

Term-Sheet forming part of Information Memorandum

Security Name	Series 4 - 8.50% 21 January 2022 HFFCIL Secured, Rated, Listed, Redeemable, Taxable, Non-Convertible Debentures
Type of Instrument	Secured, Rated, Listed, Redeemable Non-Convertible Debentures (the “NCD”)
Nature of Instrument	Secured
Seniority	Senior (Pari-passu)
Mode of Issuance	Private Placement under electronic book mechanism of BSE
Issuer/ Borrower/ Company	Home First Finance Company India Limited
Tranche	Series 4
Guarantee	Yes, As applicable under PCG 2 scheme
Face Value	INR 10 Lakhs per Debenture
Issue Price	INR 10 Lakhs per Debenture
Allotment Quantity	Upto 500 Debentures
Issue Size	Upto INR 50 crs
Tenor	18 months from the Deemed date of Allotment
Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment. In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal 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 Debentures to the Debenture Holder
Rating of the Instrument	“ICRA A+/Stable” by ICRA Limited
Minimum Application and in multiples of 1 Debt securities thereafter	Minimum 10 Debentures and in multiples of 1 thereafter
Objects of the Issue	The funds raised through this Issue, after meeting the expenditures of and related to the Issue, will be used for our various financing activities, repay our existing loans and for our business operations.
Details of the utilization of the Proceeds	Bank finance to NBFCs : DBR.BP.BC.No.5/21.04.172/2015-16 and any changes there of.
Coupon Type	Fixed
Coupon Payment Frequency	Annually and at Maturity
Coupon Rate	8.50% p.a.
Coupon Amount	Accrued Interest on the paid-up value of Debentures payable on Coupon Payment Date
Day Count Basis	Actual/ Actual
Interest on Application Money	At the Coupon Rate
Redemption	Principal Repayment at the end of 18 th Month from the Deemed Date of Allotment
Redemption Premium / Discount	NA
Security Cover	The Issuer shall ensure that that value of Security created to be 1.10 times the outstanding principal and interest at all times during the tenor of the instrument In case of shortfall on security cover, it should be replenished within 15 calendar days and the Issuer shall intimate the Debenture Trustee of the same
Final Maturity Date	Friday, January 21, 2022
Tenor	18 Months
Option to retain oversubscription (Amount)	NA
Default Coupon Rate	2% p.a. over and above the Coupon Rate on defaulted amounts for the defaulting period
Discount at which security is issued and the effective yield as a result of such discount	NA
Coupon Reset Process	NA

(including rates, spread, effective date, interest rate cap and floor etc)	
Redemption Amount	INR 10 Lakhs (Rupees Ten Lakhs Only) per Debenture.
Put Option	NA
Put Price	NA
Put Notification Time	NA
Call Option	NA
Call Price	NA
Call Notification Time	NA
Step Up/ Step Down Coupon Rate	NA
Issuance mode of the Instrument	Dematerialized only
Trading mode of the Instrument	Dematerialised only
Settlement mode of the Instrument	Through ICCL
Class / Classes of investors	Mutual Funds, NBFCs, Provident Funds and Pension Funds, Trust inclusive of public charitable trust subject to their investment guidelines, Corporates, Banks, Insurance Companies, Individual, Any other person eligible to invest in the Debentures subject to the relevant prevalent guidelines and as permitted under Applicable Laws.
Debt Equity Ratio (Including Current Issue)	2.78 times
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>To be created in favor of the Debenture Trustee, as follows:</p> <ul style="list-style-type: none"> First pari-passu charge (along with banks, financial institutions and other lenders which provide credit facilities to the Issuer) by way of hypothecation on Company's present and future receivables and book debts, cash and cash equivalents and liquid investments, as may be identified by the Company, with a Minimum Security Cover of minimum 1.10x , except for those book debts and receivables charged / to be charged in favour of National Housing Bank for refinance availed / to be availed from them.
Security Creation	<p>The Issuer undertakes to create security within 3 months from the Issue Closure date.</p> <p>In case of delay in security creation the company will refund the subscription with agreed rate or will pay penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till security creation is complete, at the option of the debenture holders.</p>
Non – maintenance of security cover	Penal interest of 1 % p.a. over the coupon rate for the period of non – compliance
Record Date/ Shut Period	15 days prior to each Coupon Payment / Redemption Date
Business Day Convention	<p>Other than the Deemed Date of Allotment and Coupon Payment Date, should any of the other date(s) fall on a day that is not a Business Day, then immediately preceding Business Day shall be considered as the effective Business Day.</p> <p>Should the Deemed Date of Allotment or any Coupon Payment Date fall on a day that is not a Business Day, then immediately succeeding Business Day shall be considered as the effective Business Day. However, the calculation of the said coupon payment would be as per the schedule originally stipulated at the time of issuing the security. Thus, the subsequent coupon schedule would not be disturbed. "Business Day" shall be a day on which Money Market is functioning in Mumbai, however shall exclude Saturday, Sunday or any other day on which banks are closed in Mumbai.</p>
Events of Default	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> Failure to pay amounts due under the Issue on the relevant due date by the Issuer; Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;

	<ul style="list-style-type: none"> • Illegality, cessation of business of the Issuer; • Security in jeopardy; • Bankruptcy, CDR proceedings filed with respect to the Issuer; • Breach of any of the terms of the Transaction Documents by the Issuer; • Breach of any covenants; • Breach of any Representations and Warranties; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer; • Unlawfulness or moratorium
Consequences of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> • To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer; • Enforce its right under the Transaction Documents; • Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue; • Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists; • Any cost incurred on any of the above shall be borne by the Issuer.
Affirmative Covenants	<p>The Issuer agrees to:</p> <ul style="list-style-type: none"> • Utilize the proceeds of this issue in accordance with applicable laws and regulations • Comply with corporate governance fair practice code prescribed by the RBI • Notify of any potential event of default or event of default to the Bondholders • Comply with any monitoring and or servicing request from debenture holders
Negative Covenants	<p>The Issuer shall not take any action in relation to the following items/events without prior written approval of Majority Holders (100%)</p> <ul style="list-style-type: none"> • Undertake any new major business outside financial services or any diversification of its business outside financial services without approval of NCD holders. • Change in article of incorporation or organizational documents in any material way (except for change in Board) which would prejudicially affect the interest of the debenture holders.
Transaction Documents	<ol style="list-style-type: none"> 1. Debenture Trustee Agreement; 2. Disclosure Document; 3. PAS-4; 4. Debenture Trust Deed; 5. Security Document if any 6. Such other documents as agreed between the Issuer and the Debenture Trustee.
Condition Subsequent to Disbursement	As per Debenture Trust Deed
EBP Process	As per BSE Bond Operating Guidelines
Manner of Bidding	Open Book
Mode of allotment	Uniform Allotment
Depository	NSDL
Indemnification	The Issuer will indemnify and hold harmless the Debenture Holders from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.
Debenture Trustee to the Issue	Axis Trustee Services Limited
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents

Governing Law and Jurisdiction	The Information Memorandum shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.
Taxation	All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.
Issue/Bid Opening date	Tuesday, July 21, 2020
Issue/Bid Closing Date	Tuesday, July 21, 2020
Pay in Date	Wednesday, July 22, 2020
Deemed Date of Allotment	Wednesday, July 22, 2020

Illustration of Cash Flows per Debenture

Dates	Remarks	Amounts (INR) per lot
Wednesday, July 22, 2020	Disbursement	-1,000,000.00
Thursday, July 22, 2021	Coupon	85,000.00
Friday, January 21, 2022	Coupon	42,616.44
Friday, January 21, 2022	Maturity	1,000,000.00

For Home First Finance Company India Limited



Authorized Signatory