



HOME CREDIT INDIA FINANCE PRIVATE LIMITED (formerly known as Rajshree Auto Finance Pvt. Ltd.)  
Reg. Off.: Third Floor, Tower C, DLF Infinity Towers, DLF Cyber City, Phase-II, Gurgaon, Haryana-122002  
CIN: U65910HR1997PTC047448 Tel. No.: +91 124 4907600  
Web : www.homecredit.co.in E-mail : care@homecredit.co.in

### TERM SHEET

Security Name	12.21% RATED, SECURED, REDEEMABLE, TAXABLE, TRANSFERABLE, LISTED NON CONVERTIBLE DEBENTURES
Issuer	Home Credit India Finance Private Limited
Type of Instrument	Rated, Listed, Secured, Redeemable non-convertible debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>Debentures are to be listed on the WDM of BSE Limited within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment.</p> <p>In the event that the Debentures are not listed within the Listing Period for any reason whatsoever, then the Company undertakes to immediately redeem the Debentures immediately upon the expiry of the Listing Period from the Debenture Holders who are foreign portfolio investors, foreign institutional investors or sub-accounts of foreign institutional investors, or qualified foreign investors, and are not permitted to hold to-be listed debt securities if listing is not done within 15 (Fifteen) days plus pay any reasonable costs and expenses incurred by such investors.</p>
Rating of the Instrument	BBB Stable by CRISIL Ltd.
Issue Size	INR 2,250,000,000 (Rupees Two Hundred Twenty Five Crores Only)
Option to retain oversubscription (Amount)	Not Applicable
Objects of the Issue	<p>The proceeds of the Issuance will be utilized for the following purposes:</p> <ul style="list-style-type: none"><li>General corporate purpose</li><li>in the ordinary course of business of the Issuer</li></ul> <p>No part of the proceeds shall be utilized for purposes prohibited under any applicable law in India.</p>
Coupon Rate	12.21% per annum payable quarterly until redemption



Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Quarterly
Coupon payment dates (in MM/DD/YYYY format)	3/31/2017 6/30/2017 9/29/2017 12/29/2017 3/30/2018 6/29/2018 9/28/2018 12/31/2018 3/29/2019 6/28/2019 9/30/2019 12/13/2019
Coupon Type	Fixed, (Net of taxes)
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
Day Count Basis	Actual/ Actual
Interest on Application Money, if Application money refunded	Coupon Rate or 12% per annum whichever is higher and further penal interest if applicable in terms of extant guidelines
Default Interest Rate	The Issuer agrees to pay an additional interest rate of 1% (One percent) per annum above the applicable Interest Rate on the Outstanding Principal Amounts from the date of the occurrence of a Payment Default until such Payment Default is cured
Tenor	3 years 7 days from the Deemed Date of Allotment
Redemption Date	13 <sup>th</sup> December 2019
Redemption Amount	INR. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture on the Redemption Date plus accrued Coupon if any.
Redemption Premium /Discount	Not Applicable
Issue Price	INR 1,00,000 (Rupees Ten Lakhs Only) per Debenture



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Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put option Date	Not Applicable
Put option Price	Not Applicable
Call Option Date	Not Applicable
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	INR 1,000,000 (Rupees Ten Lakhs Only) per Debenture
Minimum Application and in multiples of 5 Debt securities thereafter	100 Debentures and in multiple of 5 Debentures thereafter.
Issue Timing	
1. Issue Opening Date	02 <sup>ND</sup> December, 2016
2. Issue Closing Date	06 <sup>th</sup> December , 2016
3. Pay-in Date	06 <sup>th</sup> December, 2016
4. Deemed Date of Allotment	06 <sup>th</sup> December, 2016
Issuance mode of the Instrument	Dematerialized only
Trading mode of the Instrument	Dematerialized only
Settlement mode of the Instrument	RTGS
Depository	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL").
Business Day Convention	If any Due Date falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day, except where such Due Date is for the payment of the Redemption Payment, in which case such payment shall be made on the immediately preceding Business Day.
Record Date.	15 (Fifteen) days prior to each Coupon Payment / Redemption date.



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<p>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).</p>	<ul style="list-style-type: none"> <li>• The Debentures shall be secured by way of a first ranking pari-passu and continuing charge to be created pursuant to the deed of hypothecation to be executed between the Company and the Debenture Trustee ("Deed of Hypothecation") over the receivables of the Company (the "Hypothecated Assets").</li> <li>• Until all the Obligations are satisfied by the Company as more particularly described in the Deed of Hypothecation, the charge over the Hypothecated Assets shall at all times be the higher of: (i) 1.15 (One Decimal One Five) times the value of the Outstanding Principal Amounts and (ii) 1 (One) times the value of the Outstanding Amounts (the "Security Cover"). The value of the Hypothecated Assets for this purpose (for both initial and subsequent valuations) shall be the amount reflected as the value thereof in the books of accounts of the Company.</li> <li>• (c) The Company shall create the charge by way of hypothecation over the Hypothecated Assets on or prior to the Deemed Date of Allotment and perfect such hypothecation by filing form CHG-9 in respect thereof no later than 30 calendar days from the date of execution of the Deed of Hypothecation.</li> </ul>
<p>Covenants</p>	<p>The Issuer hereby agrees and undertakes as under and the same along with additional covenants which shall also be set out in the Transaction Documents:</p> <p><b>Financial Covenants</b></p> <p>The Issuer shall, as on Quarterly Date, until the redemption of all outstanding Debentures:</p> <ul style="list-style-type: none"> <li>• maintain a ratio of A:B less than 15%, (fifteen percent) where A is [Portfolio At Risk over 90 (ninety) days] and B is the Outstanding Portfolio; and</li> <li>• Maintain Capital Adequacy Ratio of at least 15% (fifteen percent) or such higher level as may be prescribed by the RBI. It is clarified that the provisions of the Transaction Documents, do not, to the extent permitted by, Applicable Law, Indian GAAP and IFRS, prevent the Issuer from excluding from its balance sheet any Client Loans that are 360 (three hundred and sixty) days or less past due.</li> </ul> <p><b>Affirmative Covenants</b></p> <p>The Issuer shall, in accordance with Transaction Documents:</p>



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- Inform the Debenture holders through the Debenture Trustee promptly of receipt of any notice of winding up or other legal process;
- pay all prior approved Costs and expenses;
- Preserve corporate status;
- Pay stamp duty, taxes, charges etc.
- Furnish required information to trustee
- Promptly redress grievances of Investors
- Comply with Investor Education and Protection Fund requirements

#### Negative Covenants

The Issuer shall not:

- Change the general nature of its business from that which is permitted as a non-deposit accepting or holding non-banking financial Issuer registered with the RBI and make any material changes to its Constitutional Documents.
- Declare or pay any dividend to its shareholders during any Financial Year unless it has paid or made arrangements to pay all the dues to the Debenture Holders up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions thereof.
- Undertake or permit any merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction. The foregoing excludes any transfer of equity shares including pursuant to any merger or any re-organisation) within the Group.
- Sell, transfer, or otherwise dispose of in any manner whatsoever any material assets of the Issuer (whether in a single transaction or in a series of transactions (whether related or not) or any other transactions which cumulatively have any Material Adverse Effect other than any securitization/portfolio sale of assets undertaken by the Issuer in its ordinary course of business.
- Permit any of the Debenture proceeds to be used to fund any form of violent political activity, terrorists or terrorist organizations, nor any money laundering process or scheme to disguise illegally obtained



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	<p>funds, nor any other criminal activity including arms sales, drug trafficking, robbery, fraud or racketeering.</p> <ul style="list-style-type: none"> <li>• Make any financial investments other than in the ordinary course of business.</li> </ul>
Required documents	<ul style="list-style-type: none"> <li>• Private Placement Offer Document</li> <li>• Information Memorandum for listing of NCD</li> <li>• Memorandum &amp; Articles of Association</li> <li>• Debenture Trust Deed</li> <li>• Deed of Hypothecation</li> <li>• Board and Shareholder approval</li> <li>• Debenture Trustee Agreement</li> <li>• Agreement with the Depository i.e. National Security Depository Limited (NSDL)/ Central Depository Services Limited (CDSL)</li> <li>• Credit Rating Letter</li> <li>• NOCs from existing charge holders</li> <li>• Document pertaining to creation of charge, if any.</li> <li>• Audited Annual reports for the last 3 years of the Issuer</li> <li>• Letter appointing Trustees to the Debenture Holders</li> </ul>
Conditions Precedent	<ul style="list-style-type: none"> <li>• Consent letter from the Debenture Trustee</li> <li>• In-principle approval from the stock exchange for listing of NCDs</li> <li>• All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer 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;</li> <li>• Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place;</li> <li>• Rating letter and rating rationale</li> </ul>



10/7

	<ul style="list-style-type: none"> <li>The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements.</li> </ul>
Condition Subsequent	<ul style="list-style-type: none"> <li>The Issuer shall do all applicable filings with the Registrar of Companies</li> <li>The Issuer shall file with the SEBI, Form PAS 5 and the Information Memorandum</li> <li>Receive final listing approval from the BSE within 15 calendar days from the Deemed Date of Allotment</li> <li>Credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 2 (Two) Business Days of the Deemed Date of Allotment</li> <li>To ensure compliance with SEBI / Companies Act 2013 for issuance of NCDs.</li> </ul>
Events of Default	<p>Each of the following events shall be deemed to be an Event of Default and the Issuer shall be required to accelerate repayment of the NCDs upon the occurrence of any of the following Events of Default:</p> <ul style="list-style-type: none"> <li>Payment Defaults when the Issuer does not pay on the Due Date any amount payable in accordance with Transaction Documents</li> <li>Insolvency / Inability To Pay Debts</li> <li>Cessation of Business without prior consent</li> <li>Breach of Financial Covenants</li> <li>Non creation of Security</li> <li>Misrepresentation in material respect and not rectified within number of days prescribed in Transaction Documents.</li> <li>Material Adverse Change which has or is reasonably likely to have a Material Adverse Effect.</li> <li>Liquidation or Dissolution of the Issuer / Appointment of Receiver or Liquidator</li> <li>Cross Default beyond threshold amount</li> <li>Creditors process of or beyond threshold amount.</li> <li>Judgment Defaults exceeding threshold amount</li> </ul>



	<ul style="list-style-type: none"> <li>• Repudiation</li> <li>• Failure to maintain the security cover.</li> <li>• Invalidity of Mandatory Premature Redemption</li> <li>• Non-Compliance of other obligation in accordance with Transaction Documents</li> </ul>
Provisions related to Cross Default Clause	<ul style="list-style-type: none"> <li>• Any *Indebtedness of the Issuer is not paid by the Issuer ;</li> <li>• Any *Indebtedness of the Issuer is declared due and payable prior to its specified maturity as a result of an event of default</li> <li>• Any creditor of the Issuer becomes entitled to declare any *Indebtedness due to event of default.</li> </ul> <p>* Threshold limit for Indebtedness is INR 1.25 BN</p>
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Gurgaon, Haryana, India.



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