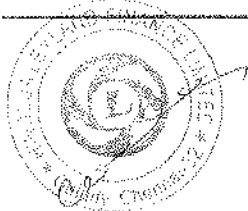


Security Name	Series A	Series B	Series C
	8.90% Hinduja Leyland Finance Limited 2019	8.90% Hinduja Leyland Finance Limited 2020	9.10% Hinduja Leyland Finance Limited 2021
Issuer	Hinduja Leyland Finance Limited (HLF/ The Company/ Issuer)		
Type of Instrument	Rated, Listed, Secured Redeemable Taxable Non-Convertible Debentures (NCDs/Debentures)		
Nature of Instrument	Secured		
Seniority	The Debenture will constitute direct, secured and senior obligations of the Company		
Mode of Issue	Private placement		
Rating of the Instrument	"AA-" by CRISIL Limited		
Issue Size	Series A	Series B	Series C
	INR 50 Crore	INR 50 Crore	INR 100 Crore
Face Value	Rs 10,00,000/- (Rupees Ten Lakhs Only)		
Issue Price	At Par		
Objects of the Issue & Details of the utilization of the Proceeds	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"> • General corporate purposes • For the ordinary course of business of the Issuer including repayment/re-financing of existing debt <p>No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing. Further, the funds will not be utilized for any activity prohibited by the Reserve Bank of India.</p> <p>Pending full utilization of issue proceeds to invest the temporary surplus of the issue proceeds in money market instruments, mutual funds and deposits with banks.</p>		
Security	<ul style="list-style-type: none"> • The debentures shall be secured by a first charge on the standard asset portfolio of receivables of the Company and a subservient charge over an immovable property to be created in favour of Debenture Trustee. • The value of receivables is determined based on the net exposure outstanding & be reviewed on a monthly basis with a minimum asset cover ratio of 1.1 times at all times. • If, at the end of every month, during the tenure of the debenture, the value of the specified standard receivables fall below the minimum cover 1.1 times, the Company shall provide additional receivables to 		



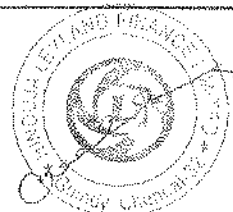
	make up for the deficit within 15 days. • Standard receivables for the above purpose is defined as the receivables that are not Non Performing Assets (NPAs) as per Reserve Bank Of India's extant regulation. • The said security shall be created within 60 Working days from the Deemed Date of Allotment. • Standard receivables for the above purpose is defined as the receivables that are not Non Performing Assets (NPAs) as per Reserve Bank Of India's extant regulation		
Tenor	Series A 1 year from the date of allotment	Series B 2 years from the date of allotment	Series C 3 years from the date of allotment
Pay in Date	March 28, 2017		
Coupon Rate	Series A 8.90%	Series B 8.90%	Series C 9.10% XIRR
Interest Payment Frequency	Series A Annually	Series B Annually	Series C Zero Coupon
Interest on Application Money	At the agreed coupon for the respective Series a subject to deduction of tax at source, as applicable) from the date of realization of cheque (s)/ demand draft(s)/ e-payment upto one day prior to the Deemed Date of Allotment		
Redemption	At Par		
Redemption Date	Series A 28 th March 2019	Series B 27 th March 2020	Series C 26 th March 2021
Redemption Amount	Series A INR 50 Crore	Series B INR 50 Crore	Series C INR 100 Crore
Put Option	None		
Call Option	None		
Eligible Investors	♦ Scheduled Commercial Banks; ♦ Financial Institutions; ♦ Insurance Companies; ♦ Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI); ♦ Regional Rural Banks; ♦ Mutual Funds; ♦ Companies, Bodies Corporate authorized to invest in Debentures; ♦ Provident Funds, Gratuity, Superannuation & Pension Funds, subject to their Investment guidelines; ♦ Trusts; or		



	<ul style="list-style-type: none"> Any other investor category eligible to invest subject to current applicable rules, act, laws etc.
Listing	The Debentures are proposed to be listed on the wholesale debt market of BSE within 20 (Twenty) calendar days from the Deemed Date of Allotment. In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay additional interest of 1% p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.
Day Count Basis	Actual / Actual Interest payable on Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days as the case may be i.e. Actual/ Actual
Default Interest Rate	2% p.a. over the Coupon Rate will be payable by the Company for the defaulting period
Minimum Application and in multiples of Debt Securities thereafter	Minimum of 1 Debentures and in multiples of 1 Debenture thereafter
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	By cheque(s)/ demand draft(s)/ e-payment or any other mode which is permissible
Depository	NSDL/CSDL
Business Day Convention	<p>If any interest payment date falls on a day, which is not a Business Day ('Business Day' being a day on which Commercial Banks are open for business in Chennai) then payment of interest will be made on the succeeding working day.</p> <p>However, if the Redemption Date is not a Business Day, the payment shall be made on the immediately preceding Business Day</p>
Record Date	3 days prior to each Coupon Payment /Redemption date, if any
Transaction Documents	<ol style="list-style-type: none"> the Shelf Disclosure Document, the Debenture Trust Deed/Agreement, the Application Form, and any other document that may be designated as a transaction document by the Debenture Trustee



Conditions Precedent to Disbursement	<p>The investment will be subject to conditions, including those stated below:</p> <ul style="list-style-type: none"> • HLF shall meet all the regulatory requirement relating to a NBFC • Corporate approvals from the board of directors and shareholders (if required) of HLF shall have been received for the execution, delivery and performance by HLF for issuance of NCDs to investors in accordance with the terms of the issuance; • All the other approvals and consents from third parties, if required in relation to the transactions contemplated herein shall have received; • There is no litigation, including winding up proceedings, or governmental proceeding (including any criminal proceedings) pending against any individual / company of the Promoter Group and the Promoter group is not aware of any such proceeding being threatened
Financial Covenants on HLF	<ul style="list-style-type: none"> • The capital adequacy ratio shall be maintained at a minimum of the levels stipulated by the RBI at all points in time (currently 15.0%). • PAR 90 less provisions for bad loans shall not exceed 5% of the Assets under Management of the Issuer. <p>"PAR 90" shall mean, on the Issuer's entire assets under management at any point of time, as the case may be, the outstanding principal value of the relevant portfolio of the Issuer that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more, includes restructured loans but excludes loans that have been written off by the Issuer.</p> <p>Financials covenants shall be tested on a quarterly basis.</p>
Optional Accelerated Redemption	<p>Issuer to maintain the below mentioned criteria/s during the tenor of the NCDs:</p> <ol style="list-style-type: none"> 1. Credit Rating of the Issuer to remain at minimum of "A+". 2. No Withdrawal / Suspension of long term rating of the instrument. <p>For the purposes of this clause, if the Issuer is rated by more than one rating agency, the lowest of all ratings shall be considered.</p> <p>In the event of the breach of any of the Financial Covenants or Issuer rating is downgraded below A+ by any credit rating agency or a new credit rating below A+ is assigned to Issuer or rating is outstanding with "Issuer not cooperating" or such similar words, the Debenture Holders shall have the option to require the Company to redeem the Debentures along with accrued interest ("Optional Accelerated Redemption") within 30 days from the date of such an occurrence."</p> <p>Upon the exercise of the 'Optional Accelerated Redemption' option by the Debenture Holders, the Debenture Trustee shall issue a notice to the Company for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable) as on the date of exercise of the 'Optional</p>



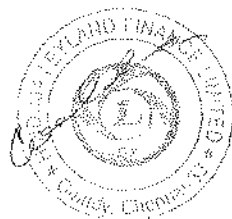
	<p>Accelerated Redemption' Option ("Optional Accelerated Redemption Date").</p> <p>The Company shall be required to make payment of the aggregate amounts outstanding in relation to the Debentures, including any unpaid Principal Amount, accrued but unpaid Coupon, Default Interest (if applicable) and liquidated damages (if applicable) within 30 calendar days of the Optional Accelerated Redemption Notice.</p>
Step Up Coupon	<p>In the event of a downgrade in the credit rating of the Debentures, the Coupon Rate shall be increased by 0.25% (Zero Decimal Point Two Five Percent) for one Notch of rating downgrade, applicable from the date of such downgrade until the rating event is cured.</p> <p>The Step Up Coupon rate will be applicable on the outstanding principal amount and accrued interest, if any, of the Debentures</p> <p>For the purposes of this clause, if the Issuer is rated by more than one rating agency, the lowest of all ratings shall be considered.</p>
Other Covenants	<ul style="list-style-type: none"> • HLF agrees that its obligation hereunder and under the relevant legal document are and will be absolute, irrevocable and unconditional and confirms the due and prompt observance, performance and full discharge of such covenants, agreements, obligations and liabilities in accordance with and subject to the terms and conditions contained herein and in the legal documentation. • HLF shall defend and hold the investor, harmless from and against any and all damages incurred by it as a result of, arising from, or in connection with or relating to (i) any matter inconsistent with, or any breach of, the representations and /or warranties made by HLF herein or in the Legal Documentation; or (ii) the non-performance (in whole or part) by HLF of any of its covenants, obligations or agreements contained herein or the legal Documentation. • The company will continue to have 'HINDUJA' in its name during the term/ tenure of the Debentures . • No Change of Shareholding without prior consent of Special Majority Debenture Holders, if such change would result in the shareholding of the Hinduja Group to fall below 51% • Issuer confirms that during the tenure of captioned NCDs, Hinduja Group (companies within the Hinduja Group), directly or indirectly would retain the management control and shareholding above 51% in the Issuer • Management Control (as defined under the SEBI regulations) in HLF. (Holding Covenant) • Hinduja Group will continue to remain the promoter group (as defined under the SEBI regulations) in the Issuer without prior approval • No M&A, acquisition, restructuring, amalgamation without approval of Debenture Holders over and above 10% of the networth of the Issuer in a financial year • The Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the investors' prior written consent; • Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder • The Issuer shall not enter into any amalgamation, demerger, merger or reconstruction without the prior consent of the Special



	<p>Majority Debenture Holders.</p> <ul style="list-style-type: none"> The Issuer shall not, without the prior written consent of debenture holders, amend or modify any of its constitutional documents where such change can have a material adverse effect
Condition Subsequent to Disbursement	As provided in Debenture Trust Deed/Agreement to be executed between the Company and the Trustee.
Approvals	The Issuer agrees to comply with all applicable rules & regulations in respect of the Transaction. The issuer will be responsible for taking necessary authorizations and/or approvals internal, external regulatory, statutory or otherwise.
Events of Default	<p>Customary and inclusive but not limited to of the following:-</p> <ol style="list-style-type: none"> Default is made in payment of any interest or principal or any other charges in terms of the Transaction Documents in respect of the NCDs on due date. <p>In case of default in payment of Interest and/or principal redemption on the due dates with an additional interest @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period</p> <ol style="list-style-type: none"> Cross default with any other financial indebtedness of the Issuer; Failure to create security within 60 working days from the deemed date of allotment Breach of holding covenant without prior approval of the investors through the debenture trustee. the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the Debenture Trustee) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property,



	<p>assets or revenues of the Issuer and is not discharged or stayed within 45 days;</p> <p>7. an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, re-organization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;</p> <p>8. an encumbrancer takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 60 days;</p> <p>9. the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution;</p> <p>10. it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCDs or the Debenture Trust Deed;</p> <p>11. any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Trustee) a material part of the assets of the Issuer which is material to the Issuer;</p> <p>12. any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.</p> <p>13. Any Material Adverse Effect.</p>
Consequences of Event of Default or Breach of Covenants	<p>Upon the happening of any Event of Default or breach of any agreed covenant all outstanding amounts (Principal along with accrued interest (both Coupon & Penal, if any)) on the Instrument shall stand accelerated and the Debenture Trustee will, at the request of the investor, give notice (unless instructed otherwise by the investors in writing) to the Issuer to pay the outstanding amounts within fifteen Business Days of the happening of any Event of Default except where in case if the Default is made in payment of any interest or principal or any other charges in terms of the Transaction Documents in respect of the NCDs on due date, the</p>



	<p>payment stands payable immediate</p> <p>If the Issuer fails to make such payments, the Debentures Trustee shall be entitled to enforce the security (in accordance with the terms of the Transaction Documents).</p>
Role and Responsibilities of Debenture Trustee	Please refer section titled "Name of Debenture Trustee - Role and Responsibilities of Debenture Trustee" in the Shelf Disclosure Document.
Governing Law and Jurisdiction	The Debentures offered are subject to provisions of the Companies Act, 2013, Securities Contract Regulation Act, 1956, terms of the Shelf Disclosure Document, instructions contained in the Application Form and other terms and conditions as may be incorporated in the Debenture Trustee Agreement and the Debenture Trust Deed. Over and above such terms and conditions, the Debentures shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the Issue, allotment and listing of securities issued from time to time by the Government of India (GoI), Reserve Bank of India (RBI), Securities & Exchange Board of India (SEBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures. Any disputes arising out of this issue will be subject to the exclusive jurisdiction of the Courts at Chennai.
Issue /Tranche Opening Date	March 28, 2018
Issue /Tranche Pay in Date	March 28, 2018
Issue /Tranche Closing Date	March 28, 2018
Deemed Date of Allotment	March 28, 2018

Term Sheet for Subordinated Debentures

Series D:

Security Name	9.5% Hinduja Leyland Finance Limited 2023
Borrower / Issuer / Company	Hinduja Leyland Finance Limited
Investor	Federal Bank Limited
Debenture Trustee	IDBI Trusteeship Services Limited
Type of Instrument	Rated, Listed, Unsecured, Subordinated, Redeemable, Non-Cumulative, Taxable Non-Convertible Debentures ("Subordinated NCDs" or "Subordinated Debentures")



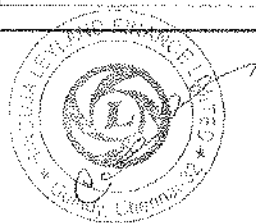
Mode of Issue	Private placement
Issue Size	INR 50 crores
End use	<p>Issue proceeds will be utilized for following purposes:</p> <ul style="list-style-type: none"> To finance the growth of the portfolio of the Issuer General corporate purpose for the ordinary course of business including repayment / refinancing of existing debt <p>No part of the proceeds would be utilized directly/indirectly towards equity capital markets or land acquisition</p>
Eligible Investors	As permitted under applicable law.
Rating	Rated "AA-" by CARE
Coupon	<p>9.50% pa payable half yearly – INR 50 crores</p> <p>Date of Allotment 28th March 2018</p>
Issue open date	28 th March 2018
Issue close date	28 th March 2018
Interest Type	Fixed
Interest Payment Frequency	Half yearly
Issue Price	At Par
Face Value per NCD	Rs 10,00,000/- (Rupees Ten Lakhs Only)
Listing	<p>The Subordinated NCDs issued under this document are proposed to be listed on the BSE</p> <p>In case the Subordinated Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders, at the option of the Debenture Holders along with the interest accrued from the deemed date of allotment at the Interest Rate till the date of redemption. In the event the Company fails to ensure the listing and continued listing of the Subordinated Debentures, the Company will pay an additional interest rate of 1% per annum above the Interest Rate on the Outstanding Principal Amounts for every day the Debentures are not listed.</p>
Depository	National Securities Depository Ltd. (NSDL) / The Central Depository Services (India) Limited (CDSL)
Business Day Convention	'Business Day' shall be a day on which commercial banks are open for business in the city of Mumbai and Chennai. Payment shall be done as per SEBI circular.
Record Date	15 Business Days prior to each Coupon Payment Date and redemption



	date.
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest @ 2% p.a. over the Interest Rate will be payable by the Issuer for the defaulting period.
Penal Interest Rate	In the event of breach of any covenant by the Company, the Company will pay an additional interest rate of 1% per annum above the Interest Rate on the Outstanding Principal Amounts for every day such breach subsists.
Redemption Amount	The sum of the outstanding principal accrued Coupon, Default Interest payable (if any) and trustee fees payable.
Prepayment	Prepayment of the NCDs will be permitted with the approval of the Reserve Bank of India as per extant prudential norms and regulations and at mutually agreeable terms with the investor.
Maturity	28 th September 2023
Early Redemption	<p>The Subordinated Debentures along with accrued interest shall become due and payable within 7 days upon receipt of written notice from Debenture Trustee of happening of any of the following events ("Early Redemption Events"):</p> <ol style="list-style-type: none"> 1. Rating of the Subordinated Debentures is downgraded below "BBB". In case the NCDs are downgraded to credit rating of below BBB or lower by any rating agency, the debenture holders can exercise the right to demand early redemption of the NCDs. The Issuer will be provided 30 days from the date of such downgrade to redeem the Debentures 2. Breach of any covenants 3. Any adverse effect in the business, condition (financial or otherwise), operations, performance or prospects of the company due to any pending or threatened litigation, charges, investigation or proceedings that may or can have an adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the company, that affects the payment of outstanding on the NCDs to the Debentures holders in any manner. <p>The occurrence of events above will be determined by the Debenture Holders solely and at its discretion.</p> <p>The Debenture Holders shall have the option to require the Company to redeem the Debentures ("Early Redemption Option") on happening of any of the Early Redemption Events. Upon the exercise of the Early Redemption Option by the Debenture Holders, the Debenture Trustee shall issue a notice to the Company for redemption of all amounts outstanding in relation to the Debentures (including any unpaid principal, accrued but unpaid Coupon, Default Interest (if applicable)) as on the date of exercise of the Early Redemption Option ("Early</p>



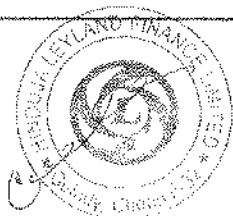
	<p>Redemption Date").</p> <p>Any Early Redemption will require the approval of the Reserve Bank of India, as per extant prudential norms and regulations.</p>
Security	None
Interest on Application Money	<p>Interest at the Interest Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the NCDs for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment.</p> <p>Where Pay-in Date and Deemed Date of Allotment are the same, no interest on Application money is to be paid</p>
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the Issue as per latest RBI guidelines / SEBI guidelines / Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Letter appointing Trustees to the Debenture holders; 2. Debenture Trustee Agreement; 3. Debenture Trust Deed; 4. Rating Agreement with the aforesaid rating agency(ies) as regards to this Issue; and 5. Tripartite Agreements between the Issuer, Registrar and NSDL and Tripartite Agreements between the Issuer, Registrar and CDSL for issue of NCDs in dematerialized form.
Conditions Precedent	<p>The Company shall fulfill the following Conditions Precedent, to the satisfactions of the Debenture Trustee, prior to the Pay In Date:</p> <ol style="list-style-type: none"> (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 NCDs 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 Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to



	<p>the Debenture Trustee shall have taken place;</p> <p>(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;</p> <p>(v) The Company shall have provided to the Debenture Trustee a certificate from a director/company secretary of the Company certifying that:-</p> <p>(a) the Company and its Directors have the necessary powers under the Memorandum and Articles of Association of the Company to borrow moneys pursuant to the issuance of the Debentures;</p> <p>(b) the borrowing of moneys pursuant to the issuance of the Debentures will not cause any limit binding on the Company to be exceeded;</p> <p>(c) no Material Adverse Effect has occurred in the Company, and/or the business of the Company;</p> <p>(vi) The delivery by the Company to the Debenture Trustee, of certificates signed by authorized signatories of the Issuer, in a form and substance satisfactory to the Debenture Trustee, with respect to:</p> <p>(a) incumbency and signatures;</p> <p>(b) absence of any Event of Default, any potential Event of Default, any force majeure event and any Material Adverse Effect;</p> <p>(c) all representations and warranties contained in this Deed are true and correct in all material respects on and as of the Deemed Date of Allotment, before and after giving effect to the Issue and to the application of the proceeds therefrom and;</p> <p>(d) the Debenture Trustee shall have received from the Company its audited account statements for the financial year ended 31st March 2015.</p> <p>(vii) Due execution of the Depository Agreements by, inter-alia, the Depository and the Issuer;</p> <p>(viii) Due execution of the Tripartite Agreement by, inter-alia, the Registrar and Transfer Agent, Depository and the Issuer;</p> <p>(ix) The Company shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p>
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/ activities are completed as per time frame mentioned elsewhere in this Document:</p> <p>(a) The Issuer shall immediately on receipt of funds, take on all</p>



	<p>necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals including filing Form PAS 5 along with the Information Memorandum and Form PAS 3 along with requisite fee within prescribed timelines;</p> <p>(b) File Form PAS 5 along with the Information Memorandum with SEBI;</p> <p>(c) Receive final listing approval from BSE within 20 days from Deemed Date of Allotment;</p> <p>(d) Credit of demat account(s) of the allottee(s) by number of NCDs allotted within 2 Business days from the Deemed Date of Allotment;</p> <p>(e) To ensure compliance with SEBI / Companies Act 2013 for issuance of NCDs;</p>
Events of Default	<p>The occurrence of any one of the following events shall constitute an "Event of Default" by the Company:</p> <p>(a) Failure to pay any amount due in respect of Debentures including any instalment of interest (including penal interest, if applicable) or the principal amount of the Debentures, any other monies including costs, charges, expenses incurred by the Trustee, as and when the same shall have become due and payable;</p> <p>(b) Any information given by the Company in this Information Memorandum or the Transaction Documents, and / or the representations and warranties given by the Company under the Transaction Documents is incorrect in any respect or is found to be incorrect;</p> <p>(c) If the Issuer is unable to or admits in writing its inability to pay its debts as they mature or suspends making payment of any of its debts, by reason of actual or anticipated financial difficulties or proceedings for taking it into liquidation have been admitted by any competent court or a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company;</p> <p>(d) The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Majority Debenture Holders. For the purpose of this transaction any material adverse effect in the business, condition (financial or otherwise), and operations, performance or prospects of the Issuer, the absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer, which affects the payment on the Debentures.</p> <p>(e) The Company, the promoter/s and/or any member of the promoter group rescinds / repudiates or purports to rescind /</p>



repudiate or evidences an intention to rescind / repudiate any of the Transaction Documents to in whole or in part;

- (f) Promoters or key management personnel of the Company being declared willful defaulter
- (g) The Company shall have voluntarily or involuntarily become the subject of proceedings under bankruptcy or insolvency law or CDR proceedings 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);
- (h) The Company has taken or suffered any action to be taken for its reorganization, liquidation or dissolution;
- (i) A receiver or liquidator, provisional liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets is appointed or allowed to be appointed of all or any part of the undertaking of the Company;
- (j) Cross Default
 - i. any Financial Indebtedness of the Company is not paid when due and the applicable cure period has lapsed without the Company remedying the same; or
 - ii. any Financial Indebtedness of the Company is declared or otherwise becomes due and payable before its specified maturity as a result of an event of default
- (k) All or a material part of the undertaking, assets, rights or revenues of the Company are condemned, seized, nationalised, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company, or shall have taken any action for the dissolution of the Company, or any action that would prevent the Company, their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government authority;
- (l) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer / Promoter funds or revenues or any other act having a similar effect being committed by the management or an officer of the Issuer
- (m) The Company has taken or suffered to be taken any action for re-organisation of its capital or any rearrangement, merger or amalgamation without the prior written approval of the Debenture Holders;
- (n) No change in management control of the Hinduja Group in



	<p>the Issuer without prior approval</p> <p>(o) Any change in shareholding that results in the reduction of the shareholding of the Hinduja Group in the Issuer falling below 51%</p> <p>(p) Removal of the word "Hinduja" in the name of the Issuer</p> <p>(q) Any Transaction Document once executed and delivered, ceases to be in full force and effect or becomes unlawful, invalid or unenforceable;</p> <p>(r) A petition for the reorganization, arrangement, adjustment, winding up or composition of debts of the Company is filed on the Company (voluntary or otherwise) or have been admitted or makes an assignment for the benefit of its creditors generally and such proceeding is not contested by the company for staying, quashing or dismissed within 15 (fifteen) days;</p> <p>(s) The promoter/s and/or the directors of the Company are accused of, charged with, arrested or convicted a criminal offence involving moral turpitude, dishonesty or which otherwise impinges on the integrity of the promoter/s and/or director, including any accusations, charges and/or convictions of any offence relating to bribery;</p> <p>(t) It is or becomes unlawful for the Company to perform any of its obligations under any Transaction Document</p> <p>(u) The Company is adjudged insolvent or takes advantage of any law for the relief of insolvent debtors</p> <p>Any acceleration of the NCDs will require the approval of the Reserve Bank of India, as per extant prudential norms and regulations.</p>
Covenants for Facility	<p>The Issuer shall provide for followings covenant for the facility.</p> <p><u>Financial Covenants</u></p> <ol style="list-style-type: none"> 1) The capital adequacy ratio (as defined in NBFC Regulations) shall be above the statutory requirement at all point in time. 2) Gross NPA less provisions shall not exceed 5% of the total assets under management of the company. 3) Gross NPA for the purposes of this covenant represents the outstanding principal value of the relevant portfolio of the Company that has one or more instalments of principal, interest payments overdue for 90 days or more and includes restructured loans but excludes loans that have been written off by the Company <p>All covenants would be tested on semi-annual basis for the Company, i.e. as on 31st March and 30th Sept every year, starting from 31 March, 2017 on consolidated and standalone balance sheet till the redemption of the Debentures. The covenants shall be certified by the Company</p>



within 30 days from end of each reporting half year.

"Financial Indebtedness" shall mean aggregate of

1. All long-term debt outstanding, whether secured or unsecured, plus
2. Contingent liability pertaining to corporate/ financial guarantees given on behalf of any company / SPV / subsidiary / affiliate to the extent of outstanding of such guaranteed debt, plus
3. Any short term debt outstanding, whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt
4. Any amount raised by acceptance under any acceptance credit facility
5. Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis)
6. Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;

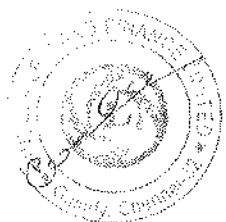
"Equity" shall mean issued and paid up Equity, compulsory convertible instruments and Preference Share capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax asset (-) intangibles (including but not restricted to brand valuation, goodwill etc.) as per the latest audited financials of the Issuer.

Other Covenants

- 1) Hinduja Group (Companies within the Hinduja Group) to maintain at least 51% stake in the company on fully diluted basis till the maturity of NCD
- 2) Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect, without prior consent of the Debenture Trustee
- 3) Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Investors) without prior consent of the Debenture Trustee
- 4) Provide consolidated financial statements at the end of financial year and standalone financial statements at the end of the financial half year of Issuer
- 5) notification of any potential Event of Default or Event of Default;
- 6) obtain, comply with and maintain all licenses / authorizations;
- 7) No M&A, acquisition, restructuring, amalgamation without



	<p>approval of Debenture Holders over and above 10% of the networth of the Issuer in a financial year</p> <p>8) the Issuer will not purchase or redeem any of its issued shares or reduce its share capital without the investors' prior written consent;</p> <p>9) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder</p> <p>10) Issuer's net worth to remain positive during the Tenor of the Issue.</p> <p>11) No dividend, if an Event of Default has occurred and is subsisting</p> <p>12) The Issuer shall maintain its corporate existence and right to carry on its business and operations and comply with all Applicable Laws in all respects, at all times</p> <p>13) The Issuer shall not, without the prior approval of Investors, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.</p> <p>14) Not undertake any new major new business outside financial services or any diversification of its business outside financial services, without approval of NCD holders</p> <p>15) Provide details of any material litigation, arbitration or administrative proceedings above the materiality threshold, which shall be determined during documentation</p> <p>16) Maintain internal control for the purpose of (i) preventing fraud on monies lent by the Company; and (ii) preventing money being used for money laundering or illegal purposes</p> <p>17) Permit visits and inspection of books of records, documents and accounts to debenture holders as and when required by them</p>
Representations, Warranties	<p>The Issuer will make representations customary for the facilities of this nature and others appropriate in the judgment of the Investor, including but not limited to:</p> <ul style="list-style-type: none"> • No Event of Default or potential Event of Default has occurred and is continuing and no such event or circumstance will result as a consequence of the Issuer / performing any obligation contemplated under the transaction documents. • No Material Adverse Change in business, condition or operations of the Issuer • Absence of any pending or threatened litigation, investigation or proceedings that may have a material



	adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility <ul style="list-style-type: none"> • Illegality,
Governing Law and Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Investor with respect to legal counsel, valuers and auditors/consultants. Such costs include: <ol style="list-style-type: none"> 1. Professional fee payable to advisors for legal due diligence and valuation 2. Trustee fees and listing fees 3. Stamping and registration in relation to all definitive agreements.
Taxes duties cost and expenses	<ol style="list-style-type: none"> 1. Relevant taxes, duties and levies are to be borne by the Issuer. 2. The charges / fees and any amounts payable as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.

Cash Flow – Series			
Company	Hinduja Leyland Finance Limited		
Face Value (per security) (in Rs.)	1,000,000		
Issue Date / Deemed Date of Allotment	Wednesday, March 28, 2018		
	Series A	Series B	Series C
Redemption Date	28 th March 2019	27 th March 2020	26 th March 2021
	Series A	Series B	Series C
Coupon Rate p.a.	8.90%	8.90%	9.10%
	Series A	Series B	Series C
Frequency of Interest payment with specified date	Annual	Annual	Zero Coupon
	28 th March 2019	28 th March 2019 27 th March 2020	26 th March 2021
Day count Convention	Actual / Actual		

Series D

Company	Hinduja Leyland Finance Limited
Face Value (per Subordinated Debentures)	Rs.10,00,000
Issue Date/ Deemed Date of Allotment	28 th March, 2018
Redemption Date(s)	28 th March, 2025



Repayments	As per the term sheet
Interest Rate	9.50% p.a. payable half yearly
Frequency of the Interest payment with specific dates	28 th September, 2018
	28 th March, 2019
	28 th September, 2019
	28 th March, 2020
	28 th September, 2020
	28 th March, 2021
	28 th September, 2021
	28 th March, 2022
	28 th September, 2022
Day Count Convention	28 th March, 2023
	28 th September, 2023
	Actual / Actual

Cashflows

Series A

Flows			
Coupon Dates	Date	No. of days in Coupon Period	Amount (In Rupees)
1st Coupon	Thursday, March 28, 2019	365	44,500,000
Principal Amount	Thursday, March 28, 2019	-	500,000,000
Total		365	544,500,000

Series B

Flows			
Coupon Dates	Date	No. of days in Coupon Period	Amount (In Rupees)
1st Coupon	Thursday, March 28, 2019	365	44,500,000
2 nd Coupon	Friday, March 27, 2020	365	44,378,415
Principal Amount	Friday, March 27, 2020	-	500,000,000
Total		730	

Series C

Flows			
Coupon Dates	Date	No. of days in Coupon Period	Amount (In Rupees)
1st Coupon	Friday, March 26, 2021	1094	298,286,743
Principal Amount	Friday, March 26, 2021	-	1,00,00,00,000
Total		1094	1,298,286,743

Series D

Flows			
Coupon Dates	Date	No. of days in Coupon Period	Amount (In Rupees)
1st Coupon	March 28, 2018	184	23,945,205
2nd Coupon	September 28, 2018	181	23,554,795
3rd Coupon	March 28, 2019	184	23,945,205
4th Coupon	September 28, 2019	182	23,684,932
5th Coupon	March 28, 2020	184	23,945,205



6th Coupon	September 28, 2020	181	23,554,795
7th Coupon	March 28, 2021	184	23,945,205
8th Coupon	September 28, 2021	181	23,554,795
9th Coupon	March 28, 2022	184	23,945,205
10th Coupon	September 28, 2022	181	23,554,795
11th Coupon	March 28, 2023	184	23,945,205
Principal Amount	March 28, 2023		500,000,000
Total		2010	

c) ADDITIONAL COVENANTS

(i) Security Creation (For Secured Debentures where applicable)

In case of delay in execution of Debenture Trust Deed and the Deed of Hypothecation, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. over the Interest Rate till these conditions are complied with at the option of the investor.

Security has been created under the Deed of Hypothecation over certain identified loan portfolios as set out in the Deed of Hypothecation for Secured Debentures.

(ii) Default in Payment

In case of default in payment of interest and/or principal redemption on the due dates, additional interest of atleast 2% (two percent) per annum over the Interest Rate will be payable by the Company for the defaulting period.

(iii) Delay in Listing

In case the Debentures are not listed within 20 days of Deemed Date of Allotment for any reason whatsoever, the Issuer shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued from the date of issuance at the Interest Rate till the date of redemption.

(iv) The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.

The Company is entitled at its sole and absolute discretion to accept or reject any application, in part or in full, without assigning any reason thereof. An Application Form, which is not complete in all respects, shall be liable to be rejected. Any application, which has been rejected, would be intimated by the Company along with refund intimation.

d) UNDERTAKING TO USE COMMON FORM OF TRANSFER

The normal procedure for the 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 Depository Participant's account to his Depository Participant. The Issuer undertakes that there will be a common transfer form / procedure for transfer of Debentures.

e) OTHER TERMS OF THE ISSUE

The other terms of the above issue are as given below.

