue. Beacon Trusteeship Limited has given its consent for appointment along with the copy of the consent letter. The same is annexed as Annexure B.

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

Nil

Disclosure of Cash flow with date of interest/dividend/ redemption payment as per day count convention

- a. The day count convention for dates on which the payments in relation to the non-convertible securities which need to be made, should be disclosed.
- b. Procedure and time schedule for allotment and issue of securities should be disclosed;
- c. Cash flows emanating from the non-convertible securities shall be mentioned in the offer document, by way of an illustration

Refer Placement Memorandum

Disclosures pertaining to wilful Defaulter

- a) Name of the bank declaring our Company/Promoter/any of the Director as a wilful defaulter: **N.A.**
- b) The year in which our Company/Promoter/any of the Director is declared as a wilful defaulter: **N.A.**
- c) Outstanding amount when our Company/Promoter/any of the Director is declared as a wilful defaulter: **N.A.**
- d) Name of the entity/director declared as a wilful defaulter: **N.A.**
- e) Steps taken, if any, for the removal from the list of wilful defaulters: **N.A.**
- f) Any other disclosure in order to enable investors to take informed decisions: **N.A.**
- g) Any other disclosure as specified by the Board: **N.A.**

UNDERTAKING BY THE ISSUER

- I. Investors are advised to read the risk factors carefully before taking an investment decision in this issue. For taking an investment decision, investors must rely on their own examination of the issuer and the offer including the risks involved. The securities have not been recommended or approved by the any regulatory authority in India, including the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this document. Specific attention of investors is invited to the statement of 'Risk factors' given on page number 13 under the section 'General Risks'.
- II. The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the issuer and the issue, that the information contained in the offer document is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.
- III. The issuer has no side letter with any debt securities holder except the one(s) disclosed in the offer document/placement memorandum. Any covenants later added shall be disclosed on the stock exchange website where the debt is listed.
- IV. **WE HEREBY CONFIRM THAT THE SAID ISSUANCE OF UNSECURED, SUBORDINATED, RATED, REDEEMABLE, TRANSFERABLE NON-CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS DOES NOT FORM PART OF NON-EQUITY REGULATORY CAPITAL OF THE COMPANY IN TERMS OF CHAPTER V OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE AND LISTING OF NON-CONVERTIBLE SECURITIES) REGULATIONS, 2021 READ WITH SEBI OPERATIONAL CIRCULAR NO. SEBI/HO/DDHS/P/CIR/2021/613 DATED AUGUST 10, 2021.**

SECTION VI – ISSUE PROCEDURE

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF ISSUE OF UPTO 30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs”) OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 300,00,00,000 (INDIAN RUPEES THREE HUNDRED CRORES) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION) ON A PRIVATE PLACEMENT BASIS (THE “ISSUE”), (“ISSUE”) IN ONE OR MORE TRanches TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) BY IIFL SAMASTA FINANCE LIMITED (THE “ISSUER”)

Security - Unsecured

Credit Rating

The Issuer has received a rating of **“CRISIL AA-/ Stable”** by the credit rating letter by CRISIL Ratings Limited and rating of **ACUITE AA Stable** by Acuité Ratings & Research Limited. The credit rating letter has been annexed hereto as *Annexure C*.

Details of utilization of the issue proceeds

Onward lending and general corporate purpose

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

Not applicable

Other details of the Issue:

Debenture Redemption Reserve (DRR)

Pursuant to Section 71 of the Act and Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014, NBFCs are not required to create DRR in respect of NCDs issued on a private placement basis. Accordingly, the Company is not required to create any DRR for the proposed issue of NCDs to be issued on a private placement basis.

Issue Specific Regulations

The issuer hereby declares that this Shelf Placement Memorandum contains all disclosures as required under the SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and will comply with the following acts/regulations with respect to the issue of NCDs:

The Companies Act, 2013.

Securities Contracts (Regulations) Act, 1956.

Securities and Exchange Board of India Act, 1992.

The Depositories Act, 1996.

The Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993.

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Master Direction- Non-Banking Financial Company (Reserve Bank) Directions, 2021 The rules and regulations issued under any of the above.

The Circulars, Notification, Rules and Regulations issued under any of the above.

Default in Payment

In case of default (including delay) in payment of Interest and/or principal redemption on the due dates, additional interest of 2% p.a. over the coupon rate will be payable by the Company for the defaulting period.

The interest rates mentioned in above cases are independent of each other.

Listing

The Debentures of the Company are proposed to be listed on the Wholesale Debt Market (WDM) segment of the NSE. The Issuer Confirms that the Debentures would be listed within 3 trading days from the date of issue closure. The Company shall comply with the requirements of the listing agreement to the extent applicable to it on a continuous basis.

Delay in Listing:

In the event the Debentures are not listed within 3 (three) trading days from the issue closure date, the Company shall pay to the Debenture Holders an additional default interest at the rate of 1% p.a. (one per cent per annum) on the outstanding amounts of the Debentures (including Principal Amounts, accrued Coupon and Redemption Premium), calculated on and from the Deemed Date of Allotment until such time the Debentures are listed. The Default Interest calculated in terms of this Clause shall be paid at the time of redemption of the Debentures.

Date of Allotment

All benefits relating to the Debentures will be available to the investors from the Date of Allotment. The actual allotment of Debentures may take place on a date other than the Deemed Date of Allotment. The Debentures shall be allotted in accordance with the requirements of section 42 of the Companies Act, 2013.

Delay in allotment of securities.

In case of delay in allotment of securities or credit of NCDs in demat account of the NCD holders, beyond the time limit specified under applicable statutory/regulatory laws, the Company would pay interest at such rates, as may be specified under such applicable statutory and regulatory laws.

Undertaking to use a common form of transfer

The Debentures will be issued in dematerialized form only and there would be no physical holding. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these debentures held in

electronic form. The seller should give delivery instructions containing details of the buyer's DP account to his depository participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of debentures.

The company states that the assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or pari-passu charge on the assets of the issuer has been obtained from the earlier creditor.

A summary of term sheet including brief information pertaining to the Issue is attached as '**Annexure A**'.

Issue Procedure

Minimum Subscription

As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size.

Minimum application has to be made of 100 Debentures (being INR 1,00,000 (Indian Rupees One Lakh), and in the multiples of 1 Debentures thereafter.

Underwriting

The present Issue of Debentures on private placement basis has not been underwritten and no arrangement has been made for the same.

Recovery Expense Fund

The company has created a recovery expense fund in the manner as specified by SEBI from time to time.

Interest on Application Money

Our Company shall pay interest on application money on the amount allotted, subject to deduction of income tax under the provisions of the Income Tax Act, 1961, as amended, as applicable, to any Applicant to whom NCDs are allotted pursuant to the Issue from the date of realization of the cheque (s)/demand draft(s) whichever is later up to one day prior to the Deemed Date of Allotment, at applicable coupon rate per annum.

Tax Deduction at Source

Tax as applicable under the provisions of Income Tax Act, 1961, or any other applicable statutory modification or re-enactments thereof will be deducted at source at the time of payment of interest or principal amount.

Transfer of Debentures

Debentures shall be transferred subject to and in accordance with the rules/ procedures as prescribed by the NSDL/ CDSL/ Depository Participant of the transferor/ transferee and any other applicable laws and rules notified in respect thereof. The normal procedure followed for transfer of securities held in dematerialized form shall be followed for transfer of these

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

Transfer of Debentures to and from NRIs/ OCBs, in case they seek to hold the Debentures and are eligible to do so, will be governed by the then prevailing guidelines of RBI. The transferee(s) and transferor should take the requisite approvals, including from RBI, as applicable and 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 records of the Depository. In such cases, claims, if any, by the transferee(s) would need to be settled with the transferor(s) and not with the company.

APPLICATION PROCESS Who can apply

The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures:

- Resident Individuals,
- Hindu Undivided Family,
- Trust,
- Limited Liability Partnerships, Partnership Firm(s),
- Portfolio Managers and Foreign Institutional Investors (FII) registered with SEBI,
- Association of Persons,
- Companies and Bodies Corporate including Public Sector Undertakings.
- Commercial Banks, Regional Rural Banks, Financial Institutions
- Insurance Companies,
- Mutual Funds/ Alternative Investment Fund (AIF), and any other investor eligible to invest in these Debentures. Note: Each of eligible investor(s) is required to check and comply with extant rules/regulations/guidelines etc governing or regulating their investments as issued by their respective regulatory authorities and the Company is not in any way, directly or indirectly responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to bidding mechanism on the Electronic Platform called the "EBP Platform" under the EBP Guidelines or any other successive arrangement/platform mandated by SEBI, the Persons out of the aforesaid categories of investors, who have been specifically named in the "List of Eligible Investors" as placed before and approved by the Board and who are registered on the EBP Platform and eligible to make bids for Debentures of the Company; and to whom allocation is to be made by the Company pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Guidelines (as defined below) and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013 (as amended from time to time), to whom the Company shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the

Company with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.

Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Company on the EBP Platform are also eligible to bid/apply/invest for this Issue. All Eligible Investors are required to check and comply with Laws/ applicable laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.

Application by Mutual Funds

No mutual fund scheme shall invest more than 15% of its NAV in debt instruments issued by a single company which are rated not below investment grade by a credit rating agency authorised to carry out such activity. Such investment limit may be extended to 20% of the NAV of the scheme with the prior approval of the Board of Trustees and the Board of Asset Management Company.

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. Applications made by the AMCs or custodians of a Mutual Fund shall clearly indicate the name of the concerned scheme for which application is being made. In case of Applications made by Mutual Fund registered with SEBI, a certified copy of their SEBI registration certificate must be submitted with the Application Form. The applications must be also accompanied by certified true copies of (i) SEBI Registration Certificate and trust deed (ii) resolution authorising investment and containing operating instructions and (iii) specimen signatures of authorized signatories. Failing this, our Company reserves the right to accept or reject any Applications for Allotment of the Debentures in physical form in whole or in part, in either case, without assigning any reason therefor.

Applications under Power of Attorney

A certified true copy of the Memorandum of Association &/ Power of Attorney or the relevant authority as the case may be along with the names and specimen signature(s) of all the authorized signatories and the tax exemption certificate/ document, if any, must be lodged along with the submission of the completed Application Form. Further modifications/ additions in the power of attorney or authority should be notified to the Company or to its Registrars or to such other person(s) at such other address(es) as may be specified by the Company from time to time through a suitable communication.

Application by a Portfolio Manager registered with SEBI The application should be accompanied by certified true copies of (i) resolution of the Board of Directors, authorizing investment and containing operating instructions, and with all particulars relating to the investment in these Debentures, and the acceptance of the terms of these Debentures along with the authorized signatory list; and (ii) certified copy of registration certificate issued by the SEBI to undertake Portfolio Management activities

Documents to be provided by investors

Investors need to submit the following documentation, along with the application form, as applicable.

- Memorandum and Articles of Association / Documents governing its constitution
- Resolution authorizing investment
- Certified True Copy of the Power of Attorney
- Form 15 AA for investors seeking exemption from Tax Deduction at Source from interest on the application money.
- Specimen signatures of the authorized signatories duly certified by an appropriate authority
- A copy of the Permanent Account Number and registration certificate
- SEBI registration certificate (for Mutual Funds).

Permanent Account Number

All Applicants should mention their Permanent Account Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. A copy of the PAN card should be annexed to the application form.

Each of the Applicants is required to mention his PAN allotted under the Income Tax Act in the Application Form. The PAN would be the sole identification number for participants transacting in the securities markets, irrespective of the amount of the transaction. Any Application Form without the PAN is liable to be rejected. It is to be specifically noted that Applicants should not submit the GIR Number instead of the PAN as the Application is liable to be rejected on this ground

Nomination Facility

As per Section 72 of the Companies Act, 2013, only individuals applying as sole applicant/Joint Applicant can nominate, in the prescribed manner, a person to whom his Debentures shall vest in the event of his death. Non-individuals including holders of Power of Attorney cannot nominate.

Disputes and Governing law

Save and except as set out in Clause 2 below, the Debentures are governed by and shall be construed in accordance with the Indian laws. Save and except as set out in Clause 2 any dispute arising in respect thereof will be subject to the exclusive jurisdiction of the courts and tribunals in Bangalore. The Trustees may, however, in their absolute discretion commence any legal action or proceeding arising out of this agreement in a court, tribunal or any other appropriate forum in India and the Company hereby consents to that jurisdiction.

Trading of Debentures

The trading of privately placed Debentures would be permitted in standard denomination of Rs. 1,00,000 in the anonymous, order driven system of the Stock Exchange in a separate trading segment. All class of investors would be permitted to trade subject to the standard denomination/marketable lot and further subject to regulatory requirements. The trades executed on spot basis shall be required to be reported to the Stock Exchange.

Mode of Payment

As set out in the term sheet, which is annexed as '*Annexure A*' hereto.

Terms of Payment

The full Face Value of the Debentures applied for is to be paid along with the Application Form. Investor(s) need to send in the Application Form and the cheque(s)/ demand draft(s) or RTGS or NEFT for the full Face Value of the Debentures applied for.

Face Value Per Debenture	Minimum Application	Amount Payable on Application per Debenture (Excluding cumulative interest, if any)
Rs. 1,00,000	100 Debentures (being INR 1,00,000 (Indian Rupees One Lakh), and in the multiples of 1 Debenture thereafter	Rs 1,00,000

Market Lot

The market lot will 100 Debentures (being INR 1,00,000 (Indian Rupees One Lakh), and in the multiples of 1 Debenture thereafter Since the Debentures are being issued only in dematerialised form, the odd lots will not arise either at the time of issuance or at the time of transfer of debentures.

Payment on Redemption

In case of the Debentures held in demat form, no action is required on the part of the debenture holder(s) at the time of redemption of the Debentures and on the Redemption Date, the redemption proceeds would be paid to those debenture holder(s) whose name(s) appear on the list of beneficial owners given by the Depositories to the Company. The name(s) would be as per the Depositories' records on the record date fixed for the purpose of redemption. All such Debentures will be simultaneously redeemed through appropriate debit corporate action.

The redemption proceeds shall be directly credited through Electronic Clearing Service (ECS), RTGS or National Electronic Funds Transfer (NEFT) and where such facilities are not available the Company shall make payment of all such amounts by way of cheque/ demand draft. The cheque/demand draft for redemption proceeds, will be dispatched by courier or hand delivery or registered post at the address provided in the Application / at the address as notified by the debenture holder(s) or at the address with Depositories' record. Once the redemption proceeds have been credited to the account of the debenture holder(s) or the cheque/demand draft for redemption proceeds is dispatched to the debenture holder(s) at the addresses provided or available from the Depositories record, the Company's liability to redeem the Debentures on the date of redemption shall stand extinguished and the Company will not be liable to pay any interest, income or compensation of any kind from the date of redemption of the Debenture(s).

Right to Reissue Debenture(s)

Where the Company has redeemed or repurchased any Debenture(s), the Company shall have and shall be deemed always to have had the right to keep such Debentures alive without extinguishment for the purpose of resale or reissue and in exercising such right, the Company shall have and be deemed always to have had the power to resell or reissue such Debentures either by reselling or reissuing the same Debentures or by issuing other Debentures in their place. This includes the right to reissue original Debentures.

Transfer/Transmission of Debentures

The Debentures shall be transferred or transmitted freely in accordance with the applicable provisions of the Companies Act, 2013 as amended. The provisions relating to transfer and transmission and other related matters in respect of our shares contained in the Articles, the Companies Act, 2013 as amended shall apply, mutatis mutandis, to the extent applicable to Debentures, as well.

The Debentures held in dematerialised form shall be transferred subject to and in accordance with the rules/procedures as prescribed by NSDL/CDSL and the relevant DP 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/Company, as the case may be. In such cases, claims, if any, by the transferees would need to be settled with the transferor(s) and not with us or Registrar.

List of Beneficial Owners

The Company shall request the Depository to provide a list of Beneficial Owners as on the Record Date. This list shall be considered for payment of interest or repayment of principal amount, as the case may be.

Notices

The notices to the Debenture holder(s) required to be given by the Company or the Trustees shall be deemed to have been given if sent by registered post/ courier to the sole/first allottee or sole/first registered holder of the Debentures, as the case may be to the address registered with the Company. All notices to be given by the Debenture holder(s) shall be sent by registered post/ courier or by hand delivery to Registrars or to such persons at such address as may be notified by the Company from time to time.

All transfer related documents, tax exemption certificates, intimation for loss of Letter of Allotment/Debenture(s), etc., requests for issue of duplicate debentures etc. and/or any other notices / correspondence by the Debenture holder(s) to the Company with regard to the issue should be sent by Registered Post or by hand delivery to the Registrar, or to such persons at such persons at such address as may be notified by the Company from time to time.

Sharing of Information

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

Registrar

Link-in Time India Private Limited is acting as Registrar and Transfer agents for the Company for the Issue.

Trustees for the Debenture holders

The Company has appointed Beacon Trusteeship Limited to act as Trustees for the Debenture holders (hereinafter referred to as "**Trustees**"). A copy of letter from Beacon Trusteeship Limited conveying their consent to act as Trustees for the Debenture holders is annexed as 'Annexure B' to this Disclosure Document.

1. The Company and the Trustees have entered into a Debenture Trustee Agreement dated [•], 2023 and shall enter into Debenture Trust Deed, inter alia, specifying the powers, authorities and obligations of the Company and the Trustees in respect of the issuance of debentures.
2. The Debenture holder(s) shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to the Trustees or any of their agents or authorized officials to do inter-alia all acts, deeds and things necessary in respect of enforcement of rights of Debenture holders.
3. All the rights and remedies of the Debenture holder(s) shall vest in and shall be exercised by the said Trustees without having it referred to the Debenture holder(s).
4. No Debenture holder shall be entitled to proceed directly against the Company unless the Trustees, having become so bound to proceed, fail to do so.
5. Any payment made by the Company to the Trustees on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holder(s).
6. The Debenture Trustee shall ensure disclosure of all material events to the Debenture holders on an ongoing basis.
7. The Trustees will protect the interest of the Debenture holder(s) in the event of 'Default' by the Company in regard to timely payment of interest and repayment of principal and they will take necessary action at the cost of the Company.

8. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI (NCS Regulations 2021, the SEBI (Debenture Trustee) Regulations, the trust deed and this Disclosure Document, with due care, diligence and loyalty.
9. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed entered into between the Issuer and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same
10. The events of default are set out under the Debenture Trust Deed.

Right to Accept or Reject Applications

The Board of Directors / Issue and Allotment Committee of the Company reserves its full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The rejected applicants will be intimated along with the refund warrant, if applicable, to be sent. Interest on Application Money will be paid from the Pay-in Date till one day prior to the Refund Date. The Application Forms that are not complete in all respects are liable to be rejected and would not be paid any interest on the application money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Number of Debentures applied for is less than the Minimum Application Size;
- b. Bank account details not given;
- c. Details for issue of Debentures in electronic/dematerialised form not given;
- d. PAN not given;
- e. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;
- f. In the event, if any Debenture(s) applied for is/ are not allotted in full, the excess application monies of such Debentures will be refunded, as may be permitted.

How to Apply This Disclosure Document is neither a prospectus and does not constitute an offer to the public generally to subscribe for or otherwise acquire the Debentures issued by the Company. The document is for the exclusive use of the investor(s) to whom it is delivered and it should not be circulated or distributed to third parties. The document would be specifically addressed to the investor(s) by the Issuer.

The Issue setup shall be done by the Issuer in accordance with the Operating Guidelines of the EBP. The final subscription to the Debentures shall be made by the eligible investors through the Electronic Book Mechanism as prescribed by SEBI under the Electronic Book Mechanism Guidelines by placing bids on the EBP Platform during the Issue period. An Issuer, at its discretion, may withdraw from the Issue process in accordance with the conditions enlisted in the Operating Guidelines of the EBP.

The minimum number of Debentures that can be applied for and the multiples thereof shall be as set out in the Placement Memorandum. No application can be made for a fraction of a Debentures.

Potential investors whose bids have been accepted by the Issuer and to whom a signed copy of the Placement Memorandum has been issued by the Issuer and who have submitted/shall submit the Application Form ("Successful Bidders"), shall make

pay-in of subscription monies in respect of the Debentures towards the allocation made to them, into the bank account of the Clearing Corporation, on or prior to the Deemed Date of Allotment and before the Pay-In Cut-Off Time, the details of which will be displayed on the EBP Platform.

The pay-in by the Successful Bidders will be made only from the bank account(s), which have been provided / updated by the Successful Bidders on the EBP Platform. Investors to note that any amount received from third party accounts or from accounts not specified on the EBP Platform may be refunded by the EBP. Further, pay-in received from any other bank account may lead to cancellation of bid and consequent debarment of the bidder from accessing the EBP Platform per the Operating Guidelines of the EBP. Upon the transfer of funds into the aforesaid account of the Clearing Corporation and the Issuer confirming its decision to proceed with the allotment of the Debentures in favour of the Successful Bidders to the Clearing Corporation, the R&T Agent and the EBP and initiating the requisite corporate action for allotment of Debentures and credit of the demat letter of allotment into the relevant demat account of the Successful Bidders through the R&T Agent, the R&T Agent shall provide corporate action file along with all requisite documents to the Depositories by 12:00 hours or such other timeline as may be provided under the Operating Guidelines from time to time and also intimate the EBP of the aforesaid actions. Upon the Depositories confirming the allotment of the Debentures and the credit of the Debentures into the demat account of the Successful Bidders to EBP, the subscription monies in respect of the Debentures from the aforesaid account of the Clearing Corporation shall be released into the Issuer's bank account, as intimated by the Issuer to the EBP.

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

It may be noted that payment by any other means shall not be accepted. The Company assumes no responsibility for any applications lost in mail or in transit or any failure of electronic fund transfer.

The Company will not be responsible in any manner for any delayed receipts / non-receipt of RTGS payments or applications lost in mail.

All transfers/RTGS must be made payable to the designated bank accounts of the Clearing Corporation, details whereof have been specified in this Placement Memorandum.

Debenture holder not a Shareholder

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders.

Rights of Debenture holders

- The Debentures shall not, except as provided in the Companies Act, 2013 confer upon the holders thereof any rights or privileges available to the members of the Company including the right to receive Notices or Annual Reports of, or to attend and/or vote, at the General Meeting of the Company. However, if any resolution affecting the rights attached to the Debentures is to be placed before the shareholders, the said resolution will first be placed before the concerned registered Debenture holders for their consideration. In terms of Section 136 (1) of the Companies Act, 2013, trustee of holders of Debentures shall be entitled to a copy of the Balance Sheet on a specific request made to the Company.
- The rights, privileges and conditions attached to the Debentures 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 Debentures or with the sanction of Special Resolution passed at a meeting of the concerned Debenture holders, provided that nothing in such consent or resolution shall be operative against the Company, where such consent or resolution modifies or varies the terms and conditions governing the Debentures, if the same are not acceptable to the Company.
- The Debentures comprising the private placement shall rank *pari passu inter se* without any preference to or priority of one over the other or others over them and shall also be subject to the terms and conditions to be incorporated in the agreements to be entered into by the Issuer with the Trustee and the letters of allotment/ debenture certificates that will be issued.
- The registered Debenture holder or in case of joint-holders, the one whose name stands first in the Register of Debenture holders shall be entitled to vote in respect of such Debentures, either in person or by proxy, at any meeting of the concerned Debenture holders and every such holder shall be entitled to one vote on a show of hands and on a poll, his/her voting rights shall be in proportion to the outstanding nominal value of Debentures held by him/her on every resolution placed before such meeting of the Debenture holders.
- The Debentures are subject to the provisions of the Companies Act, 2013, the Memorandum and Articles of the Company, the terms of this Disclosure Document and the Application Form. Over and above such terms and conditions, the Debentures shall also be subject to other terms and conditions as may be incorporated in the Trustee Agreement/ Letters of Allotment/ Debenture Certificates, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by the Government of India and/or other authorities and other documents that may be executed in respect of the Debentures.
- Save as otherwise provided in this Disclosure Document, the provisions contained in Annexure C and/ or Annexure D to the Companies (Central Government's) General Rules and Forms, 1956 as prevailing and to the extent applicable, will apply to any meeting of the Debenture holders, in relation to matters not otherwise provided for in terms of the Issue of the Debentures.
- A register of Debenture holders will be maintained in accordance with Section 88 of the Companies Act, 2013 and all interest and principal sums becoming due and payable in respect of the Debentures 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.
- The Debenture holders will be entitled to their Debentures free from equities and/or cross claims by the Company against the original or any intermediate holders thereof.

Trustee for the Issue

BEACON TRUSTEESHIP LIMITED

Effect of Holidays

Should any of the date(s), including the Interest payment date or record date falls on a Saturday or a Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at the place of issuer's registered/ corporate office, the next working day shall be considered as the effective date. However, for payment of principal amount, previous working day to be considered as effective date.

1. If the interest payment date falls on a Saturday, Sunday or a public holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a Saturday, Sunday or a public holiday.
 2. In order to ensure consistency for interest calculation, a uniform methodology shall be followed for calculation of interest payments in the case of leap year, which shall be as follows: In case of a leap year, if February 29 falls during the tenor of a security, then the number of days shall be reckoned as 366 days (Actual/Actual day count convention) for a whole one year period, irrespective of whether the interest is payable annually, half yearly, quarterly or monthly etc. It is thus emphasized that for a half yearly interest payment, 366 days would be reckoned twice as the denominator; for quarterly interest, four times and for monthly interest payment, twelve times. If the maturity date of the debt securities, falls on a Saturday, Sunday or a holiday, the redemption proceeds shall be paid on the previous working day.
1. In order to ensure uniformity for payment of interest/redemption with respect to debt securities, it has been decided that interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.

Note: - For illustration of the above point 1 & 2, with the help of example, SEBI circular number CIR/IMD/DF-1/122/2016 dated 11.11.2016 should be referred.

Put / Call Option

Put/Call Option will be as set out in the attached Term Sheet annexed as '*Annexure A*' hereto.

Deemed Date of Allotment

The Deemed Date of Allotment will be as set out in the attached term sheet.

Debentures in dematerialized mode

The Debentures will be credited in dematerialized form within the statutory time period from the Deemed Date of Allotment.

The Debentures, since issued in electronic (dematerialized) form, will be governed as per the provisions of The Depository Act, 1996, Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, rules notified by National Securities Depository Limited (NSDL) and /or Central Depository Services (India) Limited (CDSL) from time to time and other applicable laws and rules notified in respect thereof.

Record Date

Refer Annexure A (Term sheet). The Record date for payment of interest or repayment of principal shall be 15 days prior to interest payment date/redemption date.

Interest and/or principal repayment shall be made to the person whose name appears as sole / first in the register of Debenture holders/ beneficiaries on the Record Date. In the event of the Company not receiving any notice of transfer at least 15 days prior to the Redemption Date the transferees for the Debentures shall not have any claim against the Company in respect of interest so paid to the registered Debenture holders.

Purchase and Sale of Debentures

The Company may, at any time and from time to time, purchase Debentures at the price available in the Debt Market in accordance with the applicable laws. Such Debentures may, at the option of the Company, be cancelled, held or reissued at such a price and on such terms and conditions as the Company may deem fit and as permitted by law.

Future Borrowings

The Investor acknowledges and agrees that the Company shall be entitled from time to time to make further issue of debentures or any other instruments to the public, members of the Company and /or any other person(s) and to raise further loans, advances or such other facilities from Banks, Financial Institutions and / or any other person(s) on the security or otherwise of its assets, without the consent of or intimation to the Debenture holders or Debenture Trustee.

The discount at which such offer is made and the effective price for the investor as a result of such discount

The present Issue is not at a discount.

Servicing behavior on existing debt securities, payment of due interest on due dates on term loans and debt securities.

As on the date of this Disclosure Document, there has been no default in payment of principal or interest on any existing term loan or debt security issued by the Issuer.

The names of the debenture trustee(s) shall be mentioned with a statement to the effect that debenture trustee(s) has given his consent to the issuer for his appointment under regulation 4 (4) and also in all the subsequent periodical communications sent to the holders of debt securities

The Company has appointed Beacon Trusteeship Limited as the Trustee for the Issue. All the rights and remedies of the Debenture holders shall vest in and shall be exercised by the Debenture Trustee without referring to the Debenture holders. All investors are deemed to have irrevocably given their authority and consent to Beacon Trusteeship Limited to act as their Debenture Trustee and for doing such acts and signing such documents to carry out their duty in such capacity. Any payment by the Company to the Debenture Trustee on behalf of the Debenture holders shall discharge the Company *pro tanto* to the Debenture holders. The Debenture Trustee shall carry out its duties and shall perform its functions under the SEBI Debt Regulations and this Disclosure Documents, with due care, diligence and loyalty. Resignation/retirement of the Debenture Trustee shall be as per terms of the trust deed being entered into between the Company and the Debenture Trustee. A notice in writing to the Debenture holders shall be provided for the same. The Debenture Trustee shall ensure disclosure of all material events on an ongoing basis. The Debenture Trustee shall duly intimate the Debenture holders on occurrence of any of the following events:

- (a) Default by the Company to pay interest on the Debentures or redemption amount; and
- (b) Revision of credit rating assigned to the Debentures.

Such information shall also be placed on the websites of the Debentures Trustee, the Company and the Stock Exchange.

Debenture trustee has accorded its consent to act as debenture trustee for the Issue. A copy of such consent has been annexed to this document.

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

Debenture Trustee Agreement (DTA) has been executed as per required regulations before opening of Issue. Service charges of Debenture Trustee are mentioned in the consent letter.

Rating and rating rationale not older than 1 (one) month from the date of opening of the Issue:

"**CRISIL AA- /Stable**" rating has been assigned by CRISIL Ratings Limited and "**ACUTE AA Stable**" rating has been assigned by Acuité Ratings & Research Limited to the Company's Non-Convertible Debentures Programme and the present Issue is the part of such programme. The present issue of Debentures falls within the above long term Debt programme.

Other than the credit ratings mentioned hereinabove, Issuer has not sought any other credit rating from any other credit rating agency (ies) for the debentures offered for subscription under the terms of this Disclosure Document.

The rating provided by the rating agency may be suspended, withdrawn or revised at any time by such 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.

The rating letter and rating rationale has been attached as 'Annexure C' to this document.

Names of all the recognized stock exchanges where securities are proposed to be listed clearly indicating the designated stock exchange and also whether in principle approval from the recognized stock exchange has been obtained.

The Debentures are proposed to be listed on the NSE Limited. Company shall list the securities within 3 (three) trading days from the closure of the Issue.

The Issuer has created Recovery Expense Fund as specified by SEBI with the Designated Stock Exchange.

Names and designations of officials who have been authorized to issue the Disclosure Document

Mr. Venkatesh N. – Managing Director

Mr. Shivaprakash D.- Whole Time Director

Mr. Anantha Kumar. T – Chief Financial Officer

Mr. Manoranjan Biswal– Company Secretary & Compliance Officer

SECTION VII – REGULATIONS AND POLICIES

Key Regulations & Policies

The following description is a summary of certain laws applicable to the Non-Banking Financial Companies in India as well as certain other Indian Laws and foreign laws, which are applicable to our Company and our business. The summary of laws, regulations and policies set forth below is not exhaustive and is only intended to provide general overview.

Our Company is engaged in the business of providing loans against collaterals. We are governed by the laws governing service sector enterprises and commercial establishments. We are a non-deposit taking (which does not accept public deposits), systemically important, NBFC. As such, our business activities are regulated by RBI regulations applicable to non-public deposit accepting NBFCs ("**NBFC-ND-SI, MFI**").

Taxation statutes such as the Income Tax Act, 1961, the Finance Act, 1994, the Shops and Establishments Act, 1958, labour regulations such as the Employees' State Insurance Act, 1948 and the Employees' Provident Fund and Miscellaneous Act, 1952, and other miscellaneous regulations and statutes apply to us as they do to any other Indian company. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Regulations governing NBFC-MFIs

As per the RBI Act, a financial institution has been defined as a company which includes a non-banking institution carrying on as its business or part of its business the financing activities, whether by way of making loans or advances or otherwise, of any activity, other than its own and it is engaged in the activities of loans and advances, acquisition of shares / stock / bonds / debentures / securities issued by the Government of India or other local authorities or other marketable securities of like nature, leasing, hire-purchase, insurance business, chit business but does not include any institution whose principal business is that of carrying out any agricultural or industrial activities or the sale / purchase / construction of immovable property.

As per prescribed law any company that carries on the business of a non-banking financial institution as its 'principal business' is to be treated as an NBFC. The term 'principal business' has not been defined in any statute, however, RBI has clarified through a press release (Ref. No. 1998-99/ 1269) issued in 1999, that in order to identify a particular company as an NBFC, it will consider both the assets and the income

pattern as evidenced from the last audited balance sheet of the company to decide a company's principal business. The company will be treated as an NBFC if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets should be more than 50 per cent of the gross income. Both these tests are required to be satisfied in order to determine the principal business of a company. Further a NBFC-MFI is required to be constituted of qualified assets not less than 85% of its total assets (netted off by intangible assets).

Every NBFC is required to submit to the RBI a certificate, from its statutory auditor within one month from the date of finalization of the balance sheet and in any case not later than December 30 of that year, stating that it is engaged in the business of non-banking financial institution requiring it to hold a certificate of registration.

NBFCs are primarily governed by the RBI Act, the Non-Banking Financial (Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms – D"), the Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2007 ("Prudential Norms – ND"), the provisions of the Non-Banking Financial Companies Prudential Norms (Reserve Bank) Directions, 1998 and the revised regulatory framework for NBFCs issued by RBI vide its circular DNBR (PD) CC.No.002/03.10.001/2014-15 dated November 10, 2014 and DNBR (PD) CC.No.024/03.10.001/2014-15 dated March 27, 2015 as amended from time to time. In addition to these regulations, NBFC-MFIs are also governed by various circulars, notifications, guidelines and directions issued by the RBI from time to time.

Securities Contract Regulation Act, 1956

The Securities Contract (Regulation) Act, 1956 ("SCRA") seeks to prevent undesirable transactions in securities by regulating the business of dealing in securities and other related matters. The SCRA provides for grant of recognition for stock exchanges by the Central Government. Every recognized stock exchange is required to have in place a set of rules relating to its constitution and bye-laws for the regulation and control of contracts. The said act deals with recognition, derecognition, regulation / control on the stock exchanges, empowers the stock exchanges for making its own bye laws, rules and the provisions pertaining to listing of securities, delisting of securities and dealing in securities. The said enactment also provides for appellate mechanism.

The bye-laws inter-alia provide for:

- i. the opening and closing of markets and the regulation of the hours of trade;
- ii. the fixing, altering or postponing of days for settlements;
- iii. the determination and declaration of market rates, including the opening, closing highest and lowest rates for securities;
- iv. the terms, conditions and incidents of contracts, including the prescription of margin requirements, if any, and conditions relating thereto, and the forms of contracts in writing;
- v. the regulation of the entering into, making, performance, recession and termination of contracts, including contracts between members or between a member and his constituent.

SECTION VIII - MATERIAL CONTRACTS, AGREEMENTS AND DOCUMENTS

The following contracts (not being contracts entered into in the ordinary course of business ried on by our Company) or documents pertaining to the Issue which are or may be deemed material have been entered or to be entered into by our Company. These contracts or documents which are or may be deemed material are available for inspection at the registered office of our Company from 10.00 am to 4.00 pm on working days from the date of opening of the Issue until the Issue closing date.

Material Contracts:

1. Agreement dated July 21,2017 with Link Intime India Private Limited appointing it as registrar.
2. Agreement dated with the Trustee appointing it as the Debenture Trustee to the Issue.
3. Debenture Trust Deed which shall be entered into between the Debenture Trustee and the Company.

Other Documents:

1. Memorandum and Articles of Association of the Issuer.
2. Audited Annual Reports of the Company for the last three years.
3. Certificate of incorporation dated August 09,1995.
4. Fresh certificate of incorporation dated September 01, 2021.
5. Resolution of the Board of Directors of the Issuer passed at its Board Meeting held on January 24, 2023 and resolution passed by the Issue and Allotment Committee of Directors at its meeting held on for raising money under the Issue. The same has been attached as '**Annexure D**'.
6. Resolution under section 180(1)(c) of the Companies Act, 2013 regarding borrowing powers upto Rs. 12,000 Crore, resolution under section 180(1)(a) of the Companies Act, 2013 for creation of charge and resolution under section 42 for private placement of securities passed at the Extra Ordinary General Meeting of the shareholders of the Company. The same has been attached as '**Annexure E**'.
7. Committee Resolution for approval of terms of subordinated redeemable non-convertible debentures is annexed as **Annexure F**:
8. Credit Rating Letter issued by CRISIL Ratings Limited and Acuité Ratings & Research Limited.
9. Consent of Beacon Trusteeship Limited to act as Trustee to the Issue of Debentures.
10. An undertaking that the Issuer will, till the redemption of the Debentures, submit the details of the latest audited/ limited review half yearly Standalone (wherever available) and standalone financial information (profit and loss statement, balance sheet and cash flow statement) and

auditor qualifications, if any, to the Debenture Trustee within the timelines as mentioned in the simplified listing agreement, issued by SEBI vide circular dated May 11, 2009 as amended from time to time, for furnishing/ publishing it half yearly/ annual result.

11. Certificate from Statutory Auditors on receipt of allotment amount of subordinated redeemable non-convertible debentures shall be provided by the Statutory Auditors after the receipt of money from the investors and before making the application for the listing of the said securities.
-

DECLARATION

The Directors of the Company hereby confirm and declare that:

- a. The Company has complied with the provisions Securities Contracts (Regulation) Act, 1956 and the Securities and Exchange Board of India Act, 1992, Companies Act and the rules and regulations made thereunder;
- b. The compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of Non-Convertible securities, is guaranteed by the Central Government;
- c. The monies received under the offer shall be used only for the purposes and objects indicated in this offer document;
- d. whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

I am authorised by the Issuance & Allotment Committee of the committee of the Company vide resolution dated May 08, 2023 to sign this form and declare that all the requirements of Companies Act, 2013 and the rules made thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. Whatever is stated in this form and in the attachments thereto is true, correct and complete and no information material to the subject matter of this Placement Memorandum has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum of Association and Articles of Association.

For IIFL SAMASTA FINANCE LIMITED

S/d

Shivaprakash Deviah

Whole Time Director

ANNEXURE A- SUMMARY OF TERMS

PART I

Security Name (Name of the non-convertible securities which includes Coupon / dividend, Issuer Name and maturity year)	11.00% IIFL Samasta – Subordinated Redeemable Non-Convertible Debentures–NCD M2030 Maturity - 2030
Issuer	IIFL SAMASTA FINANCE LIMITED
Type of Instrument	Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Unsecured, Rated, Listed, Subordinated Redeemable Non-Convertible Debentures
Seniority (Senior or subordinated)	Subordinated
Eligible Investors	<p>Only the persons who are specifically addressed through direct communication by or on behalf of the Company are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected.</p> <p>The following categories of investors may apply for the Debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.</p> <ol style="list-style-type: none"> 1. Scheduled Commercial Banks; 2. Financial Institutions; 3. Insurance Companies; 4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI); 5. Regional Rural Banks; 6. Mutual Funds; 7. Companies, Bodies Corporate authorised to invest in Debentures; 8. Trusts 9. Provident funds, Superannuation and Pension Funds, Gratuity funds, etc, subject to their investment guidelines 10. Individuals 11. Foreign Institutional Investors (FIIs); <p>Note: Each of eligible investor(s) is required to check and comply with extant rules/regulations/guidelines etc. governing or regulating their investments as issued by their respective regulatory authorities and the Company is not in any</p>

	<p>way, directly or indirectly responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.</p> <p>Without prejudice to the aforesaid, where the selection of the eligible investors is required to be done pursuant to bidding mechanism on the Electronic Platform called the "EBP Platform" under the EBP Guidelines (as defined below) or any other successive arrangement/platform mandated by SEBI, the Persons out of the aforesaid categories of investors, who have been specifically named in the "List of Eligible Investors" as placed before and approved by the Board and who are registered on the EBP Platform and eligible to make bids for Debentures of the Company; and to whom allocation is to be made by the Company pursuant to selection under the electronic book mechanism for issuance of securities on private placement basis in terms of the EBP Guidelines (as defined below) and the Electronic Book Providers shall be considered as "identified persons" for the purposes of Section 42(2) of the Companies Act, 2013 (as amended from time to time), to whom the Company shall make private placement of the Debentures and only such "identified persons" shall receive a direct communication from the Company with offer to subscribe to the Debentures and only such "identified persons" shall be entitled to subscribe to the Debentures.</p> <p>Additionally, those arrangers/brokers/intermediaries etc. (as per the defined limits under the EBP Guidelines) specifically mapped by the Company on the EBP Platform are also eligible to bid/apply/invest for this Issue. All Eligible Investors are required to check and comply with Laws/ applicable laws including the relevant rules / regulations / guidelines applicable to them for investing in this Issue of Debentures and the Company, is not in any way, directly or indirectly, responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.</p>
<p>Listing (name of stock Exchange(s) where it will be listed and timeline for listing)</p>	<p>The Debentures are to be listed on the WDM of the NSE within a maximum period of 3 (Three) Business Days from the date of closure of the issue for the Debentures.</p> <p>Without prejudice to the below and at the option of the Debenture Holder(s), in the event that the Debentures are not listed within 3 (three) Business Days from the date of closure of the issue for the Debentures for any reason whatsoever, in accordance with the Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 as amended from time to time, read together with the requirements in respect of the timelines for listing of debt securities issued on a private placement basis prescribed in Chapter VII (<i>Standardization of timelines for listing of securities issued on a private placement basis</i>) of the SEBI circular no. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 on "<i>Operational Circular for issue and listing of Non-convertible Securities, Securitised Debt Instruments, Security Receipts, Municipal Debt Securities and Commercial Paper</i>" (as amended and modified from time to time), the Company shall (i)</p>

	make payment to the Debenture Holders of 1% (One Percent) per annum over the Coupon Rate from the expiry of 3 (three) Business Days from the date of closure of the issue for the Debentures till the listing of such Debentures; and (ii) be permitted to utilise the issue proceeds of its subsequent two privately placed issuances of securities only after having received final listing approval from NSE in respect of the listing of Debentures.
Rating of Instrument	CRISIL AA-/Stable by CRISIL Limited and ACUITE AA Stable by Acuité Ratings & Research Limited
Issue Size	30,000 (Thirty Thousand) unsecured, subordinated, rated, listed, taxable, redeemable, non-convertible debentures (the NCDS") of face value of INR 1,00,000 (rupees one lakh only) aggregating to INR 300,00,00,000 (Indian Rupees Three Hundred Crores) comprising of base issue of 15,000 (fifteen thousand) unsecured, subordinated, rated, listed, taxable, redeemable, non-convertible debentures of face value of INR 1,00,000 (Rupees One Lakh Only) aggregating to INR 150,00,00,000 (Indian Rupees One Hundred And Fifty Crores) and green shoe option of 15,000 (fifteen thousand) unsecured, subordinated, rated, listed, taxable, redeemable, non-convertible debentures of face value of INR 1,00,000 (Rupees One Lakh Only) aggregating to inr 150,00,00,000 (Indian Rupees One Hundred And Fifty Crores) (Green Shoe Option)
Minimum subscription	As the current issue of Debentures is being made on a private placement basis, the requirement of minimum subscription shall not be applicable and therefore the Company shall not be liable to refund the issue subscription(s)/ proceed(s) in the event of the total issue collection falling short of issue size or certain percentage of issue size. Minimum application has to be made of 100 Debentures (being INR 1,00,000 (Indian Rupees One Lakh)), and in the multiples of 1 Debenture thereafter
Option to retain oversubscription (Amount)	15,000 (fifteen thousand) unsecured, subordinated, rated, listed, taxable, redeemable, non-convertible debentures (the NCDS ") of face value of INR 1,00,000 (Rupees One Lakh Only) Issuer can reissue further NCD's under the above options in future within its overall borrowing program.
Objects of the Issue / Purpose for which there is requirement of funds	Onward lending and general corporate purpose and to augment the long-term resources of the company to meet working capital requirement.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable. The proceeds raised from the Issue will be used solely for the objects stated above

Details of the utilization of the Proceeds	<p>Onward lending and general corporate purpose.</p> <p>The Issue Proceeds shall be utilized augment the long-term resources of the company, & to meet working capital requirement.</p> <p>The Company shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> i. any capital market instrument such as equity and equity linked instruments or any other capital market related activities ii. any real estate activity; iii. any speculative purposes; or iv. in contravention of any guidelines, rules or regulations of the RBI applicable to non-banking financial companies.
Coupon Rate	11.00% per annum
Step Up/ Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual, fixed
Coupon Type (Fixed, floating or other structure)	Fixed Coupon
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	N.A.
Day Count Basis (Actual / Actual)	Actual / Actual
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures
Default Interest Rate	<p>Default in Payment:</p> <p>Upon occurrence of an Event of Default, the Company shall pay to the Debenture Holders a default interest of 2% p.a. (Two percent per annum) on the outstanding amounts of the Debentures (including Principal Amounts, accrued Coupon and Redemption Premium), on and from the date of occurrence of any Event of Default till the Event of Default is cured to the satisfaction of the Trustee and the Debenture Holders. The Default Interest calculated in terms of this Clause shall be paid at the time of redemption of the Debentures.</p> <p>Delay in Listing:</p> <p>In the event the Debentures are not listed within 3 (three) trading days from the issue closure date, the Company shall pay to the Debenture Holders an additional default interest at the rate of 1% p.a. (one per cent per annum) on</p>

	<p>the outstanding amounts of the Debentures (including Principal Amounts, accrued Coupon and Redemption Premium), calculated on and from the Deemed Date of Allotment until such time the Debentures are listed. The Default Interest calculated in terms of this Clause shall be paid at the time of redemption of the Debentures</p> <p><i>Delay in execution of debenture trust deed</i></p> <p>In the case of a delay in the execution of the DTD, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over and above the applicable Coupon Rate until such time the conditions have been complied with at the option of the Investor.</p>	
Tenor	84 months from the deemed date of allotment	
Redemption Date / Maturity Date	17 th May 2030	
Redemption Amount	Rs. 1,00,000/- per debenture (Rupees One Lakhs Only)	
Redemption Premium/ Discount	Not Applicable	
Issue Price	Rs. 1,00,000/- per debenture (Rupees One Lakhs Only)	
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable	
Put Date	N.A.	
Put Price	N.A.	
Call Date	N.A.	
Call Price	N.A.	
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	N.A.	
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	N.A.	
Face Value	Rs. 100,000/- per debenture (Rupees One Lakhs Only)	
Minimum Application and in multiples of thereafter	100 Debentures (being INR 1,00,000 (Indian Rupees One Lakh), and in the multiples of 1 Debentures thereafter	
Issue Timing	Issue Opening Date	May 17, 2023

	<table> <tr> <td>Issue Closing Date</td><td>May 17, 2023</td></tr> <tr> <td>Pay in date</td><td>May 18, 2023</td></tr> <tr> <td>Date of earliest closing of the Issue</td><td>NA</td></tr> <tr> <td>Deemed Date of Allotment</td><td>May 18, 2023</td></tr> </table>	Issue Closing Date	May 17, 2023	Pay in date	May 18, 2023	Date of earliest closing of the Issue	NA	Deemed Date of Allotment	May 18, 2023
Issue Closing Date	May 17, 2023								
Pay in date	May 18, 2023								
Date of earliest closing of the Issue	NA								
Deemed Date of Allotment	May 18, 2023								
Settlement mode of the Instrument	RTGS/NEFT								
Depositories	NSDL and/or CDSL								
Disclosure of Interest / Dividend / Redemption Dates	As set out in Part III of this section								
Record Date	The date being 15 (Fifteen) calendar days prior to the due date on which any Payments are to be made to the Debenture Holder(s) in accordance with the terms of the Debentures on the basis of which the determination of the persons entitled to receive redemption of principal, Coupon, and other Payments, if any, as the case may be, in respect of the Debentures shall be made.								
All covenants of the issue (including side letters, accelerated payment clause, etc.)	There are no side letter with any debenture holder except as disclosed in the IM and on the stock exchange website where the debt is proposed to be listed.								
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge / hypothecation / mortgage etc.), date of creation of security / likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the placement memorandum.	The Debentures are unsecured.								
Transaction Documents	a. Disclosure Document along with respective term sheets executed in pursuance with the Disclosure Document,								

	b. Debenture Trust Deed c. Any other document that trustee may require d. All documents customary to the nature of this deal-
Conditions Precedent to Disbursement	i. A certified true copy of the constitutional documents of the Company (being its Memorandum and Articles of Association and Certificate of Incorporation) shall have been submitted to the Debenture Trustee. ii. All corporate approvals from the Board of Directors and shareholders of the Company, if applicable, shall have been received for the issuance of the Debentures and the execution, delivery and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed. iii. Execution of the Transaction Documents shall have taken place; iv. Rating of the Debentures being completed and the rating agency having provided a minimum rating of 'AA-' for the Debentures and the rating letter issued by the Rating Agency being in a form and manner satisfactory to the Debenture Trustee; v. Due execution of the Depository Agreements by, inter-alia, the Depository and the Company; vi. Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Company; vii. The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; viii. The Company shall have submitted to the Debenture Trustee, its audited account statements for the most recent financial year or financial half-year.
Conditions Subsequent to Disbursement	(a) Within 30 (Thirty) days from circulation of the Placement Memorandum, the Issuer shall maintain the record with respect to the issuance of the Debentures in Form PAS-5 specified pursuant to sub-rule (3) of Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 along with the requisite fee with the Registrar of Companies; (b) Within 3 (three) Business Days from the date of closure of the issue for the Debentures, the Issuer shall complete the listing of the Debentures on the WDM segment of the National Stock Exchange (NSE) and list the Debentures on the NSE; (c) On or prior to the utilisation of the subscription monies by the Issuer in respect of the Debentures and in any case, within 15 (Fifteen) days

	from the Deemed Date of Allotment, the Issuer shall file of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 12 and 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, along with the requisite fee with the Registrar of Companies;
Events of Default	<p>An event of default shall have occurred upon the happening of any event, as under:</p> <ol style="list-style-type: none"> 1) Non Payment of principal and Interest on the due date. 2) If issuer has taken or suffered any action to be taken for its reorganization, liquidation or dissolution. 3) The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law including any corporate action, legal proceedings or other procedure or step which has been taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution). <p>The events of default are set out under the Debenture Trust Deed</p>
Creation of recovery expense fund	<p>Details and purpose of the recovery expense fund</p> <ol style="list-style-type: none"> (a) The Issuer shall create and maintain the Recovery Expense Fund up to the amounts prescribed under the SEBI REF Circular, in accordance with and within the timelines prescribed in the SEBI REF Circular. (b) The Recovery Expense Fund shall be created to enable the Debenture Trustee to take prompt action in relation to the enforcement of the Security in accordance with the Transaction Documents. (c) The amounts in the Recovery Expense Fund shall be utilised in the manner as may be prescribed by the Debenture Holders by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in the Transaction Documents. (d) On the occurrence of an Event of Default, if the Security is proposed to be enforced, the Debenture Trustee shall follow the procedure set out in the SEBI REF Circular for utilisation of the Recovery Expense Fund.
Conditions for breach of covenants	As specified in Debenture Trust Deed.

Provisions related to Cross Default Clause	As specified in Debenture Trust Deed.
Role and Responsibilities of Debenture Trustee	<p>(i) The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise;</p> <p>(ii) The Debenture Trustee shall be at liberty to keep these presents at their registered office or elsewhere or if the Debenture Trustee so decide with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors, provided however that the Debenture Trustee shall be responsible for any loss incurred in connection with any such deposit and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;</p> <p>(iii) Save as herein otherwise expressly provided, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof;</p> <p>(iv) The Debenture Trustee shall, on a quarterly basis, carry out the necessary due diligence and monitor the covenants as specified by SEBI from time to time.</p> <p>(v) With a view to facilitating any dealing under any provisions of these presents the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;</p> <p>(vi) The Debenture Trustee shall not be responsible for the monies paid by applicants for the Debentures;</p> <p>(vii) The Debenture Trustee shall have full power, in consultation with the Debenture Holder(s), to determine all questions and doubts arising in relation to any of the provisions hereof and every such determination bona fide made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all persons interested hereunder;</p> <p>(viii) The Debenture Trustee shall forward to the Debenture Holder(s), copies of any information, documents from the Issuer pursuant to the</p>

	<p>Debenture Trust Deed within 2 (two) days of receiving the same from the Issuer;</p> <p>(ix) The Debenture Trustee shall be entitled to exercise all its powers and rights available to it under the Transaction Documents;</p> <p>(x) The Debenture Trustee shall, until the Final Settlement Date, adhere to and comply with its obligations and responsibilities under the SEBI Defaults (Procedure) Circular and the SEBI Recovery Expense Fund Circular; and</p> <p>PROVIDED that nothing contained herein shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for gross negligence, wilful default or breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.</p> <p>Please also refer to Annexure VIII of this Placement Memorandum for the terms and conditions of the debenture trustee agreement.</p>
Risk factors pertaining to the issue	Please refer to Section II (<i>Risk Factors</i>) of this Placement Memorandum
Governing Law and Jurisdiction	The Debenture holders, by purchasing the Debentures, agree that the High Court of Mumbai or Karnataka shall have exclusive jurisdiction with respect to matters relating to the Debentures

PART II

[As specified in Debenture Trust Deed]

PART III

Annexure 1

Illustrative cash flows of Principal and Interest/ Redemption Schedule

DISCLOSURE OF CASH FLOWS: As per SEBI Circular No: SEBI/LAD-NCR/GN/2021/39 dated August 09, 2021

Company	IIFL SAMASTA FINANCE LIMITED (the "Issuer")
Tenure	84 months from the deemed date of allotment
Face Value	Rs. 1,00,000 Per Debenture
Issue Price	Rs. 1,00,000 Per Debenture
Date of Allotment	18 th MAY 2023
Redemption	18 th May 2030
Coupon Rate	11.00%
Frequency	Fixed Coupon payable annually
Day count Convention	Actual/Actual

Sr. No.	Due Date	Due Day	Payout date	Payout Day	Day	Convention	Rate	Amount
1	18-May-24	Saturday	20-May-24	Monday	366	366	11.00%	11,000
2	18-May-25	Sunday	19-May-25	Monday	365	365	11.00%	11,000
3	18-May-26	Monday	18-May-26	Monday	365	365	11.00%	11,000
4	18-May-27	Tuesday	18-May-27	Tuesday	365	365	11.00%	11,000
5	18-May-28	Thursday	18-May-28	Thursday	366	366	11.00%	11,000
6	18-May-29	Friday	18-May-29	Friday	365	365	11.00%	11,000
7	18-May-30	Saturday	17-May-30	Friday	365	365	11.00%	11,000

Sr. No.	Due Date	Due Day	Payout date	Payout Day	Amount
1	18-May-23	Thursday	18-May-23	Thursday	(1,00,000)
2	18-May-30	Saturday	17-May-30	Friday	1,00,000

DISCLOSURE OF CASH FLOWS:

1. The Cash Flow displayed above is calculated per debenture (face value of Rs. 1,00,000).
2. If the interest payment date falls on a holiday, the payment may be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. No additional interest will be paid for such days which fall on holiday.
3. The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
4. Interest payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.
5. The cash flows are for illustration purposes.

ANNEXURE B- DEBENTURE TRUSTEE CONSENT LETTER

32527/CL/MUM/23-24/DEB/41
Date: May 08,2023

IIFL Samasta Finance Limited
 110/3 ,
 Lalbagh Main Road,
 Krishnappa Layout,
 Bangalore-560027,Karnataka

Kind Attn: Mr. Manoranjan Biswal (CS)

Sub: Consent Letter to act as Debenture Trustee for Unsecured Listed Non-Convertible Debentures aggregating upto Rs. 150.00 Crores (+ GSO Rs. 150.00 Crores)

Dear Sir,

This is with reference to our discussion regarding appointment of Beacon Trusteeship Limited as Debenture Trustee for Unsecured Listed Non-Convertible Debentures aggregating to Rs. 150.00 Crores (+ GSO Rs. 150.00 Crores)

In this regards it would indeed be our pleasure to be associated with your esteemed organization as Debenture Trustee. In this connection, we confirm our acceptance to act as Debenture Trustee for the same.

We are also agreeable for inclusion of our name as trustees in the Company's offer document/disclosure document/ listing application/any other document to be filed with the Stock Exchange(s) or any other authority as required.

Looking forward to a long and fruitful association with your esteemed organization.

Yours faithfully
For Beacon Trusteeship Limited




Deepavali Vankalu
 Vice President
 Mumbai,
Authorised Signatory

Accepted
For IIFL Samasta Finance Limited
 MANORA
 NJAN
 BISWAL
 BISWAL
Digitally signed
 by MANORANJAN
 BISWAL
 Date: 2023.05.08
 18:34:18 +05'30'

Authorised Signatory

BEACON TRUSTEESHIP LTD.

Regd & Corporate Office : 4C & D Siddhivinayak Chambers, Gandhi Nagar, Opp MIG Cricket Club, Bandra East (E),
 Mumbai - 400051

CIN: U74999MH2015PLC271288

Phone : 022-26558759 | Email : contact@beacontrustee.co.in | Website : www.beacontrustee.co.in

ANNEXURE C- RATING LETTER

CONFIDENTIAL

RL/SAMML/309803/NCD/0123/50482/88450022/3
April 24, 2023

Mr. Venkatesh N
Managing Director
IIFL Samasta Finance Limited
110/3, Lalbagh Main Road,
Krishnappa Layout, Near Urvashi Theatre
Bengaluru Urban - 560027
9663564270



Dear Mr. Venkatesh N,

Re: CRISIL Rating on the Rs.950 Crore Non Convertible Debentures⁴ of IIFL Samasta Finance Limited

All ratings assigned by CRISIL Ratings are kept under continuous surveillance and review.

Please refer to our rating letters dated March 21, 2023 bearing Ref. no.: RL/SAMML/309803/NCD/0123/50482/88450022/2

Please find in the table below the rating outstanding for your company.

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non Convertible Debentures	950	CRISIL AA-/Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revalidation from CRISIL Ratings will be necessary.


As per our Rating Agreement, CRISIL Ratings would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL Ratings reserves the right to withdraw, or revise the rating / outlook assigned to the captioned instrument at any time, on the basis of new information, or unavailability of information, or other circumstances which CRISIL Ratings believes may have an impact on the rating. Please visit www.crisilratings.com and search with the name of the rated entity to access the latest rating/s.

As per SEBI circular (reference number: CIR/MD/DF/17/2013, dated October 22, 2013) on centralized database for corporate bonds/debentures, you are required to provide international securities identification number (ISIN) along with the reference number and the date of the rating letter) of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at debtissue@crisil.com. This will enable CRISIL Ratings to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt rated by us, as required by SEBI. Feel free to contact us at debtissue@crisil.com for any clarification you may need.

Should you require any clarification, please feel free to get in touch with us.

With warm regards,

Yours sincerely,



Prashant Pratap Mane
Associate Director - CRISIL Ratings



Nivedita Shibu
Associate Director - CRISIL Ratings



⁴ Interchangeable between secured and subordinated debt

Disclaimer: A rating by CRISIL Ratings reflects CRISIL Ratings' current opinion on the likelihood of timely payment of the obligations under the rated instrument, and does not constitute an audit of the rated entity by CRISIL Ratings. Our ratings are based on information provided by the issuer or obtained by CRISIL Ratings from sources it considers reliable. CRISIL Ratings does not guarantee the completeness or accuracy of the information on which the rating is based. A rating by CRISIL Ratings is not a recommendation to buy / sell or hold the rated instrument; it does not comment on the market price or suitability for a particular investor. CRISIL Ratings has a practice of keeping all its ratings under surveillance and ratings are revised as and when circumstances so warrant. CRISIL Ratings is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of its ratings. CRISIL Ratings' criteria are available without charge to the public on the web site: www.crisilratings.com. CRISIL Ratings or its associates may have other commercial transactions with the company/entity. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please visit www.crisilratings.com or contact Customer Service Helpdesk at CRISILratings@crisil.com or at 1800-267-1301.

CRISIL Ratings Limited
A subsidiary of CRISIL Limited, an IIFL Group Company
Corporate Identity Number: U67100MH2019PLC328247

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

Rating Rationale

January 09, 2023 | Mumbai

IIFL Samasta Finance Limited
Ratings Reaffirmed
Rating Action

Total Bank Loan Facilities Rated	Rs.7200 Crore
Long Term Rating	CRISIL AA-/Stable (Reaffirmed)

Rs.200 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA- r /Stable (Reaffirmed)
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA- r /Stable (Reaffirmed)
Rs.200 Crore Long Term Principal Protected Market Linked Debentures	CRISIL PPMLD AA- r /Stable (Reaffirmed)
Rs.100 Crore Principal Protected Market Linked Non-Convertible Subordinated Debentures	CRISIL PPMLD AA- r /Stable (Reaffirmed)
Rs.950 Crore Non Convertible Debentures^{&}	CRISIL AA-/Stable (Reaffirmed)
Rs.500 Crore Commercial Paper	CRISIL A1+ (Reaffirmed)
Long Term Principal Protected Market Linked Debentures Aggregating Rs.300 Crore	CRISIL PPMLD AA- r /Stable (Reaffirmed)

[&] Interchangeable between secured and subordinated debt

Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.

1 crore = 10 million

Refer to Annexure for Details of Instruments & Bank Facilities

Detailed Rationale

CRISIL Ratings has reaffirmed its ratings on the long-term bank facilities and debt programmes of IIFL Samasta Finance Limited (Samasta; formerly Samasta Microfinance Limited) at 'CRISIL AA-/CRISIL PPMLD AA-r/Stable/CRISIL A1+'.

CRISIL Ratings has also withdrawn its rating on the Rs 65 crore Long-term principal protected market linked debentures (see the Annexure - Details of Rating Withdrawn' for details) on receipt of independent confirmation that these instruments are fully redeemed, in line with its withdrawal policy.

The ratings continue to reflect strong financial and managerial support from parent, IIFL Finance, adequate capitalisation, above-average earnings, albeit moderation on account of higher provisioning to combat the pandemic, and improving diversity in resource profile. The rating also factors in the shared name of the company, which further enhances the moral obligation of IIFL Finance Ltd (IIFL Finance; rated 'CRISIL AA-/CRISIL PPMLD AA-r/Stable/CRISIL A1+') to support Samasta. These rating strengths are partially offset by Samasta's geographic concentration in revenue, ability to manage asset quality and control credit losses and susceptibility to regulatory and legislative risks associated with the microfinance sector.

The 'Stable' outlook reflects a similar outlook on the ratings of the parent, IIFL Finance Ltd (IIFL Finance; 'CRISIL AA-/CRISIL PPMLD AA-r/Stable/CRISIL A1+').

The prefix 'PP-MLD' indicates that the principal amount of the debentures is protected, while the returns market-linked. The suffix 'r' shows that the returns on the debentures have significant risks other than credit risk. Also, payments to investors are not fixed and are linked to external variables such as commodity prices, equity indices, foreign exchange rates or equity valuation of the company.

After registering a two-year CAGR of 101% till fiscal 2020, Samasta's growth momentum moderated by the outbreak of Covid-19 at the onset of fiscal 2021. Nevertheless, with disbursements picking up from Q2 2021, the company's AUM stood at Rs 4,796 crore registering an on-year growth of 41% in fiscal 2021. In the aftermath of the second pandemic wave, growth momentum moderated during Q1 fiscal 2022. However, growth in disbursements picked up from July 2021 onwards which in-turn resulted in the company reporting an AUM of Rs 6,484 crore in March 2022 registering Y-o-Y growth of 35%. The AUM increased to Rs 7267 crore as on September 30, 2022.

The company's collection efficiency (including overdues but excluding prepayments) that had revived to around 97% in March 2021 got impacted with the sharp spike in number of cases due to the second wave of the pandemic and lockdown

like restrictions imposed across states to curb its spread - the collection efficiency reduced to 80% in June 2021. With relaxations in the restrictions, the same improved from July 2021 onwards and stood at over 100% in March 2022, marked by higher overdue payments. While the collection efficiency had moderated during April and May 2022, it again increased to an average of 96% from June 2022 to November 2022. Disbursement pace had slowed down in the first quarter of fiscal 2022, however it revived during the second quarter with an average disbursement of Rs 665 crore per month till February 2022 and Rs 1,052 crore in March 2022 alone. During April and May 2022, the pace of disbursements had slowed down post the new RBI directives, however, it picked up pace from June 2022 onwards, with company disbursing over Rs 997 crore in November 2022. The company's ability to sustain collections for incremental disbursements and eventually reach pre-pandemic levels of over 99% on a steady-state basis will remain a key monitorable.

The company's, 90+ days past due (dpd) moderated to 2.9% in September 2022 as compared to 2.6% as on March 2021 (1.5% in March 2020). Additionally, the company has total outstanding restructured portfolio of Rs 259 crore (4.3% of the loan book) as of September 2022. The performance of the restructured portfolio besides overall book, in the coming months will be a key monitorable. Any change in the payment discipline of borrowers will also affect delinquency levels and hence Samasta's ability to manage asset quality and maintain healthy collections will remain a monitorable.

Analytical Approach

CRISIL Ratings has notched up the standalone business and financial risk profiles of Samasta as it is expected to receive financial and managerial support from the parent, IIFL Finance, if required

Key Rating Drivers & Detailed Description

Strengths:

Strong financial and managerial support from IIFL Finance

The parent will continue to provide support on an ongoing basis and in the event of distress, given its majority ownership and Samasta's strategic importance to the group, and presence in the board of directors. The microfinance business is strategically important and helps diversify the financial product suite of the parent and expand its presence in the financial inclusion space. Also, the microfinance business is scalable, and expected to grow materially over the medium term. Samasta's business is well established and is growing at a healthy pace and formed around 13.2% of the group's assets under management (AUM) as on September 30, 2022. Regular financial support—through equity infusion—and strategic inputs from IIFL Finance have enabled the company to ramp-up operations. IIFL Finance and IIFL Home Finance have infused incremental capital of Rs 740 crore post acquisition, with the latest infusion of Rs 100 crore in March 2022 and is expected to provide further capital on a regular basis. It also has representatives on the board and senior management of Samasta and is actively involved in managing the treasury. Hence, CRISIL Ratings believes IIFL Finance has a strong moral obligation to continue supporting Samasta.

Adequate capitalisation

Network was adequate at Rs 915.8 crore as on September 30, 2022 (adjusted for the FLDG component of the managed book). Adjusted gearing has been historically on the higher side. The capital infusion of Rs 300 crore received in fiscal 2022 had helped the adjusted gearing to correct to 5.6 times as on June 30, 2022 even as the company's borrowings increased significantly in March 2022. Nevertheless, adjusted gearing stood at 6.2 times as on September 30, 2022. Capital adequacy ratio (CAR) stood at 19.28% as on September 30, 2022, in comparison to 16.91% three years ago. On account of the parent's ability and willingness to infuse capital when required, Samasta's capitalisation, despite the elevated credit costs due to Covid-19 related disruption, will remain adequate over the medium term in the normal course of business.

Above-average earnings, albeit moderation on account of higher provisioning to combat the pandemic

The company had reported healthy profits of Rs 53 crore and Rs 107 crore during fiscal 2019 and fiscal 2020 respectively. Consequently, return on managed assets (RoMA) stood at 3.1% and 3.4%, respectively. However, during fiscal 2021, the company reported net profit of Rs 67 crore, primarily due to Rs 141 crore provisioning (including write-off of Rs 42.8 crore) considering the potential challenges in recovering overdues amid the pandemic. Consequently, the RoMA dropped to 1.5% during fiscal 2021. Given the second wave of pandemic, the company continued with aggressive provisioning in fiscal 2022 also and created total provisioning of Rs 230.6 (including write-off of Rs 131.8 crore). Resultant, the company reported a net profit of Rs 51 crore and RoMA further dropped to 0.9% and credit cost rose to 3.8% during fiscal 2022, compared with 2.8% in fiscal 2021 and 1.9% in fiscal 2020. Nevertheless, along with the growth in portfolio, the company has maintained healthy net interest margin (NIMs) in the past three fiscals. Operating cost has also benefitted from the operating leverage attained with high growth in portfolio.

During the first half-year of fiscal 2023, the company continued with making provisions of Rs 11 crore and reported PAT of Rs 21 crore and RoMA of 0.6% (annualized).

Given the aggressive provisioning implemented by the company, profitability is expected to improve, albeit gradually in the coming quarters. Samasta's ability to manage recoveries and sustain its earnings profile at pre-pandemic level would be a key rating sensitivity factor

Improving diversity in funding profile

Samasta has significantly improved the diversity in its resource profile since its acquisition by IIFL Finance. Nearly 14.35% of the external liabilities were from capital market instruments as on September 30, 2022, and bank loans and loans from non-banking financial company (NBFCs) accounted for 85.65%. The cost of funds on incremental borrowing has also improved considerably post acquisition.

Weakness:

Geographic concentration in operations

Though diversifying gradually, the loan portfolio of Samasta is still highly concentrated with 61% of its own portfolio as on September 30, 2022, housed in four states: Tamil Nadu, Bihar, Rajasthan and Karnataka. The top five districts accounted for

9.5% of the loan book. Post-acquisition by IIFL Finance, the company has operations in Bihar, Kerala, Rajasthan, Goa, Chhattisgarh and Gujarat. Of these, growth of disbursements in Bihar has been particularly rapid, reflected in the proportion of AUM in the state increasing from 1.1% as of March 2018 to 18% as on September 30, 2022. Post demonetisation, spurt in microfinance lending in states such as Odisha, Bihar, and West Bengal is showing early signs over heating in certain pockets and the ability of the company to manage portfolio quality in these regions is a key monitorable. CRISIL Ratings will continue to monitor the situation and its likely impact on credit losses as it evolves.

Ability to maintain asset quality performance and control credit losses in the near term remains a monitorable

In fiscal 2017, asset quality witnessed a sharp deterioration in the aftermath of demonetization. Portfolio delinquencies—that is, 30+ dpd and 90+ dpd, were significantly impacted, and stood at 8.1% and 3.8%, respectively, as on March 31, 2017. However, the delinquencies considerably improved to 1.2% and 1.0%, respectively, as on March 31, 2018, due to focused efforts of the management to improve recovery. The ultimate credit loss for Samasta due to disruption after demonetisation was close to 14.3%.

However, in fiscal 2020, asset quality saw some moderation primarily on account of political unrest in Karnataka and natural calamities in Orissa which led to 90+ dpd of 1.5% as on March 31, 2020. This further weakened because of the pandemic, and the 90+ dpd deteriorated to 3.6% as on September 30, 2021 (2.6% as on March 31, 2021). However, with the company making write-offs of Rs 132 crore in March 2022, the 90+ dpd improved to 2.8% as on March 31, 2022. During the first half of fiscal 2023, the company made provisions of Rs 10.7 crore and wrote off its portfolio to the tune of Rs 195.4 crore. Consequently, the 90+ dpd stood at 2.9% as on September 30, 2022.

Samasta's total disbursements in fiscal 2022 stood at Rs 5,710 crore, most of which was done in the second half of fiscal 2022. In addition to disbursing loans to fresh borrowers, the company also pre-closed the loans of existing borrowers and disbursed fresh loans to provide them with additional liquidity to revive their businesses, resulting in higher prepayments in the second half of fiscal 2022. Sustainability of collections and impact of the pandemic on asset quality which have risen in the aftermath of Covid-19 outbreak will also be a key monitorable.

Susceptibility to regulatory and legislative risks associated with the microfinance sector

The microfinance sector witnessed two major disruptive events in the past decade. The first was the crisis promulgated by the ordinance passed by the government of Andhra Pradesh in 2010, and the second was demonetisation in 2016. In addition, the sector faced issues of varying intensity in several geographies. Promulgation of the ordinance on MFIs by the government of Andhra Pradesh in 2010 demonstrated their vulnerability to regulatory and legislative risks. The ordinance triggered a chain of events that adversely affected the business models of MFIs by impairing their growth, asset quality, profitability and solvency. Similarly, the sector witnessed high level of delinquencies post-demonetisation and subsequent socio-political events. For Samasta, the ultimate credit loss due to disruption after demonetisation was close to 14.3%, which was borne over two fiscals. The MFI Bill, 2020 passed recently by the Assam Assembly may increase asset-quality challenges for MFIs. Additionally, any loan waivers announced will make matters worse due to their impact on repayment discipline. In addition, the sector remains susceptible to issues such as local elections, natural calamities and borrower protests among others, which may result in momentary spurt in delinquencies. This indicates the fragility of the business model to external risks. As the business involves lending to the poor and downtrodden sections of society, MFIs will remain exposed to socially sensitive factors, including high interest rates, tighter regulations and legislation.

Liquidity: Strong

Liquidity buffer (cash and liquid investments as on November 30, 2022), at a standalone level, to cover total debt repayment and operating expenses for the succeeding three months was 1.4 times (assuming 75% collection efficiency). Additionally, IIFL Finance will provide timely fund support for servicing of debt if needed.

As on November 30, 2022, at a consolidated level, IIFL Finance had a liquidity cushion of Rs 6,785 crore. Against this, it has total debt obligations (principal and interest) of Rs 4,409 crore till May 2022.

Outlook: Stable

The Stable outlook reflects a similar outlook on the parent, IIFL Finance. CRISIL Ratings believes Samasta will continue to receive financial and managerial support from IIFL Finance, thereby maintaining its adequate capitalisation and liquidity.

Rating Sensitivity Factors

Upward factors

- Upward revision in the credit rating of IIFL Finance
- Significant improvement in scale and geographic diversity of operations with top three states accounting for not more than 50% of loan portfolio
- Significant increase in scale and geographic diversity of operations while maintaining return on managed assets (RoMA) above 3% and adjusted gearing at below 3 times

Downward factors

- Downward revision in the credit rating, or change in the support philosophy or ownership by IIFL Finance
- Significant weakness in asset quality, leading to stress in profitability and capitalisation, resulting in a steady state CAR of less than 20%
- Liquidity buffer remaining low as against scheduled debt and loan payments

About the Company

Samasta, an NBFC and MFI, is a majority-owned subsidiary of IIFL Finance. Samasta started operations in March 2008 by taking over Colanac Finance Ltd, an NBFC. It follows the standard Grameen Bank model and lends to groups of five. The centres have 25-30 members. IIFL Finance acquired significant stake in Samasta in fiscal 2017.

Key Financial Indicators

As on/for the period ended 31	Unit	Sep-22	Mar-22	Mar-21	Mar-20	Mar-19
AUM#	Rs crore	7267	6484	4796	3400	2285
Total income	Rs crore	741	1020	702	582	340
Gross NPA*	%	2.9	2.8	2.6	1.5	0.4
Adjusted gearing	Times	6.2	5.5	6.0	5.0	6.7
Profit after tax (PAT)	Rs crore	21.1	51	67	107	53
Return on managed assets	%	0.6**	0.9	1.5	3.4	3.1

*90 dpd

**annualised

#including the BC portfolio

Any other information: Not applicable

Note on complexity levels of the rated instrument:

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit www.crisilratings.com. Users may also call the Customer Service Helpdesk with queries on specific instruments.

Annexure - Details of Instrument(s)

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity levels	Rating assigned with outlook
NA	Commercial paper	NA	NA	7 to 365 Days	500	Simple	CRISIL A1+
INE413U07178	Long-term principal protected market linked debentures	30-Mar-21	NA	30-Apr-24	59	Highly complex	CRISIL PPMLD AA-r/Stable
INE413U07178	Long-term principal protected market linked debentures	31-May-21	NA	30-Apr-24	74.8	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Long-term principal protected market linked debentures^	NA	NA	NA	36.2	Highly complex	CRISIL PPMLD AA-r/Stable
INE413U07202	Long-term principal protected market linked debentures	01-Jun-22	G-SEC LINKED	01-Sep-23	200	Highly complex	CRISIL PPMLD AA-r/Stable
NA	Long-term principal protected market linked debentures^	NA	NA	NA	150	Highly complex	CRISIL PPMLD AA-r/Stable
INE413U08036	Principal protected market linked non-convertible subordinated debentures	20-Jul-18	NA	19-Apr-24	21.85	Highly complex	CRISIL PPMLD AA-r/Stable
INE413U08028	Principal protected market linked non-convertible subordinated debentures	20-Jul-18	NA	18-Apr-24	11	Highly complex	CRISIL PPMLD AA-r/Stable
INE413U08036	Principal protected market linked non-	20-Jul-18	NA	19-Apr-24	67.15	Highly complex	CRISIL PPMLD AA-r/Stable

	convertible subordinated debentures						
INE413U08044	Non-convertible debentures*	19-Aug-22	NA	19-Jul-28	150	Simple	CRISIL AA-/Stable
INE413U08051	Non-convertible debentures	19-Dec-22	NA	20-Dec-23	50	Simple	CRISIL AA-/Stable
INE413U08069	Non-convertible debentures	19-Dec-22	NA	19-Dec-24	50	Simple	CRISIL AA-/Stable
INE413U07103	Non-convertible debentures	05-Jun-20	NA	05-Jun-23	60	Simple	CRISIL AA-/Stable
INE413U07111	Non-convertible debentures	26-Jun-20	NA	21-Apr-23	115	Simple	CRISIL AA-/Stable
INE413U07129	Non-convertible debentures	10-Jul-20	NA	10-Jul-23	25	Simple	CRISIL AA-/Stable
INE413U07160	Non-convertible debentures	18-Mar-21	NA	18-Mar-23	100	Simple	CRISIL AA-/Stable
NA	Non-convertible debentures*^	NA	NA	NA	300	Simple	CRISIL AA-/Stable
	Term Loan	30-Mar-22	10.00%	1-Apr-24	18.42	NA	CRISIL AA-/Stable
NA	Term Loan	30-Sep-22	10.00%	1-Oct-24	18.07	NA	CRISIL AA-/Stable
NA	Term Loan	11-Mar-21	10.20%	9-Mar-23	2.22	NA	CRISIL AA-/Stable
NA	Term Loan	11-Mar-21	10.20%	9-Mar-23	6.72	NA	CRISIL AA-/Stable
NA	Term Loan	9-Dec-21	9.70%	9-Nov-23	88.31	NA	CRISIL AA-/Stable
NA	Term Loan	24-Sep-21	8.35%	30-Sep-24	30.56	NA	CRISIL AA-/Stable
NA	Term Loan	28-Sep-21	9.30%	1-Sep-24	95.33	NA	CRISIL AA-/Stable
NA	Term Loan	26-Mar-21	11.00%	25-Mar-23	28.57	NA	CRISIL AA-/Stable
NA	Term Loan	22-Dec-21	9.50%	22-Dec-23	71.43	NA	CRISIL AA-/Stable
NA	Term Loan	18-Feb-22	9.50%	18-Feb-24	85.71	NA	CRISIL AA-/Stable
NA	Term Loan	29-Jul-22	9.80%	28-Jul-24	75.00	NA	CRISIL AA-/Stable
NA	Term Loan	28-Oct-21	9.25%	28-Oct-23	15.00	NA	CRISIL AA-/Stable
NA	Term Loan	22-Sep-21	9.35%	22-Sep-24	218.18	NA	CRISIL AA-/Stable
NA	Term Loan	31-Mar-21	11.00%	1-Mar-24	7.13	NA	CRISIL AA-/Stable
NA	Term Loan	29-Jan-21	9.30%	29-Jan-24	22.66	NA	CRISIL AA-/Stable
NA	Term Loan	31-Aug-21	9.50%	1-Sep-23	30.68	NA	CRISIL AA-/Stable
NA	Term Loan	4-Aug-22	9.70%	4-Nov-24	50.00	NA	CRISIL AA-/Stable
NA	Term Loan	28-Sep-21	9.89%	4-Dec-23	10.85	NA	CRISIL AA-/Stable
NA	Term Loan	21-Mar-20	10.10%	21-Feb-23	2.81	NA	CRISIL AA-/Stable
NA	Term Loan	12-Mar-21	10.20%	12-Mar-24	12.12	NA	CRISIL AA-/Stable
NA	Term Loan	29-Sep-21	9.90%	29-Sep-24	23.33	NA	CRISIL AA-/Stable

NA	Term Loan	30-Dec-21	9.15%	29-Dec-23	10.83	NA	CRISIL AA-/Stable
NA	Term Loan	12-Sep-22	9.55%	12-Sep-24	22.92	NA	CRISIL AA-/Stable
NA	Term Loan	25-Feb-22	9.00%	25-Feb-24	46.87	NA	CRISIL AA-/Stable
NA	Term Loan	25-Nov-22	9.90%	24-Nov-24	50.00	NA	CRISIL AA-/Stable
NA	Term Loan	30-Nov-22	10.10%	30-Nov-24	40.00	NA	CRISIL AA-/Stable
NA	Term Loan	19-Mar-21	9.90%	19-Mar-23	11.43	NA	CRISIL AA-/Stable
NA	Term Loan	23-Mar-22	9.15%	23-Mar-24	40.00	NA	CRISIL AA-/Stable
NA	Term Loan	15-Mar-22	9.15%	15-Mar-24	26.67	NA	CRISIL AA-/Stable
NA	Term Loan	18-Mar-21	10.25%	18-Mar-23	16.67	NA	CRISIL AA-/Stable
NA	Term Loan	31-Dec-21	9.50%	31-Dec-23	54.17	NA	CRISIL AA-/Stable
NA	Term Loan	30-Jun-22	9.65%	30-Jun-24	144.76	NA	CRISIL AA-/Stable
NA	Term Loan	27-Oct-22	10.10%	27-Oct-24	50.00	NA	CRISIL AA-/Stable
NA	Term Loan	26-Oct-21	9.70%	10-Apr-23	9.71	NA	CRISIL AA-/Stable
NA	Term Loan	31-Jul-21	9.70%	10-Jan-23	19.53	NA	CRISIL AA-/Stable
NA	Term Loan	31-Aug-21	9.70%	10-Feb-23	1.41	NA	CRISIL AA-/Stable
NA	Term Loan	30-Nov-21	9.70%	10-May-23	7.06	NA	CRISIL AA-/Stable
NA	Term Loan	29-Dec-21	9.70%	10-Jun-23	9.06	NA	CRISIL AA-/Stable
NA	Term Loan	23-Feb-22	9.70%	10-Aug-23	23.29	NA	CRISIL AA-/Stable
NA	Term Loan	31-Mar-22	9.70%	10-Mar-24	50.18	NA	CRISIL AA-/Stable
NA	Term Loan	31-May-22	9.80%	10-May-24	32.73	NA	CRISIL AA-/Stable
NA	Term Loan	28-Jun-22	10.00%	9-Jun-24	21.59	NA	CRISIL AA-/Stable
NA	Term Loan	30-Jul-22	10.20%	10-Jul-24	21.82	NA	CRISIL AA-/Stable
NA	Term Loan	25-Aug-22	10.20%	9-Aug-24	23.86	NA	CRISIL AA-/Stable
NA	Term Loan	26-Sep-22	10.45%	10-Sep-24	27.00	NA	CRISIL AA-/Stable
NA	Term Loan	27-Oct-22	10.55%	10-Oct-24	26.00	NA	CRISIL AA-/Stable
NA	Term Loan	28-Nov-22	10.75%	10-Nov-24	14.00	NA	CRISIL AA-/Stable
NA	Term Loan	30-Oct-21	8.80%	29-Oct-23	58.33	NA	CRISIL AA-/Stable
NA	Term Loan	24-Mar-22	9.00%	30-Jun-24	59.38	NA	CRISIL AA-/Stable
NA	Term Loan	18-Dec-19	9.85%	17-Mar-23	8.30	NA	CRISIL AA-/Stable
NA	Term Loan	19-Mar-20	9.88%	18-Jun-23	12.45	NA	CRISIL AA-/Stable
NA	Term Loan	4-Jun-20	10.05%	3-Sep-23	16.65	NA	CRISIL AA-/Stable
NA	Term Loan	17-Mar-22	10.30%	30-Mar-25	90.91	NA	CRISIL AA-/Stable
NA	Term Loan	30-Mar-22	10.30%	30-Mar-25	90.90	NA	CRISIL AA-/Stable
NA	Term Loan	30-Mar-22	9.20%	31-Jul-25	50.00	NA	CRISIL AA-/Stable
NA	Term Loan	30-Apr-22	9.20%	31-Jul-25	25.00	NA	CRISIL AA-/Stable

NA	Term Loan	31-Jul-21	10.00%	3-Aug-24	30.85	NA	CRISIL AA-/Stable
NA	Term Loan	28-Sep-22	9.50%	3-Sep-24	38.33	NA	CRISIL AA-/Stable
NA	Term Loan	26-Sep-22	10.40%	25-Mar-24	237.15	NA	CRISIL AA-/Stable
NA	Term Loan	29-Sep-21	9.75%	28-Dec-23	37.49	NA	CRISIL AA-/Stable
NA	Term Loan	29-Dec-21	9.45%	29-Dec-23	27.08	NA	CRISIL AA-/Stable
NA	Term Loan	29-Aug-22	9.85%	29-Aug-25	35.00	NA	CRISIL AA-/Stable
NA	Term Loan	26-Mar-21	11.00%	26-Mar-24	25.00	NA	CRISIL AA-/Stable
NA	Term Loan	1-Jul-21	11.00%	1-Jul-23	5.83	NA	CRISIL AA-/Stable
NA	Term Loan	31-Dec-21	11.00%	25-Dec-23	8.13	NA	CRISIL AA-/Stable
NA	Term Loan	31-Oct-19	11.50%	31-Jan-25	60.00	NA	CRISIL AA-/Stable
NA	Term Loan	18-Feb-21	8.70%	31-Mar-26	87.00	NA	CRISIL AA-/Stable
NA	Term Loan	11-Aug-21	7.05%	31-Jan-23	30.00	NA	CRISIL AA-/Stable
NA	Term Loan	17-Dec-21	7.10%	30-Jun-23	18.00	NA	CRISIL AA-/Stable
NA	Term Loan	29-Mar-22	9.80%	31-Dec-26	168.00	NA	CRISIL AA-/Stable
NA	Term Loan	1-Mar-21	10.40%	1-Mar-24	9.97	NA	CRISIL AA-/Stable
NA	Term Loan	25-Feb-22	9.90%	1-Feb-25	18.75	NA	CRISIL AA-/Stable
NA	Term Loan	9-Feb-21	10.65%	29-Feb-24	6.84	NA	CRISIL AA-/Stable
NA	Term Loan	21-Mar-22	10.50%	25-Mar-24	34.45	NA	CRISIL AA-/Stable
NA	Term Loan	25-Mar-22	10.50%	25-Mar-24	34.52	NA	CRISIL AA-/Stable
NA	Term Loan	8-Mar-22	8.95%	31-Mar-25	22.73	NA	CRISIL AA-/Stable
NA	Term Loan	30-Mar-21	10.00%	30-Mar-23	11.67	NA	CRISIL AA-/Stable
NA	Term Loan	24-Jun-21	9.80%	24-Jun-23	13.33	NA	CRISIL AA-/Stable
NA	Term Loan	16-Nov-22	9.80%	16-Nov-24	75.00	NA	CRISIL AA-/Stable
NA	Term Loan	16-Nov-22	9.80%	16-Nov-24	75.00	NA	CRISIL AA-/Stable
NA	Term Loan	29-Apr-21	10.00%	28-Jul-23	11.25	NA	CRISIL AA-/Stable
NA	Term Loan	30-Dec-21	9.50%	30-Mar-24	15.00	NA	CRISIL AA-/Stable
NA	Term Loan	24-Mar-22	9.50%	24-Apr-24	26.25	NA	CRISIL AA-/Stable
NA	Term Loan	30-May-22	9.75%	28-Aug-24	10.94	NA	CRISIL AA-/Stable
NA	Term Loan	29-Aug-22	9.95%	29-Nov-24	22.00	NA	CRISIL AA-/Stable
NA	Term Loan	31-Mar-21	10.50%	10-Mar-24	40.00	NA	CRISIL AA-/Stable
NA	Term Loan	12-Nov-21	9.50%	10-Oct-24	115.00	NA	CRISIL AA-/Stable
NA	Term Loan	30-Sep-22	10.00%	10-Aug-25	400.00	NA	CRISIL AA-/Stable
NA	Term Loan	23-Mar-20	10.55%	23-Apr-23	0.66	NA	CRISIL AA-/Stable
NA	Term Loan	23-Mar-20	10.55%	23-Apr-23	0.38	NA	CRISIL AA-/Stable
NA	Term Loan	21-Mar-22	9.50%	21-Mar-24	66.58	NA	CRISIL AA-/Stable

NA	Term Loan	29-Dec-21	9.50%	29-Dec-22	5.88	NA	CRISIL AA-/Stable
NA	Term Loan	25-May-22	8.50%	24-Nov-23	33.33	NA	CRISIL AA-/Stable
NA	Term Loan	31-May-22	8.50%	30-Nov-23	48.33	NA	CRISIL AA-/Stable
NA	Term Loan	10-Nov-22	10.00%	8-Nov-24	114.52	NA	CRISIL AA-/Stable
NA	Term Loan	13-Mar-20	9.10%	20-Feb-23	4.00	NA	CRISIL AA-/Stable
NA	Term Loan	28-Oct-20	9.00%	28-Oct-23	110.00	NA	CRISIL AA-/Stable
NA	Term Loan	11-Feb-22	9.60%	31-Jan-25	243.75	NA	CRISIL AA-/Stable
NA	Term Loan	26-Oct-21	10.65%	5-Nov-23	10.59	NA	CRISIL AA-/Stable
NA	Term Loan	7-Feb-22	9.45%	31-Mar-25	41.55	NA	CRISIL AA-/Stable
NA	Term Loan	30-Sep-19	9.20%	31-Dec-22	0.69	NA	CRISIL AA-/Stable
NA	Term Loan	26-Feb-21	9.10%	26-Feb-24	9.09	NA	CRISIL AA-/Stable
NA	Term Loan	24-Mar-22	9.15%	31-Mar-25	40.91	NA	CRISIL AA-/Stable
NA	Term Loan	29-Oct-21	10.41%	25-Oct-23	13.75	NA	CRISIL AA-/Stable
NA	Term Loan	30-Sep-22	10.00%	25-Sep-24	21.08	NA	CRISIL AA-/Stable
NA	Term Loan	24-Dec-21	8.50%	30-Nov-23	19.83	NA	CRISIL AA-/Stable
NA	Term Loan	28-Jun-22	9.00%	28-Jun-24	27.39	NA	CRISIL AA-/Stable
NA	Term Loan	1-Feb-21	10.40%	1-Feb-23	7.50	NA	CRISIL AA-/Stable
NA	Term Loan	27-Jul-22	9.75%	27-Jul-24	42.36	NA	CRISIL AA-/Stable
NA	Term Loan	17-Aug-22	9.95%	17-Aug-24	44.42	NA	CRISIL AA-/Stable
NA	Term Loan	30-Aug-22	9.75%	30-Aug-25	25.00	NA	CRISIL AA-/Stable
NA	Proposed Long Term Bank Loan Facility	NA	NA	NA	2391.27	NA	CRISIL AA-/Stable

*Interchangeable between secured and subordinated debt
 ^Yet to be issued

Annexure - Details of Rating Withdrawn

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs.Crore)	Complexity levels
INE413U07152	Long-term principal protected market linked debentures	2-Mar-21	NA	2-Jan-23	15	Highly complex
INE413U07194	Long-term principal protected market linked debentures	26-Oct-21	NA	26-Dec-22	50	Highly complex

Annexure - Rating History for last 3 Years

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	7200.0	CRISIL AA-/Stable		--	26-09-22	CRISIL AA-/Stable	29-12-21	CRISIL AA-/Stable	24-12-20	CRISIL A+/Negative	CRISIL A+/Stable
			--		--	20-09-22	CRISIL AA-/Stable	23-09-21	CRISIL AA-/Stable	10-08-20	CRISIL A+/Negative	--
			--		--	12-08-22	CRISIL AA-/Stable	14-09-21	CRISIL AA-/Stable	26-06-20	CRISIL A+/Negative	--
			--		--	09-06-22	CRISIL AA-/Stable	03-06-21	CRISIL A+/Stable	04-05-20	CRISIL A+/Stable	--
			--		--		--	31-03-21	CRISIL A+/Stable	24-04-20	CRISIL A+/Stable	--
			--		--		--					--

			--		--		--	26-02-21	CRISIL A+/Negative		--	--
Commercial Paper	ST	500.0	CRISIL A1+		--	26-09-22	CRISIL A1+	29-12-21	CRISIL A1+	24-12-20	CRISIL A1+	CRISIL A1+
			--		--	20-09-22	CRISIL A1+	23-09-21	CRISIL A1+	10-08-20	CRISIL A1+	--
			--		--	12-08-22	CRISIL A1+	14-09-21	CRISIL A1+	26-06-20	CRISIL A1+	--
			--		--	09-06-22	CRISIL A1+	03-06-21	CRISIL A1+	04-05-20	CRISIL A1+	--
			--		--		--	31-03-21	CRISIL A1+	24-04-20	CRISIL A1+	--
			--		--		--	26-02-21	CRISIL A1+		--	--
Non Convertible Debentures	LT	950.0	CRISIL AA-/Stable		--	26-09-22	CRISIL AA-/Stable	29-12-21	CRISIL AA-/Stable	24-12-20	CRISIL A+/Negative	CRISIL A+/Stable
			--		--	20-09-22	CRISIL AA-/Stable	23-09-21	CRISIL AA-/Stable	10-08-20	CRISIL A+/Negative	--
			--		--	12-08-22	CRISIL AA-/Stable	14-09-21	CRISIL AA-/Stable	26-06-20	CRISIL A+/Negative	--
			--		--	09-06-22	CRISIL AA-/Stable	03-06-21	CRISIL A+/Stable	04-05-20	CRISIL A+/Stable	--
			--		--		--	31-03-21	CRISIL A+/Stable	24-04-20	CRISIL A+/Stable	--
			--		--		--	26-02-21	CRISIL A+/Negative		--	--
Long Term Principal Protected Market Linked Debentures	LT	900.0	CRISIL PPMLD AA- r /Stable		--	26-09-22	CRISIL PPMLD AA- r /Stable	29-12-21	CRISIL PPMLD AA- r /Stable	24-12-20	CRISIL PPMLD A+ r /Negative	CRISIL PPMLD A+ r /Stable
			--		--	20-09-22	CRISIL PPMLD AA- r /Stable	23-09-21	CRISIL PPMLD AA- r /Stable	10-08-20	CRISIL PPMLD A+ r /Negative	--
			--		--	12-08-22	CRISIL PPMLD AA- r /Stable	14-09-21	CRISIL PPMLD AA- r /Stable	26-06-20	CRISIL PPMLD A+ r /Negative	--
			--		--	09-06-22	CRISIL PPMLD AA- r /Stable	03-06-21	CRISIL PPMLD A+ r /Stable	04-05-20	CRISIL PPMLD A+ r /Stable	--
			--		--		--	31-03-21	CRISIL PPMLD A+ r /Stable	24-04-20	CRISIL PPMLD A+ r /Stable	--
			--		--		--	26-02-21	CRISIL PPMLD A+ r /Negative		--	--
Principal Protected Market Linked Non-Convertible Subordinated Debentures	LT	100.0	CRISIL PPMLD AA- r /Stable		--	26-09-22	CRISIL PPMLD AA- r /Stable	29-12-21	CRISIL PPMLD AA- r /Stable	24-12-20	CRISIL PPMLD A+ r /Negative	CRISIL PPMLD A+ r /Stable
			--		--	20-09-22	CRISIL PPMLD AA- r /Stable	23-09-21	CRISIL PPMLD AA- r /Stable	10-08-20	CRISIL PPMLD A+ r /Negative	--
			--		--	12-08-22	CRISIL PPMLD AA- r /Stable	14-09-21	CRISIL PPMLD AA- r /Stable	26-06-20	CRISIL PPMLD A+ r /Negative	--
			--		--	09-06-22	CRISIL PPMLD AA- r /Stable	03-06-21	CRISIL PPMLD A+ r /Stable	04-05-20	CRISIL PPMLD A+ r /Stable	--
			--		--		--	31-03-21	CRISIL PPMLD A+ r /Stable	24-04-20	CRISIL PPMLD A+ r /Stable	--
			--		--		--	26-02-21	CRISIL PPMLD A+ r /Negative		--	--

All amounts are in Rs.Cr.

Annexure - Details of Bank Lenders & Facilities

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Proposed Long Term Bank Loan Facility	2391.27	Not Applicable	CRISIL AA-/Stable

Term Loan	287.24	ICICI Bank Limited	CRISIL AA-/Stable
Term Loan	40	Hinduja Leyland Finance Limited	CRISIL AA-/Stable
Term Loan	237.15	JM Financial Products Limited	CRISIL AA-/Stable
Term Loan	175	RBL Bank Limited	CRISIL AA-/Stable
Term Loan	218.18	Canara Bank	CRISIL AA-/Stable
Term Loan	10.59	Suryoday Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	363	National Bank For Agriculture and Rural Development	CRISIL AA-/Stable
Term Loan	28.72	Nabkisan Finance Limited	CRISIL AA-/Stable
Term Loan	6.84	Nabsamruddhi Finance Limited	CRISIL AA-/Stable
Term Loan	86.78	Mahindra and Mahindra Financial Services Limited	CRISIL AA-/Stable
Term Loan	7.5	YES Bank Limited	CRISIL AA-/Stable
Term Loan	555	Small Industries Development Bank of India	CRISIL AA-/Stable
Term Loan	15	Bajaj Finance Limited	CRISIL AA-/Stable
Term Loan	22.66	CSB Bank Limited	CRISIL AA-/Stable
Term Loan	260.71	Bandhan Bank Limited	CRISIL AA-/Stable
Term Loan	95.33	Bank of Maharashtra	CRISIL AA-/Stable
Term Loan	38.26	Dhanlaxmi Bank Limited	CRISIL AA-/Stable
Term Loan	78.1	The Hongkong and Shanghai Banking Corporation Limited	CRISIL AA-/Stable
Term Loan	219.21	Indian Bank	CRISIL AA-/Stable
Term Loan	50.69	Union Bank of India	CRISIL AA-/Stable
Term Loan	47.22	Woori Bank	CRISIL AA-/Stable
Term Loan	80.68	DBS Bank India Limited	CRISIL AA-/Stable
Term Loan	117.71	IDBI Bank Limited	CRISIL AA-/Stable
Term Loan	37.49	The Karnataka Bank Limited	CRISIL AA-/Stable
Term Loan	69.18	Jana Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	25	Maanaveeya Development & Finance Private Limited	CRISIL AA-/Stable
Term Loan	34.83	Utkarsh Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	10.85	DCB Bank Limited	CRISIL AA-/Stable
Term Loan	30.56	Bank of Baroda	CRISIL AA-/Stable
Term Loan	36.49	Aditya Birla Finance Limited	CRISIL AA-/Stable
Term Loan	67.62	The South Indian Bank Limited	CRISIL AA-/Stable
Term Loan	25	The Karur Vysya Bank Limited	CRISIL AA-/Stable
Term Loan	68.97	Northern Arc Capital Limited	CRISIL AA-/Stable
Term Loan	41.55	UCO Bank	CRISIL AA-/Stable
Term Loan	357.75	State Bank of India	CRISIL AA-/Stable
Term Loan	13.96	MAS Financial Services Limited	CRISIL AA-/Stable

Term Loan	33.75	The Federal Bank Limited	CRISIL AA-/Stable
Term Loan	85.44	State Bank of Mauritius	CRISIL AA-/Stable
Term Loan	96.87	HDFC Bank Limited	CRISIL AA-/Stable
Term Loan	75	Indian Overseas Bank	CRISIL AA-/Stable
Term Loan	202.06	Standard Chartered Bank Limited	CRISIL AA-/Stable
Term Loan	62.08	Kotak Mahindra Bank Limited	CRISIL AA-/Stable
Term Loan	97.25	Axis Bank Limited	CRISIL AA-/Stable
Term Loan	22.73	Punjab and Sind Bank	CRISIL AA-/Stable
Term Loan	7.13	Capital Small Finance Bank Limited	CRISIL AA-/Stable
Term Loan	265.6	IDFC FIRST Bank Limited	CRISIL AA-/Stable

This Annexure has been updated on 09-Jan-2023 in line with the lender-wise facility details as on 06-Sep-2021 received from the rated entity

Criteria Details

Links to related criteria

[Rating Criteria for Finance Companies](#)

[Criteria for Notching up Stand Alone Ratings of Companies based on Parent Support](#)

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Rating Letter - Intimation of Rating Action

Letter Issued on: May 08, 2023
 Letter Expires on: May 04, 2024
 Annual Fee valid till: May 04, 2024

IIFL Samasta Finance Limited
 NO 110/3, Lalbagh Road,
 Krishnappa Layout,
 Bengaluru,
 Urban 560027

Scan this QR Code to verify
 authenticity of this rating



Kind Attn.: Mr. Anantha Kumar, CFO (Tel. No. 9843978845)

Dear Mr. Anantha,

Sub.: Rating(s) Assigned - Non-Convertible Debentures / Debt Instruments of IIFL Samasta Finance Limited

Please note that the current rating(s) and outlook, instrument details, and latest rating action for the aforementioned instrument are as under:

	Long Term Instruments	Short Term Instruments
Total Rated Quantum (Rs. Cr.)	350.00	Not applicable
Quantum of Enhancement (Rs. Cr.)	Not applicable	Not applicable
Rating	ACUITE AA	Not applicable
Outlook	Stable	Not applicable
Most recent Rating Action	Assigned	Not applicable
Date of most recent Rating Action	May 08, 2023	Not applicable
Rating Watch	Not applicable	Not applicable

Acuité reserves the right to revise the ratings, along with the outlook, at any time, on the basis of new information, or other circumstances which Acuité believes may have an impact on the ratings. Such revisions, if any, would be appropriately disseminated by Acuité as required under prevailing SEBI guidelines and Acuité's policies.

This letter will expire on **May 04, 2024** or on the day when Acuité takes the next rating action, whichever is earlier. It may be noted that the rating is subject to change anytime even before the expiry date of this letter. Hence lenders / investors are advised to visit <https://www.acuite.in/> OR scan the QR code given above to confirm the current outstanding rating.

Acuité will re-issue this rating letter on **May 05, 2024** subject to receipt of surveillance fee as applicable. If the rating is reviewed before **May 04, 2024**, Acuité will issue a new rating letter.

Suman Chowdhury

Suman Chowdhury
 Chief Analytical Officer

Annexures: A. Details of the Rated Instrument
 B. Details of the rating prior to the above rating action

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Annexure A. Details of the rated instrument

Facility	Scale	Amt. (Rs. Cr)	Ratings	Rating Action
Proposed Non-Convertible Debentures	Long Term	350.00	ACUITE AA/Stable	Assigned
Total Facility		350.00		

Annexure B. Details of the rating prior to the above rating action

	Long Term Instruments	Short Term Instruments
Previous Rated Quantum	Not applicable	Not applicable
Rating	Not applicable	Not applicable
Outlook	Not applicable	Not applicable

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Press Release

IIFL Samasta Finance Limited

May 08, 2023

Rating Assigned



Product	Quantum (Rs. Cr)	Long Term Rating	Short Term Rating
Non Convertible Debentures (NCD)	500.00	ACUITE AA Stable Assigned	-
Commercial Paper (CP)	50.00	-	ACUITE A1+ Assigned
Total Outstanding Quantum (Rs. Cr)	550.00	-	-

Rating Rationale

Acuite has assigned its rating of **ACUITE AA (read as ACUITE double A)** on the Rs. 500 Cr. proposed NCD facility of IIFL Samasta Finance Limited (IIFL Samasta). The outlook is 'Stable'.

Acuite has also assigned its rating of **ACUITE A1+ (read as ACUITE A one plus)** on the proposed CP facility of IIFL Samasta Finance Limited.

Rating Rationale

The rating derives strength from IIFL Samasta's strong parentage through IIFL Finance Limited (IIFL Finance), the NBFC-MFI (Samasta) is a 99.51 percent subsidiary of the parent company, and expectations of continued support going forward. By virtue of majority ownership, IIFL Samasta also enjoys significant managerial and financial synergies with IIFL Finance group. The rating further derives strength from IIFL Samasta's strategic importance for the parent company given that the NBFC-MFI arm provides business & revenue diversification. Acuite also takes cognizance that the promoter will maintain majority ownership in IIFL Samasta Finance Limited. The parent company IIFL Finance Limited (Listed) has a total networth of ~Rs. 10,202 Crore and a market cap of over Rs. 17,755 Crore as on March 31, 2023. The rating also takes into consideration the significant growth in IIFL Samasta's assets under management (AUM) over the last year, leading to improved and healthy profitability metrics. The company's loan portfolio outstanding as on March 31, 2023 grew significantly to Rs. 10,552.24 Cr as compared to Rs. 6,483.84 Cr as on March 31, 2022 and has reported PAT of Rs. 128.18 Cr as on March 31, 2023 as against Rs.50.60 Cr as on March 31, 2022. The rating also factors in company's sound asset quality and robust risk management practices. IIFL Samasta reported gross nonperforming assets (GNPA) of 2.12 percent as on March 31, 2023. The rating is however constrained by concentration of loan portfolio in the top 4 states (Bihar, Tamil Nadu, Karnataka and Rajasthan) comprising ~61 percent of the AUM and susceptibility to risks inherent to microfinance segment.

About the company

Samasta started operations in March 2008. The Company aims at helping customers with income generating activities and working capital requirements. IIFL Finance acquired significant stake in Samasta in fiscal year 2017. As on December 31, 2022, Samasta had a presence in 18 states, catering to more than 27.2 lakh customers through a network of 1,100 branches spread across 324 districts.

Acuite Ratings & Research Limited

www.acuite.in

IIFL Samasta Finance Limited (formerly "Samasta Microfinance Limited")

Regd. & Head Office: 110/3, Lalbagh Main Road, Krishnappa Layout, Bengaluru 560027, Karnataka. T: +91 80 4291 3500

Corporate Office: 37A, Sannathi Street, Theradi, Thiruvottriyur, Chennai 600019, Tamil Nadu

About the Group

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking, non-banking financial company. The group offers various retail lending products, including gold loans, home loans, LAP, business loans and microfinance loans which are the core segments and form 93% of the AUM while the rest comprises capital market-based lending (margin funding and loans against shares) and construction and developer finance.

Analytical Approach

Extent of Consolidation

- Full Consolidation

Rationale for Consolidation or Parent / Group / Govt. Support

Acuite has consolidated the business and financial risk profiles of IIFL Finance (Parent Company) and its subsidiaries, including IIFL Home and IIFL Samasta Finance Ltd (IIFL Samasta). This consolidation is in the view of the common promoters, shared brand name and strong financial and operation synergies.

Key Rating Drivers

Strength

Promoter support and synergies arising from association with IIFL Finance Group

IIFL is supported by the managerial, and the financial synergies of the group. IIFL Group made a strategic investment in IIFL Samasta Finance Limited, and the Group shall continue to hold a controlling stake in the business. The credit profile of Samasta derives significant financial flexibility as a part.

Samasta has been receiving periodical support from its promoters over the years. IIFL Group had infused a total capital of ~Rs. 200 Cr during Q4FY23. Furthermore, Samasta is expected to receive funding support from the group to support the expansion of its business operations. It also has representatives on the board from IIFL group.

Acuite believes that the microfinance business is strategically important for IIFL group and it helps diversify the financial product suite of the parent and expand its presence in the financial inclusion space. Also, the microfinance business is scalable, and is expected to grow moderately over the medium term.

Adequate Earnings Profile

At IIFL Finance group level, the revenue streams comprise of IIFL Finance Limited (Parent Company) and its subsidiaries IIFL Home Finance Limited and IIFL Samasta Finance Limited. The parent company along with IIFL Home Finance Limited contributed ~90 percent towards the bottom-line in FY2023.

On a consolidated level, the IIFL group reported a profit of Rs. 1,607.55 Cr as on March 31, 2023 improving from Rs. 1,188.25 Cr as on March 31, 2022. On a standalone basis, Samasta's profitability indicators were healthy marked by Net Interest Margin (NIM) which stood at 12.09 percent as on March 31, 2023. The NBFC-MFI reported a PAT of Rs 128.18 Cr as on March 31, 2023 vis-à-vis Rs 50.60 Cr. as on March 31, 2022. IIFL Samasta's loan portfolio has grown steadily owing to healthy disbursement levels. The company's overall disbursement remained healthy, the disbursement stood at Rs. 10,213.76 Cr as on FY2023. Despite the impact of covid pandemic, the company disbursed Rs 3,694.76 Cr and Rs 5,710.24 Cr during FY2021 & FY2022 respectively.

Acuite believes that the ability of the company to sustain the improved levels of earnings profile would be a key monitorable.

Significant AUM growth while maintaining sound asset quality

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IIFL Samasta's loan portfolio outstanding as on March 31, 2023 grew significantly to Rs.10,552.24 Cr as compared to Rs. 6,483.84 Cr as on March 31, 2022. The Income Generation Loans (SAMRIDDI) constitute ~76 percent of the total POS followed by Top-up loans and Dairy Cattle Loans as on December 31, 2022. The loans have an average tenure ranging upto 24 months. IIFL Samasta has demonstrated sound asset quality, as reflected in the Gross NonPerforming Assets (GNPA) of 2.12 percent and NNPA of 0.81 percent as on March 31, 2023. The company has structured inherent checks for effective risk management that include lending policy, underwriting process and dedicated due diligence team, which helps to maintain asset quality. The company's collection efficiency for current month due averages above 91 percent for last 6 months ended December 31, 2022, resulting to an ontime portfolio of 94.54 percent as on March 31, 2023 improving from 88.31 percent as on March 31, 2022.

Acuite believes that the ability of the company to grow its loan portfolio while maintaining asset quality will be key monitorable.

Weakness

Geographic concentration in operations

IIFL Samasta has its operations spread across 18 states spanning 324 districts through its network of 1,110 branches as on December 31, 2022. The company has added ~303 branches as on December 31, 2022. Despite the expansion geographic concentration of loan portfolio was seen in the top 4 states (Bihar, Tamil Nadu, Karnataka and Rajasthan) comprising ~61 percent of the AUM. IIFL Samasta has been gradually reducing its exposure to geographic concentration with addition of new branches in different districts and venturing in new states.

Acuite believes that containing additional slippages while maintaining the growth in the loan portfolio and reducing geographic concentration will be crucial.

Susceptibility to risks inherent to microfinance segment

IIFL Samasta Finance Limited primarily extends unsecured loans to economically challenged borrowers who have limited ability to absorb income shocks. Since financial assistance to economic challenged borrowers is a sensitive issue, from government standpoint the regulatory dispensation in respect of the policies becomes relevant. Any changes in the regulatory environment impeding the ability of entities like IIFL Samasta to enforce collections, etc will have an impact on its operational performance. Besides the regulatory risks, the inherent nature of the business renders the portfolios vulnerable to event risks such as natural calamities in the area of operations.

ESG Factors Relevant for Rating

IIFL Finance is the listed holding company of the IIFL Finance group and is registered as a systemically important non-deposit-taking, non-banking financial company. Some of the material governance issues for the financial services sector are policies and practices with regard to business ethics, board diversity and independence, compensation structure for board and KMPs, role of the audit committee and shareholders' rights. On the social aspect, some of the critical issues for the sector are the contributions to financial inclusion and community development, responsible financing including environmentally friendly projects and policies around data privacy. The industry, by nature has a low exposure to environmental risks. The entity maintains adequate transparency in its business ethics practices as can be inferred from the entity's disclosures regarding related party transactions, vigil mechanism and whistle blower policy. The board of directors of the company comprise of 8 directors out of which 4 are independent directors. The audit committee is with the objective to monitor and provide an unbiased supervision of the management's financial reporting process. IIFL also maintains transparency in terms of disclosures pertaining to interest rate policy and its adherence to Fair Practice Code as disseminated by Reserve Bank of India's circular. It continues to work on several community development initiatives and has also developed a social performance management system to facilitate financial stability of its staff and clients. In digitalization, the Company promotes technology that encapsulates the entire MFI operations of the company on Application Service Provider model.

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Rating Sensitivity

- Movement in profitability as per the expectations
- Movement in the asset quality and collection efficiency
- Changes in Regulatory environment
- Continued funding support from promoters as well as capital raising ability
- Changes in Capital Structure

Material Covenants

None

Liquidity Position Adequate

IIFL Samasta Finance Limited's liquidity profile is adequate with no cumulative mismatches in individual buckets up in near to medium term based on the ALM statement as on December 31, 2022. Further, the company has cash and cash equivalents of Rs. 227.11 Cr. as on March 31, 2023. Additionally, IIFL Finance will provide timely fund support for servicing of debt if needed.

Outlook : Stable

Acuité believes that IIFL Samasta Finance Limited will maintain a 'Stable' outlook over the near to medium term owing to the established track record of promoters and their demonstrated ability to sustain the business growth. The outlook may be revised to 'Positive' in case of higher than envisaged growth in loan portfolio while maintaining profitability and asset quality metrics. Conversely, the outlook may be revised to 'Negative' in case of any deterioration in asset quality, profitability metrics and capital structure.

Other Factors affecting Rating

None

Key Financials - Standalone / Originator

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Total Assets	Rs. Cr.	8859.06	6331.31
Total Income*	Rs. Cr.	1060.60	612.84
PAT	Rs. Cr.	128.18	50.60
Net Worth	Rs. Cr.	1322.15	999.28
Return on Average Assets (RoAA)	(%)	1.69	0.95
Return on Average Net Worth (RoNW)	(%)	11.04	6.14
Debt/Equity	Times	5.50	5.21
Gross NPA	(%)	2.12	3.07
Net NPA	(%)	0.81	0.82

*Total income equals to Net Interest Income plus other income.

Key Financials - Consolidated

Particulars	Unit	FY23 (Actual)	FY22 (Actual)
Total Assets	Rs. Cr.	52878.65	45624.36
Total Income*	Rs. Cr.	5225.28	3990.07
Net Worth	Rs. Cr.	11691.55	1188.25

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	Cr.		
Net Worth	Rs. Cr.	10202.14	6469.73
Return on Average Assets (RoAA)	(%)	3.26	2.76
Return on Average Networth (RoNW)	(%)	19.28	20.03
Debt/Equity	Times	3.88	5.55
Gross NPA	(%)	1.84	3.15
Net NPA	(%)	1.08	1.83

*Total income equals to Net Interest Income plus other income.

Status of non-cooperation with previous CRA (if applicable):

Not Applicable

Any other information

None

Applicable Criteria

- Application Of Financial Ratios And Adjustments: <https://www.acuite.in/view-rating-criteria-53.htm>
- Consolidation Of Companies: <https://www.acuite.in/view-rating-criteria-60.htm>
- Default Recognition: <https://www.acuite.in/view-rating-criteria-52.htm>
- Non-Banking Financing Entities: <https://www.acuite.in/view-rating-criteria-44.htm>

Note on complexity levels of the rated instrument

In order to inform the investors about complexity of instruments, Acuite has categorized such instruments in three levels: Simple, Complex and Highly Complex. Acuite's categorisation of the instruments across the three categories is based on factors like variability of the returns to the investors, uncertainty in cash flow patterns, number of counterparties and general understanding of the instrument by the market. It has to be understood that complexity is different from credit risk and even an instrument categorized as 'Simple' can carry high levels of risk. For more details, please refer Rating Criteria "Complexity Level Of Financial Instruments" on www.acuite.in.

Rating History:

Not Applicable

Annexure - Details of instruments rated

Lender's Name	ISIN	Facilities	Date Of Issuance	Coupon Rate	Maturity Date	Complexity Level	Quantum (Rs. Cr.)	Rating
Not Applicable	Not Applicable	Proposed Commercial Paper Program	Not Applicable	Not Applicable	Not Applicable	Simple	50.00	ACUITE A1+ Assigned
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	350.00	ACUITE AA Stable Assigned
Not Applicable	Not Applicable	Proposed Non Convertible Debentures	Not Applicable	Not Applicable	Not Applicable	Simple	150.00	ACUITE AA Stable Assigned

Contacts

Analytical	Rating Desk
Aditya Gupta Vice President-Rating Operations Tel: 022-49294041 aditya.gupta@acuite.in Basil Paul Manager-Rating Operations Tel: 022-49294065 basil.paul@acuite.in	Varsha Bist Senior Manager-Rating Operations Tel: 022-49294011 rating.desk@acuite.in

About Acuité Ratings & Research

Acuité is a full-service Credit Rating Agency registered with the Securities & Exchange Board of India (SEBI). The company received RBI Accreditation as an External Credit Assessment Institution (ECAI) for Bank Loan Ratings under BASEL-II norms in the year 2012. Acuité has assigned ratings to various securities, debt instruments and bank facilities of entities spread across the country and across a wide cross section of industries. It has its Registered and Head Office in Kanjurmarg, Mumbai.

Disclaimer: An Acuité rating does not constitute an audit of the rated entity and should not be treated as a recommendation or opinion that is intended to substitute for a financial adviser's or investor's independent assessment of whether to buy, sell or hold any security. Ratings assigned by Acuité are based on the data and information provided by the issuer and obtained from other reliable sources. Although reasonable care has been taken to ensure that the data and information is true, Acuité, in particular, makes no representation or warranty, expressed or implied with respect to the adequacy, accuracy or completeness of the information relied upon. Acuité is not responsible for any errors or omissions and especially states that it has no financial liability whatsoever for any direct, indirect or consequential loss of any kind, arising from the use of its ratings. Ratings assigned by Acuité are subject to a process of surveillance which may lead to a revision in ratings as and when the circumstances so warrant. Please visit our website (www.acuite.in) for the latest information on any instrument rated by Acuité.

ANNEXURE D – BOARD RESOLUTION

CERTIFIED TRUE COPY OF THE EXTRACTS OF RESOLUTION PASSED AT THE FIFTH MEETING OF THE BOARD OF DIRECTORS FOR THE FINANCIAL YEAR 2022-23 OF IIFL SAMASTA FINANCE LIMITED (Erstwhile Samasta Microfinance Limited) HELD ON TUESDAY, JANUARY 24, 2023 COMMENCED AT 10.00 A.M AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 110/3, LALBAGH MAIN ROAD, KRISHNAPPA LAYOUT, BENGALURU-560027

To Consider and Approve Issuance of Non-Convertible Debt Securities on Private Placement Basis for the FY. 2023-24.

“RESOLVED THAT pursuant to the provisions of Section 42 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014 as may be amended from time to time, and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and SEBI (Listing Obligations and Disclosures Requirement), 2015 as may be amended from time to time and other applicable regulations, subject to the approval of members at ensuing general meeting, consent of the Board (hereinafter referred to as ‘the Board’ which term shall be deemed to include Issue and Allotment Committee or hereinafter constitute to exercise its powers including the powers conferred by this Resolution) be and is hereby accorded to issue, offer and allot Secured/ Unsecured/ Listed/ Unlisted/ Rated/ Unrated/ Non –Convertible/ Market Linked/ Subordinated Debt/ Perpetual Debentures/ Fixed Maturity Debentures or any other securities of the Company shall not at any time exceed an amount of Rs.3500 Crores (Rupees Three Thousand Five Hundred Crores only) in the Financial Year 2023-24 on private placement basis in one or more tranches, on such terms and conditions as may be determined by the Board, from time to time, and subject to compliance with the applicable law, rules, directions issued by the government or any other regulatory authority, in this regard.

RESOLVED FURTHER THAT, for the purpose of creating, offering, issuing and allotting the Debentures, subject to the approval of members at an ensuing general meeting, the Board (including Issue and Allotment Committee thereof) be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things, as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to determine the terms and conditions of the issue of the securities, settle all the questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the Members of the Company.

RESOLVED FURTHER THAT authority and approval of the Board of Directors be and is hereby accorded to the Issue & Allotment Committee of the Board of Directors to deal with the matters relating to issue and allotment of various types of Debt Securities and finalization of all the terms and conditions of such Debt Securities to be issued and allotted from time to time within the aggregate limit above, deciding the terms of the issue, deciding the Issue Date, Redemption, Minimum Application Money, Interest on Application Money, Put and Call Options, Security and Allotment date and on listing the Debentures on the Stock Exchanges on private placement basis and other related matters.

RESOLVED FURTHER THAT the Issue and Allotment Committee of the Board of Directors be and is hereby authorized and empowered to consider, transact and decide matters, from time to time, pertaining to the private placement of Debt Securities, including finalization and issuance of any offer document, opening of a separate bank account and allot the Debt Securities in one or more tranches, including, where so considered appropriate, amount payable on application and further amounts as may be called from time to time and the allotment thereof, to sign, verify, execute and file all necessary forms and documents, if any, with any governmental authority including but not limited to the Registrar of Companies, Securities and Exchange Board of India and/or such other authorities as may be required from time to time, Appointing Debenture Trustee and to do all such acts, deeds, matters and things necessary or expedient to give effect to the issue of Debt Securities and ensuring compliance and/or any actions as may be required under applicable law.

RESOLVED FURTHER THAT authority and approval of the Board of Directors be and is hereby accorded to the Issue and Allotment Committee of the Board of Directors to deal with the matters (including but not limited to finalization of the notice for obtaining of the approval from the shareholders of the Company through convening Extra Ordinary General Meeting of the shareholders and take decision in this regard.

RESOLVED FURTHER THAT, Mr. Venkatesh N., Managing Director / Mr. Shivaprakash D., Whole Time Director /Company Secretary /Chief Financial Officer be and are hereby severally authorized to do all such acts, deeds or things which may be necessary in order to give effect to the above resolution.”

//Certified True Copy//

For IIFL Samasta Finance Limited

Sd/-

Manoranjan Biswal
Company Secretary
M. No. A31303

ANNEXURE E – SHAREHOLDERS RESOLUTION

CERTIFIED TRUE COPY OF EXTRACTS OF THE MINUTES OF THE FIRST(1ST) EXTRA ORDINARY GENERAL MEETING OF IIFL SAMASTA FINANCE LIMITED (Erstwhile Samasta Microfinance Limited) FOR THE FINANCIAL YEAR 2022-23, HELD FRIDAY, MAY 20, 2022 AT 04:00 P.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT NO.110/3, LALBAGH MAIN ROAD, KRISHNAPPA LAYOUT, BENGALURU-560027

SPECIAL BUSINESS:

1. INCREASE IN BORROWING LIMITS OF THE COMPANY

"RESOLVED THAT, pursuant to the provisions of section 180(1)(c) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification(s) or amendments(s) thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the company, the consent of the members be and is hereby accorded to increase the borrowing limit of such sum or sums of monies and for availing all kinds and types of loans, advances and credit facilities including issuance of debentures and other debts instruments, (apart from temporary loans from the company's bankers), from time to time, from the existing limit of Rs.10,000 crores (Rupees Ten Thousand Crores Only) to Rs.12,000 crores (Rupees Twelve Thousand Crores Only) outstanding at any point of time on account of principal, for and on behalf of the Company, from its bankers, other banks, NBFCs, financial institutions, companies, firms, bodies corporate, or from any other person, in Indian rupees or any foreign currencies, as may be permitted under applicable laws, whether unsecured or secured.

RESOLVED FURTHER THAT, pursuant to the provisions of Section 180(1) (a) of the Companies Act 2013 and all other applicable provisions if any, or any other law for the time being in force (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force) and in terms of Articles of Association of the Company the consent of the members be and is hereby accorded (which term shall be deemed to include the Resourcing & Business Committee and any such committee which the Board may constitute/ authorize for this purpose) for mortgaging/ charging/hypothecating all or any of the immovable and movable properties and assets of the Company both present and future and the whole or substantially the whole of the undertaking or the undertakings of the Company on such terms and conditions, as may be agreed to between the Board and Lender(s) and debenture holders or holders of other instruments to secure the loans/ borrowings/credit facilities obtained or as maybe obtained or debentures/ bonds and other instruments issued or to be issued by the company to or in favour of the financial institutions, non-banking finance companies, co-operative banks, investments institution and their subsidiaries, banks, mutual funds, trusts and other bodies corporate or trustees for the holders of debentures/ bonds and/ or other instruments, which may exceed the paid-up capital and free reserves provided that the total amount of monies borrowed/ credit facilities availed shall not at any time exceed a sum of Rs.12,000 crores (Rupees Twelve Thousand Crores Only) outstanding at any point of time on account of principal.

RESOLVED FURTHER THAT, any Director or Company Secretary of the company be and are hereby severally authorized to file necessary forms with ROC and other authorities and to do all such acts, deeds and things in this regard to give effect to the above resolution/s.

//Certified True Copy//

For IIFL Samasta Finance Limited

Sd/-

Manoranjan Biswal

Company Secretary

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013:

SPECIAL BUSINESS

AGENDA ITEM 1:

The Board vide its Meeting dated April 22, 2022 had approved for increase in limits of borrowing limits from Rs. 10,000 crores to Rs. 12,000 crore outstanding at any point of time on account of principal. As per the provisions of Section 180 (1) (a) and Section 180 (1) (c) of the Companies Act, 2013 since the Company would be creating charge over its assets and the amount to be borrowed along with amount already borrowed would exceed the paid up capital and free reserves of the Company, approval of members would be required for the same.

Therefore, the Board hereby seeks your approval in passing this item as a Special Resolution.

None of the Directors or Key Managerial Personnel of your Company including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed resolution.

For IIFL Samasta Finance Limited

Sd/-

Manoranjan Biswal

Company Secretary

ANNEXURE F – ISSUANCE AND ALLOTMENT COMMITTEE RESOLUTION

CERTIFIED TRUE COPY OF THE EXTRACTS OF THE RESOLUTION PASSED AT THE MEETING OF MEMBERS OF THE ISSUANCE AND ALLOTMENT COMMITTEE OF IIFL SAMASTA FINANCE LIMITED FOR THE FINANCIAL YEAR 2023-24 HELD ON MONDAY, MAY 08, 2023 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT 110/3, LALBAGH MAIN ROAD, KRISHNAPPA LAYOUT, BENGALURU- 560027, KARNATAKA:

TO CONSIDER AND APPROVE TERMS OF SUBORDINATED UNSECURED REDEEMABLE NON-CONVERTIBLE DEBENTURES:

"RESOLVED THAT pursuant to the approval of Board of Directors at their meeting held on January 24, 2023 and the approval of shareholders at their Extra Ordinary General Meeting on May 20, 2022 for issue of Non- Convertible Debt securities of the Company, and in accordance with the provisions of the Placement Memorandum, Memorandum and Articles of Association of the Company, the Companies Act, 2013 and the Rules framed there under (including modifications, amendments thereto or enactment thereof from time to time), applicable Regulations of the Reserve Bank of India and the Securities and Exchange Board of India, if any, the approval of the Committee be and is hereby accorded to raise funds by offer of, Rated Listed Subordinated Unsecured Redeemable Non-Convertible Debentures ("NCDs" or "Debentures") of Face Value of INR.1,00,000/- (Rupees One Lakh Only) Each, with base issue of INR.150,00,00,000/- (Indian Rupees One Hundred and Fifty Crores only), and with a green shoe option of up to INR.150,00,00,000 (Indian Rupees One Hundred and Fifty Crores Only), to be issued on a Private Placement basis (The "Issue"), on such Terms and Conditions Specified in The Term Sheet Placed Before the Committee.

RESOLVED FURTHER THAT the Company do hereby negotiate and finalize the terms and conditions for appointment of a debenture trustee, a registrar and transfer agent, a credit rating agency, a depository and such other intermediaries as may be required to be appointed, including their successors and their agents.

RESOLVED FURTHER THAT, Mr. Venkatesh N., Managing Director, Mr. Shivaprakash D. Whole Time Director, Mr. Anantha Kumar T, Chief Financial Officer, Mr. Mohan Kumar G, Head Treasury, Mr. Manoranjan Biswal, Company Secretary ("**Authorized Officers**") be and are hereby severally authorized:

- (i) to do all such acts, deeds and things as the Authorized Officers may deem necessary or desirable in connection with the issue, offer and allotment of the Debentures;
- (ii) seeking, if required, any approval, consent or waiver from any/all concerned government and regulatory authorities, and/or any other approvals, consent or waivers that may be required in connection with the issue, offer and allotment of the Debentures;
- (iii) negotiate, approve of and decide the terms and conditions of the issue of Debentures;
- (iv) execute the term sheet;
- (v) seeking the listing of the Debentures on the Stock Exchange, submitting the listing application to the Stock Exchange and taking all actions that may be necessary in connection with obtaining such listing;
- (vi) finalize terms and conditions of the appointment of a debenture trustee, a registrar and transfer agent, a credit rating agency, a depository and such other intermediaries as may be required to be appointed, including their successors and their agents;
- (vii) authorize the maintenance of a register of holders of the Debentures;

- (viii) finalize the date of allocation and deemed date of allotment of the Debentures;
- (ix) negotiate, execute, file and deliver any documents, instruments, deeds, amendments, papers, applications, notices or letters as may be required in connection with the Issue and deal with regulatory authorities in connection with the Issue including but not limited to SEBI, Registrar of Companies, Ministry of Corporate Affairs, NSE and such other authorities as may be required;
- (x) to generally do any other act or deed, to negotiate and execute any documents, applications, agreements, undertakings, deeds, affidavits, declarations and certificates and to give such directions as it deems fit or as may be necessary or desirable with regard to this Issue;
- (xi) to execute all documents, file forms with, make applications with the Stock Exchange, the Registrar of Companies, or any depository or any authority as may be required from time to time;
- (xii) sign and/or despatch all documents and notices to be signed and/or despatched by the Company under or in connection with the Transaction Documents;
- (xiii) to take all steps and do all things and give such directions as may be required, necessary, expedient or desirable for giving effect to the Transaction Documents, the transactions contemplated therein and the resolutions mentioned herein;
- (xiv) including without limitation, approve, negotiate, sign, execute, amend, supplement and / or issue the following:
 - A. Placement memorandum / disclosure document and for the Debenture Issue (the **Placement Memorandum**) and the private placement offer letter;
 - B. tripartite agreement between the Company, the depository and the registrar and transfer agent;
 - C. the memorandum of understanding between the Company and the registrar and transfer agent;
 - D. debenture certificate for the Debentures;
 - E. debenture trust deed, debenture trustee agreement, and any other documents in relation thereto (collectively, the **Transaction Documents**);
 - F. documents for opening of bank accounts and issuing instructions of bank accounts related thereto in connection with the Debentures including without limitation for the purposes of recognizing the rights of the debenture trustee to operate such bank accounts;
 - G. any other documents required for the purposes of the Issue and the transactions contemplated thereby, including but not limited to letters of undertaking, declarations, agreements, reports; and
 - H. Any other document as required by the debenture trustee.
- (xv) do all act necessary for the proposed listing of the Debentures in accordance with the terms set out in the Placement Memorandum and the Transaction Documents; and
- (xvi) do all other acts, deeds and things as may be deemed necessary to give effect to the foregoing and the other terms of this resolution.

RESOLVED FURTHER THAT the Authorized Officers be and are hereby severally authorized to take all necessary steps relating to the creation, perfections and registration of charges and also to sign and submit the necessary forms with the Registrar of Companies and other relevant governmental authorities.

RESOLVED FURTHER THAT, any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to record the name of holder of the Debentures in the register of debenture holders and to undertake such other acts, deeds and acts as may be required to give effect to the issuance, allotment and listing of the Debentures.

RESOLVED FURTHER THAT the Company be and is hereby authorized to open any bank accounts with such bank or banks in India as may be required in connection with the Issue and that any one of Authorized Officers, be and are hereby authorized to sign and execute the application form and other documents required for opening the said account/s, to operate the said account/s, and to give such instructions including closure thereof as may be required and deemed appropriate by them, and that the said bank/s be and is/are hereby authorized to honor all cheques and other negotiable instruments drawn, accepted or endorsed and instructions given by any of the Authorized Officers on behalf of the Company."

a) Declaration of Trust and appointment of Debenture Trustee:

"**RESOLVED THAT** pursuant to the Companies Act, 2013 and the rules made thereunder, the Company do and hereby constitute a trust for the purpose of issue of the Debentures.

RESOLVED FURTHER THAT the approval of the Committee be and is hereby accorded for appointing BEACON TRUSTEESHIP LIMITED, as the debenture trustee in connection with the Issue and as the debenture trustee in connection with any and or undertakings issued or proposed to be issued pursuant to the debenture trust deed or any transactions contemplated therein for the benefit of holders of the Debentures.

RESOLVED FURTHER THAT the Authorised Officers be and are hereby severally authorized to execute the debenture trustee agreement, the debenture trust deed and the other Transaction Documents in relation to the Issue and such other documents, applications, undertakings, deeds, and declarations as may be required and to give such directions as may be deemed fit or as may be necessary or desirable with regard to this Issue."

b) Application for issue of Debentures in Dematerialised form:

i. Admission of Securities with NSDL and/or CDSL:

"**RESOLVED THAT** pursuant to the Debt Listing Regulations, the Company do and hereby seek admission of non-convertible debentures, to be issued by the Company, to the depository system of NSDL and/or CDSL to issue the non-convertible debentures in dematerialised form.

RESOLVED FURTHER THAT the Authorised Officers be and are hereby severally authorized to do acts and deeds as necessary to give effect to the above resolution."

c) Approval of draft Placement Memorandum & Private Placement Offer Letter.

"**RESOLVED THAT** the Authorised Officers be and are hereby severally authorized to approve and finalize, on behalf of the Company, the terms of the Placement Memorandum and the private placement offer letter to be provided to the identified investors that propose to subscribe to the Debentures on a private placement basis, and to sign and execute the aforementioned documents on behalf of the Company.

RESOLVED FURTHER THAT the Authorized Officers be and are hereby severally authorized to pay all stamp duty required to be paid for the Debenture Issue in accordance with the laws of the Republic of India and procure the stamped documents

from the relevant governmental authorities.

RESOLVED FURTHER THAT, the Authorized Officers be and are hereby severally authorized to approve and finalize, sign, execute and deliver documents in relation to the Issue as set out in this resolution and such other agreements, deeds, undertakings, indemnity and documents as may be required by the debenture trustee, or any of them in connection with the Debentures to be issued by the Company.

RESOLVED FURTHER THAT, the Authorized Officers be and are hereby severally authorized to register or lodge for registration upon execution documents, letter(s) of undertakings, declarations, and agreements and other papers or documents as may be required in relation to any of the above with any registering authority or governmental authority competent in that behalf.

RESOLVED FURTHER THAT, the Authorized Officers be and are hereby severally authorized to affix the Seal of the Company, if required, on the documents related to Issue (including the Transaction Documents), and any of the said agreements and documents, and any further documents and agreements as may be required from time to time.

RESOLVED FURTHER THAT any of the Directors of the company be and are hereby authorized to delegate the powers as may be deemed necessary to do such acts and execute such documents as may be required in connection with any of the matters relating to the issue of the Debentures.

RESOLVED FURTHER THAT certified true copy of the aforesaid resolution by any one of the Directors or the Company Secretary of the Company be and are hereby severally authorized to give effect to the above resolution."

// Certified True Copy //

For IIFL SAMASTA FINANCE LIMITED

S/d

Manoranjan Biswal
Company Secretary

ANNEXURE G – FORM PAS 4
Form No. PAS – 4

PART – A

PRIVATE PLACEMENT OFFER CUM APPLICATION LETTER

[Pursuant to Section 42 and Rule 14(3) of the Companies (Prospectus and Allotment of Securities) Rules, 2014]

DISCLOSURE DOCUMENT FOR PRIVATE PLACEMENT OF ISSUE OF UPTO

30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 300,00, 00000 (INDIAN RUPEES THREE HUNDRED CRORES) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE"), ("ISSUE") IN ONE OR MORE TRanches TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) BY IIFL SAMASTA FINANCE LIMITED (THE "ISSUER")

GENERAL INFORMATION:

- A. Name, address, website, if any and other contact details of the Company, indicating both registered office and the Corporate office:

Issuer / Company: IIFL SAMASTA FINANCE LIMITED

Registered Office: 110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027

Corporate Office: 37A, Sannathi Street, Theradi, Thiruvottiyur, Chennai- 600019

Telephone No.: 080-42913500

Website: <https://iiflsamasta.com>

Contact Person: Venkatesh.N

Email: venkatesh@iiflsamasta.com

secretarial@iiflsamasta.com

- B. Date of Incorporation of the Company:

09/08/1995

- C. Business carried on by the Company and its subsidiaries with the details of branches or units, if any;

Please refer to Section III of the Placement Memorandum titled 'Issuer Information'.

- D. Brief particulars of the management of the Company:

Please refer to Section III of the Placement Memorandum titled 'Issuer Information'

- E. Name, addresses, Director Identification Number (DIN) and occupations of the directors:

Please refer to Section III of the Placement Memorandum titled 'Issuer Information'

- F. Management's perception of Risk Factors:

Please refer to Section II of the Placement Memorandum titled 'Risk Factors'

- G. Details of defaults, if any, including the amounts involved, duration of default, and present status, in repayment of:

- (i) Statutory Dues: Nil
- (ii) Debentures and interest thereon: Nil
- (iii) Deposits and interest thereon: Nil
- (iv) Loans from banks or financial institutions and interest thereon: Nil

- H. Name, designation, address and phone number, email ID of the nodal / compliance officer of the Company, if any, for the Issue:

Compliance/ Investor Relations Officer:	Mr. Manoranjan Biswal
Designation/Department:	Company Secretary & Compliance Officer
Address:	110/3, Lalbagh Main Road, Krishnappa Layout, Bangalore- 560027
Tel. Nos.:	080-42913564
Email address(s):	manoranjan@iiflsamasta.com

- I. Any Default in Annual filing of the company under the Companies Act, 2013 or the rules made thereunder: Nil

1.1 PARTICULARS OF THE OFFER:

Financial position of the Company for the last 3 financial years	Please refer to Section IV of the Placement Memorandum titled ' <i>Financial Information of the Issuer</i> '.
Date of passing of Board Resolution	Board resolution dated January 24, 2023
Date of passing of resolution in general meeting, authorizing the offer of securities	Shareholders resolution passed under Section 42 dated May 20, 2022.
Kinds of securities offered (i.e. whether share or debentures) and class of security, the total number of shares or other securities to be issued	30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 300,00,00,000 (INDIAN RUPEES THREE HUNDRED CRORES) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE"), ("ISSUE") IN ONE OR MORE TRANCHES TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) BY IIFL SAMASTA FINANCE LIMITED (THE "ISSUER")
Price at which the security is being offered, including premium if any, along with justification of the price	At par i.e. Rs. 1,00,000/- per Debenture
Name and address of the valuer who performed valuation of the security offered and the basis on which the price has been arrived at along with report of the registered valuer.	Not Applicable
Relevant date with reference to which the price has been arrived at	Not Applicable

The class or classes of persons to whom the allotment is proposed to be Made	<p>The Persons to whom this private placement offer cum application letter is being issued, being "Please refer to Section VI of this PM", are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form ("Eligible Investors").</p> <p>All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.</p>
Intention of promoters, directors or key managerial personnel to subscribe to the offer (applicable in case they intend to subscribe to the offer)	N.A.
The proposed time within which the allotment shall be completed	Allotment to be completed within T+1 days from the date of issuance of Debentures
The names of the proposed allottees and the percentage of post private placement capital that may be held by them	N.A
The change in control, if any, in the company that would occur consequent to the private placement	N.A.
The number of persons to whom allotment on preferential basis/private placement/ rights issue has already been made during the financial year 23-24 , in terms of number of securities as well as price	Nil
The justification for the allotment proposed to	N.A.

be made for consideration other than cash together with valuation report of the registered valuer.	
Amount, which the Company intends to raise by way of proposed offer of securities	UPTO 30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 300,00,00, 000 (INDIAN RUPEES THREE HUNDRED CRORES) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE"), ("ISSUE") IN ONE OR MORE TRANCHES TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) BY IIFL SAMASTA FINANCE LIMITED (THE "ISSUER")
Terms of raising of securities	Refer Term Sheet
Proposed time schedule for which the Issue is valid	Issue Opening Date: As per term sheet Issue Closure Date: As per term sheet
Purpose and objects of the Issue	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for various financing activities including onward lending and for the business operations including the general Business purposes and working capital requirements.
Contribution being made by the Promoters or directors either as part of the offer or separately in furtherance of the object	Nil
Principal terms of assets charged as security, if applicable	As per the Term Sheet / Unsecured
The details of significant and material orders passed by the Regulators, Courts and	Nil

Tribunals impacting the going concern status of the company and its future operations	
The pre-issue and post-issue shareholding pattern of the company	There will be no change in shareholding pattern of the Company pursuant to the issue, as non-convertible debentures are being issued in terms of this private placement offer cum application letter. The details of the shareholding pattern of the Company can be found in Section III of the Placement Memorandum titled 'Issuer Information'.
Details of default in annual filing of the Company, if any, under the Companies Act, 2013 and the rules made thereunder.	Nil
Mode of payment for subscription	Identified investors may use of the below payment modes for subscription: <ul style="list-style-type: none"> • Demand Draft • Cheque • Other Banking Channels.

1.2 DISCLOSURE WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION, ETC:

Any financial or other material interest of the directors, promoters or key managerial personnel in the Issue and the effect of such interest in so far as it is different from the interests of other persons	NIL
Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoters of the Company during the last 3 (three) years immediately preceding the year of the issue and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action shall be disclosed	NIL

Remuneration of directors (during the current year and last 3 (three) financial years)	Name of Director	FY 20	FY 21	FY 22
	Mr. Venkatesh N	83,99,996	1,06,31,244	1,55,66,800
	Mr. Shivaprakash D	45,64,479	62,77,343	73,03,600
	Mr. Badrinarayanan S. (Sitting Fees)	122,221	1,63,063	293,001
	Mr. Vikramana A. (Sitting Fees)	155,554	1,63,063	293,001
	Mr. Ramanathan A. (Sitting Fees)	88,888	1,08,710	270,778
	Ms. Malini B Eden (Sitting Fees)	111,110	1,08,710	185,888
Related party transactions entered during the last 3 (three) financial years immediately preceding the year of issue of this Disclosure Document including with regard to loans made or, guarantees given or securities provided	Please refer to Annexure 1 annexed hereto.			
Summary of reservations or qualifications or adverse remarks of auditors in the last 5 (five) financial years immediately preceding the year of issue of this Disclosure Document and of their impact on the financial statements and financial position of the Company and the corrective steps taken and proposed to be taken by the Company for each of the said reservations or qualifications or adverse remark	NIL			
Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last 3 (three) years immediately preceding the year of issue in the case of the Company and all of its subsidiaries. Also if there were any were any prosecutions filed (whether pending or not), fines imposed, compounding of offences in the last 3 (three) years immediately preceding the year of issue and if so, section-wise details thereof for the Company and all of its subsidiaries	NIL			

Details of acts of material frauds committed against the Company in the last 3 (three) years, if any, and if so, the action taken by the company	Please refer to 'Annexure 2' annexed hereto
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1.3 FINANCIAL POSITION OF THE COMPANY:

The capital structure of the Company in the following manner in a tabular form:

The authorised, issued, subscribed and paid up capital (number of securities, description and aggregate nominal value)	Please refer to Section III of the Placement Memorandum titled ' <i>Issuer Information</i> '.
Size of the Present Issue	30,000 (THIRTY THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 300,00,00,000 (INDIAN RUPEES THREE HUNDRED CRORES) COMPRISING OF BASE ISSUE OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES (THE NCDs") OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) AND GREEN SHOE OPTION OF 15,000 (FIFTEEN THOUSAND) UNSECURED, SUBORDINATED, RATED, LISTED, TAXABLE, REDEEMABLE, NON-CONVERTIBLE DEBENTURES OF FACE VALUE OF INR 1,00,000 (RUPEES ONE LAKH ONLY) AGGREGATING TO INR 150,00,00,000 (INDIAN RUPEES ONE HUNDRED AND FIFTY CRORES) (GREEN SHOE OPTION) ON A PRIVATE PLACEMENT BASIS (THE "ISSUE"), ("ISSUE") IN ONE OR MORE TRanches TO BE LISTED ON NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) BY IIFL SAMASTA FINANCE LIMITED (THE "ISSUER")
Paid-up Capital: a. After the offer: b. After the conversion of Convertible Instruments (if applicable):	Not applicable in case of this Issue.
Share Premium Account: a. Before the offer: b. After the offer:	Not applicable in case of this Issue.
Details of the existing share capital of the Issuer:	

Please refer to Section III of the Placement Memorandum titled ' <i>Issuer Information</i> '.																
Details of allotments made by the Company in past 1 (one) year along with details of allotment made for consideration other than cash	Nil															
Profits of the Company, before and after making provision for tax, for the 3 (three) financial years immediately preceding the date of circulation of this Disclosure Document	<table><tr><th>Particulars</th><th>FY 22</th><th>FY 21</th><th>FY 20</th></tr><tr><td>Profit Before Tax (In million)</td><td>589.44</td><td>821.54</td><td>1,403.30</td></tr><tr><td>Profit After Tax (In million)</td><td>506.04</td><td>666.23</td><td>1,073.04</td></tr></table>				Particulars	FY 22	FY 21	FY 20	Profit Before Tax (In million)	589.44	821.54	1,403.30	Profit After Tax (In million)	506.04	666.23	1,073.04
Particulars	FY 22	FY 21	FY 20													
Profit Before Tax (In million)	589.44	821.54	1,403.30													
Profit After Tax (In million)	506.04	666.23	1,073.04													
A summary of the financial position of the Company as in the 3 (three) audited balance sheets immediately preceding the date of issue of this Disclosure Document	Please refer to Section IV of the Placement Memorandum titled 'Financial Information of the Issuer'															
Audited Cash Flow Statement for the 3 (three) years immediately preceding the date of circulation of this Disclosure Document	Please refer to Section IV of the Placement Memorandum titled 'Financial Information of the Issuer'															

IFS Code _____

(Kindly remit the funds as per EBP guidelines on the Pay-in date) (If applicable)

Acknowledgement Slip

Samasta Microfinance Limited
110/3, Lalgagh Main Road, Krishnappa Layout,
Bangalore- 560027, Karnataka

Application Form

Serial No.

Received from:

An Application for _____ Bonds along with

UTR No. _____ Dated _____

_____ For Rs. _____

Rate of Interest 11.00% p.a, (_____ % p.a.)

IIFL SAMASTA'S SEAL

INSTRUCTIONS

1. Banking Details – Through ICCL

2. Application form must be completed in full in Block letters in English. A blank space must be left between two or more parts of the name
3. Signatures should be made in English or in any of the Indian languages
4. Application forms duly completed in all respects may be lodged with SAMASTA Bengaluru.
5. Receipt of applications will be acknowledged by SAMASTA in the Acknowledgement Slip appearing below the Application Form. No separate receipt will be issued.
6. All applicants should mention their Permanent Account Number or the GIR number allotted under Income-Tax Act, 1961 and the Income-Tax Circle/Ward/District. In case neither PAN/GIR number has been allotted, the fact of non-allotment should be mentioned in the application form in the space provided. Income Tax as applicable will be deducted at source at the time of payment of interest. Those desirous of receiving the interest without deduction of tax are required to submit a certificate in the form 15 AA issued by the assessing officer
7. SAMASTA is entitled, at its sole discretion to accept or reject any application, in part or in full, without assigning any reason thereof. An application which is not complete in all respects is liable to be rejected
8. The applications must be accompanied by certified true copies of (i) Power of Attorney/Board Resolution or authorization empowering the investment and (ii) duly attested specimen signatures of the authorized persons.
9. Application once submitted and acknowledged by SAMASTA cannot be withdrawn.
10. Funds to be realized into our bank account as given in the Banking instructions, before 10.30AM on the Pay-in-date.

Annexure 1

Related party transactions entered during the last 3 (three) financial years

Nature of Relationship	As at March 31, 2022
Holding Company	IIFL Finance Limited
Group company	IIFL Home Finance Limited
Others	IIFL Management Services Limited
	IIFL Investment Adviser And Trustee Services Limited
	IIFL Facilities Services Limited
	IIFL Wealth Management Limited
	IIFL Alternate Asset Advisors Limited
	IIFL Wealth Prime Limited (Erstwhile IIFL Wealth Finance Limited)
Key Management Personnel	Mr. N. Venkatesh Managing Director
	Mr. D. Shivaprakash Whole-time Director
	Mr. Anantha Kumar T Chief Financial Officer
	Mr. Manoranjan Biswal Company Secretary wef 21/07/21
	Mr. Pramod Kulkarni Company Secretary upto 21/07/21
	Mr. Shreyas D Company Secretary upto 14/08/20
Non Executive Director	Mr. Sumit Bali Non-Executive Director upto 23/06/20
	Mr. Monu Ratra Non-Executive Director wef 24/06/20
Independent Directors	Mr. A. Vikraman Independent Director
	Mr. A. Ramanathan Independent Director
	Ms. Malini B Eden, Women Director
	Mr. Badrinarayan Seshadri Independent Director

Nature of Transaction	FY 21-22	FY 20-21	FY 19-20
Service Fee on Business Correspondence-Income			
IIFL Finance Limited	72,133,412	-	104,793,300
Interest Expense			
IIFL Finance Limited	74,506,849	67,697,260	36,240,011
IIFL Home Finance Limited	-	19,561,644	-
IIFL Facilities Services Limited	6,260	-	-
IIFL Wealth Prime Limited (Erstwhile IIFL Wealth Finance Limited)	19,665,418	-	-
Interest Income			
IIFL Finance Limited	-	43,650,000	8,416,351
IIFL Facilities Services Limited	-	2,013,699	-
Dividend Paid			
IIFL Finance Limited	-	118,841,511	116,534,834
IIFL Home Finance Limited	-	40,101,667	-
Arranger Fee Expenses			
IIFL Wealth Management Limited	6,754,853	8,278,290	-
Reimbursement of Expenses			
IIFL Finance Limited	6,571,715	-	-
Loans and Advances Received			
Inter Corporate Deposit Received from IIFL Finance Limited	5,500,000,000	9,480,000,000	610,000,000
Inter Corporate Deposit Repaid to IIFL Finance Limited	5,500,000,000	9,480,000,000	610,000,000
Inter Corporate Deposit Received from IIFL Home Finance Limited	-	1,000,000,000	-
Inter Corporate Deposit Repaid to IIFL Home Finance Limited	-	1,000,000,000	-
Loans and Advances Given			
Inter Corporate Deposit Given to IIFL Finance Limited	-	3,450,000,000	1,650,000,000
Inter Corporate Deposit Repaid by IIFL Finance Limited	-	3,950,000,000	1,150,000,000
Inter Corporate Deposit Given to IIFL Facilities Services Limited	-	1,000,000,000	-
Inter Corporate Deposit Repaid by IIFL Facilities Services Limited	-	1,000,000,000	-
Share Capital and Securities Premium			
Equity Share Capital Received			

IIFL Finance Limited	1,330,573,910	424,261,470	862,060,270
IIFL Home Finance Limited	443,524,630	141,420,490	-
Securities Premium			
IIFL Finance Limited	919,426,065	250,738,529	637,939,706
IIFL Home Finance Limited	306,475,350	83,579,510	-
Others (Assignment Payout)			
IIFL Finance Limited	-	-	3,385,100
Remuneration to Key Managerial Personnel			
Sitting Fees paid	1,042,668	543,546	477,773
Short term Employee benefit	27,831,433	20,035,987	17,381,239
Outstanding Balance as on March 31 ,2022			
Inter Corporate Deposit- Holding Company	-	-	500,000,000
IIFL Wealth Management Limited	-	9,147,510	-
Sundry Receivable - IIFL Finance Limited (after TDS deduction)	25,030,552	-	1,124,384
Market Linked Debentures			
IIFL Wealth Prime Limited (Erstwhile IIFL Wealth Finance Limited)	267,000,000	-	-
<i>ICD / Loan Portfolio outstanding (Payable) / Receivable</i>			
IIFL Wealth Prime Limited (Erstwhile IIFL Wealth Finance Limited)	19,665,418	-	-
IIFL Finance Limited	-	-	265,651

Annexure 2

Details of material fraud committed against the Company in the last 3 years

Financial Year ended	March 31, 2020	March 31, 2021	March 31, 2022
Nature of Frauds	Cash Misappropriation	Cash Misappropriation	Cash Misappropriation
Aggregate the amount involved (in Rs.)	4,34,252	41,96,945	63,97,720
Corrective actions were taken by Samasta	<ul style="list-style-type: none"> • Rolled out online learning modules on Fraud Prevention & Awareness. • Monthly Fraud awareness campaigns are being cascaded for fraud prevention. • Chaired 3 Fraud Control Meets with peer MFIs across the country to adopt industry best practices on fraud prevention. • Devised Customer Declaration Forms for all products to ensure compliance and mitigate the risk of fraudulent activities. • Vigilance & empanelled Retired Police officers jointly conducted training sessions on IPC sections and fraud trends/triggers. 		

TERM SHEET TERMS & CONDITIONS OF NCD (SUBORDINATED NCD-1 FY 2023-24) Of IIFL SAMASTA FINANCE LIMITED		ANNEXURE-I
Security Name	11.00% IIFL Samasta – Subordinated Redeemable Non-Convertible Debentures–1-Maturity-2030	
Issuer	IIFL SAMASTA FINANCE LIMITED (Erstwhile Samasta Microfinance Limited)	
ISIN		
Type of Instrument	Rated Listed Subordinated Unsecure Redeemable Non-Convertible Debentures (“NCDs” or “Debentures”)	
Nature of Instrument (Secured or Unsecured)	Unsecured	
Seniority (Senior or Subordinated)	Subordinated	
Mode of Issue	Private Placement	
Eligible Investors	<p>Only the persons who are specifically addressed through direct communication by or on behalf of the Company are eligible to apply for the Debentures. An application made by any other person will be deemed as an invalid application and rejected.</p> <p>The following categories of investors may apply for the Debentures, subject to fulfilling their respective investment norms/ rules by submitting all the relevant documents along with the application form.</p> <ol style="list-style-type: none"> 1. Scheduled Commercial Banks; 2. Financial Institutions; 3. Insurance Companies; 	

	<p>4. Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);</p> <p>5. Regional Rural Banks;</p> <p>6. Mutual Funds;</p> <p>7. Companies, Bodies Corporate authorised to invest in Debentures;</p> <p>8. Trusts</p> <p>9. Provident funds, Superannuation and Pension Funds, Gratuity funds, etc, subject to their investment guidelines</p> <p>10. Individuals</p> <p>11. Foreign Institutional Investors (FIIs);</p> <p>Note: Each of eligible investor(s) is required to check and comply with extant rules/regulations/guidelines etc. governing or regulating their investments as issued by their respective regulatory authorities and the Company is not in any way, directly or indirectly responsible for any statutory or regulatory breaches by any investor, neither is the Company required to check or confirm the same.</p>
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The Debentures to be issued under this private placement issue are proposed to be listed on wholesale debt Market (WDM) segment of the National Stock Exchange of India Limited (NSE) (https://www.nseindia.com). The company undertakes that it will make the listing application to list the Debentures in the WDM segment of NSE and procure the listing approval from NSE within 3 (three) Business Days from the Issue Closing Date.</p> <p>Upon failure of the Issuer to obtain listing approval and list the Debentures in the WDM segment of NSE, the Issuer will pay penal interest of at least @ 1% p.a. over the coupon rate from the deemed date of allotment till the actual listing of such Debentures.</p> <p>[With effect from 30/11/2022, in case of delay in listing of Debentures beyond the timelines specified in para 6 of Timelines for issuance and listing of securities on private placement basis of the SEBI Circular Ref: SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 the issuer shall pay interest of 1% p.a. over the coupon</p>

	rate from the date of allotment till the listing of such debentures
Rating of the Instrument	CRISIL AA-/Stable By CRISIL Limited and ACUITE AA Stable by Acuité Ratings & Research Limited
Minimum subscription	INR 150,00,00,000 (Rupees One Hundred Fifty Crores only)
Base Issue Size	INR 150,00,00,000 (Rupees One Hundred Fifty Crores only)
Total Issue Size	INR 300,00,00,000 (Rupees Three Hundred Crores only)
Option to retain oversubscription (Amount)i.e. Green Shoe Option	<p>Option to retain over subscription (i.e. Green shoe option) up to INR 150,00,00,000 (Rupees Four Hundred Fifty Crores Only).</p> <p>Total issue size including green shoe option is INR 3,00,00,00,000 (Rupees Three Hundred Crores Only).</p> <p>Issuer can reissue further NCD's under the above options in future within its overall borrowing program.</p>
Objects of the Issue / Purpose for which there is requirement of funds	Onward lending and general corporate purpose and to augment the long-term resources of the company to meet working capital requirement .
Details of the utilization of the Proceeds	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for various financing activities including onward lending and for the business operations including the general Business purposes and working capital requirements.
Coupon Rate	11.00% per annum
Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Annual, fixed
(Cumulative / non-cumulative, in case of dividend	N.A

Coupon Type (Fixed, floating or other structure)	Fixed
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	Not Applicable
Day Count Basis (Actual/Actual)	Actual/Actual
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures
Default Interest Rate	<p><u>Default in Payment:</u></p> <p>Upon occurrence of an Event of Default, the Company shall pay to the Debenture Holders a default interest of 2% p.a. (Two percent per annum) on the outstanding amounts of the Debentures (including Principal Amounts, accrued Coupon and Redemption Premium), on and from the date of occurrence of any Event of Default till the Event of Default is cured to the satisfaction of the Trustee and the Debenture Holders. The Default Interest calculated in terms of this Clause shall be paid at the time of redemption of the Debentures.</p> <p><u>Delay in Listing:</u></p> <p>With effect from 30/11/2022, in case of delay in listing of Debentures beyond the timelines specified in para 6 of Timelines for issuance and listing of securities on private placement basis of the SEBI Circular Ref: SEBI/HO/DDHS/DDHS_Div1/P/CIR/2022/167 the issuer shall pay interest of 1% p.a. over the coupon rate from the date of allotment till the listing of such debentures</p> <p><u>Delay in execution of Trust deed:</u></p> <p>2% per annum over the Coupon Rate will be payable by the Issuer for the period of delay in cases where the bond trust deed is not executed in accordance with the timeline under applicable law.</p>
Tenor	84 months from the deemed date of allotment
Redemption Date	18 th May 2030

Redemption Amount	Rs. 1,00,000/- per debenture (Rupees One Lakhs Only)
Redemption Premium /Discount	Not Applicable
Issue Price	Rs. 1,00,000/- per debenture (Rupees One Lakhs Only)
Discount at which security is issued and the effective yield as a result of such discount.	N.A.
Put Date	Not Applicable
Put Price	Not Applicable
Call Date	Not Applicable
Call Price	Not Applicable
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	None
Face value	INR 1,00,000 per Debenture (One Lakhs Per Debenture)
Minimum Application and in multiples of thereafter	100 Debentures and multiples of 1 Debentures thereafter
Issue Timing	Pay in Date: May 18, 2023 Deemed Date of Allotment: May 18, 2023
Issue Opening Date	May 17, 2023
Issue Closing date	May 17, 2023
Date of earliest closing of the issue, if any.	N.A
Pay-in Date	May 18, 2023
Deemed Date of Allotment	May 18, 2023
Settlement mode of the Instrument	RTGS/NEFT mentioned in the agreement

Depository	NSDL and/or CDSL
Record Date	15 days prior to Interest payment date/redemption date.
All covenants of the issue (including side letters, accelerated payment clause, etc.)	We have no side letter with any debenture holder except as disclosed in the IM and on the stock exchange website where the debt is proposed to be listed.
Security	Unsecured
Transaction Documents	<ul style="list-style-type: none"> • Disclosure Document along with respective term sheets executed in pursuance with the Disclosure Document, • Application Form, • Debenture Trust Deed • Any other document that trustee may require • All documents customary to the nature of this deal
Conditions Precedent to Disbursement	Nil
Condition Subsequent to Disbursement	Nil
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>An event of default shall have occurred upon the happening of any event, as under:</p> <ol style="list-style-type: none"> 4) Non Payment of principal and Interest on the due date. 5) If issuer has taken or suffered any action to be taken for its reorganization, liquidation or dissolution. 6) The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law including any corporate action, legal proceedings or other procedure or step which has been taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution). <p>As shall be provided in Debenture trust deed</p>
Creation of recovery expense fund	Compliance of all provision of SEBI Circular Ref.: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22/10/2020 with regard to "Contribution by Issuers of listed or proposed to be listed debt securities

	<p>towards creation of "Recovery Expense Fund" and submission of documentary evidence for the same.</p> <p>The Issuer has created and maintained the recovery expense fund as per the terms of the Applicable Laws. An event of default shall have occurred upon the happening of any event, as under:</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)	As specified in Debenture Trust Deed.
Provisions related to Cross Default Clause	N.A.
Due Diligence Certificate by the Debenture Trustee	The due diligence certificate issued by the Debenture Trustee to the National Stock Exchange of India Limited in accordance with the SEBI circular dated November 03, 2020 (bearing reference no SEBI/HO/MIRSD/CRADT/CIR/P/2020/218) is annexed hereto.
Role and Responsibilities of Debenture Trustee	<p>In terms of the agreement entered into with the debenture trustee i.e. BEACON TRUSTEESHIP LIMITED, which document is available for inspection.</p> <p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the Trust Reposed in the Trustees by the holder(s) of the Debentures and shall further conduct itself and comply with the provisions of all applicable laws provided that, the provisions of Sec. 20 of the Indian Trusts Act, 1882 shall not be applicable to the Trustees. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of Company Act 2013, SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees), Regulations, 1993, the Bond/Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents with due care, diligence and loyalty.</p> <p>The Trustees shall be vested with the requisite powers for protecting the interest of holder(s) of the Debentures. The Trustees shall ensure disclosure of all material events on an ongoing basis. The Issuer shall, till the redemption of debenture, submit its latest audited/limited review half yearly consolidated</p>

	<p>(wherever available) and standalone financial information such as Statement of Profit & Loss, Balance Sheet and Cash Flow Statement and Audited Qualifications, if any, to the Trustees within the timelines as mentioned in Simplified Listing Agreement issued by SEBI vide Circular No. SEBI/IMD/BOND/1/2009/11/05 dot. May 11, 2009, as amended.</p> <p>Besides, the Issuer shall within 180 days from the end of the Financial Year submit a copy of the latest Annual Report to the Trustees and the Trustees shall be obliged to share the details so submitted with all debenture holder(s) within two working days of their specific request.</p>
Risk factors pertaining to the issue	<p>Following are the certain risks in relation to the Debentures:</p> <p>1. Management's perception of Risk Factors</p> <ul style="list-style-type: none"> • Early Termination for Extraordinary Reasons, Illegality and Force Majeure; • Interest Rate Risk on Bonds/ Government securities; • Changes or discontinuance of the Underlying; • Credit Risk; • Returns on Debentures are subject to Model Risk; • Increasing competition from banks, financial institutions and NBFCs; • Downgrading in Credit Rating; • Security may be insufficient to redeem debentures; and • Repayment is subject to the credit risk of Issuer. <p>2. External Risk Factors</p> <ul style="list-style-type: none"> • The Debentures and the Assets provided as Security cover may be illiquid; • A slowdown in economic growth in India; • Material changes in regulations to which the Company is subject; • Conditions in the Indian Debt market may affect the coupon on the Debentures; • Conditions in the Indian Equity market may

	<p>affect the coupon on the Debentures; and</p> <ul style="list-style-type: none"> • Spread of COVID-19 and the consequent nationwide lockdown to impact the Issuer's operations and financial condition <p>Please refer to the Disclosure Documents for details.</p>
Governing Law and Jurisdiction	<p>The Debenture holders, by purchasing the Debentures, agree that the High Court of Mumbai or Karnataka shall have exclusive jurisdiction with respect to matters relating to the Debentures</p>

Debenture Trustee	BEACON TRUSTEESHIP LIMITED
Additional Compliance as and when applicable	Compliance of all provision of SEBI Circular Ref.: SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated 22/10/2020 with regard to "Contribution by Issuers of listed or proposed to be listed debt securities towards creation of "Recovery Expense Fund" and submission of documentary evidence for the same.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Business Day Convention	Should any of the date(s), including the Interest payment date or record date falls on a Saturday or a Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at the place of issuer's registered/ corporate office, the next working day shall be considered as the effective date. However, for payment of principal amount, previous working day to be considered as effective date.
Debenture Trustee	BEACON TRUSTEESHIP LIMITED
Other Expenses	Any expenses that may be incurred towards executing of this transaction including NCD issuance, security creation, custodial services, payment of stamp duty, fees for legal, accounting, due diligence and others shall be borne by the Issuer.

DISCLOSURE OF CASH FLOWS: As per SEBI Circular No: SEBI/LAD-NCR/GN/2021/39 dated August 09, 2021

Company	IIFL SAMASTA FINANCE LIMITED (the "Issuer")
Tenure	84 months from the deemed date of allotment

Face Value	Rs. 1,00,000 Per Debenture
Issue Price	Rs. 1,00,000 Per Debenture
Date of Allotment	18 th MAY 2023
Redemption	18 th May 2030
Coupon Rate	11.00%
Frequency	Fixed Coupon payable annually
Day count Convention	Actual/Actual

Sr. No.	Due Date	Due Day	Payout date	Payout Day	Day	Convention	Rate	Amount
1	18-May-24	Saturday	20-May-24	Monday	366	366	11.00 %	11,000
2	18-May-25	Sunday	19-May-25	Monday	365	365	11.00 %	11,000
3	18-May-26	Monday	18-May-26	Monday	365	365	11.00 %	11,000
4	18-May-27	Tuesday	18-May-27	Tuesday	365	365	11.00 %	11,000
5	18-May-28	Thursday	18-May-28	Thursday	366	366	11.00 %	11,000
6	18-May-29	Friday	18-May-29	Friday	365	365	11.00 %	11,000
7	18-May-30	Saturday	17-May-30	Friday	365	365	11.00 %	11,000

Sr. No.	Due Date	Due Day	Payout date	Payout Day	Amount
1	18-May-23	Thursday	18-May-23	Thursday	(1,00,000)
2	18-May-30	Saturday	17-May-30	Friday	1,00,000

DISCLOSURE OF CASH FLOWS:

- The Cash Flow displayed above is calculated per debenture (face value of Rs. 1,00,000).
- If the interest payment date falls on a holiday, the payment may be made on the following working day, however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday. No additional interest will be paid for such days which fall on holiday.
- The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
- Interest payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.
- The cash flows are for illustration purposes.

For IIFL SAMASTA FINANCE LIMITED

Authorized Signatory