

LAKME INVESTMENT AND FINANCE LIMITED

Regd Office: No. 1, Anna Pillai Street, Chennai – 600 001.

Corporate Office: No.1, Padiyur Road, Pudupatti, Dindigul – 624 005.

CIN: U65993TN1995PLC033288 | Email ID: compliance@lakmefinance.com | Mobile No: 8925975497

ISSUE OF DEBENTURES THROUGH PRIVATE PLACEMENT

Board Approval Date: 20.03.2026

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1. PREAMBLE

Lakme Investment and Finance Limited may raise resources through issuance of Non-Convertible Debentures (NCDs), Subordinated Debt and other permitted debt securities by way of private placement.

This Policy establishes the framework governing such issuances and shall be read in conjunction with:

- a. Reserve Bank of India (Non-Banking Financial Company, as amended from time to time;
- b. Companies Act, 2013;
- c. Companies (Prospectus and Allotment of Securities) Rules, 2014;
- d. SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
- e. Depositories Act, 1996;
- f. Applicable RBI, SEBI, MCA and other regulatory guidelines.

2. OBJECTIVE

The objectives of this Policy are:

- a. To diversify funding sources.
- b. To establish a transparent framework for private placement of debt securities.
- c. To ensure compliance with all applicable regulations.
- d. To align borrowings with Asset Liability Management (ALM) requirements.
- e. To optimize cost of funds while maintaining prudent risk management standards.

3. APPLICABILITY

This Policy applies to:

- a. Secured Non-Convertible Debentures (NCDs);
- b. Unsecured Non-Convertible Debentures;
- c. Subordinated Debt Instruments;
- d. Any other debt instruments permitted under applicable laws.

4. GUIDING PRINCIPLES

The Company shall ensure:

- a. Private placement shall not be used as a substitute for public issuance.
- b. Issuances shall comply with Section 42 of the Companies Act, 2013.
- c. Borrowings shall remain within Board and shareholder approved limits.
- d. ALM mismatches shall be monitored before every issuance.
- e. End-use of funds shall be identified and documented.

5. BOARD OVERSIGHT

The Board shall:

- a. Approve annual borrowing programme.
- b. Approve overall debt raising limits.
- c. Approve this Policy and amendments thereto.
- d. Review debt profile periodically.
- e. Monitor compliance with regulatory requirements.

The Board may delegate operational powers to a Loan Committee, or designated officials.

6. PRIVATE PLACEMENT LIMITS

The Company shall ensure compliance with:

- a. Section 42 of the Companies Act, 2013;
- b. Applicable shareholder approvals;
- c. Borrowing powers under Section 180(1)(c), wherever applicable;
- d. RBI prudential norms.

Private placement shall be made only to identified persons in accordance with applicable law.

No public solicitation, advertisement or marketing shall be undertaken.

7. ELIGIBLE INVESTORS

Debentures may be offered to:

- a. Banks;
- b. Financial Institutions;
- c. Mutual Funds;
- d. Insurance Companies;
- e. Alternative Investment Funds;
- f. Corporate Bodies;
- g. High Net Worth Investors;
- h. Family Offices;
- i. Other eligible investors permitted by law.

KYC and Beneficial Ownership verification shall be completed before allotment.

8. MINIMUM SUBSCRIPTION AND LOT SIZE

Unless otherwise prescribed by law:

- a. Minimum investment per investor shall be ₹1 Crore.
- b. Face value and lot size shall be determined by the Board, Borrowing Committee or authorised officials.
- c. Investment shall be accepted only through banking channels.

The Company may revise the lot size in accordance with regulatory requirements.

9. STRUCTURING OF DEBENTURES

Debentures may be issued as:

- a. Secured;
- b. Unsecured;
- c. Rated or Unrated (where permitted);
- d. Listed or Unlisted;
- e. Fixed Rate;
- f. Floating Rate;
- g. Cumulative;
- h. Non-Cumulative;
- i. Redeemable;
- j. Callable;
- k. Puttable;
- l. Subordinated.
- m. Convertible? Pl check

10. TENURE

Tenure shall be determined based upon:

- a. Asset Liability Management profile;
- b. Funding requirements;
- c. Liquidity position;
- d. Investor demand.

Indicative maturity buckets:

- a. Short Term – up to 12 months;
- b. Medium Term – above 12 months up to 36 months;
- c. Long Term – above 36 months.

The Company may issue debentures for any tenure permitted by applicable law.

11. PRICING POLICY

Coupon rates or yields shall be determined considering:

- a. Cost of funds;
- b. Credit rating;
- c. Market benchmarks;
- d. Liquidity conditions;
- e. Tenure;
- f. Security structure;
- g. Investor appetite;
- h. Regulatory requirements.

The Company may offer different pricing across tranches depending upon market conditions and business needs.

All pricing decisions shall be properly documented.

12. SECURITY COVER (FOR SECURED DEBENTURES)

For secured issuances:

- a. Adequate asset cover shall be maintained.
- b. Security shall be enforceable and identifiable.
- c. Periodic valuation shall be undertaken.
- d. Security cover shall be monitored throughout the tenure.
- e. Charge shall be registered within statutory timelines.

13. DEBENTURE TRUSTEE

Where required by law or investor terms:

- a. SEBI-registered Debenture Trustee shall be appointed.
- b. Trust Deed shall be executed within prescribed timelines.
- c. Trustee reports and compliance certificates shall be submitted periodically.

14. PRIVATE PLACEMENT PROCEDURE

The Company shall ensure:

- a. Identification of investors.
- b. Board approval.
- c. Shareholder approval, where required.
- d. Issue of PAS-4.
- e. Maintenance of PAS-5.
- f. Receipt of subscription money through banking channels.
- g. Allotment within statutory timelines.
- h. Filing of PAS-3 and other statutory returns.
- i. Credit of securities in demat form.

15. UTILISATION OF FUNDS

Funds raised shall be utilised only for:

- a. Lending operations;
- b. Refinancing existing liabilities;
- c. Working capital requirements;
- d. Treasury operations;
- e. General corporate purposes;
- f. Other purposes approved by the Board.

Diversion of funds shall not be permitted.

Management shall monitor end-use of funds.

16. PREMATURE REDEMPTION / CALL OPTION / PUT OPTION

Debentures may contain:

- a. Call Option;
 - b. Put Option;
 - c. Early Redemption Rights;
- subject to terms specified in the term sheet and applicable regulations.

Any exercise of such options shall be properly documented and approved.

17. LIQUIDITY AND ALM ASSESSMENT

Prior to every issuance, Management shall evaluate:

- a. Liquidity position;
- b. ALM gaps;
- c. Refinancing risks;
- d. Maturity concentration;
- e. Impact on leverage.

The Asset Liability Management Committee (ALCO) shall periodically review debt maturities.

18. INVESTOR CONCENTRATION RISK

The Company shall monitor concentration of borrowings from:

- a. Single Investor;
- b. Investor Group;
- c. Related Parties;
- d. Specific categories of investors.

Diversification of funding sources shall be encouraged.

19. DEFAULT MANAGEMENT FRAMEWORK

The Company shall maintain systems for:

- a. Monitoring repayment obligations;
- b. Interest servicing;
- c. Redemption schedules;
- d. Covenant compliance;
- e. Event of default management.

Potential repayment stress shall be reported immediately to Senior Management and Board.

20. DEMATERIALISATION

All debentures shall be issued and held in dematerialised form in accordance with applicable laws.

21. DISCLOSURE AND REPORTING

The Company shall maintain:

- a. Term Sheets;
- b. Investor Records;
- c. PAS Forms;
- d. Trustee Documentation;
- e. Security Documents;
- f. Rating Reports;
- g. Regulatory Filings.

Periodic reports shall be placed before the Board.

22. REGULATORY COMPLIANCE

The Company shall ensure compliance with all RBI, SEBI, MCA and other applicable regulatory requirements relating to debt issuance and private placement.

23. POLICY REVIEW

This Policy shall be reviewed annually or earlier if required by:

- a. Regulatory changes;
- b. Market developments;
- c. Business requirements;
- d. Board directions.

Any amendment shall require Board approval.

24. BOARD APPROVAL

This Policy is approved by the Board of Directors at the meeting held on 20.03.2026