

**ANNEXURE 1**  
**Term Sheet**

(Issue details)

Security Name	10.05% p.a. KIFS HOUSING FINANCE LIMITED/SERIES C/2020-21
Issuer	KIFS Housing Finance Limited
Type of Instrument	Senior, Rated, Listed, Secured, Redeemable, Non-Convertible Debentures issued at par to the Face Value
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors *	Those persons to whom a copy of this Information Memorandum may be sent, specifically numbered and addressed to such person, with a view to offering the Debentures for sale (being offered on a private placement basis) under this Information Memorandum including but limited to: A. Mutual Funds B. Non-banking financial companies C. Provident Funds and Pension Funds D. Corporates E. Banks F. Foreign Portfolio Investors (FPIs) G. Foreign Institutional Investors (FIIs) H. Qualified Foreign Investors (QFIs) I. Insurance Companies J. Investment holding companies of high net worth individuals K. Any other person (not being an individual or a group of individuals) eligible to invest in the Debentures
Delay in Listing and Details of Utilization.	The Debentures will be listed within 20 days of the Deemed Date of Allotment on BSE.  In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment to the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of minimum of 2% (two Percent) p.a. over the Coupon Rate from the Deemed Date of Allotment until the listing of the Debentures.
Credit Rating	“BWR BBB+/ Stable” by Brickwork Ratings India Pvt. Ltd.
Issue size	100 (ONE HUNDRED) SENIOR, RATED, LISTED, SECURED, REDEEMABLE, NON CONVERTIBLE DEBENTURES OF FACE VALUE INR 10,00,000/- (INDIAN RUPEES TEN LAKH ONLY) EACH AGGREGATING TO INR 10,00,00,000/- (INDIAN RUPEES TEN CRORES ONLY).
Option to retain oversubscription ( Amount )	Not Applicable
Object of the issue	The proceeds of the issue shall be used without contravening any Government/RBI/SEBI/Other regulatory guidelines & the Company should ensure that the amount availed should be used only for various financing activities, repaying existing loans and for the Business Operations.
Details of utilization of the Issue proceed	The proceeds of the issue shall be used without contravening any Government/RBI/SEBI/Other regulatory guidelines & the

	Company should ensure that the amount availed should be used only for various financing activities, repaying existing loans and for the Business Operations.
Contribution by promoters/directors either as part of the offer or separately in furtherance of such objects	Promoters/ Directors are not participating either as part of the offer or separately in furtherance of such objects
Financial/ Material Interest of related parties	Related Parties does not have any Financial interest in the offer
Coupon rate	10.05% per annum
Step Up/Step Down Coupon rate	In case of downgrade in external credit rating of the NCDs from its current rating, the coupon Rate for the balance period would increase at the rate of 0.25% p.a. for each notch downgrade in rating and the same will be with effect from the rating downgrade date.
Coupon Payment Frequency	Annually
Coupon Payment Dates/ Interest Payment Date/	November 10, 2021 May 10, 2022
Coupon Type	Fixed
Coupon Reset Process	Not Applicable
Day Count Basis	Actual / Actual The interest shall be computed on the basis of actual number of days elapsed in a year, for this purpose a year to comprise of a period of 365 days except in case of a leap year where the year will comprise of 366 days (per the SEBI Circular dated November 11, 2016 bearing reference CIR/IMD/DF-1/122/2016).
Interest on Application Money	Interest on application money will be paid to the investors at Coupon Rate on the Debentures from the date of realization of the subscription money up to one day prior to Deemed Date of Allotment. Such interest shall be payable within seven business days from the Deemed Date of Allotment
Default Interest Rate	2% p.a. in addition to the coupon rate payable on the NCD's
Tenor	18 months
Redemption date	May 10, 2022
Principal Repayment	The exposure is proposed to be repaid on Redemption date.
Redemption Amount	At par
Redemption premium/discount	NA
Issue Price	INR. 10,00,00,000/-
Discount at which security is issued and the effective yield as a result of such Discount	Nil
Put/Call option	None
Face Value	Rs. 10,00,000/- per NCD
Minimum Subscription	Not Applicable
Issue Timing	
1. Issue Opening Date	1. November 09, 2020
2. Issue Closing Date	2. November 09, 2020
3. Pay-In Date	3. November 10, 2020
4. Deemed Date of Allotment	4. November 10, 2020
Minimum Bid Lot	1 lot = 10 securities

Minimum Bid Size	Rs. 1 Crores
Manner of Biding in the issue	Closed Biding
Manner of Allotment in the issue	Uniform Yield Allotment
Issuance mode of the Instrument	Only in Demat form
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Pay in shall be done through Clearing Corporation of BSE , i.e. Indian Clearing Corporation Limited “ICCL”
Settlement Cycle	T+1
Depositories	National Securities Depository Limited (‘NSDL’)
Business Day Convention	When an Interest Payment Date is not a Business Day, then such Interest Payment Date shall be automatically changed to the next Business Day and interest will be paid till one day prior to the original interest payment date. When the day on or by which a payment (other than a payment of interest) is due to be made by the Issuer is not a Business Day that payment including the interest shall be made on the preceding Business Day.
Record Date	Record Date means in relation to any date on which a payment has to be made by the Issuer in respect of the Debentures, the date that is 15 (Fifteen) days prior to that payment date.
All covenants of the issue	As per Debenture Trustee Deed and as details set out on Page 41 of Information Memorandum under “ Company Covenant”
[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 Agreement and disclosed in the Offer Document/ Information Memorandum.	<ol style="list-style-type: none"> <li>1.10 times on Receivables in favor of Debenture Trustee</li> <li>Personal Guarantee of Shri. Rajesh Khandwala and Shri. Vimal Khandwala in favor of Debenture Trustee.</li> <li>Type of security: Intangible</li> <li>Type of Charge: Hypothecation</li> <li>Date of Creation of Security: As per Companies Act, 2013 within 30 days from the date of creation of security.</li> <li>Revaluation: The Company shall provide the minimum security cover of 1.10 times, and there shall be replacement of security in case any of the loan asset cover falls under NPA /Default category the same shall be replaced with the other loan asset cover.</li> <li>Replacement of Security: The Company shall provide the minimum security cover of 1.10 times, and there shall be replacement of security in case any of the loan asset cover falls under NPA /Default category the same shall be replaced with the other loan asset cover.</li> </ol>
Transaction Documents	<ol style="list-style-type: none"> <li>1. Debenture Trust Deed</li> <li>2. Debenture Trustee Agreement</li> <li>3. This Information Memorandum</li> <li>4. Security Documents</li> <li>5. Board Resolution authorizing this Issuance</li> <li>6. Debenture Trustee Consent Letter</li> <li>6. In Principal approval from stock exchanges for listing of NCDs.</li> <li>7. Letter appointing Debenture Trustees to the Debenture Holders</li> </ol>

	<p>8. Any other document that may be jointly designated as a transaction document by the Debenture Trustee and the Company.</p> <p>All transaction documents will comply with the requirements prescribed by the RBI (if applicable), SEBI (if applicable) and under the Companies Act, 2013 for the issuance of non-convertible debentures.</p>
Conditions Precedent to Disbursement	As customary to the documents
Condition Subsequent to Disbursement	As per the Debenture Trust Deed
Event of Default (including manner of voting /conditions of joining Inter Creditor Agreement)	<p>In the event of delay in listing of the Debt Securities within 20 days from the deemed date of allotment, the Company will pay minimum of 2% p.a. over the Coupon Rate from the Deemed Date of Allotment until the listing of the Debentures..</p> <p>In the event of delay in the payment of interest amount and/or principle amount on the due date the issuer shall pay additional interest of 2% p.a. in the addition to the Coupon Rate payable on the NCD.</p>
Creation of recovery expense fund	As per SEBI circular SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 and its amendment (if any) and the same shall be informed to Debenture Trustee.
Conditions for breach of covenants	As per Debenture Trustee Deed
Provisions related to Cross Default Clause	NA
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders as detailed in the Transaction Documents
Risk factors pertaining to the issue	<p><b>a. Credit risk</b> This refers to risk of delay or defaults in payments by borrowers. High levels of customer defaults could adversely affect business plans, financials and credit worthiness. This can be mitigated by strong and independent credit, data based credit appraisal, proactive segment level monitoring and collection processes. Dynamic bureau data usage and deep portfolio analytics shall be extensively used by the Company once the company garners enough data over a period of time for driving risk management actions.</p> <p><b>b. Operational risk</b> The company is prone to operational risks due to employee errors, fraud and technology related issues, unauthorized transaction by employee or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. This risk is moderated via independent Risk Management and Operational Guidelines which assesses, highlights forward looking risks and specifies mitigants</p> <p><b>c. Market and Liquidity risk</b> Interest rate risk is inherent to the Company's business as a borrower of funds. Therefore, a rapid change in the risk appetite of lenders can adversely affect its funding plans. An independent</p>

	<p>and focused Asset Liability Committee (ALCO) tracks and monitors market.</p> <p><b>d. Legal and Compliance risk</b> The Company is regulated by various statutory and/or regulatory authorities. Non adherence to any provisions or varying interpretations of existing guidelines may result in regulatory or legal actions with attendant costs. Strong internal processes and continuous monitoring and review of regulations mitigate this risk. An independent legal and compliance team oversees this activity.</p> <p><b>e. Human Capital and Resources</b> The operations of the Company are dependent on the availability on skilled and experienced personnel. Employee attrition hence poses a risk. Strong human resources policies and employee engagement can reduce this risk. An independent Human Resources team plays an enabling role in creating an environment of growth and development for the Company's employees. With a vision to be an 'Employer of Choice', this team builds a culture that fosters Integrity, Meritocracy, Teamwork and a sense of Community. This in turn inspires employees to perform and succeed.</p> <p><b>f. Outbreak of COVID-19 has had, and could further have, a material adverse effect on the Company's Business, Financial condition and result of operations:</b> The Company's Business could also be adversely affected by the effects of coronavirus or other similar virus, pandemic or endemic outbreaks of infectious disease. In December 2019, a novel strain of coronavirus, COVID-19, was reported to have surfaced in Wuhan city, Hubei Province, China and the World Health Organization ("WHO") has declared the outbreak a -pandemic on March 12, 2020. There have been border controls and travel restrictions imposed by various countries as a result of COVID-19 outbreak. Such outbreak of an infectious disease together with any resulting restriction on travel and/or imposition of quarantine measures may result in protracted volatility in national/international markets and/or result in a global recession and may adversely impact the operations, revenues, cash flows and profitability of the Company. There can be no assurance that any precautionary or other measures taken against infectious diseases would be effective.</p>
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing Indian laws. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai, India.
Debenture Trustee	Vistra ITCL (India) Limited
Validity of offer document	Offer is valid till May 10, 2022. Issue related terms valid till maturity.
Debenture Trustee	Vistra ITCL (India) Limited
Listing	Bombay Stock Exchange Limited ("BSE Limited") Electronic Biding Platform ("EBP")