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*(This Disclosure Document is neither a Prospectus nor a Statement in Lieu of Prospectus). This is only an information brochure intended for private use and should not be construed to be a prospectus and/or an invitation to the public for subscription to debentures under any law for the time being in force.*

*This Disclosure Document is as per Schedule I of SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations 2012, notified on 12th October 2012, and private placement offer letter, pursuant to section 42 and rule 14(i) of Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 for Private Placement*



**Hero FinCorp Ltd.**

**Registered Office:** 34, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057

**Corporate Office:** 9, Community Centre, Basant Lok, Vasant Vihar, Delhi 110 057

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**Web site -** [www.herofincorp.com](http://www.herofincorp.com); **CIN:** U65192DL2016PLC301481

Disclosure Document for issue by way of Private Placement by Hero FinCorp Ltd. ("HFCL" or the "Company" or the "Issuer") of 1,000 Secured, Rated, Redeemable Non-Convertible Debentures ("Debentures") of the face value of ₹10,00,000/- each, with marketable lot of one, for cash aggregating ₹100 Crore (the "Issue") with an option to retain additional subscription upto ₹500 Crore, aggregating ₹600 Crore.

**GENERAL RISKS**

Investment in debt and debt related securities involve a degree of risk and investors should not invest any funds in the debt instruments, unless they can afford to take the risks attached to such investments. For taking an investment decision, investors must rely on their own examination of the Company and the Issue including the risks involved. The Debentures have not been recommended or approved by Securities and Exchange Board of India ("SEBI") nor does SEBI guarantee the accuracy or adequacy of this document.

**CREDIT RATING**

The Debentures have a long term rating of "CRISIL AA+ / Stable" ("Pronounced CRISIL double A plus") by CRISIL. This indicates "high degree of safety with regard to timely servicing of financial obligations" with respect to timely payment of interest and principal on the instrument.

*The rating is not a recommendation to buy, sell or hold Debentures and investors should take their own decision. The rating may be subject to suspension, revision or withdrawal at any time by the assigning Credit Rating Agency on the basis of factors such as new information or unavailability of information or other circumstances which the Credit Rating Agency believes may have an impact on its rating.*

**LISTING**

The Debentures are proposed to be listed on the wholesale debt market segment of the National Stock Exchange of India Ltd. ("NSE" or the "Stock Exchange").

**DEBENTURE TRUSTEE**

**Vistra ITCL (India) Limited**  
The IL&FS Financial Centre,  
Plot C- 22, G Block,  
Bandra Kurla Complex, Bandra(E),  
Mumbai 400051  
Phone: +91-22-26593109

**REGISTRAR AND TRANSFER AGENT**

**Karvy Fintech Pvt. Ltd.**  
Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad – 500 032  
Phone: 040 -67162222, Fax: 040- 23001153

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**DISCLAIMER OF THE ISSUER**

This Disclosure Document is neither a prospectus nor a statement in lieu of prospectus. The issue of Debentures to be listed on the Stock Exchange is being made strictly on a private placement basis. Multiple copies hereof given to the same entity shall be deemed to be given to the same person and shall be treated as such. It does not constitute and shall not be deemed to constitute an offer or an invitation to subscribe to the Debentures to the public in general. This Disclosure Document should not be construed to be a prospectus or a statement in lieu of prospectus under the Companies Act, 2013.

This Disclosure Document has been prepared in conformity with the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 and its amendment from time to time. Therefore, as per the applicable provisions, copy of this Disclosure Document has not been filed or submitted to the SEBI for its review and/or approval. Further, since the Issue is being made on a private placement basis, as per the applicable provisions of the Companies Act, 2013, a copy of this Disclosure Document is required to be filed with the Registrar of Companies.

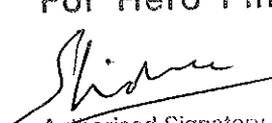
This Disclosure Document has been prepared to provide general information about the Issuer and the Debentures to potential investors to whom it is addressed and who are willing and eligible to subscribe to the Issue. This Disclosure Document does not purport to contain all the information that any potential investor may require. Neither this Disclosure Document nor any other information supplied in connection with the Issue is intended to provide the basis of any credit or other evaluation and any recipient of this Disclosure Document should not consider such receipt a recommendation to subscribe to the Issue or purchase any Debentures. Each investor contemplating subscribing to the Issue or purchasing any Debentures should make its own independent investigation of the financial condition and affairs of the Issuer, and its own appraisal of the creditworthiness of the Issuer. Potential investors should consult their own financial, legal, tax and other professional advisors as to the risks and investment considerations arising from an investment in the Debentures and should possess the appropriate resources to analyze such investment and the suitability of such investment to such investor's particular circumstances.

The Issuer confirms that, as of the date hereof, this Disclosure Document (including the documents incorporated by reference herein, if any) contains all information that is material in the context of the Issue of the Debentures, and is accurate in all material respects and does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements herein not misleading, in the light of the circumstances under which they are made. No person has been authorized to give any information or to make any representation not contained or incorporated by reference in this Disclosure Document or in any material made available by the Issuer to any potential investor pursuant hereto and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

**This Disclosure Document and the contents hereof are restricted for only the intended recipient(s) who have been addressed directly and specifically through a communication by or on behalf of the Issuer and only such recipients are eligible to apply for the Debentures. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this Issue. The contents of this Disclosure Document are intended to be used only by those investors to whom it is distributed. It is not intended for distribution to any other person and should not be reproduced by the recipient.**

No invitation is being made to any persons other than those to whom Application Forms along with this Disclosure Document being issued have been sent by or on behalf of the Issuer. Any application by a person to whom the Disclosure Document has not been sent by or on behalf of the Issuer shall be rejected without assigning any reason.

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The person who is in receipt of this Disclosure Document shall maintain utmost confidentiality regarding the contents of this Disclosure Document and shall not reproduce or distribute in whole or part or make any announcement in public or to a third party regarding the contents without the consent of the Issuer.

**Each person receiving this Disclosure Document acknowledges that:**

Such person has been afforded an opportunity to request and to review and has received all additional information considered by it to be necessary to verify the accuracy of or to supplement the information herein; and such person has not relied on any intermediary that may be associated with issuance of Debentures in connection with its investigation of the accuracy of such information or its investment decision;

The Issuer does not undertake to update the Disclosure Document to reflect subsequent events after the date of the Disclosure Document and thus it should not be relied upon with respect to such subsequent events without first confirming its accuracy with the Issuer;

Neither the delivery of this Disclosure Document nor any issue of Debentures made hereunder shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of the Issuer since the date hereof;

This Information Memorandum/Disclosure Document does not constitute, nor may it be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. No action is being taken to permit an offering of the Debentures or the distribution of this Disclosure Document in any jurisdiction where such action is required. The distribution of this Disclosure Document and the offering of the Debentures may be restricted by law in certain jurisdictions. Persons into whose possession this Disclosure Document comes are required to inform themselves about and to observe any such restrictions. The Disclosure Document is made available to investors in the Issue on the strict understanding that the contents hereof are strictly confidential.

**DISCLAIMER OF THE STOCK EXCHANGE**

As required, a copy of this Disclosure Document has been submitted to the Stock Exchange for hosting the same on its website. It is to be distinctly understood that such submission of the Disclosure Document with Stock Exchange or hosting the same on its website should not in any way be deemed or construed that the document has been cleared or approved by the Stock Exchange; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Disclosure Document; nor does it warrant that this Issuer's Debentures will be listed or continue to be listed on the Stock Exchange; nor does it take responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Company. Every person who desires to apply for or otherwise acquire any Debentures of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

**DISCLAIMER OF THE RESERVE BANK OF INDIA**

The Company has a valid certificate of registration dated [September 1, 2011] bearing registration No. [14.00266] issued by Reserve Bank of India (RBI) under Section 45 IA of the Reserve Bank of India Act. 1934. However, the RBI does not accept any responsibility or guarantee about the present position as to the financial soundness of the company or for the correctness of any of the statements or representations made or opinions expressed by the company and for repayment of deposits / discharges of liabilities by the company.

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*Handwritten initials*

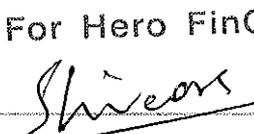
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**1) DEFINITIONS / ABBREVIATIONS**

Company / Issuer	Hero FinCorp Ltd. ("HFCL" / "the Issuer" / "Company")
BM Munjal Family	Shall mean BM Munjal, his spouse, and his lineal descendants including their children with their spouses and grand children with their spouses
Board/ Board of Director(s)	Board of Directors of Hero FinCorp Ltd.
Business Day	A day which is not a Saturday, Sunday or a public holiday and on which clearing of cheque and RTGS facilities are available in Delhi.
Date of Subscription	Date of realisation of proceeds of subscription money in the bank account of the Company
Debenture holder(s)	Person (s) holding Debentures(s) and whose name is recorded as beneficial owner with the Depository (if the Debentures are in dematerialized form) as defined under Section 2 of the Depositories Act, 1996) or the person (s) whose name appears as holder of Debentures in the Register of Debentures (if the Debentures are in physical form)
Debenture Trustee	Vistra ITCL (India) Limited, as trustee for the benefit of the Debenture holders
Depository	A Depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996 as amended from time to time
Depository Participant / DP	A Depository participant as defined under Depositories Act, 1996, as amended from time to time
Financial Year / FY	Financial year of the Company i.e. a period commencing from 1 <sup>st</sup> April and ending on 31 <sup>st</sup> March of the next calendar year
Management Control	"Management Control" or "Control" shall mean - a) holding by any person of more than 50% of the voting share capital of the Company and ability of that person to direct or cause direction of the management and policies of the Company, whether by operation of law or by contract or otherwise; or b) the ability of that person to appoint more than 50% of the directors on the Board of the Company and ability of that person to direct or cause direction of the management and policies of the Company, whether by operation of law or by contract or otherwise;
Stock Exchange / Designated Stock Exchange / NSE	National Stock Exchange of India Ltd.
CDSL	Central Depository Services (India) Limited
DD	Demand Draft
DRR	Debenture Redemption Reserve
NOC	No Objection Certificate(s)
NEFT	National Electronic Fund Transfer
NSDL	National Securities Depository Limited
PAN	Permanent Account Number

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₹	Rupees
RTGS	Real Time Gross Settlement
SEBI	Securities and Exchange Board of India
TDS	Tax Deduction at Source
WDM	Wholesale Debt Market
ISIN	International Securities Identification Number
NSCCL	National Securities Clearing Corporation Limited

All other Capitalised Terms not defined above shall have the meaning assigned to them in "Issuer Information" and "Issue Details" of this Disclosure Document.

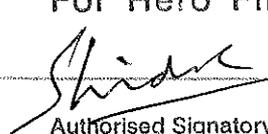
## 2) DISCLOSURES AS REQUIRED UNDER SEBI REGULATIONS

### Documents Submitted

1. The following documents have been/ shall be submitted to the NSE:
  - A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
  - B. Copy of last 3 years audited Annual Reports;
  - C. Statement containing particulars of dates of and parties to all material contracts and agreements;
  - D. Copy of the Board/Committee Resolution authorizing the borrowing and list of authorized signatories
  - E. An undertaking from the Issuer stating that the necessary documents for the creation of the charge, wherever applicable, including the Trust Deed would be executed within the time frame prescribed in the relevant regulations/acts/rules etc. and the same would be uploaded on the website of the Designated Stock Exchange, where the Debentures would be listed, within five working days of execution of the same
  - F. Any other particulars or documents that the recognized stock exchange may call for as it deems fit
  - G. An undertaking that permission / consent from consortium banks for first pari passu charge being created, in favour of the trustees to the proposed issue has been obtained
  
2. The following documents have been/ shall be submitted to the Debenture Trustee:
  - A. Memorandum and Articles of Association of the Issuer and necessary resolution(s) for the allotment of the Debentures;
  - B. Copy of last 3 years audited Annual Reports;
  - C. Statement containing particulars of dates of and parties to all material contracts and agreements;
  - D. Latest half yearly standalone financial information (profit & loss statement, balance sheet and cash flow statement) and auditor qualifications, if any.
  - E. An undertaking to the effect that the Issuer would, till the redemption of the debt securities, submit the details mentioned in point D above to the Trustee within the timelines as mentioned in the Simplified Listing Agreement issued by SEBI vide circular No. SEBI/IMD/BOND/1/2009/11/05 dated May 11, 2009 as amended from time to time, for furnishing / publishing its half yearly/ annual result. Further, the Issuer shall within 180 days from the end of the financial year, submit a copy of the latest annual report to the Trustee and the Trustee shall be obliged to share the details submitted under this clause with all 'Qualified Institutional Buyers' (QIBs) and other existing debenture-holders within two working days of their specific request.

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### **3) RISK FACTORS**

The following are some of the risks envisaged by the management. Investors should consider the same carefully for evaluating the Company and its business before making any investment decision. Unless the context requires otherwise, the risk factors described below apply to Hero FinCorp Limited only. If any one of the risks occurs, the Company's business, financial conditions and results of operations could suffer and therefore the value of the Company's debt securities could decline.

The Issuer believes that the factors described below represent the principal risks inherent in investing in NCDs issued under this Disclosure Document, but the inability of the Issuer, as the case may be, to pay coupon, principal or other amounts on or in connection with any NCDs may occur for other reasons and the Issuer does not represent that the statements below regarding the risks of holding any NCDs are exhaustive.

Prior to making an investment decision, potential investors should carefully consider, along with the other matters set out in this Disclosure Document, the following risk factors that may affect investment considerations.

**Note:** Unless specified or quantified in the relevant risk factors, the Company is not in a position to quantify the financial or other implications of any risk mentioned herein below:

#### **Internal Risk Factors**

- a) **As an NBFC, one of the most important risks affecting our profitability is the risk of non-payment by the borrowers and other counterparties.**

Since our Company's borrowers inter alia comprise of individuals and small and medium size companies, our Company's credit risk could be higher due to their potential inability to adapt to changes in the economic and industrial scenario as also changes in the Indian regulatory and political environment. This may lead to an increase in the number and value of our Company's NPAs. Our Company is exposed to the risk that third parties which owe us money, securities or other assets may not perform their obligations. These parties may default on their obligations to us due to various reasons including bankruptcy, lack of liquidity, operational failure, and other reasons. Further, any delay in enforcing the collateral due to delays in enforcement proceedings before Indian courts or otherwise could expose our Company to potential losses. Although our Company regularly reviews credit exposures to clients and counterparties and to industries and geographical regions that our Company believes may present credit concerns, defaults may arise from events or circumstances that are difficult to detect or foresee.

- b) **The Company may be exposed to the potential loss of less recovery of value of collaterals due to market conditions or delays in their enforcement on defaults by the Company's borrowers**

The value of collaterals especially real estate may decline due to adverse market conditions. Delays in bankruptcy and foreclosure proceedings, defects in title, documentation of collateral and the necessity of obtaining regulatory approvals for the enforcement of such collaterals may affect the valuation of the collateral and the Company may not be able to recover the estimated value of the collateral, thus exposing the Company to potential losses.

- c) **We have and are in the process of venturing into new lines of business and there can be no assurance that our ventures will be profitable in future**

As a part of our growth strategy, we have or otherwise are in the process of venturing into new areas of business. Although, we have recruited experienced management teams which consist of people who have experience in financial services, there are inherent risks in entering a market for the first time. These businesses

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consequently are to a larger extent susceptible to competition, economical, political and regulatory conditions than established businesses. This may affect our operations and cash flow positions.

**d) System failures, infrastructure bottlenecks and security breaches in computer systems may adversely affect our business**

Our businesses are highly dependent on our ability to process, on a daily basis, a large number of increasingly complex transactions. Our financial, accounting or other data processing systems may fail to operate adequately or become disabled as a result of events that are wholly or partially beyond our control, including a disruption of electrical or communications services. If any of these systems do not operate properly or are disabled or if there are other shortcomings or failures in our internal processes or systems, it could affect our operations or result in financial loss, disruption of our businesses, regulatory intervention or damage to our reputation. In addition, our ability to conduct business may be adversely impacted by a disruption in the infrastructure that supports our businesses and the localities in which we are located. Our computer systems, software and networks may be vulnerable to unauthorized access, computer viruses or other malicious code that could compromise data integrity and security.

**e) The Company's lending and investment activities are vulnerable to interest rate risks, market risks and asset liability mismatch risks which may have great impact on our financial performance**

Interest income forms a substantial part of the total income of our Company. The Company extends loans at fixed as well as floating interest rates. The Company's borrowings are also a mix of fixed and floating rates. A mismatch between assets and liabilities may cause our gross spreads to decline and adversely affect our profitability. The Company endeavours to match interest rate positions to minimize interest rate risk but may not be able to do so. Interest rates are highly sensitive to many factors which are beyond our control, including the monetary policies of the RBI, de-regulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Sharp increase in interest rates charged on floating rate basis, may also result in extension of loan maturities and higher instalments due from borrowers, which could result in higher degree of defaults from this segment.

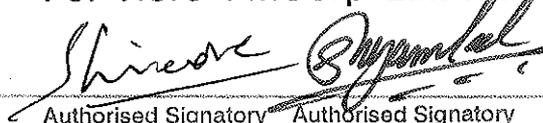
**f) We face asset-liability mismatches in the short term, which could affect our liquidity position. A portion of our funding requirement is through short-term funding sources and in the event lenders decide to withdraw the existing or committed credit facilities or do not roll over the existing credit facilities, our business could be adversely affected**

The difference between the value of assets and liabilities maturing, in any time period category provides the measure to which we are exposed to the liquidity risk. As is typical for several NBFCs, a portion of our funding requirements is met through short-term funding sources, i.e. bank loans, working capital demand loans, cash credit, short term loans and commercial papers. In the event that the existing and committed credit facilities are withdrawn or are not available to the Company, funding mismatches may be created and it could have an adverse effect on our business and our future financial performance.

**g) Our indebtedness and restrictive covenants imposed by our financing agreements could restrict our ability to conduct our business and operations**

Our financing agreements require us to maintain certain security margins. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Under the terms of some of the loan agreements, our Company is required to obtain the prior written consent of the concerned lender prior to our Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction, or making any change in ownership or control or constitution of our Company, or in the shareholding or management or majority of directors, or in the nature of business of our Company; or making amendments in

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the Company's Memorandum and Articles of Association. This may restrict/ delay some of the actions / initiatives that our Company may like to take from time to time.

**h) We are exposed to various operational risks including the risk of fraud and other misconduct by employees or outsiders**

Like other financial intermediaries, we also run the risk of various operational risks which include the risk of fraud or misconduct by our employees or even an outsider, unauthorized transactions by employees or third parties, misreporting and non-compliance of various statutory and legal requirements and operational errors. It may not be always possible to deter employees from the misconduct or the precautions we take to detect and prevent these activities may not be effective in all cases. Any such instances of employee misconduct or fraud, the improper use or disclosure of confidential information, could result in regulatory and legal proceedings and may harm our reputation and also our operations.

**i) We may not be able to attract or retain talented professionals required for our business**

The complexity of our business operations requires highly skilled and experienced manpower. Such highly skilled personnel give us a competitive edge. Further the successful implementation of our growth plans would largely depend on the availability of such skilled manpower and our ability to attract such qualified manpower. We may lose many business opportunities and our business would suffer if such required manpower is not available on time. Though we have appropriate human resource policies in place, we may face the risk of losing our key management personnel due to reasons beyond our control and we may not be able to replace them in a satisfactory and timely manner which may adversely affect our business and our future financial performance.

**j) We may not be able to access funds at competitive rates and higher cost of borrowings could have significant impact on the scale of our operations and also profit margins**

Our growing business needs would require us to raise funds through commercial borrowings. Our ability to raise funds at competitive rates would depend on our credit rating, regulatory environment in the country and the liquidity scenario in the economy. The developments in the international markets affect the Indian economy including the financial liquidity position. Our Company is exposed to the risk of liquidity in the financial markets. Changes in economic and financial conditions could make it difficult for the Company to access funds at competitive rates. Being an NBFC, we also face certain restrictions to raise money from international markets which are relatively cheaper sources of money and this further constrains our ability to raise cheaper funds.

**k) The Company faces increasing competition from other established banks and NBFCs. The successful implementation of our growth plans depends on our ability to face the competition**

The Company's main competitors are established commercial banks and NBFCs. Over the past few years, the retail financing area has seen the entry of banks, both nationalized as well as foreign. Banks have access to low cost funds which enables them to enjoy higher margins and / or offer finance at lower rates. NBFCs do not have access to large quantities of low cost deposits, a factor which can render them less competitive.

**l) Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and lending markets and could also affect our interest margins, business, results of operations and financial condition**

The cost and availability of capital depends in part on our short-term and long-term credit ratings. Credit ratings reflect the opinions of ratings agencies on our financial strength, operating performance, strategic position and ability to meet our obligations. Certain factors that influence our credit ratings may be outside of our control. For example, our credit ratings may depend on the financial performance and business prospects

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of Hero MotoCorp Ltd. and its majority shareholding in our Company. Any downgrade in our credit ratings could increase borrowing costs and adversely affect our access to capital and debt markets, which could in turn adversely affect our interest margins, our business and results of operations. In addition, any downgrade in our credit ratings could increase the probability that our lenders impose additional terms and conditions to any financing or refinancing arrangements we enter into in the future.

### **Risks Relating to the Utilization of Issue Proceeds**

#### **m) Our management will have significant flexibility in applying proceeds 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 activities, including but not restricted to, lending and investments, to repay our existing loans, our business operations including capital expenditure and working capital requirements. The Main Objects clause of the Memorandum of Association of the Company permits the Company to undertake the activities for which the funds are being raised through the present Issue and also the activities which the Company has been carrying on till date. Further as per the provisions of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, we are not required to appoint a monitoring agency and therefore no monitoring agency has been appointed for this Issue.

### **Risks Relating to the Debentures**

#### **n) Changes in general interest rates in the economy may affect the price of our NCDs**

All securities where a fixed rate of interest is offered, such as our NCDs, are subject to price risk. The price of such securities will vary inversely with changes in prevailing interest rates, i.e. when interest rates rise, prices of fixed income securities fall and when interest rates drop, the prices increase. The extent of fall or rise in the prices is a function of the existing coupon, days to maturity and the increase or decrease in the level of prevailing interest rates. Increased rates of interest, which frequently accompany inflation and/or a growing economy, are likely to have a negative effect on the price of our Debentures.

#### **o) We are not required to maintain any Debenture Redemption Reserve (DRR) for the Debentures issued under this Disclosure Document**

No Debenture Redemption Reserve is being created for the issue of NCDs in pursuance of this Disclosure Document since creation of Debenture Redemption Reserve is not required for the proposed issue of Debentures. In accordance with rule (18)(7)(b)(ii) of Companies (Share Capital and Debentures) Rules, 2014 clarifies that the Company need not create a Debenture Redemption Reserve for privately placed debentures.

#### **p) Any downgrading in credit rating of our Debentures may affect the value of Debentures and thus our ability to raise further debts**

Issuer cannot guarantee that the Company's ratings will not be downgraded. Such a downgrade in the credit ratings may lower the value of the NCDs and may also affect the Issuer's ability to raise further debt.

### **External Risk Factors**

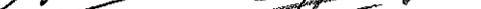
#### **q) We are subject to regulatory and legal risk which may adversely affect our business**

The operations of an NBFC are subject to regulations framed by the RBI and other authorities including regulations relating to foreign investment in India. Compliance with many of the regulations applicable to the Company across jurisdictions including any restrictions on activities currently being carried out by the Company involve a number of risks, particularly in areas where applicable regulations may be subject to varying interpretations. If the interpretation of the regulators and authorities varies from our interpretation, we may

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be subject to penalties and the business of the Company could be adversely affected. We are also subject to changes in Indian laws, regulations and accounting principles. There can be no assurance that the laws governing the Indian financial services sector will not change in the future or that such changes or the interpretation or enforcement of existing and future laws and rules by governmental and regulatory authorities will not affect our business and future financial performance.

**r) Our growth depends on the sustained growth of the Indian economy. An economic slowdown in India and abroad could have direct impact on our operations and profitability**

Macroeconomic factors that affect the Indian economy and the global economic scenario have an impact on our business. The quantum of our disbursements is driven by the growth in demand for vehicles, loans to corporates, mortgages, etc. A slowdown in the economy as a whole can increase the level of defaults thereby adversely impacting the Company's growth plans and the quality of its portfolio.

**s) Civil unrest, terrorist attacks and war would affect our business**

Terrorist attacks and other acts of violence, war or conflicts, particularly those involving India or the major economies of the world may adversely affect Indian and global financial markets. Such acts may negatively impact business sentiment, which could adversely affect our business and profitability. This, in turn, could have a material adverse effect on the market for securities including the Debentures. The consequences of any armed conflicts are unpredictable, and we may not be able to foresee events that could have an adverse effect on our business and the price and yield of our NCDs.

**t) Our business may be adversely impacted by natural calamities or unfavourable climatic changes**

India, Bangladesh, Pakistan, Indonesia and other Asian countries have experienced natural calamities such as earthquakes, floods, droughts and a tsunami in recent years. Some of these countries have also experienced pandemics, including the outbreak of avian flu/ swine flu. The extent and severity of these natural disasters and pandemics determines their impact on these economies and in turn affects the financial services sector of which our Company is a part. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the economies in which we have operations, which could adversely affect our business and the price of our NCDs.

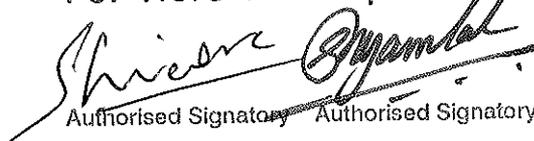
**u) Any downgrading of India's sovereign rating by an international rating agency(ies) may affect our business and our liquidity to a great extent**

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our financial performance and our ability to obtain financing to fund our growth on favourable terms, or at all.

**Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of:**

- i) Statutory dues : No Default
- ii) Debentures and interest thereon : No Default
- iii) Deposits and interest thereon : No Default
- iv) Loan from any bank or financial institution and interest thereon : No Default

For Hero FinCorp Limited

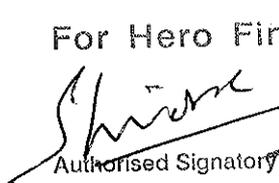
  
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#### 4) ISSUER INFORMATION

##### a. About the Issuer

Hero FinCorp Limited (HFCL), formerly known as Hero Honda Finlease Limited, was incorporated under the provisions of the Companies Act, 1956 as a public company on December 16, 1991. The certificate of commencement of business of the Company was issued on January 13, 1992. Subsequently, the name was changed from Hero Honda Finlease Limited to Hero FinCorp Limited after passing the necessary Special Resolution under Section 21 of the Companies Act, 1956 and a fresh Certificate of Incorporation bearing no. U74899DL1991PLC046774 was issued by the office of Registrar of Companies, NCT of Delhi and Haryana on July 26, 2011.

<b>Name</b>	<b>Hero FinCorp Ltd.</b>
<b>Company Registration No.</b>	U74899DL1991PLC046774
<b>RBI Registration No.</b>	14.00266
<b>Date of Incorporation</b>	December 16, 1991
<b>Registered office</b>	34, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057
<b>Corporate Office</b>	9, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057
<b>Company's Website</b>	<a href="http://www.herofincorp.com">www.herofincorp.com</a>
<b>Company Secretary and Compliance Officer</b>	Mr. Shivendra Suman, Head - Compliance & Company Secretary Address: 09, Community Centre, Basant Lok, Vasant Vihar, New Delhi 110 057. E-mail: <a href="mailto:shivendra.suman@herofincorp.com">shivendra.suman@herofincorp.com</a> Phone No.: +91 11 49487150
<b>CFO of the Issuer</b>	Mr. Jayesh Jain, Chief Financial Officer E-Mail: <a href="mailto:jayesh.jain@herofincorp.com">jayesh.jain@herofincorp.com</a>
<b>Arranger to issue</b>	-
<b>Debenture Trustee</b>	<b>Vistra ITCL (India) Ltd.</b> The IL&FS Financial Centre, Plot C- 22, G Block, Bandra Kurla Complex, Bandra(E), Mumbai – 400051
<b>Registrar and Transfer Agents</b>	<b>Karvy Fintech Pvt. Ltd.</b> Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad – 500 032; Phone: 040 -6716 2222, Fax: 040-2300 1153
<b>Credit Rating Agency/ies for the Issuer</b>	<b>CRISIL Limited</b> Registered Office: CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai – 400076
<b>Auditors of the Issuer</b>	<b>B S R &amp; Co LLP</b> (Firm Registration No. 101248W/W100022) DLF Building No. 10, 8th Floor, Tower B, DLF Cyber City, Phase 2, Gurugram 122002, Haryana.

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**b. Brief summary of Business/Activities of the Issuer and its line of Business**

**i. Overview of the Company and Business**

Hero FinCorp Limited (HFCL) is registered as Non-Deposit accepting Non-Banking Finance Company as per RBI Regulations with Registration No.14.00266. The company primarily deals in financing retail and corporate customers through products including two wheeler financing, term loans, working capital loans, loan against property, bill discounting, leasing, etc. The company is building a strong market presence in the products it is offering.

**Retail Business** - On the retail side, the Company primarily deals with financing of two-wheelers of Hero MotoCorp Ltd. through the dealerships and customer touch points of Hero MotoCorp Ltd. The customers are both salaried and self-employed.

**Corporate Business** - The Company offers various products to its corporate customers such as working capital loans, term loans, bill discounting, leasing, loan against property and inventory financing. The target entities are small to mid-market players having various financing needs.

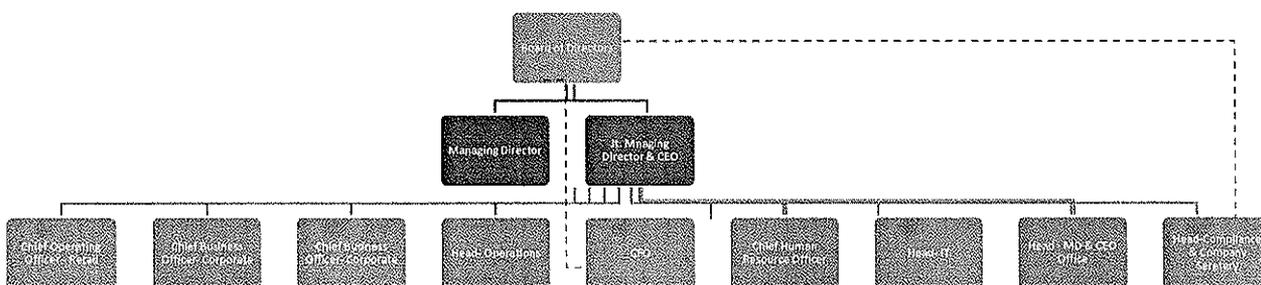
**Branch details as on September 30, 2018:**

S. No.	Branch Name	Branch Address	City
1.	Registered Office	34, COMMUNITY CENTRE, BASANT LOK, VASANT VIHAR	New Delhi
2.	Corporate Office	9, COMMUNITY CENTRE, BASANT LOK, VASANT VIHAR	New Delhi
3.	Corporate Office	172, J P HOUSE, SECOND FLOOR, LANE NO.-2, WESTERN ROAD, SAIDULAJAB, NEAR METRO GATE NO.2, SAKET	New Delhi

**Major Events**

None

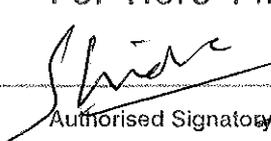
**ii. Corporate Structure**



**Senior Management Team:**

Name	Age	Designation	Qualification	Years in HFCL	Total work Experience
Mr. Jayesh Jain	40	Chief Financial Officer (CFO)	C.A, CISM, CISA and B.Com	1	18

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Mr. Ajay Sahasrabudde	48	Head- Retail Business	PGDBA	6	24
Mr. Samir Mehta	46	Head - Corporate Business	MBA (IIM) and B.tech	5	19
Mr. Mahesh Kumar Sanghavi	45	Head - Corporate Credit & Risk	ICWA	4	20
Mr. Subhranshu Mandal	49	Head- Operation	B.Com	6	27
Ms. Priya Kashyap	41	Head - MD & CEO Office	B.Com	1	21
Mr. Sajin Mangalathu	46	Head - Information Technology	B. Tech-IIT, MBA-IIM	2	20

**List of subsidiaries:** One wholly subsidiary company viz. Hero Housing Finance Limited ("HHFL"). HHFL had obtained approval from the National Housing Bank (NHB) vide its certificate dated August 21, 2017 for commencement of its business and is also registered as housing finance company under the provisions of Section 29A of the NHB Act, 1987. HHFL is engaged in the business of providing housing loans.

**iii. Key Operational and Financial Parameters**

(₹ in Crore)

	30-09-2018	31-03-2018	31-03-2017*	31-03-2016
<b>Parameters</b>				
<b>For Financial Entities</b>				
<b>Net Worth</b>	<b>2891.57</b>	<b>2,301.27</b>	<b>1,951.50</b>	<b>1030.22</b>
<b>Total Debt</b>	<b>14,314.99</b>	<b>10,823.05</b>	<b>7,692.35</b>	<b>5,221.62</b>
- Non Current Maturities of Long Term Borrowings	6,357.99	5,801.00	4,376.08	2,549.73
- Short Term Borrowings	6,678.04	3,931.97	2,734.61	2,378.56
- Current Maturities of Long term Borrowings	1,278.96	1090.08	581.66	293.33
<b>Net Fixed Assets (Incl. leased and intangible assets)</b>	<b>96.427</b>	<b>109.5</b>	<b>105.1</b>	<b>91.51</b>
<b>Total Non-Current Assets</b>	<b>8517.45</b>	<b>7,003.16</b>	<b>5,297.30</b>	<b>3,351.28</b>
<b>Cash &amp; Bank Balance</b>	<b>1.79</b>	<b>0.74</b>	<b>3.19</b>	<b>1.05</b>
<b>Current Investments</b>	-	-	-	-
<b>Total Current Assets</b>	<b>9,059.88</b>	<b>6,634.91</b>	<b>4,692.45</b>	<b>3,170.61</b>
<b>Total Current Liabilities</b>	<b>8,309.66</b>	<b>5,563.68</b>	<b>3,715.76</b>	<b>2,914.73</b>
<b>Receivable Under Finance Activity</b>	<b>16,720.69</b>	<b>13,301.00</b>	<b>9,745.21</b>	<b>6,314.55</b>
Off balance sheet items	-	-	-	-
Interest Income/Revenue from operations	1,076.39	1,814.03	1,331.49	771.38
Interest Expenses	473.22	685.62	535.23	293.35
Provision for bad and doubtful debts	81.52	141.75	72.88	24.05
PAT	82.42	162.45	130.41	81.5
Gross NPA (%)	4.27%	3.67%	2.69%	0.93%
Net NPA (%)	2.74%	2.32%	1.72%	0.55%
Tier I Capital Adequacy	14.18%	16.02%	18.95%	15.54%
Tier II Capital Adequacy	2.52%	2.60%	2.34%	1.84%

\*Previous year figures have been regrouped and re-arranged as per Audited Financials as on 31.03.2018.

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**Gross Debt/Equity Ratio of the Company :-**

Debt Outstanding as on 30.09.2018 (₹ In Crore)	14,227.45
Net Worth as on 30.09.2018 (₹ In Crore)	2,891.57
Debt Equity Ratio before the issue of Debentures	4.92 Times
Debt Equity Ratio after the issue of Debentures*	5.13 Times

\*Assuming the entire offer will be subscribed including the green shoe

**c. Brief history of the Issuer**

Hero FinCorp Limited (HFCL), formerly Hero Honda Finlease Limited, was incorporated by Hero MotoCorp Ltd. (formerly known as Hero Honda Motors Limited). The Company was initially started with a paid-up capital of ₹1 Crore. Later in the year 1992-93, the paid up capital was enhanced to ₹4.40 Crore. Further in the year 1993-94, the paid up capital was enhanced to ₹4.99 Crore. The paid up capital was increased to ₹9.05 Crore after due conversion of FCD issued on rights basis on March 31, 1996. It was further enhanced to ₹18.10 Crore in view of the allotment of equity shares in the ratio of 1:1 via the Rights Issue. The paid up capital was further increased to ₹45.25 Crore in year 2014 and ₹79.18 Crore in year 2015. During the year 2016, the paid up share capital was increased to ₹87.99 Crores, and thereafter increased to ₹92.68 Crores, after the conversion of partly paid up equity shares into fully paid up. The paid up capital has been further enhanced to ₹98.45 Crore, after conversion of partly paid up share warrants (post calling second and final call money), during the FY 2018. In August, 2018, the Company has issued 1,57,51,300 partly paid equity shares of Rs. 10 each on rights basis in the ratio of 4:25. The Company has called 50% amount at the time of application and the rest 50% will be called at later stage. Post Rights Issue, the paid up capital of the Company has increased to Rs. 106.32 Crore.

The company has an uninterrupted dividend paying record since inception.

**i. Details of Share Capital as on 30.09.2018 :-**

Share Capital	Aggregate Nominal Value (in ₹)
<b>Authorized Share Capital</b>	
15,00,00,000 Equity Shares of ₹ 10 each	150,00,00,000
<b>Issued and Subscribed Capital</b>	
11,41,96,921 Equity Shares ₹ 10 each	114,19,69,210
<b>Paid-up Capital</b>	
9,84,45,621 Equity Shares ₹ 10 each	98,44,56,210
1,57,51,300 Equity Shares ₹ 5 each	7,87,56,500
<b>Total</b>	<b>106,32,12,710</b>

**ii. Changes in capital structure as on 30.09.2018 (for last five years):-**

Date of Allotment	Increase in share capital (₹)	Share capital post issue(₹)	Particulars
05 <sup>th</sup> February, 2013	9,05,00,000	18,10,00,000	Rights Issue in the ratio of 1:1
26 <sup>th</sup> June, 2014	27,15,00,000	45,25,00,000	Rights Issue in the ratio of 3:2
7 <sup>th</sup> August, 2015	33,93,75,000	79,18,75,000	Rights Issue in the ratio of 4:3
15 <sup>th</sup> September, 2016	13,49,22,160	92,67,97,160	Private Placement

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22 <sup>nd</sup> February, 2018	5,76,59,050	98,44,56,210	Private Placement
23 <sup>rd</sup> August, 2018	7,87,56,500	106,32,12,710	Rights Issue in the ratio of 4:25

**iii. Equity Share Capital history of the Company as on 30.09.2018**

Date of allotment	No. of Equity Shares	Face Value (₹)	Issue Price (₹)	Nature of Payment	Nature of Allotment	Cumulative		
						No. Of equity shares	Paid-up Capital (₹)	Share Premium (₹)
20-12-1991	70	10	10	Cash	Issue to Subscribers of Memorandum	70	700	-
30-03-1992	10,00,000	10	10	Cash	Private Placement	10,00,070	1,00,00,700	-
19-05-1992	10,00,000	10	10	Cash	Private Placement	20,00,070	2,00,00,700	-
22-05-1992	13,16,800	10	10	Cash	Private Placement	33,16,870	3,31,68,700	-
10-06-1992	4,40,800	10	10	Cash	Private Placement	37,57,670	3,75,76,700	-
22-12-1992	4,58,400	10	10	Cash	Private Placement	42,16,070	4,21,60,700	-
26-02-1993	46,200	10	10	Cash	Private Placement	42,62,270	4,26,22,700	-
29-03-1993	1,36,400	10	10	Cash	Private Placement	43,98,670	4,39,86,700	-
29-09-1994	6,01,300	10	10	Cash	Private Placement	49,99,970	4,99,99,700	-
31-03-1996	40,50,030	10	15	Cash	Rights Issue	90,50,000	9,05,00,000	2,02,50,150
05-02-2013	90,50,000	10	115	Cash	Rights Issue	1,81,00,000	18,10,00,000	97,05,00,150
26-06-2014	2,71,50,000	10	115	Cash	Rights Issue	4,52,50,000	45,25,00,000	3,82,12,50,150
07-08-2015	3,39,37,500	10	120	Cash	Rights Issue	7,91,87,500	79,18,75,000	7,55,43,75,150
15-09-2016	1,34,92,216	10	520.3	Cash	Private Placement	9,26,79,716	92,67,97,160	1443,94,52,974.80
22-02-2018	57,65,905	10	520.3	Cash	Private Placement	9,84,45,621	98,44,56,210	1738,17,94,296.30
23-08-2018	1,57,51,300	10	750	Cash	Rights Issue	11,41,96,921	106,32,12,710	2320,97,75,296.30

**iv. Details of any Acquisition or Amalgamation in the last 1 year.**

The Company has not made any acquisition or amalgamation during last one year.

**v. Details of Re-organization or Reconstruction in last 1 year.**

No reorganization or reconstruction was done during the last one year.

**d. Details of shareholding of the Company as at 30.09.2018**

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**i. Shareholding pattern of the Company as on 30.09.2018:-**

Hero FinCorp Limited							
Sr. No.	Name & Address	Pre Issue			Post Issue		
		Total No. of Shares	No. of shares in demat form	%	Total No. of Shares	No. of shares in demat form	%
A.	Promoters' holding						
1.	Indian						
	Individual/HUF	1,57,48,106	1,48,70,656	13.79	1,57,48,106	1,48,70,656	13.79
	Body Corporate	7,54,55,045	7,35,33,077	66.07	7,54,55,045	7,35,33,077	66.07
	<b>Sub-total (A)</b>	<b>9,12,03,151</b>	<b>8,84,03,733</b>	<b>79.86</b>	<b>9,12,03,151</b>	<b>8,84,03,733</b>	<b>79.86</b>
2.	Foreign promoters						
B.	Non-Promoters' holding						
1	Institutional Investor	-	-	-	-	-	-
2.	Non-institutional Investors						
	Private corporate bodies	-	-	-	-	-	-
	Directors and Relatives	-	-	-	-	-	-
	Indian public	76,64,864	39,06,055	6.71	76,64,864	39,06,055	6.71
	Others [including Non-resident Indians (NRIs)]	1,53,28,906	1,52,81,456	13.43	1,53,28,906	1,52,81,456	13.43
	<b>Sub-total (B)</b>	<b>2,29,93,770</b>	<b>1,91,87,511</b>	<b>20.14</b>	<b>2,29,93,770</b>	<b>1,91,87,511</b>	<b>20.14</b>
	<b>Grand Total</b>	<b>11,41,96,921</b>	<b>10,75,91,244</b>	<b>100.00</b>	<b>11,41,96,921</b>	<b>10,75,91,244</b>	<b>100.00</b>

Number of Equity' Shares pledged or encumbered by the promoters – Nil

**ii. List of top ten equity shares holders of the Company as on 30.09.2018:-**

S. No.	Name of Shareholder	Total No. of Shares	No. of shares in demat form	%
1	Hero MotoCorp Ltd.	4,70,32,574	4,70,32,574	41.19
2	Bahadur Chand Investment (P) Ltd	2,32,13,837	2,32,13,837	20.33
3	BrijMohan Lall Om Prakash*	1,21,21,886	1,21,21,886	12.31
4	Otter Limited	1,20,57,765	1,20,57,765	10.56
5	Credit Suisse (Singapore) Limited	27,60,253	27,60,253	2.42
6	Hero InvestCorp Private Limited	32,86,666	32,86,666	2.88
7	Munjal Acme Packaging Systems Pvt. Ltd.	19,21,968	NIL	1.95
8	Renu Munjal	4,10,740	4,10,730	0.36
9	Santosh Munjal	3,15,000	3,15,000	0.28
10	Annuvrat Munjal	3,42,945	48,445	0.30

\*The shares are held in the individual name of partners, on behalf of BrijMohan Lall Om Prakash, Partnership Firm

**e. Details regarding the directors of the Company :-**

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**i. Details of current Directors of the Company as on 30.09.2018**

S.No.	Name, Designation and DIN	Age (Years)	Address	Director of the Company since	Other Directorships
1	Mr. Pawan Munjal (Chairman and Non-Executive Director) DIN: 00004223 Occupation: Business	64	B-109, Greater Kailash, Part - 1, New Delhi - 110 048	01-04-1986 29-05-2010 20-05-2010 20-05-2010 25-08-2008 21-03-2016 16-08-2016 31-01-2017	Hero MotoCorp Ltd. Rockman Industries Ltd. Bahadur Chand Investments Pvt. Ltd. Hero InvestCorp Pvt. Ltd. Indian School of Business Cosmic Apa Pvt. Ltd. Munjal Acme Packaging Systems Pvt. Ltd. PAN Mining Pvt. Ltd.
2	Mrs. Renu Munjal (Managing Director) DIN: 00012870 Occupation: Business	63	B-109, Greater Kailash, Part - 1, New Delhi - 110 048	20-05-2010 20-05-2010 20-05-2010 20-05-2010 04-06-2015 27-01-2016 16-06-2016 15-03-2018 07-08-2018	Rockman Auto Pvt. Ltd. Hero InvestCorp Pvt. Ltd. Bahadur Chand Investments Pvt. Ltd. Munjal Acme Packaging Systems Pvt. Ltd. Hero Electronix Pvt. Ltd. BM Munjal Energies Pvt. Ltd. Hero Housing Finance Ltd. Clean Solar Power (Hiriyur) Pvt. Ltd. RKMFT Pvt. Ltd.
3	Mr. Abhimanyu Munjal (Joint Managing Director & CEO) DIN: 02822641 Occupation: Business	35	B-109, Greater Kailash, Part - 1, New Delhi - 110 048	02-07-2012 19-05-2015 16-06-2016 22-08-2017 15-03-2018 07-08-2018 19-09-2018	Foodcraft India Pvt. Ltd. Advantedge Technology Partners Pvt Ltd Hero Housing Finance Ltd. Hero Rooftop Energy Pvt. Ltd. Clean Solar Power (Hiriyur) Pvt. Ltd. RKMFT Pvt. Ltd. AMFT Pvt. Ltd.
4	Mr. D. N. Davar (Non-Executive & Independent Director) DIN: 00002008 Occupation: Business	84	B5/82, Safdarjung Enclave, New Delhi - 110 029	26-05-1994 02-07-1994 10-11-1994 16-08-1995 04-06-2004 28-09-2004 10-11-2004 08-12-2006	OCL India Ltd. Sandhar Technologies Ltd. HEG Ltd. Ansal Properties And Infrastructure Ltd. Adyar Gate Hotels Ltd. Maral Overseas Ltd. RSWM Ltd. Titagarh Wagons Ltd.
5	Mr. Pradeep Dinodia (Non-Executive & Independent Director) DIN: 00027995 Occupation: Professional	64	9-A, Maharani Bagh, Srinivaspuri, New Delhi - 110065	08-03-1994 18-07-1994 31-03-2001 16-05-2003 16-03-2009	DFM Foods Ltd. DCM Shriram Ltd. Hero MotoCorp Ltd. Shriram Pistons and Rings Ltd. JK Lakshmi Cement Ltd.
6	Mr. Sanjay Kukreja (Non Executive Director) DIN: 00175427 Occupation: Service	41	A - 362, Defence Colony, Lajpat Nagar, New Delhi - 110024	21-05-2012 17-03-2010	Nuvo Chryscapital Advisors Pvt. Ltd. Magical Methods School Solutions Pvt. Ltd.

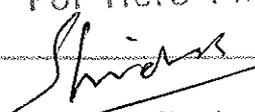
Note: None of the directors' name appear in the RBI defaulter list and/or ECGC default list

**ii. Details of the change in Directors since last three years :-**

S. No.	Name	Designation	DIN	Date of Appointment	Date of Cessation
1	Mr. Pavninder Singh	Non-Executive & Independent Director	03048302	26-May-14	23-Mar-16

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2	Mr. Abhimanyu Munjal	Joint Managing Director & CEO	02822641	01-Jun-16	-
3	Mr. Pradeep Dinodia	Independent Director	00027995	29-May-16	-
4	Mr. Sanjay Kukreja	Director	00175427	15-Sep-16	-

**f. Following details regarding the Auditors of the Company:-**

**i. Details of the Auditors of the Company:-**

Name	Address	Auditor since
B S R & Co LLP(Firm Registration No. 101248W/W100022)	DLF Building No. 10, 8 <sup>th</sup> Floor, Tower B, DLF Cyber City, Phase - 2, Gurugram 122002, Haryana	w.e.f 21 <sup>st</sup> September, 2018

**ii. Details of change in Auditors since last 3 years:-**

Name	Address	Date of Appointment/Resignation	Auditor of the Company since (in case of Resignation)	Remarks
B S R & Co. LLP (Firm Registration No. 101248W/W100022)	DLF Building No. 10, 8th Floor, Tower B, DLF Cyber City, Phase 2, Gurugram 122002, Haryana	Date of Appointment: w.e.f 21 <sup>st</sup> September, 2018	N.A.	
Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N)	7th Floor, Building 10, Tower B, DLF Cyber City Complex, DLF City Phase II, Gurgaon, Haryana - 122002	Date of Resignation: w.e.f 21 <sup>st</sup> September, 2018	Date of Appointment: w.e.f 19 <sup>th</sup> July 2013	Retired by rotation

**g. Details of borrowings of the Company as on quarter ending 30.09.2018:-**

**i. Details of Secured Loan Facilities: -**

Lender	Type of Facility	Sanctioned Amount (₹ Crore)	Outstanding Amount (₹ Crore)	Repayment Terms / Date
Axis Bank	CC	275.00	269.17	On Demand
Bank of America	CC	216.00	196.39	On Demand
BNP Paribas	CC	35.00	35.00	On Demand
Bank of Baroda	CC	100.00	96.47	On Demand
Citi Bank	CC	20.00	12.30	On Demand
Corporation Bank	CC	50.00	0.00	On Demand
HDFC Bank	CC	150.00	102.03	On Demand

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ICICI Bank	CC	100.00	99.57	On Demand
Indian Bank	CC	200.00	193.22	On Demand
Kotak Mahindra Bank	CC	75.00	8.48	On Demand
Oriental Bank of Commerce	CC	100.00	0.00	On Demand
Punjab National Bank	CC	300.00	0.00	On Demand
Standard Chartered Bank	CC	50.00	10.98	On Demand
State Bank of India	CC	100.00	95.38	On Demand
Union Bank of India	CC	200.00	197.50	On Demand
United Bank of India	CC	300.00	290.46	On Demand
Axis Bank	Term Loan	300.00	300.00	Repayment in 4 semi-annual installments after a moratorium of 36 months
Bank of Baroda	Term Loan	50.00	37.50	Repayment in 4 half yearly installments after a moratorium of 2 year
Bank of Tokyo Mitsubishi	WC DL	200.00	200.00	Bullet
Corporation Bank	Term Loan	300.00	250.00	Repayment in 4 half yearly installments after a moratorium of 3 years
Federal Bank	Term Loan	100.00	100.00	Bullet Repayment on due date 36 months from the drawdown
Federal Bank	Term Loan	200.00	200.00	Repayment in 2 half yearly instalments and 2 yearly instalments after a moratorium of 2 years
HDFC Bank	Term Loan	150.00	25.00	Repayment in 12 Quarterly installments after a moratorium of 1 year
HDFC Bank	Term Loan	70.00	50.00	Repayment in 7 half yearly installments after a moratorium of 1 year
ICICI Bank	Term Loan	100.00	100.00	Bullet repayment after 35th month from drawdown
ICICI Bank	Term Loan	100.00	100.00	Bullet repayment after 35th month from drawdown
ICICI Bank	Term Loan	450.00	450.00	Repay each drawdown amount in equal instalments at the end of 36 <sup>th</sup> month, 42 <sup>nd</sup> month, 48 <sup>th</sup> month, 54 <sup>th</sup> month and 60 <sup>th</sup> month
IDFC Bank	Term Loan	200.00	200.00	Bullet repayment after 3 years from drawdown
Indian Bank	Term Loan	750.00	750.00	Repayment in 4 half yearly installments after a moratorium of 36 months
Karnataka Bank	Term Loan	200.00	200.00	Bullet payment after initial holiday period of 33 months
Kotak Mahindra Bank	Term Loan	100.00	100.00	Repayment in 2 Yearly installments after a moratorium of 36 months

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Mizuho Bank	Term Loan	150.00	150.00	Bullet repayment after 3 years from drawdown
Punjab National Bank	Term Loan	350.00	350.00	Repayable in 4 equal semi-annual installments after a moratorium of 36 months
Oriental Bank of Commerce	Term Loan	150.00	50.00	Repayable in 4 equal semi-annual installments after a moratorium of 36 months
State Bank of India	Term Loan	450.00	450.00	Repayable in 4 equal semi-annual installments after a moratorium of 36 months
Union Bank of India	Term Loan	400.00	300.00	Repayment in 4 half yearly installments after a moratorium of 36 months
United Bank of India	Term Loan	100.00	50.00	Repayment in 4 half yearly installments after a moratorium of 24 months
United Bank of India	Term Loan	150.00	150.00	Repayment in 4 half yearly installments after a moratorium of 36 months
Bank of Nova Scotia	WCDL	75.00	0.00	Bullet, if applicable

@WCDL – Working Capital Demand Loan

**Note:** Above loans are secured by pari-passu charge on receivables and interest is being serviced monthly

ii. Details of outstanding Unsecured Loan Facilities as on 30.09.2018:-

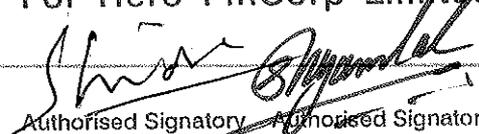
Lender	Type of Facility	Sanctioned Amount (₹ Crore)	Outstanding Amount (₹ Crore)	Repayment Terms / Date
BNP Paribas	CC	165.00	162.29	On Demand
CTBC Bank	WCDL	25.00	25.00	Bullet
Deutsche Bank	CC	150.00	150.25	On Demand
Yes Bank	CC	300	49.47	On Demand

iii. Details of Secured Non-Convertible Debentures (NCD) as on 30.09.2018:-

Debenture Series No.	Rate of interest on NCD	Amount (₹ Crore)	Date of Allotment	Redemption Date	Credit Rating
HFCL/NCD/003	8.98%	20.00	23/04/2015	23/04/2020	AA+/Stable by ICRA
HFCL/NCD/006	8.93%	10.00	24/09/2015	24/09/2020	AA+/Stable by ICRA
	Zero percent (8.93% on XIRR Basis)	16.00	24/09/2015	18/02/2021	AA+/Stable by ICRA
HFCL/NCD/007	8.65%	5.00	10/11/2015	09/11/2018	AA+/Stable by ICRA
	Zero percent (8.65% on XIRR Basis)	25.00	10/11/2015	29/10/2018	AA+/Stable by ICRA
HFCL/NCD/008	8.65%	15.00	16/12/2015	14/12/2018	AA+/Stable by ICRA
HFCL/NCD/009	Zero percent (8.76% on XIRR Basis)	12.00	06/01/2016	10/06/2021	AA+/Stable by ICRA

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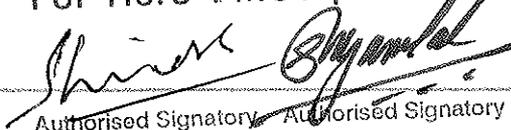
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HFCL/NCD/010	8.80%	100.00	23/03/2016	22/03/2019	AA+/Stable by ICRA
HFCL/NCD/012	8.70%	20.00	09/05/2016	09/05/2019	AA+/Stable by ICRA
HFCL/NCD/013	8.80%	188.50	13/07/2016	12/07/2019	AA+/Stable by ICRA
	Zero percent (8.80% on XIRR Basis)	5.50	13/07/2016	07/01/2020	AA+/Stable by ICRA
	Zero percent (8.80% on XIRR Basis)	25.00	13/07/2016	13/09/2019	AA+/Stable by ICRA
HFCL/NCD/015	7.82%	150.00	14/10/2016	12/10/2018	AA+/Stable by ICRA
HFCL/NCD/016	Zero percent (7.83% on XIRR Basis)	25.00	16/01/2017	16/01/2020	AA+/Stable by ICRA
	Zero percent (7.83% on XIRR Basis)	4.00	16/01/2017	09/06/2020	AA+/Stable by ICRA
HFCL/NCD/017	7.73%	30.00	07/02/2017	07/02/2019	AA+/Stable by ICRA
	7.83%	170.00	07/02/2017	07/02/2020	AA+/Stable by ICRA
HFCL/NCD/018	Zero percent (7.80% on XIRR Basis)	200.00	11/04/2017	11/04/2019	AA+/Stable by CRISIL
HFCL/NCD/019	Zero percent (7.95% on XIRR Basis)	30.00	11/05/2017	11/05/2020	AA+/Stable by CRISIL NCD
HFCL/NCD/020	7.95%	260.00	19/05/2017	19/05/2020	AA+/Stable by CRISIL
HFCL/NCD/021	7.92%	275.00	07/06/2017	05/06/2020	AA+/Stable by CRISIL
HFCL/NCD/022	Zero percent (7.92% on XIRR Basis)	200.00	12/06/2017	12/06/2020	AA+/Stable by CRISIL
HFCL/NCD/024	7.60%	295.00	18/08/2017	18/11/2020	AA+/Stable by ICRA
HFCL/NCD/024	7.70%	85.00	18/08/2017	18/08/2022	AA+/Stable by ICRA
HFCL/NCD/024	Zero percent (7.60% on Compounding Basis)	75.00	18/08/2017	03/08/2020	AA+/Stable by ICRA
HFCL/NCD/025	Zero percent (8.10% on Compounding Basis)	115.00	08/01/2018	08/04/2021	AA+/Stable by ICRA
HFCL/NCD/025	8.10%	80.00	08/01/2018	08/07/2021	AA+/Stable by ICRA
HFCL/NCD/026	8.81%	100.00	26/06/2018	08/07/2020	AA+/Stable by ICRA
HFCL/NCD/026	Zero percent (8.81% on Compounding Basis)	150.00	26/06/2018	29/05/2020	AA+/Stable by ICRA
HFCL/NCD/027	8.81%	105.00	27/07/2018	08/07/2020	AA+/Stable by ICRA

**Note:** The above loans are secured by Pari- Passu charge on Receivables of company

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**iv. Details of Unsecured (Tier – II Capital) NCDs as on 30.09.2018**

Debenture Series	Rate of interest on NCD	Amount (₹ Crore)	Date of Allotment	Redemption Date	Credit Rating
HFCL/NCD/005	9.35% p.a.	100.00	15/09/2015	15/09/2025	AA+/Stable by CRISIL & ICRA
HFCL/NCD/014	8.98% p.a.	100.00	03/08/2016	03/08/2026	AA+/Stable by CRISIL & ICRA
HFCL/NCD/023	8.52% p.a.	100.00	20/06/2017	20/06/2027	AA+/Stable by CRISIL & ICRA

**v. List of Top 10 Debenture holders as on 30.09.2018**

Name of Investor	Amount outstanding (₹ in Crore)
Wipro Ltd.	650.00
HDFC Bank	330.00
Hindustan Zinc Ltd.	200.00
SBI Mutual fund	195.00
Cognizant Technology Solutions	150.00
UTI Mutual Fund	117.50
ICICI Prudential Life Insurance	100.00
BNP Paribas	100.00
Bajaj Holdings & Investment Ltd.	100.00
Kotak Mahindra Bank	100.00

**vi. Corporate Guarantee issued by the Issuer:**

None

**vii. Details of Commercial Papers outstanding as on 30.09.2018:-**

Date of Maturity	Amount outstanding (₹ in Crore)
22-10-2018	450.00
29-10-2018	400.00
02-11-2018	500.00
16-11-2018	400.00
19-11-2018	600.00
26-11-2018	700.00
14-12-2018	400.00
20-12-2018	175.00
13-06-2019	100.00
21-06-2019	310.00
09-07-2019	100.00
19-07-2019	145.00
23-08-2019	250.00

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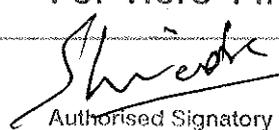
26-09-2019	50.00
<b>Total</b>	<b>4580.00</b>

- viii. **Details of rest of the borrowings (if any including hybrid debt like FCCV, Optionally Convertible Debentures / Preference Shares) outstanding: -**  
NIL
- ix. **Details of all default/s and/or delay in payment of interest and principal of any kind of term loans, debt securities and other financial indebtedness including corporate guarantees issued by the Company, in the past 5 years :-**  
NIL
- x. **Details of any outstanding borrowings taken/ debt securities issued where taken / issued (i) for consideration other than cash, whether in whole or part, (ii) at a premium or discount, or (iii) in pursuance of an option:-**  
NIL
- xi. **Particulars of debt securities issued**  
 (i) for consideration other than cash, whether in whole or part, - Nil  
 (ii) at premium and discount – ₹ 882.50 Crore  
 (iii) in pursuance of an option – Nil

**h. Details of Promoters of the Company as on 30.09.2018:-**

Sr. No.	Name of the Shareholders	Total No. of Equity Shares	No. of Shares in Dematerialised Form	Total Shareholding as % of total no of Equity Shares	No. of Equity Shares Pledged	% of Shares pledged with respect to shares owned
1	Hero MotoCorp Ltd	4,70,32,574	4,70,32,574	41.19	Nil	Nil
2	Bahadur Chand Investments Pvt. Ltd.	2,32,13,837	2,32,13,837	20.33	Nil	Nil
3	Hero Investcorp Ltd.	32,86,666	32,86,666	2.88	Nil	Nil
4	BrijMohan Lal Om Parkash	1,21,21,886	1,21,21,886	12.31	Nil	Nil
5	Munjal Acme Packaging Systems Pvt. Ltd.	19,21,968	Nil	1.95	Nil	Nil
6	Abhimanyu Munjal	3,01,363	2,43,963	0.26	Nil	Nil
7	Akshay Munjal	1,87,324	1,87,324	0.16	Nil	Nil
8	Aniesha Munjal	91,704	91,704	0.08	Nil	Nil
9	Anuvrat Munjal	3,42,945	48,445	0.30	Nil	Nil
10	Geeta Anand	99,423	84,383	0.09	Nil	Nil
11	Mukta Munjal	4,500	Nil	0.00	Nil	Nil
12	Pawan Munjal	2,77,259	2,77,249	0.24	Nil	Nil
13	Radhika Uppal	1,04,805	1,04,805	0.09	Nil	Nil
14	Rahul Munjal	2,24,166	31,666	0.20	Nil	Nil
15	Renu Munjal	4,10,740	4,10,730	0.36	Nil	Nil
16	Renuka Munjal	1,15,904	1,15,904	0.10	Nil	Nil
17	Santosh Munjal	3,15,000	3,15,000	0.32	Nil	Nil
18	Shefali Munjal	45,675	Nil	0.04	Nil	Nil

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19	Suman Kant Munjal	1,84,534	1,84,534	0.16	Nil	Nil
20	Sunil Kant Munjal	3,14,502	46,687	0.28	Nil	Nil
21	Supriya Munjal	1,90,978	1,90,978	0.17	Nil	Nil
22	Ujjwal Munjal	2,24,420	2,24,420	0.20	Nil	Nil
23	Vasudha Dinodia	1,90,978	1,90,978	0.17	Nil	Nil

**i. Profits for the 3 financial years preceding the date of circulation of offer letter**

*(₹ in Crore)*

Year	Profit Before Tax	Provision for Tax	Profit After Tax
F.Y. 2017-18	247.94	85.49	162.45
F.Y. 2016-17	200.62	70.21	130.41
F.Y. 2015-16	124.76	43.26	81.50

**j. Dividend declared and interest coverage ratio (Cash profit after tax plus interest paid / interest paid) for the said financial years;**

Year	Payment Year	Dividend	Interest Coverage Ratio
F.Y. 2017-18	F.Y. 2018-19	₹ 2.8 per share	1.28
F.Y. 2016-17	F.Y. 2017-18	₹ 1.5 per share	1.28
F.Y. 2015-16	F.Y. 2016-17	₹ 1 per share	1.34

**k. Abridged version of latest Audited Standalone financial information for the last three years:-**

*(₹ in Crore)*

A	BALANCE SHEET (as on March 31)	2018	2017*	2016
1	<b>Equity and Liabilities</b>			
1.1	Share Capital	98.45	92.68	79.19
1.2	Reserves and Surplus	2,202.82	1,858.82	951.03
1.3	Non-Current Liabilities	5,882.62	4,427.59	2,576.94
1.4	Current Liabilities	5,563.68	3,715.76	2,914.73
1.5	<b>Total</b>	<b>13,747.57</b>	<b>10,094.85</b>	<b>6,521.89</b>
2	<b>Assets</b>			
2.1	Fixed Assets (including Capital Work-in-progress)	109.50	105.10	91.51
2.2	Other Non-Current Assets	7,112.66	5,402.40	3,259.77
2.3	Current Assets	6,634.91	4,692.45	3,170.61
2.4	<b>Total</b>	<b>13,857.07</b>	<b>10,199.95</b>	<b>6,521.89</b>
B	<b>STATEMENT OF PROFIT AND LOSS</b>	<b>FY2017-18</b>	<b>FY2016-17</b>	<b>FY2015-16</b>
1	<b>Income</b>			
1.1	Revenue from Operations	1,814.03	1,331.49	770.32
1.2	Other Income	3.29	1.20	1.06
2	<b>Expenditure</b>			
		857.26	575.94	335.46

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3	Earnings before Interest, Tax, Depreciation and Amortization (EBITDA) – Includes exceptional items	960.06	756.75	435.92
4	Depreciation and Amortization	26.50	20.89	17.80
5	Finance Costs	685.62	535.23	293.35
6	<b>Profit before Tax (PBT)</b>	<b>247.94</b>	<b>200.62</b>	<b>124.76</b>
7	Tax	85.49	70.21	43.26
8	<b>Profit after Tax (PAT)</b>	<b>162.45</b>	<b>130.41</b>	<b>81.50</b>
<b>C</b>	<b>CASH FLOW STATEMENT</b>			
1	Net Cash from Operating Activities	<b>-3,261.37</b>	<b>-3,161.35</b>	<b>-2,947.02</b>
2	Net Cash from / (used in) Investing Activities	<b>-36.35</b>	<b>-83.44</b>	<b>-34.60</b>
3	Net Cash from / (used in) Financing Activities	<b>3,295.27</b>	<b>3,246.93</b>	<b>2,971.45</b>
4	<b>Net increase / (decrease) in Cash and Cash Equivalents</b>	<b>-2.45</b>	<b>2.14</b>	<b>-10.17</b>
5	Opening balance of Cash and Cash Equivalents	<b>3.19</b>	<b>1.05</b>	<b>11.22</b>
6	Transferred pursuant to Scheme of Arrangement	-	-	-
7	<b>Closing balance of Cash and Cash Equivalents</b>	<b>0.74</b>	<b>3.19</b>	<b>1.05</b>

\* Previous year figures have been regrouped and rearranged wherever necessary.

**i. Material Developments at the time of issue**

Any Material events / developments or change having implications on the financials / credit quality (e.g. any material regulatory proceedings against the Issuer / Promoters, tax litigations resulting in material liabilities, corporate restructuring event etc.) at the time of issue which may affect the issue or the investors decision to invest / continue to invest in the debt securities.

No material event/ development or change has occurred between the date of latest year end and the date of Issue which may affect the Issue or the Debenture holders' decision to invest / continue to invest in the debt securities.

**m. Debenture Trustee**

Vistra ITCL (India) Limited has been appointed as Debenture Trustee for the proposed Issue. The Debenture Trustee has given their consent to the Issuer for its appointment and a copy of the consent letter is enclosed as *Annexure 1* to this Disclosure Document. The Company will enter into a Trusteeship Agreement / Debenture Trust Deed, *inter-alia*, specifying the powers, authorities and obligations of the Company and the Debenture Trustee in respect of the Debentures.

The Debenture holders shall, by signing the Application Form and without any further act or deed, be deemed to have irrevocably given their consent to and authorised the Debenture Trustee or any of their Agents or authorised officials to do, *inter alia*, all such acts, deeds and things necessary in respect of or relating to the security to be created for securing the Debentures being offered in terms of this Disclosure Document. All rights and remedies under the Debenture Trust Deed / Trusteeship Agreement and/or other security 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 on behalf of the Debenture holder(s) shall discharge the Company pro tan to the Debenture holder(s). No Debenture holder

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shall be entitled to proceed directly against the Company unless the Debenture Trustee, having become so bound to proceed, fails to do so.

Company reserves the right to appoint any other SEBI registered Trustee.

**n. Credit Rating of Debentures**

The Debentures are rated as “[CRISIL] AA+ (stable)” Pronounced CRISIL double A Plus.

This indicates “Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk”.

The rating letter(s) as released by Credit Rating Agency is attached as *Annexure 2* at the end of this document.

**o. Guarantee or comfort for the Debentures**

The Debentures are not backed by any guarantee or letter of comfort or any other document / letter with similar intent by any party.

**p. Consent from Debenture Trustee**

Copy of consent letter from the Debenture Trustee is attached as *Annexure 1*.

**q. Listing of Debentures**

The Debentures are proposed to be listed on National Stock Exchange of India Ltd. ('NSE'), being the Designated Stock Exchange. The Company will get the NCDs listed within 15 days from the deemed date of allotment of the said NCDs.

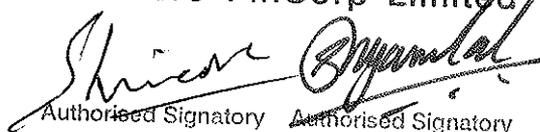
**r. Other Details**

- 1) **DRR creation** – According to rule 18(7)(b)(ii) of the Companies (Share Capital and Debentures) Rules, 2014, no Debenture Redemption Reserve is required to be created in the case of privately placed debentures by the company which is a NBFC registered with the RBI under Section 45-IA of the RBI (Amendments) Act, 1997.

The Company maintains a reserve fund under section 45-IC of the Reserve Bank of India Act, 1934 by transferring 20% of its profits as per the provisions of the RBI Act, 1934.

- 2) **Issue/ instrument specific regulations** – Relevant section/s of Companies Act, 2013, including Section 179, 180(1)(c), Section 180(1)(a) and Section 77. The Debentures shall also be subject to the applicable provisions of the Depositories Act, 1996 and the laws as applicable, guidelines, notifications and regulations relating to the allotment and issue of capital and listing of securities issued from time to time by Securities and Exchange Board of India (SEBI), Reserve Bank of India (RBI), concerned Stock Exchange or any other authorities and other documents that may be executed in respect of the Debentures.

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## 5) APPLICATION PROCESS

### **Who can bid / invest / apply?**

All QIBs, non-QIB Investors, and arrangers/brokers/intermediaries etc. (as per the defined limit of SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018. issued and updated from time to time) specifically mapped by the Issuer on the NSE-EBP Platform, are eligible to bid / invest / apply for this Issue.

All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in this Issue.

### **How to bid?**

All Eligible Investors are required to bid through NSE – EBP Platform, if not registered with NSE – EBP Platform, then will have to register themselves as investor on the said platform (this is one-time exercise. Eligible Investors will also have to complete the mandatory KYC verification process. Investors should refer to the Operational Guidelines of NSE for EBP platform.

### **(a) Modification of Bid:**

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. NSE/DS/39017; dated September 28, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

### **(b) Cancellation of Bid**

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

### **(c) Multiple Bids**

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

### **(d) Withdrawal of Issue**

In line with the operational guidelines issued / modified from time to time by NSE and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

### **Payment Mechanism**

Subscription should be as per the final allocation made to the successful bidder(s) as notified by the Issuer.

### **How to apply?**

All Application Forms, duly completed, must be in the prescribed form (enclosed) and completed in BLOCK CAPITAL LETTERS in English and as per the instructions contained therein. Investors shall remit their subscription money by way of RTGS/NEFT/ Account Transfer, the credit has to come in the bank accounts of NSCCL on the PAYIN date on or before 10:30 AM. In case, the credit is not received in the account the application would be liable to be rejected. Company assumes no responsibility for non-receipt of application money due to any technical reasons.

### **Documents to be provided by Investors / applicants**

Investors need to submit the following documents, along with the Application Form, as applicable

- Memorandum and Articles of Association along with Certificate of Incorporation/Documents Governing Constitution
- Board Resolution / letter authorizing the investment and containing operating instructions

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- Certified true copy of the Power of Attorney
- PAN card
- Form 15AA for investors seeking exemption from Tax Deduction at Source (TDS) – both on Interest on Application Money as well as annual interest payments
- Specimen signature of the authorised signatories, duly certified by an appropriate authority
- SEBI Registration Certificate (for Mutual Funds)
- IRDA Registration Certificate (for Insurance Companies)

**Applications under Power of Attorney**

In case of applications made under a Power of Attorney or by a Limited Company or a Body Corporate etc., the relevant Power of Attorney or the relevant resolution or authority to make the application, as the case may be, together with the certified true copy thereof along with the certified copy of the Memorandum and Articles of Association and/or Bye-Laws as the case may be must be attached to the Application Form or lodged for scrutiny separately with the photocopy of the Application Form, quoting the serial number of the Application Form at the Company's branch where the application has been submitted failing which the applications are liable to be rejected.

**Interest on Application Money**

Interest on Application Money will be paid at the applicable coupon rate (subject to deduction of tax at source at the rates prevailing from time to time under the provisions of Income Tax Act, 1961 or any statutory modification or reenactment thereof) and will be paid on the entire application money on all valid applications.

Such interest shall be paid for the period commencing from the date of credit by way of funds transfer / Real time gross settlement up to one day prior to the date of allotment.

No interest on application money would be payable in cases of invalid applications.

**Tax Deduction at Source**

Income tax will be deducted as applicable as per the provisions of Income –tax Act, 1961.

Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder a Certificate of Tax Deduction at Source.

**PAN/GIR Number**

All Applicants should mention their Permanent Account Number or the GIR Number allotted under Income Tax Act, 1961 and the Income Tax Circle / Ward / District. In case where neither the PAN nor the GIR Number has been allotted, the fact of such a non-allotment should be mentioned in the Application Form in the space provided.

**Signatures**

Signatures should be made in English or in any of the Indian Languages. Thumb impressions must be attested by an authorised official of a Bank or by a Magistrate/Notary Public under his/her official seal.

**Date of Subscription**

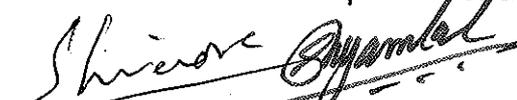
Date of Subscription shall be the date of realization of proceeds of subscription money in the bank account of the NSCCL.

**Settlement Process**

In line with the operating guidelines for NSE EBP issued vide circular ref. no. NSE/DS/39017; dated September 28, 2018.

**Post-Allocation Disclosures by the EBP**

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In line with the operational guidelines and SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/05 dated January 05, 2018 and subsequent modification vide SEBI circular no. SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018.

## **6) MATERIAL CONTRACTS, AGREEMENTS INVOLVING FINANCIAL OBLIGATIONS**

**Material Contracts** - By very nature and volume of its business, the Company is involved in a large number of transactions involving financial obligations and therefore it may not be possible to furnish details of all material contracts and agreements involving financial obligations of the Company. Copies of these contracts together with the copies of documents referred to in Para B may be inspected at the Registered Office of the Company between 10.00 a.m. and 12.00 noon on any working day until the Issue Closing Date.

- (i) Memorandum and Articles of Association of the Company.
- (ii) Certificate of Registration issued by Reserve Bank of India under Section 45IA of Reserve Bank of India Act 1934.
- (iii) Shareholders' Resolution dated September 29, 2017 authorizing the board including any committee of the Board to make offers or invitations to the eligible persons to subscribe to the NCDs of the company on private placement basis and Board Resolution dated May 08, 2017 and partial modified vide resolution dated January 29, 2018 authorising issue of Debentures offered under terms of this Disclosure Document.
- (iv) Consent letter from Vistra ITCL (India) Limited for acting as Debenture Trustee for and on behalf of the Debenture holders.
- (v) Consent letter from Karvy Fintech Pvt. Ltd. for acting as Registrars and Transfer Agents to the Issue.
- (vi) Letter from CRISIL Rating conveying the credit rating for the Debentures of the Company.
- (vii) Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form.
- (viii) Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form.
- (ix) Annual Reports of the Company for last three years.

## **7) BASIC TERMS OF THE PRESENT OFFER**

Refer Issue Details / Term sheet for issue specific details.

### **Minimum Subscription**

Minimum subscription is not applicable for privately placed debentures.

### **Deemed Date of Allotment**

All benefits related to the Debentures will be available to the allottees from the Deemed Date of Allotment. The actual allotment of the Debentures may take place on a date other than the Deemed Date of Allotment. The Company reserves the right to keep multiple allotment date(s)/Deemed date(s) of Allotment at its sole and absolute discretion without any notice to the Debenture holders. In case the Issue Closing Date is revised, the Deemed Date of Allotment may also be revised by the Company at its sole and absolute discretion.

### **Market Lot**

Market lot will be one debenture

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**Contributions being made by the promoters or directors either as part of the offer or separately in furtherance of such objects**

None

**Security**

The Debentures are proposed to be secured by first pari-passu charge on receivables of Company to the extent of 1.00 time of issue size at all times until maturity.

The Debenture repayment, interest thereon, Trustees' remuneration and all other monies relating thereto shall be secured by way of first pari-passu charge on Receivables to the extent of security cover. The above mentioned security will be created in favour of the Trustees in terms of RBI Circular No. DNBD (PD) CC No. 330 /03.10.001/2012-13 dated June 27, 2013 and clarification bearing No. DNBS(PD) CC No.349/03.10.001/2013-14 dated July 2, 2013.

**Debentures in Dematerialized Form**

The Company is issuing the Debentures only in dematerialized form and hence no Debentures are being issued in physical form in terms of the Disclosure Document. The Company has entered in to Depository Arrangements with NSDL and CDSL for dematerialization of the Securities.

Applicants have to mention their Depository Participant's name, DP-ID and Beneficiary Account Number/Client ID in the appropriate place in the Application Form. Debentures of successful allottee(s) having Depository Account shall be credited to their Depository Account.

**Undertaking- Common Form of Transfer**

The Company hereby undertakes that it shall use a common form of transfer for all NCDs issued by the Issuer

**Joint-Holders**

Where two or more persons are holders of any Debenture(s), they shall be deemed to hold the same as joint holders with benefits of survivorship in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company, subject to other provisions contained in the Articles of Association of the Company.

**Mode of Transfer**

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the existing equity shares of the Company. The provisions relating to transfer and transmission, nomination and other related matters in respect of equity shares of the Company, contained in the Articles of Association of the Company, shall apply mutatis mutandis to the transfer and transmission of the Debentures and nomination in this respect.

**Succession**

In the event of demise of the sole holder of the Debentures, the Company will recognize the executor or administrator of the deceased Debenture holder, or the holder of succession certificate or other legal representative as having title to the Debentures. The Company shall not be bound to recognize such executor, administrator or holder of the succession certificate, unless such executor or administrator obtains probate or letter of administration or such holder is the holder of succession certificate or other legal representation, as the case may be, from a Court in India having jurisdiction over the matter. The Directors of the Company may, in their absolute discretion, where they think fit, dispense with production of probate or letter of administration or succession certificate or other legal representation, in order to recognize such holder as being entitled to the Debentures standing in the name of the deceased Debenture holder on production of sufficient documentary proof and / or indemnity.

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**Governing law**

The Debentures shall be construed to be governed in accordance with Indian Law. The competent Courts at Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions to be incorporated in the Debentures to be issued to the allottees and the Debenture Trust Deed / Trustee Agreement.

**Record Date**

The Record Date for the Debentures shall be 15 calendar days prior to the date of each of the Coupon Payment Date and/or the Redemption Date, as the case may be. In case the Record Date falls on non-Business Day, the day prior to the said non-Business Day will be considered as the Record Date.

Interest and/or Redemption Amount shall be paid to the person whose name appears as sole / first in the register of Debenture holders at the close of the Record Date. In the event of the Company not receiving any notice of transfer at least 15 days before the respective due date of payment of interest and at least 15 days prior to the Redemption Date, as the case may be, the transferees of the Debentures shall not have any claim against the Company in respect of interest and/or Redemption Amount so paid to the registered Debenture holders.

In case of those Debentures for which the beneficial owner is not identified by the Depository at the close of the Record Date, the Company would keep in abeyance the payment of interest or other benefits, till such time that the beneficial owner is identified by the Depository and conveyed to the Company, whereupon the interest or benefits will be paid to the beneficiaries, as identified, within a period of 30 days from the date of such notification by the Depository.

**List of Debenture holders / Beneficiaries**

The Company shall request the Depository to provide a list of Debenture holders at the close of the Record Date. This shall be the list, which shall be considered for payment of interest or Redemption Amount, as the case may be.

**Effect of Holidays**

Payment convention to be followed as per SEBI circular CIR/IMD.DF/18/2013 dated 29 October 2013 and clarification issued by SEBI vide circular No. CIR/IMD/DF-1/122/2016; dated 11 November, 2016.

**Deduction of Tax at Source (TDS)**

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source on payment of interest or any other sums payable in respect of the Debentures. For seeking TDS exemption/lower rate of TDS, relevant certificate(s)/ document(s) must be lodged at least 15 days before the Coupon Payment Date (s) with the Registrar or to such other person(s) at such other address(es) as the Company may specify from time to time through suitable communication.

Tax exemption certificate/ declaration of non-deduction of TDS on Interest on Application Money, should be submitted along with the Application Form. Where any deduction of Income Tax is made at source, the Company shall send to the Debenture holder(s) a Certificate of Tax Deduction at Source.

Regarding deduction of tax at source and the requisite declaration forms to be submitted, prospective investors are advised to consult their own tax consultant(s).

**Payment on Redemption**

The Debentures shall be redeemed at the end of the Tenor ("Redemption Date"), as mentioned in the Issue Details.

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The Debentures will not carry any obligation, for interest or otherwise, after the Redemption Date. The Debentures held in the dematerialized form shall be taken as discharged on payment of the Redemption Amount on Redemption Date to the registered Debenture holders whose name appear in the list given by the Depository to the Company at the close of the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Debenture holders.

Payment of Redemption Amount will be made by way of Cheque / DD / RTGS / NEFT / Electronic mode and any other prevailing mode of payment in the name of Debenture Holder(s) whose name appears on the list given by the Depository to the Company at the close of the Record Date. Cheque / DD will be dispatched to the Debenture holder(s) by Courier / Registered Post / Hand Delivery, in accordance with the existing rules / laws at the sole risk of the Debenture holder(s) to the sole holder(s) / first named holder(s) at the address registered with the Company.

**Events of Default**

The whole of the principal moneys shall be deemed forthwith to have become due and payable and the security hereby constituted shall become enforceable in each and every one of the following events and the Trustees may in their discretion and / or shall upon request in writing of the holders of the Debentures of an amount representing not less than three-fourths in value of the nominal amount of the Debentures for the time being outstanding or by a Special Resolution duly passed at the meeting of the Debenture holders by three-fourth majority of votes and by a notice in writing to the Company declare the principal amount of the Debenture and all accrued interest thereon to be due and payable forthwith and the security created hereunder shall become enforceable.

- a) If the Company makes default in the payment of principal moneys and accrued interest which ought to be paid in accordance with the schedule to these presents.
- b) If the company makes two consecutive defaults in the payment of any interest hereby secured on the date when such interest is by these presents made payable
- c) If an attachment distress or execution is levied upon any part of the mortgaged premises or any other property of the Company not hereby mortgaged or execution proceedings have been taken or commenced for recovery of any dues from the Company or if a Receiver of the Company's undertaking or property or any part thereof is appointed and such distress or execution is not satisfied or such Receiver not discharged within thirty days from the date of the levy or the appointment of the Receiver as the case may be.
- d) If the company without the consent of the debenture holders ceases or threatens to cease to carry on its business or gives notice of its intention to do so of if it appears to the Trustee that the Company is carrying on business at such a loss, the further continuation by the Company of its business will endanger the security of the debenture holders.
- e) If an order shall be made or an effective resolution passed for winding up the Company.
- f) If the Company commits a breach of any of the covenants, conditions or provisions herein contained and / or financial covenants and conditions on its part to be observed and performed.
- g) If the Company shall make any alteration in the provision of its Memorandum & Articles of Association which in the opinion of the Trustee is likely detrimental or affect the interest of the debenture holders and shall upon demand by the Trustees refuse or neglect or be unable to rescind such alteration.
- h) If, there is reasonable apprehension that the Company is unable to pay its debts or proceedings for taking it into liquidation, either voluntarily or compulsorily may be or have been commenced.

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- i) If the mortgaged property has not been kept insured or has depreciated in value to such extent that in the opinion of the Trustees, further security should be given and on advising the Company to that effect such security has not been given to the Trustees to their satisfaction.
- j) The Company has voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law or the Company is voluntarily or involuntarily dissolved.
- k) The Company is unable or has admitted in writing its inability to pay its debts as they mature.
- l) When there is default in payment of interest and / or principal to the debenture-holders, if the Company creates or purports or attempts to create any charge, sale or mortgage on the premises hereby charged, without the consent, in writing, of the Trustees.
- m) If at any time it appears from the Balance Sheet of the Company or the Trustee shall certify in writing, that in their opinion the liabilities of the Company exceed its assets including its uncalled capital or that the Company is carrying on its business at a loss.
- n) If in the opinion of the Trustees and the Debenture holders, the Security of the Debentures is in jeopardy.
- o) When an order has been made by the Tribunal or a special resolution has been passed by the members of the Company for winding up of the company.

**Future Borrowings**

The Issuer can create security for its future borrowings on pari passu or second / subservient basis without obtaining consent / no objection certificates (NOCs) from Debenture holders or Debenture Trustee as long as Issuer is maintaining stipulated security cover ratio (Security Coverage Ratio can be reckoned from management certified book debt statement) and there is no event of default. The Issuer shall produce certificate from chartered accountant confirming security cover ratio to Debenture Trustee at the end of each quarter.

**Purchase/ Sale of Debentures**

The Company may, at any time and from time to time, purchase Debentures at discount, at par or at premium in the open market or otherwise in accordance with the applicable laws. Such Debentures, at the option of the Company, may be cancelled, held or resold at such price and on such terms and conditions as the Company may deem fit and as permitted by law.

**Right to Re-issue of Debentures**

Where the Company has redeemed any Debentures, subject to provisions of the Companies Act, 2013 and other applicable provisions, the Company shall have and shall be deemed always to have had the right to keep such Debentures alive for the purpose of re-issue and in exercising such right, the Company shall have and shall be deemed always to have had the power to re-issue such Debentures as per the provisions of law either by reissuing the same Debentures or by issuing other debentures in their place in either case, at such price and on such terms and conditions (including any variations, dropping of or additions to any terms and conditions originally stipulated) as the Company may deem fit.

**Right of Consolidation and Reissuance**

The Company may, at any point of time, make further issuance under the same ISIN. The Board of Directors/Committee of Directors shall have the power to consolidate and reissue its debt securities, including the Debentures, on such terms and conditions as they may deem fit.

**Tax Benefits to the Debenture holders**

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The holder(s) of the Debentures are advised to consider in their own case, the tax implications in respect of subscription to the Debentures after consulting their own tax advisor/ counsel.

#### **Consents**

The consents in writing of Registrar to the Issue and the Debenture Trustee to act in their respective capacities have been obtained.

#### **Sharing of Information**

The Company may, at its option, use on its own, as well as exchange, share or part with any financial or other information about the Debenture holders available with the Company, with its subsidiaries and affiliates and other banks, financial institutions, credit bureaus, agencies, statutory bodies, as may be required and neither the Company nor its subsidiaries and affiliates or their agents shall be liable for use of the aforesaid information.

#### **Debenture holder not a Shareholder**

The Debenture holders will not be entitled to any of the rights and privileges available to the Shareholders of the Company.

#### **Modification of Rights**

The rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated by the Company, with the consent, in writing, of those Debenture holders who hold at least three fourth of the outstanding amount of the Debentures or with the sanction accorded pursuant to a resolution passed at a meeting of the Debenture holders as may be prescribed in the Trusteeship Agreement / Debenture Trust Deed, provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions of the Debentures, if the same are not acceptable to the Company.

#### **Notice(s)**

All notices to the Debenture holder(s) required to be given by the Company or the Debenture Trustee from time to time, shall be deemed to have been given if sent by registered post / by courier to the sole / first allottee or the sole / first Debenture holder of the Debentures, as the case may be, or if published in one English newspaper.

All notice(s) to be given by the Debenture holder(s) shall be sent by registered post, courier or by hand delivery to the Company or to such persons at such address as may be notified by the Company from time to time through suitable communication.

#### **Disputes and Governing Law**

The Debentures are governed by and shall be construed in accordance with the existing Laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the Courts at Delhi in India.

#### **Right to Accept or Reject Applications**

The Company reserves full, unqualified and absolute right to accept or reject any application, in part or in full, without assigning any reason thereof. The applicants will be intimated about such rejection along with the refund warrant. The Application Forms that are not complete in all respects are liable to be rejected and such applicant would not be paid any Interest on Application Money. Application would be liable to be rejected on one or more technical grounds, including but not restricted to:

- a. Bank account details not given;
- b. Details for issue of debentures in electronic/ dematerialized form not given;
- c. PAN not mentioned in appropriate place.
- d. In case of applications under Power of Attorney by limited companies, corporate bodies, etc. relevant documents not submitted;

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In the event of number of Debentures applied for are not allotted in full, the excess application money of such applicant will be refunded, as may be permitted.

**8) FORM NO PAS-4 PRIVATE PLACEMENT OFFER LETTER**

**[PURSUANT TO SECTION 42 AND RULE 14(1) OF COMPANIES (PROSPECTUS AND ALLOTMENT OF SECURITIES) SECOND AMENDMENT RULES, 2018]**

**1. GENERAL INFORMATION**

- (i) **Name, address, website, if any, and other contact details of the company indicating both registered office and corporate office:** Please refer page no. 12
- (ii) **Date of incorporation of the company:** Please refer page no. 12
- (iii) **Business carried on by the company and its subsidiaries with the details of branches or units, if any:** Please refer page no. 13
- (iv) **Brief particulars of the management of the company:**

<b>Board of Directors</b>	Please refer page no. 18 & 19
<b>Senior Management</b>	Please refer page no. 13 & 14

- (v) **Names, addresses, Director Identification Number (DIN) and occupations of the directors:** Please refer page no. 18 & 19
- (vi) **Management's perception of risk factors:** Please refer page no. 7 to 11.
- (vii) **Details of default, if any, including therein the amount involved, duration of default and present status, in repayment of – (a) statutory dues; (b) debentures and interest thereon; (c) deposits and interest thereon; (d) loan from any bank or financial institution and interest thereon:** Please refer page no. 11.
- (viii) **Name, designation, address and phone number, email ID of the nodal/ compliance officer of the company, if any, for the private placement offer process:** Please refer page no. 13.
- (ix) **Any Default in Annual filing of the Company under the Companies Act, 2013 or the rules made thereunder:** NIL

**2. PARTICULARS OF OFFER**

- (i) **Financial position of the Company for the last 3 financial years:** Please refer page no. 14, 15, 25, and 26.
- (ii) **Date of passing of Board resolution:** Board Resolution dated August 16, 2018 (partially modified on November 02, 2018)
- (iii) **Date of passing of resolution in the general meeting, authorising the offer of securities:** September 21, 2018
- (iv) **Kind of Securities offered (i.e. whether share or debenture) and class of security; the total number of shares or other securities to be issued:** Please refer term sheet on page no. 40 to 42.
- (v) **Price at which the security is being offered including the premium, if any, alongwith justification of the price:** Please refer term sheet on page no. 40 to 42.
- (vi) **Name and address of the valuer who performed valuation of the security offered :** Not Applicable
- (vii) **Relevant date with reference to which the price has been arrived at:** Not Applicable

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- (viii) The class or classes of persons to whom the allotment is proposed to be made: Please refer term sheet on page no. 40 to 42.
- (ix) The proposed time within which the allotment shall be completed: Please refer term sheet on page no. 40 to 42.
- (x) The change in control, if any, in the company that would occur consequent to the private placement: Nil
- (xi) The number of persons to whom allotment on preferential basis/private placement/rights issue has already been made during the year, in terms of number of securities as well as price: Not applicable to the Company as per Rule 14(7) of the Companies (Prospectus and Allotment of Securities) Second Amendment Rules, 2018 as amended read with Guidelines on Private Placement of NCDs (maturity more than 1 year) by NBFCs issued by Reserve Bank of India
- (xii) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer: Not Applicable
- (xiii) Amount which the company intends to raise by way of proposed offer of securities: Please refer term sheet on page no. 40 to 42.
- (xiv) Terms of raising of securities- Duration, if applicable, rate of dividend or rate of interest, mode of payment and repayment: Please refer term sheet on page no. 40 to 42.
- (xv) Proposed time schedule for which the private placement offer cum application letter is valid: Please refer term sheet on page no. 40 to 42.
- (xvi) Purposes and objects of the offer: Please refer term sheet on page no. 40 to 42.
- (xvii) Contribution being made by the promoters or directors either as part of the offer or separately in furtherance of such objects: Not Applicable
- (xviii) Principle terms of assets charged as security, if applicable: Please refer term sheet on page no. 40 to 42.
- (xix) The details of significant and material orders passed by the Regulators, Courts and Tribunals impacting the going concern status of the company and its future operations: Nil
- (xx) The pre-issue and post-issue shareholding pattern of the company in the following format:

Pre-issue shareholding pattern	Please refer page no. 17 to 18
Post-issue shareholding pattern	No change as the company is issuing Non-convertible debentures

3. **MODE OF PAYMENT OF SUBSCRIPTION:** Please refer term sheet on page no. 40 to 42.

4. **DISCLOSURES WITH REGARD TO INTEREST OF DIRECTORS, LITIGATION ETC.**

- (i) Any Financial or other material interest of the directors, promoters or key managerial personnel in the offer and the effect of such interest in so far as it is different from the interests of other persons.

Nil

- (ii) Details of any litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any promoter of the offeree company during the last three years immediately preceding the year of the circulation of the offer letter and any direction issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action:

Nil

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**(iii) Remuneration of directors (during the current year and last three financial years)**

F.Y. 2017-18	Please refer to page 71 of the section on "Corporate Governance Report" in the Annual report of FY 2017-18 of the Company attached.
F.Y. 2016-17	Please refer to page 59 of the section on "Corporate Governance Report" in the Annual report of FY 2016-17 of the Company attached.
F.Y. 2015-16	Please refer to page 21 of the section on "Corporate Governance Report" in the Annual report of FY 2015-16 of the Company attached.

**(iv) Related party transactions entered during the last three financial years immediately preceding the year of circulation of offer letter including with regard to loans made or, guarantee given or securities provided**

F.Y. 2017-18	Please refer Note no. 32 to the financial statements as appearing on page 132 of the Annual report of FY 2017-18 of the Company attached.
F.Y. 2016-17	Please refer Note no. 31 to the financial statements as appearing on page 115 of the Annual report of FY 2016-17 of the Company attached.
F.Y. 2015-16	Please refer Note no. 30 to the financial statements as appearing on page 80 of the Annual report of FY 2015-16 of the Company attached.

**(v) Summary of reservations or qualifications or adverse remarks of auditors in the last five financial years immediately preceding the year of circulation of offer letter and of their impact on the financial statements and financial position of the company and the corrective steps taken and proposed to be taken by the company for each of the said reservations or qualifications or adverse remark: Nil**

**(vi) Details of any inquiry, inspections or investigations initiated or conducted under the Companies Act or any previous company law in the last three years immediately preceding the year of circulation of offer letter in the case of company and all of its subsidiaries, Also if there were any prosecutions filed (whether pending or not) fines imposed, compounding of offences in the last three years immediately preceding the year of the offer letter and if so, section-wise details thereof for the company and all of its subsidiaries:**

**Hero Housing Finance Limited (Wholly owned subsidiary)**

Type	Sections of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding Fees imposed	Authority (RD/NCLT/Court)
<b>Company</b>				
Compounding	Section 56(4) and Section 441	Delay in issuance of share certificates	Rs. 25,000	Regional Director, North
<b>Directors</b>				
Compounding	Section 56(4) and Section 441	Delay in issuance of share certificates	Rs. 30,000	Regional Director, North

**(vii) Details of acts of material frauds committed against the company in the last three years, if any, and if so, the action taken by the company: Nil**

**5. FINANCIAL POSITION OF THE COMPANY:**

(a) **Capital Structure:** Please refer page no. 15 to 18.

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(b) **SIZE of the present offer:** Please refer term sheet on page no. 40 to 42.

(c) **Paid up capital**

I. **After the Offer-** No change as the company is issuing Non-Convertible Debentures

II. **after conversion of convertible instruments-** Not applicable

(d) **Share Premium Account (before and after the offer):**

Pre-issue Share Premium Account	Please refer page no. 15 to 18.
Post-issue Share Premium Account	No change as the company is issuing Non-convertible debentures

i.

(a) The details of the existing share capital of the issuer company in a tabular form, indicating therein with regard to each allotment, the date of allotment, the number of shares allotted, the face value of the shares allotted, the price and the form of consideration: Provided that the issuer company shall also disclose the number and price at which each of the allotments were made in the last one year preceding the date of the private placement offer cum application letter separately indicating the allotments made for considerations other than cash and the details of the consideration in each case: Please refer page no. 15 to 18.

(b) Profits of the company, before and after making provision for tax, for the three financial years immediately preceding the date of issue of private placement offer cum application letter: Please refer page no. 25

(c) Dividends declared by the company in respect of the said three financial years; interest coverage ratio for last three years (cash profit after tax plus interest paid/interest paid): Please refer page no. 25

(d) A summary of the financial position of the company as in the three audited balance sheets immediately preceding the date of issue of private placement offer cum application letter: Please refer page no. 25 to 26.

(e) Audited Cash Flow Statement for the three years immediately preceding the date of issue of private placement offer cum application letter: Please refer page no. 25 to 26.

(f) Any change in accounting policies during the last three years and their effect on the profits and the reserves of the company: No material change during the last three years

For Hero FinCorp Limited

  
Authorized Signatory

  
Authorized Signatory

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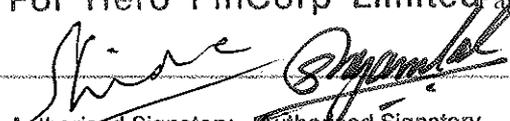
**ISSUE DETAILS / TERM SHEET**

<b>Security Name</b>	<b>Hero FinCorp Ltd. Secured Redeemable Non-Convertible Debenture (NCD) – (Issue Series No. HFCL/NCD/031)</b>
<b>Issuer</b>	Hero FinCorp Limited
<b>Type of Instrument</b>	Secured Listed Redeemable Non-Convertible Debenture
<b>Rating</b>	AA+ Stable by CRISIL. This rating indicates [high degree of safety regarding timely payment of financial obligations].
<b>Face Value</b>	₹10,00,000 (Rupees Ten Lakh)
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior
<b>Mode of Issue</b>	Private Placement
<b>Eligible Investors</b>	Companies and Bodies Corporate including – Public Sector Undertakings Commercial Banks including Regional Rural Banks Financial Institutions Insurance Cos Mutual Funds Trusts Provident / Pension / Super-Annuation / Gratuity Funds Venture Capital Funds National investment funds Any other investor authorized to invest in these Debentures.
<b>Listing</b>	Proposed to be listed on the WDM Segment of NSE within a maximum period of 15 days from the date of allotment.  As per the SEBI circular CIR/IMD/FIC/18/2010 dated November 26, 2010 and RBI circular No. 89 dated March 1, 2012, SEBI registered FIIs/sub-accounts of FIIs can invest in primary issues of Non-Convertible Debentures (NCDs)/ bonds only if listing of such bonds / NCDs is committed to be done within 15 days from the deemed date of allotment. In case the issue is not listed within 15 days from the deemed date of allotment, HFCL shall immediately redeem / buy-back the said securities from the FIIs / sub-accounts of FIIs.
<b>Issue Size</b>	₹ 100 Crore with an option to retain additional ₹ 500 Crore
<b>Option to retain oversubscription</b>	₹ 500 Crore
<b>Objects of the Issue</b>	To augment long term resources of the company. The proceeds from the issue will be utilized for general business purpose including for various financing activities, to repay the existing loans, investment for liquidity requirements, capital expenditure and working capital needs.
<b>Utilisation of the Proceeds</b>	The proceeds will be utilized in-line with the objects of the issue.
<b>Day Count Basis</b>	Actual / Actual Interest shall be computed on an “actual/actual basis”. Where the interest period includes February 29, interest shall be computed on 366 days-a-year basis
<b>Interest on Application Money</b>	Interest on application money will be paid to investors at coupon rate, from and including the date of realization of Cheque(s)/RTGS up to but excluding the Deemed Date of Allotment. The same to be paid within 7 days from the Deemed Date of Allotment.
<b>Default Interest Rate</b>	2% p.a. over the coupon rate will be payable by the Company for the defaulting period, for any default of its obligations under the terms and conditions of the Disclosure Document and/or the Debenture Trust Deed.
<b>Issue Price</b>	At par

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Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date / Price	N.A.
Call Option Date / Price	N.A.
Step Up/ Step Down Coupon	N.A.
Coupon reset process	N.A.
Minimum Application in multiples thereafter	10 NCDs (₹1 Crore) and Multiples of 1 NCD(₹ 0.1 Crore) thereafter
Mode of bidding	Open
Manner of Allotment	Uniform
Manner of Settlement	Through Clearing Corporation
Settlement Cycle	T+1 (T is Bid Closing Date)
Issue Timing:	
1. Issue / bid Opening Date	December 20, 2018
2. Issue / bid Closing Date	December 20, 2018
3. Pay – in – Date	December 21, 2018
4. Deemed Date of Allotment	December 21, 2018
Issuance mode of the Debentures	Dematerialized Mode
Trading Mode of the Debentures	Demat Mode
Settlement Mode of the Debentures	Payment of interest/principal/redemption premium will be made by way of RTGS transfer/NEFT.
Depository	NSDL & CDSL
Business Day Convention	Business Day means a day which is not a Saturday, Sunday or a public holiday and on a day when the money market is functioning in the Mumbai. If any interest payment date is not a Business Day, interest will be payable (as accrued till one day prior to originally scheduled date mentioned in the document) on the following Business Day which shall be the interest payment date. If any principal payment date is not a Business Day, principal and accrued interest will be payable on the previous Business Day which shall be the principal payment date. Further, if the redemption date of debentures issued on Discount-Par/Par-Premium compounding structure is not a business day, then payment will be made on previous business day and redemption value will be modified accordingly for number of days elapsed from issue date.
Record Date	15 Calendar Days prior to each Coupon Date/Redemption Date
Security	Secured by first pari-passu charge on receivables of company to the extent of 1.00 time of issue size at all times until maturity. The security will be created within the prescribed time limit.
Transaction Documents	1. Disclosure Document/Information Memorandum 2. Debenture Trust Deed
Conditions Precedent to Disbursement	Nil
Conditions Subsequent to Disbursement	Nil
Early redemption option with debenture holders	As set out in the Offer Document
Event of Defaults	As set out in the Offer Document
Provisions related to Cross Default	N.A.
Debenture Trustee	Vistra ITCL (India) Limited

For Hero FinCorp Limited Page 41 of 54

  
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<b>Roles and Responsibilities of Debenture Trustee</b>	As defined in the debenture trust deed
<b>Governing Law and Jurisdiction</b>	The Debentures shall be construed to be governed in accordance with Indian Laws. The competent courts at Delhi alone shall have jurisdiction in connection with any matter arising out of or under these precincts. Over and above the aforesaid Terms and Conditions, the said Debentures shall be subject to the Terms and Conditions of this Disclosure Document And Terms and Conditions of the Debenture Trust Deed/Trustee Agreement.

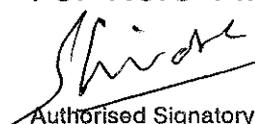
<b>Cash Flows</b>		
Redemption Date	Friday, May 07, 2021	
Tenor (Days)	868 days	
Coupon Payment Frequency	Annual	
Coupon Type	Fixed/Simple	
Redemption amount per NCD	₹10,00,000	
Coupon Rate	9.25% p.a.	
Redemption Premium per NCD	Not Applicable	
<b>Cash Inflow per NCD</b>	<b>Date</b>	<b>Amount</b>
PAY IN	Friday, December 21, 2018	₹10,00,000
Cash Outflow per NCD – Interest		
1 <sup>st</sup> Coupon	Date	Saturday, December 21, 2019
	No. of days	365
	Amount	₹92,500
2 <sup>nd</sup> Coupon	Date	Monday, December 21, 2020
	No. of days	366
	Amount	₹92,500
3 <sup>rd</sup> Coupon	Date	Friday, May 07, 2021
	No. of days	137
	Amount	₹34,719
Cash Outflow per NCD – Redemption	Date	Friday, May 07, 2021
	Amount	₹10,00,000

- The Issuer reserves the right to change the Issue Closing Date and in such event, the Date of Allotment for the Debentures may also be revised by the Issuer at its sole and absolute discretion. In the event of any change in the above issue program, the Issuer will intimate the investors about the revised issue schedule.

**A DECLARATION BY THE DIRECTORS THAT –**

- the company has complied with the provisions of the Act and the rules made thereunder;
- the compliance with the Act and the rules does not imply that payment of dividend or interest or repayment of debentures, if applicable, is guaranteed by the Central Government;
- the monies received under the offer shall be used only for the purposes and objects indicated in the Offer letter;

**For Hero FinCorp Limited**


  
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We are authorized by the Board of Directors of the Company vide Resolution dated August 16, 2018 (partially modified on November 02, 2018) to sign this Information Memorandum (IM) and declare that all the requirements of the Companies Act, 2013 and the rules made there under in respect of the subject matter of this IM and matters incidental thereto have been complied with. Whatever is stated in this IM and in the attachments thereto is true, correct and complete and no information material to the subject matter of this IM has been suppressed or concealed and is as per the original records maintained by the promoters subscribing to the Memorandum and Articles of Association.

It is further declared and verified that all the required attachments have been completed, correctly and legibly attached to this form.

**Place: Delhi**

**For Hero FinCorp Limited**

**Date: 18 December, 2018**



**Shyam Lal**

**Senior Vice President Finance &  
Accounts**



**Shivendra Suman**

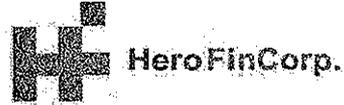
**Head – Compliance & Company  
Secretary**

**Attachment (As per the annexure):**

- 1) Copy of Board Resolution
- 2) Copy of Partially Modified Board Resolution
- 3) Copy of COD Resolution
- 4) Copy of Shareholders Resolution
- 5) Credit Rating Letter
- 6) Consent from the RTA
- 7) Consent from Debenture Trustee

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ANNEXURE 1 – COPY OF BOARD RESOLUTION



CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 116<sup>TH</sup> MEETING OF BOARD OF DIRECTORS OF HERO FINCORP LIMITED HELD ON THURSDAY, AUGUST 16, 2018 AT THE PARLIAMENT ROOM, TAJ CHAMBERS, THE TAJ MAHAL HOTEL NO.1, MAN SINGH ROAD, NEW DELHI - 110001

FOR ISSUANCE OF NON CONVERTIBLE DEBENTURES ON PRIVATE PLACEMENT BASIS

RESOLVED THAT pursuant to the provisions of Sections 42, 71 and 179 of the Companies Act, 2013 read with relevant rules thereof (including any modifications or re-enactments thereof, for the time being in force), and subject to approval of the shareholders and all other applicable provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as amended, and in pursuance of provisions of the Memorandum and Articles of Association of the Company and Listing Agreement entered into by the Company with the Stock Exchange(s), where the NCDs issued by the Company are proposed to be listed, the approval and/or consent of any statutory and/or regulatory authorities, if any, and the conditions as may be prescribed by any of them while granting any such approval and/or consent, as may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'Board', which term shall be deemed to include Committee of Directors, the recommendation of the Board be and is hereby made to the Shareholders of the Company for their approval by way of Special Resolution to make offer(s) or invitation(s) to the eligible person(s) to subscribe to the Non-Convertible Debentures of the Company on private placement basis not exceeding the total borrowing limits of the Company i.e. Rs. 30,000 Crores (Rupees Thirty Thousand Crores Only) and authorise 'Committee of Directors' of the Board to do all the following acts, deeds and things in relation to the issue of NCDs as it may deem fit and appropriate in the interest of the Company, from time to time:

1. to decide/confirm/ratify terms and conditions and number of the Debentures to be issued, the timing, nature, type, pricing and such other terms and conditions of the Issue including coupon rate, minimum subscription, if any, etc. and to issue and allot the Debentures and to approve/confirm/ratify all other matters and terms & conditions relating to the Issue and to do all such acts, deeds, matters and things including execution of all such deeds, documents, instruments, applications and writings as it may, at its discretion, deem necessary and desirable for such purpose, and to vary, modify or alter any of the terms and conditions, including size of the Issue, as it may deem expedient, in consultation with the arrangers to the Issue;
2. to accept and receive subscription/ application money, to appropriate the proceeds of the Issue and to make allotment of the NCDs and to authorize maintenance of a Register of Debentures Holders in physical/ electronic mode;
3. to finalize details of securities to be provided and matters incidental or connected therewith and incur any expenditure in relation to the creation of such security;
4. to open relevant bank account(s), if required and authorize officials of the Company to operate the same where ever necessary;

RESOLVED FURTHER THAT Vistra ITCL (India) Limited or any other body corporate or entity as may be appointed as Trustee for the NCD holders by Committee of Directors' of the Board subject to their confirmation to act as Trustee to the NCD issues, from time to time, and be paid the annual trustee fee as may be mutually agreed with the Company.

Hero FinCorp Ltd.  
Registered Office : 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057  
Corporate Office: 09, Basant Lok, Vasant Vihar, New Delhi - 110057 India  
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Website : www.herofincorp.com CIN:U74899DL1291PLC046774

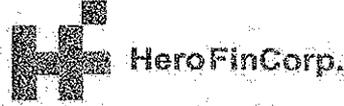
For Hero FinCorp Limited

Authorised Signatory

Authorised Signatory

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**RESOLVED FURTHER THAT** M/s. Karvy Computershare Private Limited, Registrar & Transfer Agent ("RTA") or any other body corporate or entity as may be appointed as RTA by Committee of Directors of the Board for the NCD issues, from time to time, subject to their confirmation to act as RTA to the issue, and to pay the fees as agreed.

**RESOLVED FURTHER THAT** other Agencies may be appointed as mutually agreed as arrangers for the aforesaid issue and be paid fees/reimbursement if any as agreed.

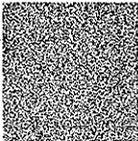
**RESOLVED FURTHER THAT** the appropriate credit rating from the credit rating agencies authorized by RBI assigned to the aforesaid NCD issue be and is hereby noted.

**RESOLVED FURTHER THAT** any two of the following persons for the time being of the Company:

- Mr. Abhinmanyu Munjal
- Mr. Shyam Lal
- Mr. Jayesh Jain
- Mr. Subhransu Mandal
- Mr. Tarang Jain
- Mr. Dhooop Mittal

be and are hereby jointly authorized to do the following acts deeds and things in relation to issue of NCDs:

1. undertake regulatory / procedural requirements for listing of debentures on the National Stock Exchange of India Limited and/or BSE Limited, in principle approval from Stock Exchange (s) and also to sign the necessary agreements and documents in this regard; and to admit/dematerialize the debentures with National Securities Depository Limited and Central Depository Services (India) Limited, as the case may be and to pay all necessary fees and/or expenditure in connection thereto and also to sign all necessary agreements/documents for the said purpose in order to give effect to this resolution;
2. to prepare, sign, file, submit the necessary application with the concerned Collector of Stamps at New Delhi alongwith all other document(s), deed(s) as may be required, for the stamping of NCDs, proposed to be issued by the Company from time to time, including the grant of Letter of Authority to person(s)/firm to represent the Company before the Collector of Stamps and to do all such other acts, deeds and things as may be deemed necessary and expedient in this regard.
3. to prepare, sign and execute various agreements and documents in relation to the issue including but not limited to information memorandum, term sheet, deed of hypothecation, debenture trust deed, debenture trustee agreement, initial debenture trustee agreement, listing agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc. and all other documents and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid issue including the post issue compliance requirements and to settle any question, or doubt that may arise in regard to the issue or allotment of such debentures as may be deemed necessary and expedient;
4. to create charge(s) and execute such other document(s) as may be required in connection with security creation for the Issue;



**Hero FinCorp Ltd.**  
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Website : www.heroфинcorp.com CIN:U74589DL1991PLC046774



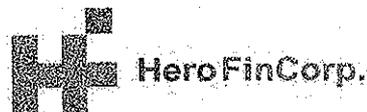
**For Hero FinCorp Limited**

*[Signature]*  
Authorised Signatory

*[Signature]*  
Authorised Signatory

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5. to execute and deliver any agreement(s), enter into any arrangement(s) as well as amendments or supplements thereto in connection with the issue, including without limitation, engagement letter(s), memorandum of understanding (MOU), registrar's agreement/appointment letter, depositories' agreements, escrow agreement, MOU with the arranger/lead managers including the bankers to the Issue/ Company, Registrar to the Issue, auditors/ Chartered Accountants, legal counsel, debenture trustee, and all other persons or agencies which may be involved or connected with the issue, if any;
6. in pursuance of applicable provisions of the Companies Act, to affix Common Seal of the Company on any document(s) etc. as may be necessary in the presence of any two of the aforesaid officials of the Company.
7. to execute and deliver all other documents or instruments and to do or cause to be done any and all other acts or things in order to carry out the purposes and intent of the foregoing or in connection with the issue and any documents or instruments so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of that fact.
8. to appoint/reappoint such intermediaries as may be required for the purposes of the Issue;
9. to secure/arrange necessary rating from an authorized rating agency;
10. to seek approvals, consents, waiver from any person/ authority as the case may be;

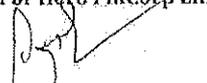
**RESOLVED FURTHER THAT** the Committee of Directors be and is hereby authorised to revise the List of Authorised Officials for carrying out various activities for the purpose of issue and allotment of Non-Convertible Debentures in order to ensure the smooth functioning of business of the Company from time to time.

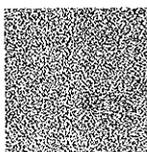
**RESOLVED FURTHER THAT** any Director of the Company or Chief Financial Officer or Company Secretary of the Company be and is hereby severally authorised to file the requisite e-forms /returns relating to the charges created in favour of the Debenture Trustee for the benefit of the Secured Lenders with the Registrar of Companies within the time prescribed by law thereof.

**RESOLVED FURTHER THAT** the Company Secretary of the Company shall act as Compliance Officer in relation to the issue.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary of the Company be and is hereby severally authorized to give certified true copies of the foregoing resolution wherever required."

**Certified True Copy  
For Hero FinCorp Limited**

  
**Vikas Gupta**  
Company Secretary  
M No.: 24281  
Address: S-467 U/G/F School Block  
Shakarpur, Delhi,  
New Delhi - 110092



**Hero FinCorp Ltd.**  
Registered Office : 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057  
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Website : www.heroфинcorp.com CIN:U74899DL1991PLC046774

**For Hero FinCorp Limited**

  
Authorised Signatory Authorised Signatory

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**ANNEXURE 2 – COPY OF PARTIALLY MODIFIED BOARD RESOLUTION**



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 118<sup>TH</sup> MEETING OF BOARD OF DIRECTORS OF HERO FINCORP LIMITED HELD ON FRIDAY, NOVEMBER 2, 2018 AT THE COUNCIL, HYATT REGENCY, BHIKAJI CAMA PALACE, DELHI - 110066.**

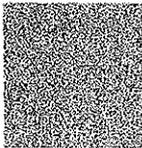
**APPROVAL FOR THE REVISION IN DELEGATION OF AUTHORITIES FOR ISSUANCE OF NON CONVERTIBLE DEBENTURES (NCDs)**

"RESOLVED THAT in partial modification of the Resolution passed by the Board of Directors at its Meeting held on August 16, 2018 and pursuant to the provisions of Sections 42, 71 and 179 of the Companies Act, 2013 read with rules framed thereunder, the consent of the Board be and is hereby accorded to authorise any two of the following persons for the time being of the Company

- Mr. Abhimanyu Munjal
- Mr. Shyam Lal
- Mr. Jayesh Jain
- Mr. Shivendra Kumar Suman
- Mr. Subhransu Mandal
- Mr. Tarang Jain
- Mr. Dhooop Mittal

be and are hereby jointly authorized to do the following acts, deeds and things in relation to issue of NCDs:

1. undertake regulatory / procedural requirements for listing of debentures on the National Stock Exchange of India Limited and/or BSE Limited, in principle approval from Stock Exchange (s) and also to sign the necessary agreements and documents in this regard; and to admit/dematelize the debentures with National Securities Depository Limited and Central Depository Services (India) Limited, as the case may be and to pay all necessary fees and/or expenditure in connection thereto and also to sign all necessary agreements/documents for the said purpose in order to give effect to this resolution;
2. to prepare, sign, file, submit the necessary application with the concerned Collector of Stamps at New Delhi alongwith all other document(s), deed(s) as may be required, for the stamping of NCDs, proposed to be issued by the Company from time to time, including the grant of Letter of Authority to person(s)/firm to represent the Company before the Collector of Stamps and to do all such other acts, deeds and things as may be deemed necessary and expedient in this regard.
3. to prepare, sign and execute various agreements and documents in relation to the issue including but not limited to information memorandum, term sheet, deed of hypothecation, debenture trust deed, debenture trustee agreement, initial debenture trustee agreement, listing agreement, undertakings, deeds, declarations, affidavits, certificates, documents, etc. and all other documents and to do all such acts, deeds and things, and to comply with all formalities as may be required in connection with and incidental to the aforesaid issue including the post issue compliance requirements and to address any questions that may arise in regard to the issue or allotment of such debentures as may be deemed necessary and expedient;
4. to create charge(s) and execute such other document(s) as may be required / deemed necessary in connection with security creation for the issue;



Hero FinCorp Ltd.  
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Corporate Office: 08, Basant Lok, Vasant Vihar, New Delhi - 110057 India  
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Website : www.herofincorp.com CIN:U74899DL1991PLC046774

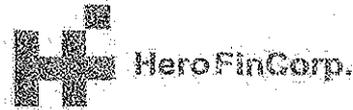


**For Hero FinCorp Limited**

*Shyam Lal*  
*Subhransu Mandal*  
Authorised Signatory Authorised Signatory

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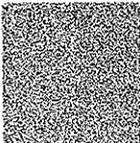
5. to execute and deliver any agreement(s), enter into any arrangement(s) as well as amendments or supplements thereto in connection with the issue, including without limitation, engagement letter(s), memorandum of understanding (MOU), registrar's agreement/appointment letter, depositories' agreements, escrow agreement, MOU with the arranger/lead managers including the bankers to the Issue/ Company, Registrar to the Issue, auditors/ Chartered Accountants, legal counsel, debenture trustee, and all other persons or agencies which may be involved or connected with the issue, if any;
6. in pursuance of applicable provisions of the Companies Act, to affix Common Seal of the Company on any document(s) etc., as may be necessary in the presence of any two of the aforesaid officials of the Company.
7. to execute and deliver all other documents or instruments and to do or cause to be done any and all other acts or things in order to carry out the purposes and intent of the foregoing or in connection with the issue and any documents or instruments so executed and delivered or acts and things done or caused to be done shall be conclusive evidence of that fact.
8. to appoint/reappoint such intermediaries as may be required for the purposes of the Issue;
9. to secure / arrange necessary rating from an authorized rating agency.
10. to seek approvals, consents, waiver from any person/ authority as the case may be;

RESOLVED FURTHER THAT the Committee of Directors of the Company be and is hereby authorized henceforth to take all such steps and actions including revision of authorized signatories and give such directions as the Committee may, in its absolute discretion, deem necessary, proper, expedient, desirable, appropriate and to address any questions that may arise in regard to the above matters.

RESOLVED FURTHER THAT any Director or Chief Financial Officer or Company Secretary of the Company be and is hereby severally authorized to give certified true copies of this resolution wherever required."

Certified True Copy  
For Hero FinCorp Limited

Shivendra Suman  
Head - Compliance & Company Secretary



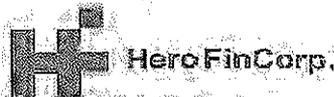
Hero FinCorp Ltd.  
Registered Office : 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057  
Corporate Office: 09, Basant Lok, Vasant Vihar, New Delhi - 110057 India  
Phones: +91-11-49487150; Fax: +91-11-49487197 + 91-11- 49467190  
Website : www.herofincorp.com CIN:U74896DL199PLC048774

For Hero FinCorp Limited

  
Authorised Signatory

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**ANNEXURE 3 - COPY OF COD RESOLUTION**



**CERTIFIED TRUE COPY OF THE RESOLUTION PASSED IN THE 336<sup>TH</sup> MEETING OF COMMITTEE OF DIRECTORS OF HERO FINCORP LIMITED HELD ON MONDAY, 30<sup>TH</sup> APRIL, 2018 AT THE CORPORATE OFFICE OF THE COMPANY AT 9, COMMUNITY CENTRE, BASANT LOK, VASANT VIHAR, NEW DELHI - 110 057.**

**APPROVAL OF ISSUANCE OF NON CONVERTIBLE DEBENTURES**

**RESOLVED THAT** in supersession of earlier resolution passed in the meeting of Committee of Directors dated December 11, 2017, the approval of the Committee of Directors be and is hereby accorded to offer and issue Non-Convertible Debentures ("NCDs") for an amount not exceeding Rs. 4,000 Crores (Rupees Four Thousand Crores only), from time to time, on the terms and conditions as stipulated in the Disclosure Document(s), details are mentioned herein below:

S.No.	Particulars	Details
1.	Coupon Rate/Pricing /YTM/XIRR, etc.	Not more than 11.00% p.a.
2.	Tenure	Upto 10 years
3.	Security	Secured/Unsecured
4.	Credit Rating Agency	CRISIL and/or ICRA
Planning horizon and periodicity of private placement of an amount not exceeding Rs. 4,000 Crores (based upon the yearly resource planning furnished by treasury)		
<b>Periodicity</b>		<b>Amount not exceeding*</b>
Q1FY19 (Apr-18 to Jun-18)		Rs. 1,000 Crores
Q2FY19 (Jul-18 to Sep-18)		Rs. 1,000 Crores
Q3FY19 (Oct-18 to Dec-18)		Rs. 1,000 Crores
Q4FY19 (Jan-19 to Mar-19)		Rs. 1,000 Crores

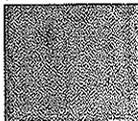
\*Un-utilised planned amount will be rolled-over for next quarter

**RESOLVED FURTHER THAT** M/s. Vistra ITCL (India) Limited be and is hereby appointed as Debenture Trustee and M/s. Karvy Computershare Private Limited be and is hereby appointed as Registrar to the issue on such fees/reimbursements, as may be mutually agreed with the Company.

**RESOLVED FURTHER THAT** any two of the following persons for the time being of the Company:

- Mr. Abhinav Mishra - Joint Managing Director and Chief Executive Officer
- Mr. Jayesh Jais - Chief Financial Officer
- Mr. Shyam Lal - Senior Vice President Finance
- Mr. Nipun Kapur - Head - Strategy & Planning
- Mr. Subhanshu Mandal - Head Operations
- Ms. Tarang Jais - Lead - Finance & Accounts
- Mr. Dhruv Mittal - Lead - Treasury

be and are hereby jointly authorised to do all such acts, deeds, matters and things including the acceptance of subscription/application money, appropriation of proceeds of the issue, finalization of any other details and expenditure related to issuance of NCDs, opening of bank



**Hero FinCorp Ltd.**  
 Registered Office: 9, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057  
 Corporate Office: 9, Basant Lok, Vasant Vihar, New Delhi - 110057 India  
 Phone: +91 11 46467700; Fax: +91 11 46467117; E-Mail: 404-877002  
 Website: www.hero-fincorp.com; CIN: U74800DL1981PL0016774

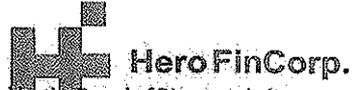


**For Hero FinCorp Limited**

Authorised Signatory      Authorised Signatory

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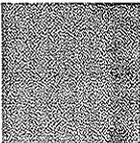
accounts and also authorised to do all the activities duly approved by the Board of Directors in its meeting held on May 8, 2017 and to take appropriate steps which are necessary and expedient in order to give effect to this Resolution and also to settle any issues, questions, difficulties or doubts that may arise in this regard.

**RESOLVED FURTHER THAT** any Director or Chief Financial Officer or Company Secretary of the Company be and are hereby severally authorized to give certified true copies of the aforesaid Resolution."

Certified True Copy

For Hero FinCorp Ltd.

  
Vikas Gupta  
Company Secretary



**Hero FinCorp Ltd.**  
Registered Office : 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi-110057  
Corporate Office: 08, Basant Lok, Vasant Vihar, New Delhi - 110057 India  
Phones: +91-11-49487150; Fax: +91-11-49487197 + 91-11-49487198  
Website : www.heroфинcorp.com CIN:U74899DL1991PLC048774

For Hero FinCorp Limited

  
Authorised Signatory

  
Authorised Signatory

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ANNEXURE 5 – CREDIT RATING LETTER

Ratings

CRISIL

An S&P Global Company

CONFIDENTIAL

HERO/ION/2018449/NC/D/101802458  
October 29, 2018

Mr. Shyam Lal  
Senior Vice President- Finance  
Hero FinCorp Limited  
34, Basant Lok, Vasant Vihar  
New Delhi 110027

Dear Mr. Shyam Lal,

Re: Review of CRISIL Rating on the Non-Convertible Debentures Aggregating Rs.1200 Crore of Hero FinCorp Limited

All ratings assigned by CRISIL are kept under continuous surveillance and review.

Please find in the table below the ratings outstanding for your company

S.No.	Instrument	Rated Amount (Rs. in Crore)	Rating Outstanding
1	Non-Convertible Debentures	2200	CRISIL AA+ Stable

In the event of your company not making the issue within a period of 180 days from the above date, or in the event of any change in the size or structure of your proposed issue, a fresh letter of revocation from CRISIL will be necessary.

As per our Rating Agreement, CRISIL would disseminate the rating along with outlook through its publications and other media, and keep the rating along with outlook under surveillance for the life of the instrument. CRISIL reserves the right to withdraw or revise the ratings assigned to the captioned instrument at any time, on the basis of new information, the unavailability of information or other circumstances, which CRISIL believes, may have an impact on the rating.

As per the latest SEBI circular (reference number: CIR/MD/D1/17/2013) dated October 22, 2013 on centralized database for corporate bonds/debentures, you are required to provide International securities identification number (ISIN) along with the reference number and the date of the rating letter of all bond/debenture issuances made against this rating letter to us. The circular also requires you to share this information with us within 2 days after the allotment of the ISIN. We request you to mail us all the necessary and relevant information at [debtissue@crsil.com](mailto:debtissue@crsil.com). This will enable CRISIL to verify and confirm to the depositories, including NSDL and CDSL, the ISIN details of debt issued by us, as required by SEBI. Feel free to contact us for any clarifications you may have at [debtissue@crsil.com](mailto:debtissue@crsil.com)

Should you require any clarifications, please feel free to get in touch with us.

With warm regards,

Yours sincerely,

*Ruma Patel*  
Ruma Patel  
Director - CRISIL Ratings

*Nivedita Shibu*  
Nivedita Shibu  
Associate Director - CRISIL Ratings

A CRISIL rating reflects CRISIL's current opinion on the likelihood of timely payment of the obligations under the rated instrument and does not constitute an audit of the rated entity by CRISIL. CRISIL ratings are based on information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the rating is based. A CRISIL rating is not a recommendation to buy, sell, or hold the rated instrument; it does not constitute an offer, price or suitability for a particular investor. All CRISIL ratings are under surveillance. Ratings are revised as and when circumstances so warrant. CRISIL is not responsible for any errors and explicitly states that it has no financial liability whatsoever to the subscribers, users / transferees / distributors of its product. CRISIL Ratings rating criteria are available without charge to the public on the CRISIL website [www.crsil.com](http://www.crsil.com). For the latest rating information on any instrument of any company rated by CRISIL, please contact Customer Service Helpline at 1800 267 1301. CRISIL Limited

Corporate Identity Number: L167120MH1987PL042363

CRISIL House, Central Avenue, Hiranandani Business Park, Powai, Mumbai - 400076. Phone: +91 22 3342 5000 | Fax: +91 22 4000 5000  
[www.crsil.com](http://www.crsil.com)

For Hero FinCorp Limited  
*Shyam Lal*  
Authorised Signatory

Handwritten mark

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ANNEXURE 6 – RTA CONSENT LETTER



KFPL/ HERO FINCORP /Consent/2018  
Saturday, December 15, 2018

HERO FINCORP LIMITED  
9, Community Centre,  
Basant Lok, Vasant Vihar,  
New Delhi – 110 057

**Kind Attention: Mr. Vikas Gupta**

**Sub: Our consent for proposed issue(s) of Secured NCD**

- 2,500 Partly Paid, Secured, Rated, Redeemable Non-Convertible Debentures of face value of Rs.10,00,000/- each for cash aggregating Rs.250 Crores with an option to retain additional subscription up to Rs.150 Crores, aggregating Rs.400 Crores.
- 1,000 Fully Paid, Secured, Rated, Redeemable Non-Convertible Debentures of face value of Rs.10,00,000/ each for cash aggregating Rs.100 Crores with an option to retain additional subscription up to Rs.500 Crores, aggregating Rs.600 Crores.

\*\*\*\*

Dear Sir/Madam,

This has reference to your email dated, Friday, December 14, 2018 with regard to the captioned subject. We hereby accord our consent to act as Registrar to the aforesaid issue and have our name included as Registrar and Transfer Agents in the information Memorandum, which your Bank proposes to issue.

We also authorize you to forward this consent letter to SEBI and the Stock Exchange where the Company proposes to list its NCDs along with the Information Memorandum.

Thanking you,

Yours faithfully,  
For Karvy Fintech Private Limited

SP Venugopal  
General Manager  
Corporate Registry



Karvy Fintech Private Limited  
\*Karvy Seleniam Tower-B\*, Plot No. 51 & 52, Financial District, Gachibowli, Hyderabad – 500 032.  
T: +91-40-87181700, F: +91-40-87181680, e-mail: [support@karvy.com](mailto:support@karvy.com)  
Abu Dhabi | Bahrain | Canada | Channel Islands | Germany | Hong Kong | Ireland | New Zealand | Philippines | South Africa | United Kingdom | USA

For Hero FinCorp Limited

  
  
Authorised Signatory Authorised Signatory

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ANNEXURE 7 – DEBENTURE TRUSTEE CONSENT LETTER

VIN 011195A  
December 18, 2018



Hero FinCorp Limited  
9 Basant Lok, Vasant Vihar,  
New Delhi - 110057

Kind Attn: Mr. Shyam Lal, Sr. VP - Finance

Sub: Consent to act as Debenture Trustee for the proposed issue of Fully paid, secured, redeemable, non-convertible debentures of face value of Rs. 10,00,000/- (Rs. 10 Lakhs only) each aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with an option to retain over subscription upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores only), aggregating to Rs. 600,00,00,000/- (Rupees Six Hundred Crores only) by way of private placement by Hero FinCorp Limited (Company).

Dear Sir,

This is with reference to our discussion regarding appointment of Vistra ITCL India Limited for proposed to issue Fully paid, secured, redeemable, non-convertible debentures of face value of Rs. 10,00,000/- (Rs. 10 Lakhs only) each aggregating to Rs. 100,00,00,000/- (Rupees One Hundred Crores only) with an option to retain over subscription upto Rs. 500,00,00,000/- (Rupees Five Hundred Crores only), aggregating to Rs. 600,00,00,000/- (Rupees Six Hundred Crores only) by way of private placement by the Company. In this regard, we do hereby give our consent to act as the Debenture Trustee subject to the Company agreeing to the following conditions.

1. The Company agrees and undertakes to create First pari-passu charge on receivables to the extent of 1 time the issue size of the Company as defined under the Debenture Trustee Agreement dated December 17, 2018 for the above referred issue. The said security shall be created within 30 days on the terms and conditions as disclosed in the Debenture Trustee Agreement and execute necessary documents as agreed upon by the Company under the Debenture Trustee Agreement.
2. The Company shall pay Debenture Trustee so long as they hold the office of the Debenture Trustee, remuneration as stated in appointment letter dated January 01, 2017 for the 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 all other documents affecting the Security till the monies in respect of the Debentures have been fully paid-off and the requisite formalities for satisfaction of charge in all respects, have been complied with.
3. The Company shall comply with the provisions of SEDI (Debenture Trustees) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Companies Act, 2013 and other applicable provisions as amended from time to time and agrees to furnish to Trustee such information in terms of the same on regular basis.

Sincerely,  
For Vistra ITCL (India) Limited  
  
Authorized Signatory



For Hero FinCorp Limited  
Authorized Signatory

For Hero FinCorp Limited  
  
Authorized Signatory

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