

SFL Public Issue 6 - FAQs

Q1. What is the Issue Size?

Base issue size of Rs. 50 Crore, with an option to retain oversubscription of Rs. 50 Crore, aggregating to a total of Rs. 100 Crore

Q2. What is the face value of this NCD?

The NCDs will be issued at a face value of Rs. 1,000/- each per NCD

Q3. What is the frequency of interest payment?

Frequency of interest payments for various series is as below:

Options I, III, V, VII- monthly interest payment

Options II, IV, VI, VIII- cumulative interest payment at maturity

Q4. What is the rating of the NCDs?

The SFL NCDs have been rated 'ICRA (BBB) Stable' by ICRA for an amount of up to Rs.100 Crs. by its No. ICRA/Sakthi Finance Limited/18032022/1 dated 18.03.2022. The rating of the NCDs by ICRA indicate that instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations and carry moderate credit risk. The outlook is stable.

Q5. What is the minimum application size for investment?

An investor may apply for a minimum of ₹10,000 (10 NCDs) and in multiples of Rs. 1,000 (1 NCD) thereafter.

Q6. Is there any reservation for individual investor investing in this issue?

No

Q7. Is demat account necessary to invest in these NCDs?

Yes. All Series of NCDs will be allotted in dematerialized form only. Trading in NCDs shall be compulsorily in dematerialized form Only.

Q8. Is ASBA the only method for applying for this issue.

Yes. The applicant should have an account with an SCSB which provides ASBA facility. Cheques, cash, other forms of payment cannot be accepted.

Q9. Who all are eligible to invest in these NCDs?

Category I (Institutional) Persons eligible to apply to the Issue which include:

- Resident public financial institutions as defined in Section 2(72) of the Companies Act 2013, statutory corporations including state industrial development corporations, scheduled commercial banks, co-operative banks and regional rural banks and multilateral and bilateral development financial institutions which are authorised to invest in the NCDs;
- Provident funds of minimum corpus of ₹ 2,500 lakhs, pension funds of minimum corpus of ₹ 2,500 lakhs, superannuation funds and gratuity funds, which are authorised to invest in the NCDs;
- Alternative investment funds, subject to investment conditions applicable to them under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012;
- Resident venture capital funds registered with SEBI;
- Insurance companies registered with the IRDAI;
- National Investment Fund (set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India and published in the Gazette of India);
- Insurance funds set up and managed by the Indian army, navy or the air force of the Union of India or by the Department of Posts, Union of India;
- Mutual funds registered with SEBI; and
- Systemically Important NBFCs registered with the RBI and having net worth of more than ₹ 50,000 lakh as per the latest audited financial statements.

Category II (Non- Institutional) - persons eligible to apply to the Issue which include:

- Companies falling within the meaning of Section 2(20) of the Companies Act 2013; bodies corporate and societies registered under the applicable laws in India and authorised to invest in the NCDs;
- Educational institutions and associations of persons and/or bodies established pursuant to or registered under any central or state statutory enactment, which are authorised to invest in the NCDs;
- Trust including public/private charitable/religious trusts which are authorised to invest in the NCDs;
- Association of Persons;
- Scientific and/or industrial research organisations, which are authorised to invest in the NCDs;
- Partnership firms in the name of the partners; and
- Limited Liability Partnerships formed and registered under the provisions of the Limited Liability Partnership Act, 2008 (No. 6 of 2009);

Category III (High Net worth Individuals)

- Resident Indian individuals applying for an amount aggregating to a value exceeding ₹ 10 lakhs and Hindu Undivided Families applying through the Karta for an amount aggregating to a value exceeding ₹ 10 lakhs. (HNIs)

Category IV (Resident Indian Individuals)

- Resident Indian individuals applying for an amount aggregating to a value not exceeding ₹ 10 lakhs and shall include Retail Individual Investors, who have submitted bid for an amount not more than ₹ 2,00,000 in any of the bidding options in the Issue (including HUFs applying through their Karta and does not include NRIs) through UPI Mechanism and
- Hindu Undivided Families applying through the Karta applying for an amount aggregating to a value not exceeding ₹ 10 lakhs.

Q11. Can the application be made on joint names?

- Applications may be made in single or joint names:
 - If the Application is submitted in joint names, the Application Form should contain name of the first Applicant only whose name should also appear as the first holder of the depository account (in case of Applicants applying for Allotment of the NCDs in dematerialized form) held in joint names;
 - If the depository account is held in joint names, the Application Form should contain the name and PAN of the person whose name appears first in the depository account and signature of only such person would be required in the Application Form.Such Applicant would be deemed to have signed on behalf of joint holders and would be required to give confirmation to this effect in the Application Form. Such Applications should contain the PAN of the HUF and not of the Karta;
- In the case of joint Applications, all payments will be made by the Company in favour of the first Applicant.
- All communications will be addressed to Applicant whose name appears first in the Application Form and at the address mentioned therein.
- Applications should be made by Karta in case the Applicant is an HUF.

Q12. Can an applicant make additional/multiple applications?

Yes

- An Applicant can make one or more Applications for the NCDs for the same or other Options of NCDs, subject to a minimum application size of Rs. 10,000 and in multiples of Rs. 1,000 thereafter as specified in the Prospectus.
- Any Application for an amount below the aforesaid minimum application size will be deemed as an invalid application and shall be rejected.
- If the cumulative value of multiple Applications made by an Applicant falling under Retail Individual Portion aggregates to a value exceeding ₹10 lakh, such Applications shall be grouped in the High Net-worth Individuals ("HNIs")
- However, any Application made by a person in his individual capacity and an Application made by such person in his capacity as a Karta of a Hindu Undivided Family and/or as Applicant (second or third Applicant), shall not be deemed to be a multiple Application.
- For the purposes of allotment of NCDs under the Issue, Applications shall be grouped based on the PAN, i.e. Applications under the same PAN shall be grouped together and treated as one Application. Two or more Applications will be deemed to be multiple Applications if the sole or first Applicant is the same. For the sake of clarity, two or more applications shall be deemed to be a

multiple Application for the aforesaid purpose if the PAN number of the sole or the first Applicant is the same.

Q13. Which stock exchange are the NCDs proposed to be listed on?

The NCDs are proposed to be listed on BSE Limited.

Q14. What is the issue period?

Issue opens on 11th April, 2022 and closes on 4th May, 2022

Q15. What is the application amount and mode of payment to be payable on application?

- The minimum application size for each application for NCDs would be Rs.10,000/-, and in multiples of Rs. 1,000/- thereafter.
- Applicants can apply for any or all Options of NCDs offered hereunder (any/all options) using the same Application Form.
- Application can be made in ASBA mode only.
- Applicants shall specify the ASBA Account number in the Application Form.

Q16. Where/How should the completed application forms be submitted?

All branches shall send the application forms to Mr. S.S. Sivakumar, II Floor, Sakthi Finance Limited, No.62, Dr. Nanjappa Road, Coimbatore – 641018, by courier marked to him.

Q17. Can an applicant withdraw application during the Issue Period ?

Applicants can withdraw their Applications during the Issue Period by submitting a request.

Q18. Can an applicant revise his/her application during the Issue Period?

Applicants may revise/ modify their application details during the Issue Period, as allowed/permitted by the Stock Exchange(s), by submitting a written request. Applicants should ensure that they first withdraw their original Application and submit a fresh Application. In such a case, the date of the new Application will be considered for date priority for Allotment purposes. Revision of Applications is not permitted after the expiry of the time for acceptance of Application Forms on Issue Closing Date.

Q19. What is the basis of allotment? How will allocation happen in case of over subscriptions?

- (i) Applicants belonging to the Category I, in the first instance, will be allocated NCDs up to 5% of Overall Issue Size on first come first serve basis;
- (ii) Applicants belonging to the Category II, in the first instance, will be allocated NCDs up to 15% of Overall Issue Size on first come first serve basis;
- (iii) Applicants belonging to the Category III, in the first instance, will be allocated NCDs up to 40% of Overall Issue Size on first come first serve basis;
- (iv) Applicants belonging to the Category IV, in the first instance, will be allocated NCDs up to 40% of Overall Issue Size on first come first serve basis;

Q20. When will the funds get unblocked?

Unblocking of Funds for withdrawn, rejected or unsuccessful or partially successful Applications: The Registrar shall, pursuant to preparation of Basis of Allotment, instruct the relevant SCSB to unblock the funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful or partially successful Applications within 6 (six) Working Days of the Issue Closing Date.

Q21. When will the investor get the allotment advice?

The Allotment Advice for successful Applicants will be mailed to their addresses as per the Demographic Details received from the Depositories after allotment process is over.

Q22. Can NRIs Apply in this Issue?

No, NRIs cannot apply in this Issue.

Q23. What are the documents/certificates that need to be filed along with the Application Form for retail investors?

No documents. All applicants shall be required to mention their PAN Number in the Application Form.

Q.24. Can I apply through UPI mechanism?

Yes. As per the SEBI Regulations, from 1st January'2021, the debenture holders can have the option of applying through UPI mechanism, up to Rs.2.00 Lakhs. The debenture holder shall mention the upi id in the application form at the space provided. On submission of application and completion of bidding, the debenture holder must accept and approve for blocking funds through UPI request received from SCSB, in his/her UPI App.

Q.25. Can I Apply through online with UPI id?

Yes. The debenture holder shall register first in "BSE Direct" app available in Android Play Store (not available in Apple App Store) or through web site www.bsedirect.com, with providing details along with UPI id. The debenture holder can apply through online and block the funds.