

Term Sheet:

Issuer	Incred Financial Services Limited (IFSL) ("Company", "Issuer")
Type of Instrument	Secured Redeemable Principal Protected - Market Linked Non-Convertible Debenture (NCD)
Debenture Trustee	Catalyst Trusteeship Ltd.
Security Name	IFSL/2021-22/MLD/004
ISIN	Fresh ISIN to be applied
Nature of Instrument	Secured
Seniority	Senior Debt
Principal Protection	Principal is protected at maturity
Mode of Issue	Private Placement
Underlying/ Reference Index	NIFTY 50 INDEX
Listing (including the name of the Stock exchange(s) where it will be listed and timeline of listing)	<p>The Debentures shall be listed on the Wholesale Debt Market segment of the BSE within a period of 4 (Four) trading days from the closing date of the Issue.</p> <p>The Company shall at all times comply with Applicable Law in relation to the issuance of the Debentures and the listing of the Debentures on the BSE and shall further ensure all approvals required from any Governmental Authority and resolutions required to issue, list or maintain such listing of the Debentures are in place.</p> <p>The Company does hereby agree and undertake that it shall (furnish all such information and documents as may be required by the BSE and by SEBI for the continuous listing of the Debentures. All expenses, costs, charges incurred for the purpose of listing of the Debentures shall be borne and paid by the Company.</p> <p>The stock exchange(s) shall list Debentures only upon receipt of a due diligence certificate as per format specified in the SEBI Due Diligence Circular from Debenture Trustee confirming creation of charge and execution of the Debenture Trust Deed.</p>
Rating of Instrument	CRISIL PP-MLD A r; Stable (PP – MLD Single A; Outlook – Stable)
Eligible Investors	The investor to whom this Disclosure Document is specifically addressed, is eligible to apply for this private placement of Debentures subject to fulfilling



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	<p>its respective investment norms/rules and compliance with laws applicable to it by submitting all the relevant documents along with the Application Form. The persons to whom the Disclosure Document has been circulated to, may include but not limited to:</p> <ol style="list-style-type: none"> 1. Financial Institutions: registered under the applicable laws in India which are duly authorized to invest in Bonds; 2. Insurance companies 3. Provident, Gratuity, Pension & Superannuation Funds 4. Regional Rural Banks 5. Mutual Funds 6. Companies, Bodies Corporate authorized to Invest in bonds 7. Trusts, Association of Persons, Societies registered under the applicable laws in India which are duly authorized to invest in bonds 8. FPIs 9. Individuals 10. Scheduled Commercial Banks 11. Co-operative Bank 12. Partnership Firms 13. HUF through Karta <p>Any other Investors eligible to invest in these Debentures</p>
Issue Size	Private placement of up to 100 (One Hundred) non-convertible debentures aggregating up to Rs. 10,00,00,000/- (Rupees Ten Crores only) with a green shoe option of upto 150 (One Hundred Fifty) non-convertible debentures.
Green Issue/ Ability to Retain Oversubscription Upto	INR 15,00,00,000 (Rupees Fifteen Crores Only)
Total Issue Size	INR 25,00,00,000/- (Rupees Twenty Five Crores Only)
Minimum application Size	2 Debentures bearing face value of Rs. 10,00,000/- each and in multiples of 1 debenture(s) thereafter
Face Value	Rs. 10,00,000/- Per Debenture
Issue price	Rs. 10,00,000/- Per Debenture
Tenor in Days	1221 (One Thousand Two Hundred Twenty One) Days from the Deemed Date of Allotment
Issue Opening Date	May 28, 2021
Issue Closing Date	June 1, 2021
Initial Fixing Date	June 1, 2021
Initial Fixing Level	Official closing level of NIFTY 50 INDEX on Initial Fixing Date
Final Fixing Date	The Nifty 50 Index futures expiry date in the month of June, 2024 (i.e. 27 th June, 2024, provided that, if such date is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date/ Final Fixing Date)
Final Fixing Level	Official closing level of NIFTY 50 INDEX on Final Fixing Date
Redemption Date	October 04, 2024
Coupon Amount	A) If Final >115.85% * Initial

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	<p>Principal Amount * Performance</p> <p>Or</p> <p>B) If Final <= 115.85% * Initial</p> <p>Principal Amount * 115.85%</p> <p>Where,</p> <p>“Performance” = PR * (Final/Initial - 1))</p> <p>“PR” = Participation ratio will be in the range of 95% to 100%. Final PR for this series will be communicated on the allotment date.</p> <p>“Initial” = $\left(\frac{1}{3}\right) \times \sum_{i=1}^3 \text{Level}(i)$</p> <p>“Level(i)” = Official Closing Level of the Reference Index on each Initial Performance Observation Dates, rounded to next hundred.</p> <p>“Final” = $\left(\frac{1}{2}\right) \times \sum_{i=1}^2 \text{Level}(j)$</p> <p>“Level(j)” = Official Closing Level of the Reference Index on each Subsequent Performance Observation Dates, rounded to next hundred.</p>
Pay-in-Date	May 28, 2021, May 29, 2021, May 31, 2021 & June 1, 2021
Deemed Date of Allotment	June 1, 2021
Step up/Step down coupon rate	Not Applicable.
Coupon payment frequency	On Maturity
Coupon payment dates	On Maturity
Coupon type	Reference Index Linked Nifty 50 India Index Services & Products Limited (IISL)
Observation Dates	<p>Each Initial Performance Observation Date and Subsequent Performance Observation Date as under:</p> <p><u>Initial Performance Observation Dates*</u>:</p> <ol style="list-style-type: none"> 1. The Initial Valuation Date; 2. 24th June, 2021 and 3. 29th July 2021 <p><u>Subsequent Performance Observation Date*</u>:</p> <ol style="list-style-type: none"> 1. 28th December, 2023 and 2. 27th June 2024 <p>* Provided that, if any such date, except for The Initial Valuation Date, is not a scheduled Nifty 50 Index futures expiry date, then the Nifty 50 Index</p>

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	futures expiry date as notified by the National Stock Exchange for that month will be considered as the observation date.
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.)	Not Applicable
Day Count Basis	Actual/Actual. For this purpose, the year to comprise of 365 days. In the case of the leap year, if February 29, falls during the tenor of the security, then the no. of days shall be reckoned as 366 days for a whole one year (SEBI Circular- CIR/IMD/DF/1/22/2016 dated November 11, 2016)
Default interest rate	Without prejudice to the rights of the Debenture Trustee and/or the Debenture Holders upon the occurrence of any default, in making payment of the Outstanding Amounts as per the Debenture Documents or upon occurrence of any Event of Default, the Company shall be liable to pay default interest which shall be calculated at the rate of 2% (Two Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate. In the event that the Debentures are not listed on BSE within a period of 4 (Four) trading days from the closing date of the Issue, the Company shall pay default interest calculated at the rate of 1% (One Percent) per annum on the outstanding principal amount of the Debentures over and above the Coupon Rate for the period commencing from the Deemed Date of Allotment and expiring on the date the Debentures are listed on BSE.
Proposed time schedule for which the disclosure document is valid	Till redemption
Redemption Premium / Discount	Not Applicable
Premature Redemption	Not Applicable
Put Option	None
Put Option Price	Not Applicable
Put Notification Time	Not Applicable
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Security	The Debentures shall be secured by way of First ranking pari passu charge on the loan receivables (Hypothecated Receivables) to be created pursuant to the deed of hypothecation to be executed within 90 days from deemed date of allotment between the company and the Debenture Trustee; between the issuer and Catalyst Trusteeship Limited (Debenture Trust Deed). The Hypothecated Receivables shall always be equal to 1.10x the value of debenture principal.

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	<p>Hypothecated Receivables will be termed as Secured Assets.</p> <p>And excluding the specific charge created in favour of certain creditors as intimated to the Debenture Trustee.</p> <p>The issuer undertakes to the following and covenants as follows:</p> <p>a) to ensure that the security provided by the Hypothecated Receivables at all times is equal to 1.10x (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) of the aggregate amount of principal outstanding under the NCDs where at least 1.10x (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) of the security cover is maintained from principal receivables of the Company (“Security Cover”);</p> <p>b) to pay a default interest of 2.0% (Two Percent) p.a. over the Coupon Rate in case there is any delay in the creation and perfection of the security over the Hypothecated Assets for the period of default;</p> <p>c) to provide a CA Certified book debt statement on a Quarterly basis, of hypothecated loan receivables/ book debts to the Debenture Trustee over which the charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) (“Quarterly Hypothecated Asset Report”);</p> <p>d) to hypothecate and charge fresh / additional loan assets in favour of the Debenture Trustee pursuant to the Deed of Hypothecation to ensure that the Security Cover is maintained and the value of the Hypothecated Assets is equal to 1.10x (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) the aggregate amount of principal outstanding of the NCDs where at least 1.10x (One Decimal Point One Zero) time or 110.0% (One Hundred and Ten Percent) of the Security Cover is maintained from principal receivables of the Company;</p> <p>e) to replace any Hypothecated Receivables that become overdue by 90 days with additional/current/ standard receivables. Such replacement shall be affected within 15 (Fifteen) Business Days of the original receivables becoming overdue by 90 days;</p> <p>f) Form CHG 9 with respect to the additional receivables charged in favour of the Debenture Trustee will also be filed within the aforementioned 30 days’ timeline;</p> <p>g) Security perfection to be completed within 90 days from date of allotment.</p>
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	<p>h) the Company has obtained all relevant <i>pari passu</i> letters and consents from its existing lenders/creditors required to perfect the security created over the Hypothecated Receivables.</p> <p>i) Financial Indebtedness (includes all secured and unsecured loans, guarantees issued, any contractual obligations with recourse to the company, etc.) shall not exceed more than 6x of adjusted Net Owned Funds (as defined by Reserve Bank of India). This covenant would be tested every year from the Audited financials provided by the company.</p> <p><u>Eligibility Criteria for the Hypothecated Receivables:</u></p> <p>a) the receivables are existing at the time of selection and have not been terminated or pre-paid;</p> <p>b) the receivables are standard and have not been restructured or rescheduled;</p> <p>c) all “Know Your Customer” norms have been complied with as prescribed by the Reserve Bank of India;</p> <p>d) Each loan must satisfy the Company’s underwriting and credit policies</p> <p>e) No loan in the Hypothecated Receivables should be more than 90 days DPD for the tenor of this NCD. Issuer will replace such loans within 15 days of such loans becoming overdue</p> <p>g) Receivables shall be the principal amount of the underlying asset.</p> <p>The assets on which charge is created are free from any encumbrances and in cases where the assets are already charged to secure a debt, the permission or consent to create a second or <i>paripassu</i> charge on the assets of the issuer has been obtained from the earlier creditor.</p>
Financial Covenants	<p>Debt/Equity \leq 6x</p> <p>Net NPA \leq 5%</p> <p>CAR \geq 20%</p>
Ranking	<p>The first ranking charge to be created on the Hypothecated Receivables. shall rank <i>pari passu</i> with the present and future lenders and debenture holders of the Company having first charge over the Secured Assets. The Company reserves the right to create further <i>pari passu</i> charge or encumbrances on the Secured Assets without seeking the consent of the Debenture Trustee or the Debenture Holders so long as the security cover of 1.10x times of the face value of Debentures is maintained.</p> <p>The Security provided in relation to this Issue shall be shared <i>pari passu</i> with other issuances and lenders of the Company at the discretion of the Company.</p>
Purpose and objects of the Issue	General corporate purposes, business operations, investments, repayment of existing debt.
Settlement	All payments must be made by ECS, NEFT, RTGS, or such other online payment mechanism permitted under the SEBI Debt Listing Regulations.
Depositories	NSDL/ CDSL, as the case maybe

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Business Day Convention	<p>“Business Day” means any day of the week (excluding Sundays or any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai and any other day on which banks are open for general business in Mumbai, India) shall be a Business Day for the purpose of the Debenture Trust Deed.</p> <p>In the event that any of the Record Dates falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date(s) for that payment or determination, as the case may be.</p> <p>In the event that the date for performance of any event or the Coupon Payment Date falls on a day that is not a Business Day, the immediately succeeding Business Day shall be considered as the effective date for that payment or the date for performance of such event.</p> <p>In the event that the Scheduled Maturity Date falls on a day that is not a Business Day, the immediately preceding Business Day shall be considered as the effective date for that payment.</p>
Interest on Application Money	<p>The Company shall be liable to pay the Debenture Holders interest on application money, at 4.50% p.a. for the period commencing from the credit of subscription monies in respect of the Debentures in the account of Company, until the Deemed Date of Allotment. The interest on application monies shall be paid by the Company to the Debenture Holders, together with Coupon payable, on the Maturity Date.</p> <p>Where Pay-in Date and Deemed Date of Allotment are the same, no Interest on Application money is to be paid.</p>
Record Date	<p>The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e. persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.</p>
All covenants of the issue (including side letters, accelerated payment clause, etc.)]	<ol style="list-style-type: none"> The capital adequacy ratio (as defined in RBI Regulations) shall be equal to 20% or above at all points in time. The cumulative Asset – Liability Mismatch should always be within the limits prescribed by RBI/Company’s ALM Policy. Net NPA/Net advances % of the company should be less than 5% TOL/NOF ratio should be less than 6 <p>“Gross Loan Portfolio” shall include on balance sheet and off balance sheet portfolio</p> <p>“Off Balance Sheet Portfolio” shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever</p>

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	<p>“PAR-90” shall mean the outstanding principal amount of all client loans that have one or more instalments of principal past due for ninety days or more.</p> <p>“Client Loan” means each loan made by the Company as a lender.</p> <p>“Gross NPA” shall have the meaning in accordance with the guidelines issued by the RBI.</p> <p>All covenants (except Financial covenant) would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, starting from 30th June 2021 on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.</p> <p>Company may redeem or repurchase the NCDs; in whole or in part, subject to any required statutory approvals, upon obtaining prior approval from the Debenture Holders/ Trustee.</p>
Transaction Documents	<ul style="list-style-type: none"> • Memorandum and Articles of Association of the Company. • Consent Letter dated January 20, 2021 from Catalyst Trusteeship Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures. • Debenture Trust deed dated 15th April, 2021 executed between Company and Catalyst Trusteeship Limited • Certified copy of the Board Resolution passed on February 17, 2021 • Certified copy of the Shareholders Resolution passed on May 19, 2021. • Letter from CRISIL Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto. • Consent Letter dated May 26, 2021 from Link Intime India Private Limited for acting as Registrars to the Issue. • Tripartite Agreement between the Company, National Securities Depository Limited (“NSDL”) and the Registrar for the Issue of Debentures in dematerialised form. • Tripartite Agreement between the Company, Central Depository Services (India) Limited (“CDSL”) and the Registrar for the Issue of Debentures in dematerialised form. • Valuation Agreement dated 31st August 2020 entered with CRISIL LIMITED and amendments thereafter to the respective agreements, as may be applicable.
Conditions Precedent to Pay In	<p>The Company shall have submitted the following to the Debenture Trustee:</p> <ol style="list-style-type: none"> 1. Certified true copy of the constitutional documents of the Company. 2. Certified true copies of the special resolutions of the shareholders of the Company under Sections 42 of the Act and under Section 180 of the Act (if applicable).

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	<ol style="list-style-type: none"> 3. A certified true copy of the resolution of the board of directors of the Company under Sections 71 and 179 of the Act, (i) approving the issue of the Debentures (ii) approving the terms of the transactions contemplated by the relevant Debenture Documents; (iii) resolving to execute the relevant Debenture Documents (iv) authorising a specified person or persons to execute the relevant Debenture Documents on its behalf and to do all such acts and things as may be necessary to give effect to the relevant Debenture Documents and the transactions contemplated by the relevant Debenture Documents. 4. The Company shall have filed the resolutions (if applicable) specified in 2 and 3 above with the Registrar of Companies prior to issuing the Disclosure Document. 5. A certificate of an independent practicing chartered accountant, certifying that there are no proceedings pending against the Company (as an assessee) under the Income Tax Act, 1961 which would warrant the requirement of permission / certificate from the Assessing Officer under Section 281 of the Income Tax Act, 1961 for the creation of Security. 6. Execution of the Debenture Documents as may be required by the Debenture Trustee. 7. Issuance of this Disclosure Document containing disclosures required in terms of the SEBI (ILDS) Regulations and the Companies Act. 8. The Company shall have submitted to the Debenture Trustee its audited account statements for the most recent Financial Year. 9. Receipt of in principle approval from BSE in respect of listing of the Debentures. 10. Certificate from the Chief Financial Officer of the Company containing certifications including (i) absence of Material Adverse Effect; (ii) issuance of Debentures will not cause any borrowing limit binding on Company to be exceeded; (iii) regulatory requirements for issue of Debentures have been complied; (iv) representation and warranties made in the Debenture documents are true and correct. 11. The Company shall have made relevant disclosures/intimations to concerned stock exchanges with respect to raising funds through Debentures as per SEBI guidelines, if applicable. 12. The Issuer shall create charge /hypothecate the receivables in favour of Debenture Trustee within 30 days from the date of execution of DOH. 13. The Issuer shall have submitted to the Debenture Trustee the rating letter and rating rationale; 14. The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements; 15. Evidence that all the conditions precedent have been satisfied by the Company to the satisfaction of the Debenture Trustee and the receipt by the Debenture Trustee of a conditions precedent compliance certificate in this regard, in a form and manner acceptable to the Debenture Trustee.
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Conditions Subsequent to Deemed Allotment	<ol style="list-style-type: none"> 1. The Company shall ensure that upon issuance of the Debentures, the allotment and the dematerialised credit of the same occurs within 2 (Two) Business Days from the Deemed Date of Allotment. 2. Filing of a return of allotment on the issue of the Debentures in Form PAS-3 specified pursuant to Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 by the Issuer, with the registrar of companies, within 15 (Fifteen) days from the Deemed Date of Allotment. 3. The Company shall ensure that the Debentures are listed and traded on the BSE within 4 (Four) trading days from the closing date of the Issue. 4. Registration of hypothecation over the property over which the Security Interest is created in terms of the Debenture Documents, with the Registrar of Companies and Central Registry of Securitisation Asset Reconstruction and Security Interest of India (CERSAI) within a maximum period of 30 (thirty) days from the Deemed Date of Allotment. 5. A certificate by an independent practicing chartered accountant certifying the Purpose of the proceeds of the Debentures, to be submitted within 30 (Thirty) days from the Deemed Date of Allotment. 6. The Company shall make all applicable regulatory filings within the timelines prescribed under Applicable Law.
Event of Default	As per the Debenture Trust Deed dated 15 th April, 2021 and/or breach of any of the conditions/ covenants mentioned in this Term Sheet
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"> • Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; • 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. <p>The Recall option shall be exercised at PAR along with accrued interest, with a prior notice of 30 calendar days to the Issuer</p>
Creation of recovery expense fund	SEBI has issued <i>vide</i> circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 (" SEBI REF Circular "), the guidelines/ instructions in relation to creation of Recovery Expense Fund (" REF ") in order to enable the debenture trustees to take prompt action for enforcement of security in case of 'default' in listed debt securities to be used in the manner decided in the meeting of the holders of debt securities. The Company will create and maintain a Recovery Expense Fund as per the provisions of the regulations

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	<p>issued by SEBI and the SEBI REF Circular, as amended from time to time, and if during the currency of these presents, any guidelines are formulated (or modified or revised) by any Governmental Authority under Applicable Law in respect of creation/maintenance of the Recovery Expense Fund, the Company shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee (who shall forthwith forward them to the Debenture Holders) and shall also cause the same to be registered, where necessary.</p> <p>Details:</p> <p>The Company shall within the timelines prescribed under the SEBI REF Circular create REF in relation to the Issue, by deposit of an amount equal to 0.01% of the Issue size subject to maximum of Rs. 25 lakhs towards REF with BSE in such form as prescribed under the SEBI REF Circular.</p> <p>Purpose:</p> <p>In the event of default, the Debenture Trustee shall obtain the consent of Debenture Holders for enforcement of security and shall inform the same to BSE. BSE will release the amount lying in the REF to the Debenture Trustee within 5 working days of receipt of such intimation.</p> <p>The REF will be refunded to the Issuer in accordance with the SEBI REF Circular.</p>
Conditions for breach of covenants (as specified in Debenture Trust Deed)]	Please refer to details provided in Section Consequence of Event of Defaults section.
Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s), details of security to be created and process of due diligence carried out by the debenture trustee	<p>Terms and conditions of debenture trustee agreement including fees charged by debenture trustees(s):</p> <p>Debenture Trustee Agreement has been executed as per required SEBI regulations before the Issue Opening Date i.e. on April 15, 2021.</p> <p>The Debenture Trustee shall be responsible to oversee and monitor the overall transaction for and on behalf of the Debenture Holders in accordance with the terms and conditions as set out in the Debenture Trust Deed and the Debenture Trustee Agreement.</p> <p>The Company shall pay to the Debenture Trustees so long as they hold the office, remuneration for their services as debenture trustee in addition to all legal, traveling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the Debenture Trust Deed and the other Transaction Documents to be executed to give effect to the creation of security for securing the Debentures and any other expenses like advertisement,</p>

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	<p>notices, letters to Debenture Holders, and additional professional fees/ expenses that would be incurred upon the occurrence of an Event of Default. The remuneration of the Debenture Trustee shall be as per the offer letter number CL/MUM/20-21/DEB/931 dated January 20, 2021 as may be amended/modified from time to time.</p> <p>Details of security to be created:</p> <p>Please refer to row titled (<i>Security</i>).</p> <p>Process of due diligence carried out by the Debenture Trustee:</p> <p>The Debenture Trustee has independently carried out the due diligence process in accordance with the SEBI circular no. SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/ 207 dated November 03, 2020 ("SEBI Due Diligence Circular"), in the following manner:</p> <p>The due diligence ("DD") will be carried out as per the Securities Exchange Board of India (Debenture Trustee) Regulations, 1993 as amended from time to time and the relevant circulars issued by SEBI from time to time, which broadly includes following:</p> <ul style="list-style-type: none"> (i) A Chartered Accountant ("CA") will be appointed by the Debenture Trustee who carry out an independent DD as per the scope provided, regarding Security given for the issue by the Company. (ii) The CA will verify and ensure that the asset provided by the Company for creation of security are free from any encumbrances or necessary permission or consent has been obtained from existing charge holders. (iii) The CA will do an independent DD as per information provided by the Company. (iv) The periodical DD will be carried out as per the SEBI circulars issued from time to time as per nature of security provided. (v) A DD certificate will be issued by the CA and will be available with the stock exchanges from time to time for the information of the Debenture Holders. (vi) As mentioned in this Information Memorandum even though the Debentures are secured to the extent of 100% of the principal or as per the terms of this Information Memorandum, in favour of Debenture Trustee, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security. (vii) The DD will be carried out for maintenance of security cover depending on information provided by the Company and the CA appointed by the Debenture Trustee or Debenture Trustee himself will not be responsible for misinformation provided by the Company.
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	<p><u>Due Diligence Certificate</u></p> <p>The Debenture Trustee has issued a due diligence certificate in the format as set out under the SEBI Due Diligence Circular which certificate has been attached hereto.</p> <p>The Debenture Trustee has verified that the necessary consents have been approved from the existing charge holders for creation of first ranking <i>pari passu</i> charge for the purposes of securing the Debentures. The following are the details of the charge holders and the no-objection certificates received from the aforesaid charge holders:</p> <table><tr><th>Sr. No</th><th>Lender/Holder</th><th>Charge</th><th>Date of the NoC</th></tr><tr><td>1.</td><td>Maanaveeya Development and Finance Private Limited</td><td></td><td>NoC dated April 14, 2021 issued to Catalyst Trusteeship Limited</td></tr><tr><td>2.</td><td>Yes bank</td><td></td><td>NoC dated April 28, 2021 with reference number YBL/MUM/IFIB/NOC/0008/2021-2022 issued to Incred Financial Services Limited</td></tr><tr><td>3.</td><td>Axis Trusteeship Services Limited</td><td></td><td>NoC dated April 20, 2021 with reference number ATSL/CO/21-22/332 issued to Incred Financial Services Limited</td></tr><tr><td>4.</td><td>Catalyst Trusteeship Limited</td><td></td><td>NoC dated April 22, 2021 issued to Incred Financial Services Limited</td></tr><tr><td>5.</td><td>Axis Trusteeship Services Limited</td><td></td><td>NoC dated April 20, 2021 with reference number ATSL/CO/21-22/359 issued to Incred Financial Services Limited</td></tr></table>	Sr. No	Lender/Holder	Charge	Date of the NoC	1.	Maanaveeya Development and Finance Private Limited		NoC dated April 14, 2021 issued to Catalyst Trusteeship Limited	2.	Yes bank		NoC dated April 28, 2021 with reference number YBL/MUM/IFIB/NOC/0008/2021-2022 issued to Incred Financial Services Limited	3.	Axis Trusteeship Services Limited		NoC dated April 20, 2021 with reference number ATSL/CO/21-22/332 issued to Incred Financial Services Limited	4.	Catalyst Trusteeship Limited		NoC dated April 22, 2021 issued to Incred Financial Services Limited	5.	Axis Trusteeship Services Limited		NoC dated April 20, 2021 with reference number ATSL/CO/21-22/359 issued to Incred Financial Services Limited
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Roles and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders. All rights and remedies under the Debenture Documents shall rest in and be exercised by the Debenture Trustee without having it referred to the Debenture Holders. Any payment made by the Company to the Debenture Trustee, for the benefit of the Debenture Holders, shall discharge the Company to the Debenture Holders.																								
Risk factors pertaining to the issue]	Please refer to Section II - Risk Factors Disclosure Document dated April, 27, 2021																								

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Governing Laws and Jurisdiction	<p>The Debentures and the Transaction Documents (including the Debenture Trust Deed) are governed by and will be construed in accordance with the Indian laws.</p> <p>The courts and tribunals of Mumbai, India have exclusive jurisdiction to settle any dispute arising out of or in connection with the Debentures or the Transaction Documents.</p> <p>Notwithstanding anything to the contrary contained in any other Transaction Document/Disclosure Document, the Debenture Trustee/Debenture Holders may commence any legal action/proceedings arising out of the Debentures or the Transaction Documents in a court, tribunal or any other appropriate forum in India and the Company hereby consents to that jurisdiction</p>
Valuation Agent	CRISIL Limited
Valuation Frequency and Publication	<p>The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency and the Issuer.</p> <p>The latest and historical valuations for these Debentures will be published on the website of the Issuer and the Valuation Agency(ies).</p> <p>Upon request by any Debenture/NCD Holder for the valuation of these Debentures/NCDs, the Issuer shall provide them with the latest valuation.</p>
Valuation Agency Fees	The fees payable to the Valuation Agent shall be borne solely by the Issuer and the same shall not exceed 2.0 bps p.a on the face value of the Debentures.
Cost & Expenses	All costs and expenses associated with the transaction including the arranger's fees, fees for engaging lawyers, security trustee, rating agency, registrars, independent valuer's fees, etc. and stamp duties incurred and documented in relation to preparation, negotiation and execution of the Transaction Documents shall be to the account of the Issuer. These Cost and Expenses will be pre-approved by the Company and payable directly by the company.

Note: While the debt securities are secured to the tune of 100% of the principal amount or as per the terms of offer document/ information Memorandum , in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained, however, the recovery of 100% of the amount shall depend on the market scenario prevalent at the time of enforcement of the security

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Illustration of Cash Flows

Illustration of Bond Cash Flows	
Company	Incred Financial Services Limited
Face Value (per security)	Rs. 10,00,000/- (Rupees Ten Lakh only)
Issue Date	June 1, 2021
Date of Allotment	June 1, 2021
Redemption Date / Maturity Date	October 04, 2024
Coupon	Linked with underlying index
Frequency of the Coupon Payment with specified dates	On Maturity
Day Count Convention	Actual/Actual

Cash Flow	Date	No. of days	Amount
Coupon on redemption*	October 04, 2024	1221	Linked with underlying index
Face value	October 04, 2024	1221	1,000,000
Total			1,000,000 + Underlying index linked Coupon

Company reserves the right to change the issue closing date and in such an event, the Deemed date of allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.

Notes:

1. The Cash Flow displayed above is calculated per Debenture (face value of Rs. 10,00,000).
2. The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
3. The cash flows are for illustration purposes.

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Scenario Analysis:

The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenarios. (Assuming Initial level of the Reference Index is 14,500)

Final Fixing Level is less than initial fixing level

Initial Level (assumption)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
14500	7250	-50%	10,00,000	11,58,500	4.50%
14500	7975	-45%	10,00,000	11,58,500	4.50%
14500	10150	-30%	10,00,000	11,58,500	4.50%
14500	11600	-20%	10,00,000	11,58,500	4.50%
14500	13050	-10%	10,00,000	11,58,500	4.50%

Final Fixing Level is equal to initial fixing level

Initial Level (assumption)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
14500	14500	0%	10,00,000	11,58,500	4.50%

Final Fixing Level is greater than Initial fixing level

Initial Level (assumption)	Final Level	Underlying Performance	Initial Investment	Redemption Amount	XIRR
14500	15950	10%	10,00,000	11,58,500	4.50%
14500	17400	20%	10,00,000	12,00,000	5.60%
14500	18850	30%	10,00,000	13,00,000	8.16%
14500	20300	40%	10,00,000	14,00,000	10.58%
14500	21750	50%	10,00,000	15,00,000	12.89%
14500	23200	60%	10,00,000	16,00,000	15.08%

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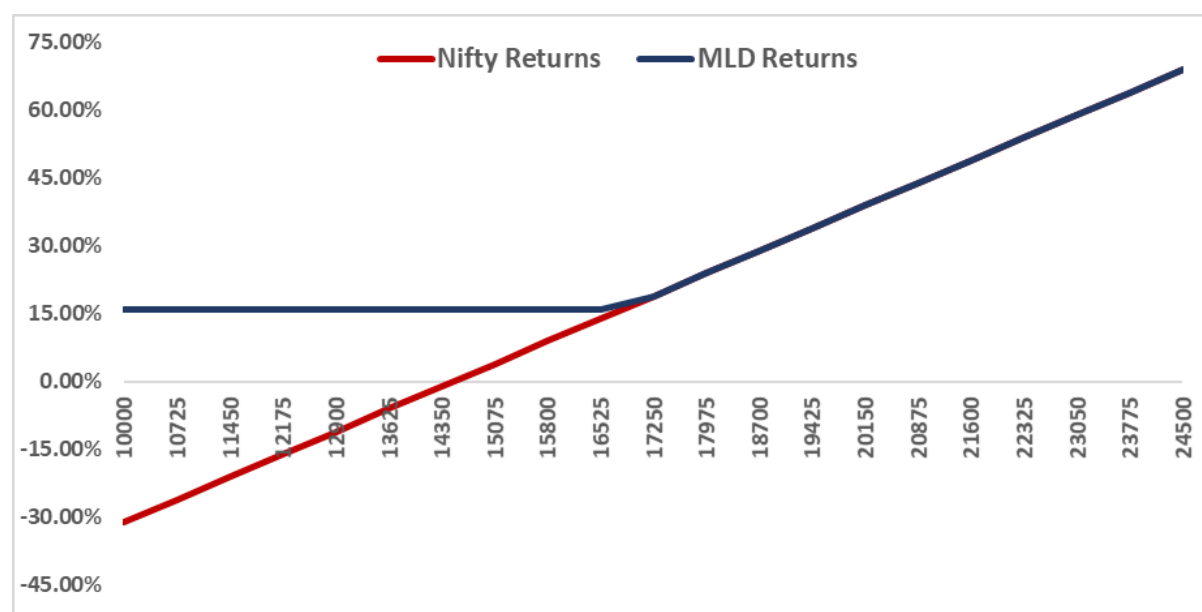
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Graphical Representation

NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.



**The scenario analysis (tabular and graphical data) is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of instrument. The scenario analysis assumes a PR – Participation Ratio – of 100%.*



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