

To,  
**The Debenture Holders,**  
**Hedge Finance Limited (“Issuer”)**

**Subject: No Objection Certificate / Ceding pari passu charge in favour of credit facilities extended to Hedge Finance Limited and Vistra ITCL (India) Limited “Debenture Trustee” for Private Placement of Non-Convertible Debentures.**

This is with reference to the listed, secured, non-convertible debentures (“NCDs”) issued by Hedge Finance Limited (“Issuer”) from time to time under various Debenture Trust Deeds (collectively referred to as “Existing DTD”) wherein we would like to inform the Debenture holder/s (“Existing Debenture Holder/s”) as per the latest BENPOS for the respective NCD issuances as below:

- In relation to the above, we have been informed that the Issuer is proposing to issue Non-Convertible debentures aggregating up to Rs.10,00,00,000 (Rupees Ten Crores Only).
- Under the proposed NCD facility, the Issuer proposes to create pari-passu charge over the same ‘Security’ which has been provided to the Existing Debenture Holders under the Existing DTD.
- In this connection, please be informed that as per the covenants under the Existing DTD executed for the various NCD issuances, the Issuer shall not create any further encumbrances on the Security, except with the prior consent / NOC of the Debenture Trustee. In the event of receipt of such request by the Issuer and upon receipt of a Chartered Accountant certificate suggesting that even after creation of such further charge on the Security the Security Cover required under the Existing DTD shall continue to be maintained, as per the requirements of the applicable SEBI regulations, Debenture Trustee is required to provide 5 working days to the Existing Debenture Holders and seek their approval for creation of further charge.
- Accordingly, please note that the Issuer has obtained and submitted to us a Chartered Accountant Certificate (*as attached herewith for your perusal*), which indicates that there would be no dilution of Security below the Security Cover stipulated under the Existing DTD and that the Issuer has maintained and will continue to maintain the stipulated security cover under Existing DTD to secure the existing outstanding NCDs.
- In light of the above, considering the stipulated Security Cover as stated under the Existing DTD is maintained, there is no specific requirement for Vistra to obtain ‘consent’ from the Existing Debenture Holders under the Existing DTD, prior to providing the NOC to the Issuer for creation of pari-passu charge over the Security. However, irrespective of the same as a prudent trustee and as per the requirement under the applicable law, we would hereby inform you of receipt of the said request from the Issuer for creation of pari-passu security to the extent of Rs.10 crores for the proposed NCD facility. Kindly note that this is for your information and records and we await your objection/observation, if any, within 5 working days.

- In case of any additional information required, please feel free to enquire us. We will assist you with the same and facilitate the response your queries from the Issuer.

**Thanks & Regards**

**Vistra ITCL (India) Limited | Trust Operations**



To,

**Hedge Finance Limited**

This certificate is issued in accordance with the terms of our arrangement with Hedge Finance Limited (CIN-U65923KL2011PLC027672), having registered address Hedge Finance Limited, Hedge House, Mamangalam, Palarivattom P O, Kochi, Ernakulam, Kerala-682025, IN, vide engagement letter dated 15-06-2022 with reference to Appointment of Manikandan & Associates, Chartered Accountants as the Independent Auditors for the issue of certificates in connection with the NCD V<sup>th</sup> series.

#### **Management's Responsibility**

The accompanying statement, including the creation and maintenance of all accounting and other records supporting its contents, is solely the responsibility of the Management of the Hedge Finance Limited. The Company's Management is also responsible for ensuring that the company complies with the requirements of Hedge Finance Limited.

#### **Our Responsibility**

It is our responsibility to certify on the Statement based on our examination of the matters in the Statement with reference to the books of accounts and other records of the Company for the period ended 30/06/2022, which is audited in pursuance to the requirements of the Companies Act, 2013. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

#### **Opinion**

On the basis of documents, records and representations produced before us by the management of the Company, we hereby certify the Security Cover for proposed issuance of NCD Rs. 10 Crores as follows:



Sl.No	Particulars	Pre issue Security Cover as on 30.06.2022 (Amount in Lakhs)	Post issue Security Cover as on 30.06.2022 (Amount in Lakhs)
1	Total Assets available for Secured Debt Securities (A)	16716.09	16716.09
	• Property Plant and Equipments	0.00	0.00
	• Loans and Advance given(net of provisions,NPAs,Sell down Portfolio)	16096.76	16096.76
	• Receivables including interest Accrued on term loans & Debt securities	619.33	619.33
2	Total borrowings through issue of secured debt securities(Pari-Passu Charge) (B)	12679.21	13679.21
	• Listed Secured Debt Securities	2000.00	3000.00*
	• Unlisted Secured Debt Securities	9991.40	9991.40
	Interest Accrued on Secured Debt Securities	687.81	687.81
	Security Coverage Ratio (A/B)	1.32	1.22

\*including the proposed NCDs of Rs.1000 Lakhs

### Restriction on Use

This certificate has been issued at the request of the Company, for submission to trustees only. Our certificate should not be used for any other purpose or by any person other than the addresses of this certificate. Accordingly, we do not accept or assume any liability or duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For MANIKANDAN AND ASSOCIATES  
CHARTERED ACCOUNTANTS

Date : 14-09-2022

Place : Chalakudy

CA. MANIKANDAN C K  
Managing Partner

M.No. 208654

FRN.008520S

UDIN:22208654ASIEJI1216