

Term Sheet

Security Name	11.92% Home Credit India Finance Private Limited 2020
Issuer	Home Credit India Finance Private Limited
Type of Instrument	Unrated, Unlisted, Unsecured, Redeemable non-convertible debentures
Nature of Instrument	Unsecured and Unsubordinated
Mode of Issue	Private placement
Eligible Investors	<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> <p>Mutual Funds Non-banking financial companies Provident Funds and Pension Funds Corporates Banks Foreign Portfolio Investors (FPIs) Qualified Foreign Investors (QFIs) Insurance Companies Investment holding companies of high net worth individuals Any other person eligible to invest in the Debentures</p> <p>All Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.</p>
Listing if applicable (including name of stock Exchange(s) where it will be listed and timeline for listing)	<p>The Debentures are unlisted as on the date of the issue. However, the Company undertakes to get the Debentures listed in BSE or NSE within 20 (Twenty) days from such request received from the Debenture Trustee acting upon instruction of Debenture Holders. In case the Debentures are not listed within 20 (Twenty) days of receipt of request from the Debenture Trustee for any reason whatsoever, the Company shall be required to immediately redeem all the Debentures from the Debenture Holders along with the interest accrued from the date of receipt of such notice at the Interest Rate till the date of redemption and/or buyback the Debentures.</p>
Rating of the Instrument	Unrated
Issue Size	INR 2,250,000,000 (Rupees Two Billion Two Hundred and Fifty Million Only)
Option to retain oversubscription (Amount)	Not Applicable
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"> General corporate purpose in the ordinary course of business of the Issuer <p>No part of the proceeds shall be utilized for purposes prohibited under any applicable law in India.</p>
Coupon Rate	11.92% per annum payable quarterly until redemption



HOME CREDIT

Step Up/Step Down Coupon Rate	Not Applicable
Coupon Payment Frequency	Quarterly
Coupon payment dates (in MM/DD/YYYY format)	09/29/2017 12/29/2017 03/30/2018 06/29/2018 09/28/2018 12/31/2018 03/29/2019 06/28/2019 09/30/2019 12/31/2019 03/31/2020 06/30/2020 08/31/2020
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 2% (Two 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 (Three) years 4 (Four) days from the Deemed Date of Allotment
Redemption Date	31 st August 2020
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 1,000,000 (Rupees Ten Lakhs Only) per Debenture
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



HOME CREDIT

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	24th August 2017
2. Issue Closing Date	28th August 2017
3. Pay-in Date	28th August 2017
4. Deemed Date of Allotment	28th August 2017
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.
Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).	<ul style="list-style-type: none"> The NCDs are unsecured as on the date of the Issue. The NCDs may be secured by way of first pari-passu charge (along with the existing charge holders) on the Receivables of the Issuer. Receivables for this purpose means Consumer loan contracts entered into between the Issuer and its customers with respect to the financial assistance for purchase of two wheelers/ CD/Cash Loans. In the event of creation charge or security interest as aforesaid, the charge over the receivables and/or such other security will at all times be as agreed between the Issuer and the Debenture Trustee, subject to the Applicable Law
Covenants	<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 style="text-align: center;">Financial Covenants</p> <p>The Issuer shall, as on Quarterly Date, until the redemption of all outstanding Debentures:</p> <ul style="list-style-type: none"> 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 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.

Affirmative Covenants

The Issuer shall, in accordance with Transaction Documents:

- 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 funds, nor any other criminal activity including arms sales, drug trafficking,



date Recd

	<p>robbery, fraud or racketeering.</p> <ul style="list-style-type: none"> • Make any financial investments other than in the ordinary course of business.
Additional Covenants	<ul style="list-style-type: none"> • Delay in Payment: In case of delay in payment of interest and/or principal redemption on the due dates, additional interest of at least 2 % p.a over the coupon rate will be payable by the Company for the defaulting period.
Required documents	<ul style="list-style-type: none"> • Private Placement Offer Document • Term Sheet • Memorandum & Articles of Association • Debenture Trust Deed • Board Resolution and Shareholder Resolution • Debenture Trustee Agreement • Agreement with the Depository i.e. National Security Depository Limited (NSDL)/ Central Depository Services Limited (CDSL) • Audited Annual reports for the last 3 years of the Issuer • Letter appointing Trustees to the Debenture Holders
Conditions Precedent	<ul style="list-style-type: none"> • Consent letter from the Debenture Trustee • 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; • Execution of the Debenture Trustee Agreement and Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; • The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements.
Condition Subsequent	<ul style="list-style-type: none"> • The Issuer shall do all applicable filings with the Registrar of Companies • Credit of demat account(s) of the allottee(s) with the number of NCDs allotted within 5 (Five) Business Days of the Deemed Date of Allotment. • To ensure compliance with Companies Act 2013 for issuance of NCDs.
Events of Default	<p>Each of the following events shall be deemed to be an Event of Default and the Debenture Trustee 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"> • Payment Defaults when the Issuer does not pay on the Due Date any amount payable in accordance with Transaction Documents • Insolvency / Inability To Pay Debts • Cessation of Business without prior consent • Breach of Financial Covenants • Non creation of Security (applicable only upon creation of the Security, if any,) Misrepresentation in material respect and not rectified within number of days prescribed in Transaction Documents. • Material Adverse Change which has or is reasonably likely to have a Material Adverse Effect.

HOME CREDIT

	<ul style="list-style-type: none"> • Liquidation or Dissolution of the Issuer / Appointment of Receiver or Liquidator • Cross Default beyond threshold amount • Creditors process of or beyond threshold amount. • Judgment Defaults exceeding threshold amount • Repudiation • Failure to maintain the security cover. (applicable only upon creation of the Security, if any,)Invalidity of Mandatory Premature Redemption • Non-Compliance of other obligation in accordance with Transaction Documents
Provisions related to Cross Default Clause	<ul style="list-style-type: none"> • Any *Indebtedness of the Issuer is not paid by the Issuer ; • Any *Indebtedness of the Issuer is declared due and payable prior to its specified maturity as a result of an event of default • Any creditor of the Issuer becomes entitled to declare any *Indebtedness due to event of default. <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.

