

Final Term Sheet

Security Name	IFSL/2021-22/MLD/005
Issuer	Incred Financial Services Limited
Type of Instrument	Rated, Listed, Senior, Secured, Redeemable, Principal Protected Market-Linked, Non-Convertible Debentures
Nature of Instrument	<p>The Debentures are proposed to be secured <i>inter alia</i> by a first ranking and exclusive charge by way of hypothecation over: (i) the Identified Receivables together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith; (ii) the Cash Collateral; and (iii) a first ranking and exclusive charge over all right, title and interest of the Company in the SPV Trust, whether as residual beneficiary or in connection with the contribution deemed to be made available by the Company to the SPV Trust in terms of the Assignment Documents.</p> <p>The Company is issuing the Debentures with an intention to create a 'covered bond' structure upon occurrence of a Trigger Event, i.e., ensure that the Identified Receivables is bankruptcy remote from the Company upon occurrence of a Trigger Event.</p> <p>Accordingly, upon occurrence of a Trigger Event, the Company will be, without the need for any further notice in this regard: (i) deemed to be assigning its right, title and interest in the Identified Receivables to the SPV Trust; and (ii) assigning its right, title and interest in the Cash Collateral to the SPV Trust. The SPV Trust will be executing (within the timelines stipulated herein) a guarantee in favour of the Debenture Trustee, acknowledging that all Identified Receivables and the Cash Collateral shall be utilised for redeeming the Debentures in accordance with the terms set out under the Transaction Documents.</p>
Seniority	Senior
Mode of Issue	Private Placement
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 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:

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	<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>
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 Issuer shall enter into the listing agreement with the stock exchange i.e. BSE, comply with all the condition precedents thereunder and ensure that the Debentures are listed on the wholesale debt market segment of the stock exchange within 4 (Four) trading days from the Issue Closing Date. All expenses, costs, charges incurred for the purpose of listing of the Debentures, as also for making the offer for sale of the Debentures shall be paid by the Issuer.</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>
Execution of Debenture Trust Deed and charge creation	<p>The Issuer shall: (i) create charge over the Identified Receivables in favour of the Debenture Trustee by executing the Deed of Hypothecation; and (ii)</p>

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	execute the Debenture Trust Deed, before filing an application for listing of the Debentures.
Rating of the Instrument	CRISIL PP- MLD AA+r (CE)/ Stable by the CRISIL Rating Agency
Issue Size	Private placement of up to 5000 (Five Thousand) non-convertible debentures aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores only) with a green shoe option of upto 5000 (Five Thousand) non-convertible debentures aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores only).
Option to retain oversubscription	5000 (Five Thousand) non-convertible debentures aggregating up to Rs. 50,00,00,000/- (Rupees Fifty Crores only)
Objects of the Issue	The monies raised through the issue of the Debentures shall be used for refinancing of existing indebtedness in the ordinary course of business and general corporate purposes
Details of the utilization of the Proceeds	The monies raised through the issue of the Debentures shall be used for refinancing of existing indebtedness in the ordinary course of business and general corporate purposes
Coupon Rate	<ol style="list-style-type: none"> 1. The coupon payable on the Debentures ("Coupon") shall be linked to the performance of the Underlying Index, and shall be determined in the following manner: 2. If Final Fixing Level is greater than or equal to 25% (Twenty Five Percent) of the Initial Fixing Level, then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 9.15% on the principal amount of the Debentures. In all other scenarios, the Interest payable would be NIL. <p>(The rate of Coupon as shall be determined from the above shall hereinafter be referred to as the "Coupon Rate").</p> <ol style="list-style-type: none"> 3. While the Coupon has been promised to be paid on the Scheduled Maturity Date or upon the exercise of Call Option, as the case may be, the Company is expected to meet payments of Coupon on the Post Trigger Expected Payout Dates. 4. Without the need for any further act or deed of the Parties upon the occurrence of a Trigger Event, the Coupon Rate shall stand automatically increased by a spread of 400 (Four Hundred) basis points, from the date on which such Trigger Event has occurred. 5. The Coupon shall be computed on Actual / Actual basis, i.e. Actual / 365 (Three Hundred Sixty Five) days (or 366 (Three Hundred Sixty Six) days in the case of a leap year.

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Step Up/ Step Down Coupon Rate	Without the need for any further act or deed upon the occurrence of a Trigger Event, the Coupon Rate shall stand automatically increased by a spread of 400 (Four Hundred) basis points, from the date on which such Trigger Event has occurred.
Coupon Payment Frequency	Please refer to the details provided in row titled 'Coupon Rate' above.
Coupon Payment Date	Please refer to the details provided in row titled 'Coupon Rate' above.
Coupon Type	Please refer to the details provided in row titled 'Coupon Rate' above.
Coupon Reset Process	N/A
Day Count Basis	The Coupon shall be computed on Actual / Actual basis, i.e. Actual / 365 (Three Hundred Sixty Five) days (or 366 (Three Hundred Sixty Six) days in the case of a leap year).
Interest on Application Money	<p>The Company shall be liable to pay the Debenture Holders interest on application money, at the Coupon Rate 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>
Default Interest Rate	<p>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, 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. It is clarified that no Default Interest shall not be payable by the Company upon failure of the Company to exercise the Call Option including failure to send notification for the Call Option.</p> <p>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 or such higher rate as required by Law, 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. The said default interest shall be payable on demand and in the absence of any such demand on the next Coupon payment date.</p>
Tenure	60 (Sixty) months from the Deemed Date of Allotment
Redemption Date / Scheduled	The Debentures are structured in such a manner that the principal amount of

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Maturity Date	<p>the Debentures and the Coupon due thereon are promised to be paid on the Scheduled Maturity Date (i.e. 60 (Sixty) months from the Deemed Date of Allotment being July 02, 2026) or upon the exercise of Call Option, as the case may be, unless a Trigger Event has occurred prior to the Scheduled Maturity Date or the exercise of Call Option.</p> <p>The expected payout schedule with respect to the Debentures upon the occurrence of any Trigger Event, shall be prepared by the Company and shared by the Company with the Debenture Trustee and SPV Trustee, and this schedule shall be prepared on the basis that payments will be made to the Debenture Holders on the 25th (Twenty Fifth) day of every calendar month ("Post Trigger Expected Payout Dates"). It is clarified that if the 25th (Twenty Fifth) day of any calendar month is not a Business Day, the immediately preceding Business Day will be treated as the Post Trigger Expected Payout Dates.</p>
Redemption Amount	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture plus accrued Coupon if any.
Redemption Premium / Discount	NA
Initial Fixing Date	July 02, 2021
Final Fixing Date	15 (Fifteen) Business Days prior to the Expected Maturity Date/date on which the Call Option is exercised or the Scheduled Maturity Date or such other dates on which the Debentures shall be redeemed.
Issue Price	Rs. 1,00,000/- (Rupees One Lakh) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	NA
Put Option	NA
Put Option Date	NA
Put Option Price	NA
Put Notification Time	NA
Call Option	<ol style="list-style-type: none"> 1. The Company shall have the option to redeem the Debentures in full by paying all the Outstanding Amounts in relation to the Debentures to the Debenture Holders on the Expected Maturity Date i.e, April 03, 2023 ("Call Option"). For the purposes of exercising this option, the Company shall provide a written notice to the Debenture Trustee at least 30 (Thirty) calendar days prior to the Expected Maturity Date. 2. However, in the event that the Company does not exercise the Call Option available to the Company for any reason whatsoever, the Trigger Event consequences shall follow, including the consequence regarding fixation of Coupon Rate as set out in sub-paragraph 3 under the row titled "Coupon Rate" under this paragraph 4.19.

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Call option date	The Expected Maturity Date i.e. April 03, 2023
Call option price	At Par, along with the Coupon to be paid as per Coupon Rate
Call notification time	Please refer to the details provided in row titled 'Call Option' above.
Face Value	Rs. 1,00,000/- (Rupees One Lakh Only) per Debenture
Minimum Application size	10 (Ten) Debentures and in multiples of 10 (Ten) Debenture thereafter
Issue Opening Date	July 01, 2021
Issue Closing Date	July 02, 2021
Pay-in Date	July 01, 2021 & July 02, 2021
Deemed Date of Allotment	July 02, 2021
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Depositories	NSDL/ CDSL, as the case maybe
Business Day Convention/ Effect of Holidays	<p>"Business Day" means any day of the week (excluding Saturdays 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 or the Post Trigger Expected Payout 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>
Record Date	15 (Fifteen) days prior to any date on which on which any payment is to be made by the Company/ the Debenture Trustee to the Debenture Holders
All covenants of the issue (including side letters,	As set out in Annexure VI herein

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accelerated payment clause, etc.)	
<p>Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Debenture Trust Deed and disclosed in this Information Memorandum.</p>	<p>The security to be provided or caused to be provided by the Company as security for the discharge of the Outstanding Amounts in relation to the Debentures shall consist of:</p> <ul style="list-style-type: none"> (a) a first ranking and exclusive charge over the Identified Receivables together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith; (b) a first ranking and exclusive charge over the Cash Collateral; (c) a first ranking and exclusive charge over all right, title and interest of the Company in the SPV Trust, whether as residual beneficiary or in connection with the contribution undertaken to be made available by the Company to the SPV Trust in terms of the Assignment Documents. <p>(collectively, referred to as the “Security” / “Security Interest”).</p> <p>The security cover for the Debentures shall be tested on the basis of the value of the Identified Receivables. The expected security cover which is to be provided by the Identified Receivables is at least 1.46 (One Decimal Point Four Six) times of the principal amount outstanding on the Debentures, which for the purposes of this computation shall be assumed at the rate of 9.15% (Nine Decimal Point One Five Percent) XIRR basis (“Minimum Security Cover”).</p> <p>For the purposes of determining whether Minimum Security Cover is being maintained: (i) only the principal amounts of the Identified Receivables shall be considered; and (ii) only those Identified Receivables which meet the Eligibility Criteria shall be considered.</p> <p>The Minimum Security Cover will be tested on a monthly basis, at the end of each month. In the event that the Minimum Security Cover is not being maintained at any time, the Company shall identify additional loan receivables which meet the Eligibility Criteria, which additional loan receivables shall be provided as security by the Company in favour of the Debenture Trustee in accordance with the terms of the Deed of Hypothecation within 15 (Fifteen) calendar days of the close of the month. Such additional loan receivables shall then form part of the ‘Identified Receivables’ in the manner contemplated under the Deed of Hypothecation.</p> <p>Trigger Event Consequences:</p>



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	<ol style="list-style-type: none"> 1. The Company is issuing the Debentures with an intention to create a 'dual recourse bond' structure upon occurrence of a Trigger Event, i.e., ensure that the Identified Receivables is bankruptcy remote from the Company upon occurrence of a Trigger Event. 2. Accordingly upon occurrence of a Trigger Event, the Company shall, without the need for any further notice in this regard, assign its right, title and interest in the Identified Receivables and Cash Collateral to the SPV Trust together with all right, title and interest in relation thereto including the rights in relation to the security interests created in connection therewith, subject to the charge created over such Identified Receivables in favour of the Debenture Trustee, within a period of 10 (ten) Business Days from the occurrence of a Trigger Event, which assignment shall take effect on and from the date of the occurrence of a Trigger Event. The Debenture Trustee hereby confirms and consents to such transfer, subject to the SPV executing (as part of the conditions precedent for issuance of the Debentures) an unconditional and irrevocable guarantee ("SPV Guarantee"), acknowledging that all Identified Receivables and Cash Collateral shall be utilised for the purposes of redeeming the Debentures. It is hereby expressly clarified that, the transfer of Identified Receivables and Cash Collateral as contemplated under this Clause on the occurrence of Trigger Event would not discharge the Company of its obligations in relation to the Debentures including its obligations with respect to payment of the Outstanding Amounts in terms of the Debenture Documents and the said obligations of the Company shall continue till the Final Settlement Date. The SPV Guarantee shall at all times, rank senior to any beneficial payments made by the SPV Trust to the Company. 3. Upon the occurrence of a Trigger Event, the Cash Collateral shall be drawn upon and utilised towards payment to Debenture Holders in the manner set out in the Transaction Documents. 4. Upon the occurrence of any Trigger Event, all cashflows collected towards the Identified Receivables shall be utilized on the Post Trigger Expected Payout Dates solely for the purposes of redemption of the Debentures in the manner set out in the Transaction Documents.
Transaction Documents / Debenture Documents	The Debenture Documents and the Assignment Documents.
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). 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 and creation of Security for the Debentures; (ii) approving the terms of the transactions contemplated by the relevant Debenture Documents; (iii) approving the transfer/assignment of

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Identified Receivables to the SPV on occurrence of Trigger Event; (iv) approving the terms of the transactions contemplated by the Assignment Documents (iv) resolving to execute the relevant Debenture Documents and the Assignment Documents; and (v) authorising a specified person or persons to execute the relevant Debenture Documents and relevant Assignment 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 relevant Assignment Documents and the transactions contemplated by the relevant Debenture Documents and relevant Assignment 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 and such Assignment 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. Payment of legal and other fees and expenses in connection with the issuance of the Debentures, which are to be borne upfront.
10. Receipt of draft Rating Rationale from the Rating Agency, confirming the expected rating.
11. Receipt of in principle approval from BSE in respect of listing of the Debentures.
12. Creation of security over the Identified Receivables and the Cash Collateral and intimation of the details of the Identified Receivables to the Debenture Trustee. Creation of Cash Collateral in the form of fixed deposit(s) (which fixed deposit and account shall be lien marked in favour of the Debenture Trustee) in terms of the Cash Collateral Agreement.
13. Confirmation that the Identified Receivable over which Security is created is in line with the Eligibility Criteria.
14. 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.
15. 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.

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	16. 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.
Conditions Subsequent to the Date Deemed of 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. The Company shall ensure that it receives the final rating in respect of the Debentures, and submits the final rating letter to the Debenture Trustee within 60 (Sixty) days from the Deemed Date of Allotment. 6. 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. 7. The Company shall obtain a certificate of an independent practicing chartered accountant, certifying that the Identified Receivable over which Security is created is in line with the Eligibility Criteria within 30 (Thirty) days from the Deemed Date of Allotment. 8. The Company shall make all applicable regulatory filings within the timelines prescribed under Applicable Law.
Trigger Events	As set out in Annexure VI herein
Consequences of Trigger Event	As set out in Annexure VI herein
Event(s) of Default (including manner of voting/ conditions of joining Inter Creditor Agreement)	As set out in Annexure VI herein
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 Annexure VI herein, the row titled “ Consequences of Trigger Event ” under paragraph 4.19 and row titled “ Consequences of Events of Default ” under paragraph 4.19
Consequences of Events of Default	As set out in Annexure VI herein
Provisions related to Cross Default Clause	In the event the Company defaults in making any payments due on Financial Indebtedness incurred by it, the same shall be considered as an Event of Default.
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 June 30, 2021.</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</p>

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to be executed to give effect to the creation of security for securing the Debentures and any other expenses like advertisement, 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 bearing number ATSL/CO/20-21/0047 dated June 24, 2021 as may be amended/modified from time to time.

Details of security to be created:

Please refer to row titled (*Description regarding Security*) under paragraph 4.19 (*Issue Details*) for all covenants pertaining to the Issue. Please note that the Debentures shall be considered as secured only if the charged asset is registered with the registrar of companies or CERSAI, as applicable, or is independently verifiable by Debenture Trustee.

Process of due diligence carried out by the Debenture Trustee:

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:

- (1) The Debenture Trustee, either through itself or its agents /advisors/consultants, shall carry out requisite diligence to verify the status of encumbrance and valuation of the assets and whether all permissions or consents (if any) as may be required to create the security as stipulated in the prospectus and the applicable laws, has been obtained;
- (2) The Company shall provide all assistance to the Debenture Trustee to enable verification from the Registrar of Companies, Sub-registrar of Assurances (if applicable), CERSAI, depositories, information utility or any other authority, as may be relevant, where the assets and/or encumbrances in relation to the assets of the Company or any third party security provider are registered / disclosed;
- (3) The Debenture Trustee shall have the power to either independently appoint, or direct the Company to (after consultation with the Debenture Trustee) appoint intermediaries, valuers, chartered accountant firms, practicing company secretaries, consultants, lawyers and other entities in order to assist in the diligence by the Debenture Trustee and the Debenture Trustee shall subsequently form an independent assessment that the assets for creation of security are sufficient to discharge the outstanding amounts on Debentures at all times. All costs, charges, fees

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	<p>and expenses that are associated with and incurred in relation to the diligence as well as preparation of the reports/certificates/documentation, including all out of pocket expenses towards legal or inspection costs, travelling and other costs, shall be solely borne by our Company;</p> <p>(4) The Company has undertaken to promptly furnish all and any information as may be required by the Debenture Trustee, including such information as required to be furnished in terms of the applicable laws and the Debenture Trust Deed on a regular basis;</p> <p>(5) The Debenture Trustee, <i>ipso facto</i> does not have the obligations of a borrower or a principal debtor or a guarantor as to the monies paid/invested by investors for the Debentures.</p> <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 and marked as Annexure V.</p>
Role and Responsibilities of Debenture Trustee	<p>As per the Debenture Trustee Deed including but not limited to:</p> <ol style="list-style-type: none"> 1. The Debenture Trustee shall protect the interest of the Debenture Holders as stipulated under the Debenture Trust Deed and in the event of default by the Issuer in regard to timely payment of interest and repayment of principal and shall take necessary action at the cost of the Issuer. 2. Enforce Security in the interest of the Debenture Holders. 3. Ensure on a continuous basis that the security charged is available and adequate at all times to discharge the interest and principal amount payable in respect of the Debentures and that such property is free from any other encumbrances except those which are specifically agreed with the Debenture Trustee. 4. Exercise due diligence to ensure compliance by the Issuer with the provisions of the Act, the listing agreement and the Debenture Trust Deed. 5. To take appropriate measures for protecting the interest of the Debenture Holders as soon as any breach of the Debenture Trust Deed or applicable laws comes to notice. 6. To ascertain that the Debentures have been redeemed in accordance with the provisions and conditions under which they are offered to the Debenture Holders. <p>Such other actions as required as per Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and Debenture Trust Deed and as</p>

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	specified in the Transaction Documents. Please also refer to the note no. 1 below.
Risk factors pertaining to the Issue	As set out in in Section 3 (<i>Risk Factors</i>) of this Disclosure Document.
Illustration of Bond Cashflows	As per Annexure II to this Disclosure Document.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the Courts in Mumbai shall have a non-exclusive jurisdiction to determine any dispute arising in relation to the Debentures.
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.

1. While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of 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.
2. The penal interest rates mentioned above as payable by the Issuer are independent of each other.
3. In the event of any conflict between the terms set out herein and the Debenture Trust Deed, the terms of the Debenture Trust Deed shall prevail.
4. The Debentures shall be considered as secured only if the charged asset is registered with Sub-registrar and Registrar of Companies or CERSAI or Depository etc., as applicable, or is independently verifiable by the Debenture Trustee.



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ANNEXURE II: ILLUSTRATION OF CASH FLOWS

Appendix A: Disclosure of cash flows (pursuant to SEBI Circular no. CIR/IMD/DF/18/2013 dated 29th October 2013)

<u>Illustration of Bond Cash Flows</u>	
Company	Incred Financial Services Limited
Face Value (per security)	Rs. 1,00,000/- (Rupees One Lakh only)
Issue Date	July 02, 2021
Date of Allotment	July 02, 2021
Redemption Date / Maturity Date	July 02, 2026
Coupon Rate	As set out in Appendix B
Frequency of the Coupon Payment with specified dates	Coupon, if any will be paid on upon exercise of Call Option or the Scheduled Maturity Date, as the case may be
Day Count Convention	Actual/Actual

Cash Flows	Amount payable on Call Option Date*	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	16,593/-	640	If Final Fixing Level of Underlying Index \geq 25% of Initial Fixing Level else NIL
Face Value	1,00,000/-		Rs. 1,00,000/- Per Debenture
Total	1,16,593/-	640	Rs. 1,00,000 * (1+Coupon)/Per Debenture

Cash Flows	Amount payable on Scheduled Maturity Date *	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	54,961	1,826	If Final Fixing Level of Underlying Index \geq 25% of Initial Fixing Level else NIL
Face Value	1,00,000/-		Rs. 1,00,000/- Per Debenture
Total	1,54,961/-	1,826	Rs. 1,00,000 * (1+Coupon)/Per

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			Debenture
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**Coupon assuming XIRR of 9.15% and without factoring step-up yield of 400 bps applicable from the date of Trigger event; if any. However, the actual cash flow will be determined upon happening of Trigger event.*

Notes:

1. The Cash Flow displayed above is calculated per Debenture (face value of Rs. 1,00,000).
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.

Appendix B – Payment of Interest on the Debentures

The Debenture Holders shall be paid Coupon in the manner set out hereinbelow. The Coupon will be linked to the performance of the Underlying Index. The parameters to be used for determining the Coupon are as follows:

<i>Underlying Index / Reference Index</i>	Means NSE Nifty 50 which is an index owned and managed by NSE Indices and the details of which are published on https://www.nseindia.com/ . If the said Reference Index is discontinued or ceases to be available, then Reference Index shall be such index as may be mutually agreed by the Debenture Trustee (acting for and on behalf and on the instructions of all the Debenture Holders) and the Issuer.
<i>Initial Fixing Level</i>	Last traded closing value/price of the Underlying Index / Reference Index as on the Initial Fixing Date
<i>Final Fixing Level</i>	Last traded closing value/price of the Reference Index on the Final Fixing Date
<i>Coupon Payable</i>	1. The coupon payable on the Debentures ("Coupon") shall be linked to the performance of the Underlying Index, and shall be determined in the following manner:

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	<p>2. If Final Fixing Level is equal to or greater than 25% (Twenty Five Percent) of the Initial Fixing Level, then the Coupon payable shall be an amount which provides a rate of return (calculated on XIRR basis using the Microsoft Excel function) of 9.15% on the principal amount of the Debentures. In all other scenarios, the Interest payable would be NIL.</p> <p>(The rate of Coupon as shall be determined from the above shall hereinafter be referred to as the "Coupon Rate").</p> <p>3. While the Coupon has been promised to be paid on the Scheduled Maturity Date or upon the exercise of Call Option, as the case may be, the Company is expected to meet payments of Coupon on the Post Trigger Expected Payout Dates.</p> <p>4. Without the need for any further act or deed of the Parties upon the occurrence of a Trigger Event, the Coupon Rate shall stand automatically increased by a spread of 400 (Four Hundred) basis points, from the date on which such Trigger Event has occurred.</p> <p>5. The Coupon shall be computed on Actual / Actual basis, i.e. Actual / 365 (Three Hundred Sixty Five) days (or 366 (Three Hundred Sixty Six) days in the case of a leap year.</p>
Date of Coupon Payment	<p>The Coupon is promised to be paid on the Scheduled Maturity Date or upon the exercise of Call Option, as the case may be. However, the Company is required to make Coupon payments in relation to the Debentures upon the occurrence of any Trigger Event on the Post Trigger Expected Payout Dates.</p>

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SCENARIO ANALYSIS

Tabular Representation

Final Fixing Level is less than Initial Fixing Level

Initial Level (assumption)	Final Level	Underlying Performance	Initial Investment	Redemption Amount (On Call Option Date)	Redemption Amount (On Scheduled Maturity Date)	XIRR
11000	0	-100%	1,00,000	1,00,000	1,00,000	NIL
11000	1100	-90%	1,00,000	1,00,000	1,00,000	NIL
11000	2200	-80%	1,00,000	1,00,000	1,00,000	NIL
11000	2750	-75%	1,00,000	1,16,593	1,54,961	9.15%
11000	3300	-70%	1,00,000	1,16,593	1,54,961	9.15%
11000	4400	-60%	1,00,000	1,16,593	1,54,961	9.15%
11000	5500	-50%	1,00,000	1,16,593	1,54,961	9.15%
11000	6600	-40%	1,00,000	1,16,593	1,54,961	9.15%
11000	7700	-30%	1,00,000	1,16,593	1,54,961	9.15%
11000	8800	-20%	1,00,000	1,16,593	1,54,961	9.15%
11000	9900	-10%	1,00,000	1,16,593	1,54,961	9.15%

Final Fixing Level is equal to Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Initial Investment	Redemption Amount (On Call Option Date)	Redemption Amount (On Scheduled Maturity Date)	XIRR
11000	11000	0%	1,00,000	1,16,593	1,54,961	9.15%

Final Fixing Level is greater than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Initial Investment	Redemption Amount (On Call Option Date)	Redemption Amount (On Scheduled Maturity Date)	XIRR
11000	12100	10%	1,00,000	1,16,593	1,54,961	9.15%
11000	13200	20%	1,00,000	1,16,593	1,54,961	9.15%
11000	14300	30%	1,00,000	1,16,593	1,54,961	9.15%
11000	15400	40%	1,00,000	1,16,593	1,54,961	9.15%
11000	16500	50%	1,00,000	1,16,593	1,54,961	9.15%

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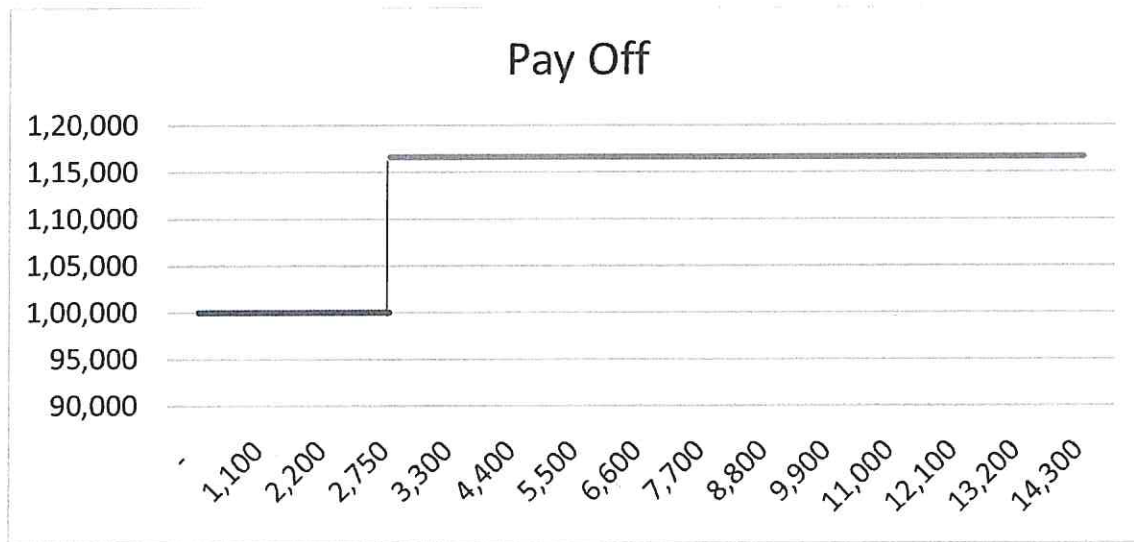
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11000	17600	60%	1,00,000	1,16,593	1,54,961	9.15%
11000	18700	70%	1,00,000	1,16,593	1,54,961	9.15%
11000	19800	80%	1,00,000	1,16,593	1,54,961	9.15%
11000	20900	90%	1,00,000	1,16,593	1,54,961	9.15%
11000	22000	100%	1,00,000	1,16,593	1,54,961	9.15%

Graphical Representation



Underlying Index on Final Fixing Date

**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.*



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