

## Home Credit India Finance Pvt. Ltd. –Term Sheet

Security Name	Floating Rate Home Credit India Finance Private Limited 2021
Issuer/Company	Home Credit India Finance Private Ltd (“HCIN” or “Company”)
Instrument	Secured, redeemable, non-convertible, rated, listed debentures (“NCDs”/“Debentures”) issued on private placement basis
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private placement
Listing	Listed as per the relevant regulations for listing on the WDM segment of BSE Limited (“BSE”) and Companies Act, 2013. The Company to take in-principle approval from BSE.
Tenure	18 months
Amount	Upto Rs. 65 crores
Rating of the Instrument	Rated A-
Objects of the Issue/ Details of utilization	<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>• for 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>
Eligible Investor	<p>The following categories of investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:</p> <ol style="list-style-type: none"> <li>Mutual Funds</li> <li>Non-banking financial companies</li> <li>Provident Funds and Pension Funds</li> <li>Corporates</li> <li>Banks</li> <li>Foreign Portfolio Investors (FPIs)</li> <li>Qualified Foreign Investors (QFIs)</li> <li>Insurance Companies</li> <li>High net worth individuals</li> <li>Any other person eligible to invest in the Debentures</li> </ol>
Security, Minimum Security Cover and Security Creation	<p>■ The Debentures shall be 100% secured by way of first ranking pari passu charge over the loan receivables pertaining to consumer finance portfolio of the Company (“<b>Hypothecated Assets</b>”). Further, a minimum Security Cover of 1.1 times shall be maintained with respect to Debentures. The aforesaid Security Cover shall mean the ratio of (a) the value of the</p>



	<p>Hypothecated Assets; and (b) aggregate of the principal amounts with respect to the Debentures and interest amount (at maximum interest rate).</p> <ul style="list-style-type: none"> <li>All security to be created upfront on or prior to disbursement. Receivables used to create minimum security cover should not have been declared NPA (DPD above 90 days) and should not have been purchased from someone else.</li> </ul>
Interest on Application Money	Not Applicable. Also refer Shelf Disclosure Document/Information Memorandum.
Interest/Coupon Rate	<ul style="list-style-type: none"> <li>Minimum 11.75 % p.a. (annualized return calculated on XIRR basis)</li> <li>Maximum 12 %] p.a. (annualized return calculated on XIRR basis)</li> <li>However, in extreme situation no coupon amount will be paid</li> </ul>
Interest Payment	<ul style="list-style-type: none"> <li>On redemption</li> </ul>
Payoff	<p>If Net worth of HCIN as on September 30<sup>th</sup>, 2020 <math>\geq</math> Rs.100 crores, then Payoff = Principal + Maximum Coupon</p> <p>OR</p> <p>If Net worth of HCIN as on September 30<sup>th</sup>, 2020 &lt; Rs.100 crores but <math>\geq</math> Rs. 25 cr, then Payoff = Principal + Minimum Coupon</p> <p>OR</p> <p>If Net worth of HCIN as on September 30<sup>th</sup>, 2020 &lt; Rs.25 crores, then Payoff = Principal</p> <p>“Net worth” means net worth as defined under Companies Act, 2013</p>
Record Date	15 days prior to redemption date
Principal redemption frequency	The repayment shall be a bullet repayment at the end of the Tenure.
Mandatory Redemption	<p>Mandatory redemption (in accordance with Debenture Trust Deed) in the event of:</p> <ul style="list-style-type: none"> <li>Illegality/unlawfulness: It becomes illegal/unlawful for either party to perform obligation under Transaction Documents.</li> <li>Change of control: PPF Group N.V. and Home Credit Group B.V. cease to hold directly/indirectly at least 51% of equity shares in Company.</li> <li>unenforceability of the Transaction Documents.</li> </ul> <p>The Company shall also, if required by Debenture Trustee/Debenture Holder, mandatorily redeem Debentures within 3 Business Days, if any of its lenders/investor declares event of default due to any financial indebtedness not being paid and the same not cured by Company</p>
Face Value	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Issue price	Rs. 9,86,767/- per Debenture at a discount of Rs. 13,233/- per Debenture
Minimum Application and in multiples of Debt securities thereafter	Minimum INR 25 Crore and in multiples of 1 debenture thereafter
Issue Timing	
1. Issue Opening Date	JULY 10, 2019
2. Issue Closing Date	JULY 10, 2019
Pay in Date	JULY 10, 2019
Deemed Date of Allotment	JULY 10, 2019
Day count basis	Actual
Put Option Date	None



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Put Option Price	Not Applicable
Call Option Date	None
Call Option Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Default Interest Rate	In case of default in payment, interest @ 2% p.a. over the applicable Interest/Coupon Rate will be payable by the Company for the defaulting period.
Penal Interest for delay in Listing	In the case the Company fails to get the Debentures listed within 20 days from the deemed date of allotment, penal interest @ 1% p.a. over the applicable Interest/Coupon Rate will be payable by the Company from the expiry of 30 days from the deemed date of allotment till the earlier of (i) redemption of the Debentures and/or (ii) listing of the Debentures is completed.
Delay in execution of debenture trust deed	In case the Company fails to execute the debenture trust deed within 3 months from the closure of this issue, without prejudice to any liability arising on account of violation of the provisions of the Securities and Exchange Board of India Act, 1992 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, penal interest @ 2% p.a over the applicable Interest/Coupon Rate will be payable by the Company till the execution of the debenture trust deed.
Transaction Documents	Shelf Disclosure Document/Information memorandum, Debenture Trust Deed, Debenture Trustee Agreement and any other document that may be mutually agreed between Debenture Trustee and Company as a Transaction Document
Conditions Precedent to Disbursement	<ul style="list-style-type: none"> <li>• Consent letter from the Debenture Trustee / RTA.</li> <li>• In principle approval from BSE for listing of the 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 non- convertible Debentures, 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, security documents and such other documents as agreed with Debenture Trustee/Debenture Holder;</li> <li>• Rating letter from a credit rating agency acceptable to the Debenture Trustee/Debenture Holder.</li> <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> <li>• No objection letter / consent Letter from the existing lenders of the Company sharing same security for creating the securities over the receivables on pari passu basis with the existing lenders.</li> <li>• Debt profile of the Company as on March 31, 2019 duly certified by practicing chartered accountant / company secretary/or any authorized signatory to be provided</li> <li>• List of guarantee(s) provided by Company for any borrowings as on March 31, 2019 duly certified by practicing chartered accountant / Company Secretary/ or any authorized signatory to be provided</li> </ul>





	<ul style="list-style-type: none"> <li>• Management certificate certifying the Net worth of the Company as on March 31, 2019, signed by Company Secretary/ or any authorized signatory.</li> </ul>
Condition Subsequent to Disbursement	<ul style="list-style-type: none"> <li>• The Issuer shall make all applicable filings with the Registrar of Companies and SEBI within such time as per applicable law.</li> <li>• Make all requisite filings for listing of Debentures within 15 days from deemed date of allotment.</li> <li>• Credit of demat account(s) of the allottee(s) with the number of Debentures allotted within 5 (Five) Business Days of the deemed date of allotment.</li> <li>• To ensure compliance with all the applicable provisions of SEBI Regulations/ Companies Act, 2013 for issuance of non- convertible Debentures.</li> </ul>
Representation and warranties	<p>The Issuer, hereby makes the following representations and warranties and confirm that they are true, correct, valid and subsisting in material respect as of the date of Debenture Trust Deed:</p> <ol style="list-style-type: none"> <li>a. The Issuer is a company, duly incorporated and validly existing under the law of its jurisdiction of incorporation;</li> <li>b. The Issuer has the power to sue and be sued in its own name and to own its assets and carry on its business as that business is being and shall be conducted;</li> <li>c. All factual information including the information given in the financial statements and any prior or subsequent information provided or explanation furnished to Debenture Trustee/Debenture Holder in writing by the Issuer are true, complete and accurate in all material respect;</li> <li>d. The Issuer has the power to enter into, perform and deliver, and has taken all necessary action to authorise Issuer's entry into, performance of and delivery of Debenture Trust Deed and documents for creation of security;</li> <li>e. The Debenture Trust Deed and other documents, when executed, delivered and performed, will constitute valid and binding obligations on the Issuer;</li> <li>f. The Issuer has obtained all permissions, approvals, consents or sanctions, if any required, of the government or any government or statutory body, or authority for the Issue, and creating the security, keep all such permissions, approvals, consents or sanctions, valid and subsisting;</li> <li>g. The names of the Issuer, its promoter or any of its directors has not been declared in any list of wilful defaulters circulated by the RBI. If the names of the directors of the Issuer are added to any such list, the Issuer will take immediate steps forthwith to remove such person from their board or take actions to remove the names of such directors from the list of wilful defaulters;</li> <li>h. The Issuer acknowledges and confirms that it has paid the necessary stamp duties levied on the Debenture Trust Deed and all other documents executed;</li> <li>i. No Event of Default, as per Debenture Trust Deed, has occurred and no material violation of law related to the Transaction Documents has occurred.</li> </ol>

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	<p>j. The Issuer is in compliance of all applicable laws, statute and regulations and Transaction Documents do not materially conflict with or constitute material, breach, default of any covenants, terms, conditions and stipulations under any of its existing agreement resulting to Material Adverse effect;</p> <p>k. The Issuer will pay all duties and all applicable indirect taxes under applicable laws in relation to this transaction;</p> <p>l. There has been no Material Adverse Effect in the financial condition of the Issuer nor has any event happened, which is prejudicial to the interest of the Debenture Holders and/or which is having a Material Adverse Effect on the ability of the Issuer to perform all or any of its obligations under the Debenture Trust Deed, taken place since the date of the latest audited financials of the Issuer i.e. 31/03/2019;</p> <p>m. As on the date of Debenture Trust Deed there is no litigation, proceeding or dispute or action pending, against the Issuer which causes Material Adverse Effect to the business or the financial condition of the Issuer;</p> <p>n. All the Issuer's contracts, arrangements or agreements with, or any commitments to, affiliates or group companies are on arm length basis;</p> <p>o. The audited annual accounts of the Issuer for the year ended on 31/03/2019 provides a true and fair view of the financial condition and position of the Issuer including the amount of indebtedness disclosed therein;</p> <p>p. The operations of the Issuer are and have been conducted at all times in compliance with Anti-Money Laundering Laws;</p> <p>q. There is no outstanding more than 30 days overdue to any lender including Banks, Mutual Funds, Financial Institutions and NBFC except to the extent it is disclosed to the Debenture Trustee;</p> <p>r. It has materially complied with all tax laws in all jurisdictions in which it is subject to tax and has paid all taxes due and payable by it and no claims are being asserted against it in respect of taxes except in relation to tax liabilities arising in the ordinary course of its day-to-day trading activities or claims contested in good faith and in respect of which adequate reserves are available;</p> <p>s. The Issuer has not taken any action nor have any steps been taken or legal proceedings been started (to the best of its knowledge and belief) against it for its winding-up, dissolution or re-organization, for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer in relation to any bankruptcy proceedings. Except, for frivolous and vexatious petitions which have been disputed in good faith or stayed/vacated/dismissed within 90 days; and</p> <p>t. Except as disclosed to Debenture Trustee, the security provided under the terms of Debenture Trust Deed are free from any charge or encumbrance, and are not subject to any attachment, or other order or process issued by any Government and that the Issuer has a clear and marketable title.</p>
Events of Default	- Payment default (except, if caused due to technical and administrative reasons which has to be remedied within 3 Business Days)



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	<ul style="list-style-type: none"> <li>- Misrepresentation (not cured within 15 Business Days)</li> <li>- Failure to create and non-filing of Form CHG-9 before ROC within applicable timeline under law for perfection of security interest</li> <li>- Breach of other obligation (not cured within 15 Business Days)</li> <li>- Cessation of the business by Issuer</li> <li>- Winding up &amp; Insolvency (except frivolous &amp; vexatious which are to be dismissed/stayed/vacated within 90 days of filing)</li> <li>- Any expropriation, attachment, distress against Issuer resulting to Material Adverse Effect.</li> <li>- A moratorium is declared in respect of all or any indebtedness of the Borrower under the applicable Bankruptcy and Insolvency Code, 2016.</li> <li>- Any event which, is likely to constitute Material Adverse Effect to Company; (Material Adverse Effect shall mean material adverse effect on the ability of the Borrower to perform its payment obligation under Transaction Documents.</li> <li>- Creation of any further charge by Company on security without the prior consent of the Debenture Trustee; or</li> <li>- Jeopardization of security (not cured within 10 Business Days)</li> </ul>
Further Charge	<p>If the Company desires to create any further charge on the Hypothecated Assets in favour of its lender/investor, the Company shall seek prior written consent from the Debenture Trustee by providing the details of the proposed charge to be created on the Hypothecated Assets, including the ranking, extend of charge and the entity(ies) in whose favour the charge is proposed to be created and a certificate from an authorised signatory confirming that (i) no Event of Default shall result from the creation of the said charge and (ii) the minimum Security Cover shall not stand breached on account of creation of such further charge.</p> <p>The consent shall be provided by the Debenture Trustee within 5 (five) Business Days from the date of receipt of details as mentioned above. It is hereby clarified that the Debenture Trustee shall not be required to provide notice to or obtain consent from the Debenture Holders for creation of any further charge on the Hypothecated Assets.</p>
Premature Redemption	<p>Early redemption of all or any part of the Debentures at the instance of the Issuer, on any date prior to Final Redemption Date and not arising due to an Event of Default, shall only be permitted with the prior written consent of the majority of the debenture holders subject to pre-payment penalty of:</p> <ul style="list-style-type: none"> <li>• 3% (Three percent) on the principal amount prepaid.</li> </ul>
Debenture Trustee	Catalyst Trusteeship Limited
Registrar and Transfer Agents	Link Intime India Private Limited
Day Count Basis	Actual / Actual
Business Days	Any day not a Saturday, Sunday or public holiday as per Negotiable Instruments Act, at Mumbai and/or Gurugram and any other day on which banks are closed for customer business in Mumbai, India and as per SEBI Circular no. CIR/IMD/DF-1/122/2016 dated November 11, 2016.
Governing Law and Jurisdiction	Debentures are governed by and will be construed in accordance with the Indian Law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the provisions of the Act, regulations/ guidelines/ directions of Reserve Bank of India (RBI), Securities and Exchange Board of India (SEBI) and Stock Exchanges and other applicable laws and regulations from time to time. The Debenture- Holders, by purchasing



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	the Debentures, agree that the courts in Gurugram shall have exclusive jurisdiction with respect to any matters relating to the Debentures.
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulation, 2008, Companies Act, 2013 ('the Act') and the rules made thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.
Depository(ies)	NSDL and/or CDSL
Business Day Convention	If any day when any payment has to be made is not Business Day then the payment shall be made in preceding day.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque / Demand Draft / Pay Order / Direct Credit / ECS / NEFT / RTGS / NACH /other permitted mechanisms. Also refer Shelf Disclosure Document/Information memorandum.

