

TERM SHEET

Security Name	Hero FinCorp Ltd. Unsecured Subordinated [Tier II] Redeemable Non-Convertible Debenture (NCD) – (Issue Series No. HFCL/NCD/023)
Issuer	Hero FinCorp Limited
Type of Instrument	Listed, Redeemable, Unsecured, Non-Convertible Subordinated Debentures [Tier II]
Rating	AA+ Stable by CRISIL and ICRA. This rating indicates [high degree of safety regarding timely payment of financial obligations].
Face Value	₹10,00,000 (Rupees Ten Lakhs)
Nature of Instrument	Unsecured
Seniority	Subordinated
Mode of Issue	Private Placement
Eligible Investors	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.
Listing	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.
Issue Size	₹100 Crore
Option to retain oversubscription	Nil
Objects of the Issue	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.
Utilisation of the Proceeds	The proceeds will be utilized in-line with the objects of the issue.
Day Count Basis	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
Interest on Application Money	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

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	excluding the Deemed Date of Allotment. The same to be paid within 7 days from the Deemed Date of Allotment.
Default Interest Rate	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.
Issue Price	At par
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
Issue Timing:	
1. Issue Opening Date	June 20, 2017
2. Issue Closing Date	June 20, 2017
3. Pay – in – Date	June 20, 2017
4. Deemed Date of Allotment	June 20, 2017
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 Days prior to each Coupon Date/Redemption Date
Security	Not applicable
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.

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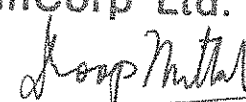
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Debenture Trustee	Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited)
Roles and Responsibilities of Debenture Trustee	As defined in the debenture trust deed
Governing Law and Jurisdiction	The Debentures shall be construed to 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.

Cash Flows			
Redemption Date	Friday, June 18, 2027		
Tenor (Days)	3650 Days		
Coupon Payment Frequency	Annual		
Coupon Type	Fixed rate		
Redemption amount per NCD	₹10,00,000/-		
Coupon Rate	8.52%		
Redemption Premium per NCD	Not Applicable		
Cash Inflow per NCD on June 20, 2017	₹10,00,000/-		
Cash outflow per NCD	Due Date of Coupon	No. of Days in Coupon period	Amount payable per NCD
1 st Coupon	Wednesday, June 20, 2018	365	₹85,200
2 nd Coupon	Thursday, June 20, 2019	365	₹85,200
3 rd Coupon	Saturday, June 20, 2020	366	₹85,200
4 th Coupon	Sunday, June 20, 2021	365	₹85,200
5 th Coupon	Monday, June 20, 2022	365	₹85,200
6 th Coupon	Tuesday, June 20, 2023	365	₹85,200
7 th Coupon	Thursday, June 20, 2024	366	₹85,200
8 th Coupon	Friday, June 20, 2025	365	₹85,200
9 th Coupon	Saturday, June 20, 2026	365	₹85,200
10 th Coupon	Friday, June 18, 2027	363	₹84,733
Cash Outflow per NCD Redemption	Friday, 18-June-2027 ₹10,00,000/-		

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