

- ✓ Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
  - ✓ Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
  - ✓ The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulation, 2008 and Securities and Exchange Board of India (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012
  - ✓ the Securities Contracts (Regulation) Act, 1956
  - ✓ Securities and Exchange Board of India Act, 1992
  - ✓ the Reserve Bank of India Act, 1934
  - ✓ NBFC Directions
- and the rules and regulations issued thereunder, including modifications to all of the foregoing.

3. **Application process-** As mentioned in Clause 11 in this Information Memorandum.

## 2. LEGAL INFORMATION

As on date, to best of knowledge of the Company, there are no legal proceedings filed against the Company in any legal forum in India.

## 3. ANY MATERIAL EVENT/ DEVELOPMENT OR CHANGE

Save as stated elsewhere in this Information Memorandum, in the opinion of the of the Directors of the Company, there have been no material developments after the date of the last audited / un-audited financial statements as disclosed in this Information Memorandum, which would materially and adversely affect, or would be likely to affect, the trading or profitability of the Company or the value of its assets or its ability to pay its liabilities.

## 4. PARTICULARS OF THE DEBT SECURITIES ISSUED FOR CONSIDERATION OTHER THAN CASH

The Company has not issued any debt securities for consideration other than cash, whether in whole or part, at a premium or discount or in pursuance of an option.

## 5. PERMISSION / CONSENT FROM THE PRIOR CREDITOR FOR A SECOND OR PARI PASSU CHARGE BEING CREATED, WHERE APPLICABLE, IN FAVOR OF THE DEBENTURE TRUSTEE

The Company is not required to obtain any prior permission from its lenders for creation of exclusive charge in favour of the Debenture Trustee for the Issue issued under this Offer Document and the Debenture Trust Deed.

## 6. TERMS PERTAINING TO THE ISSUE

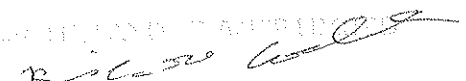
### a) RATING RATIONALE

CRISIL Limited has assigned credit rating of **CRISIL AA-** for the NCDs of INR 25 crore plus Green Shoe option of INR 125 core to be issued by the Company including INR (Rupees under this document. A copy of the rating letter issued by CRISIL Limited is enclosed as Annexure 3.

### b) SUMMARY TERM SHEET SHALL BE PROVIDED WHICH SHALL INCLUDE AT LEAST FOLLOWING INFORMATION (WHERE RELEVANT) PERTAINING TO THE SECURED / UNSECURED NON CONVERTIBLE DEBENTURES (OR A SERIES THEREOF)

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|----------------------|--|
| Security Name        | ----- Hinduja Leyland Finance Limited -----  |
| Issuer               | Hinduja Leyland Finance Limited (HLF/ The Company/ Issuer)   |
| Type of Instrument   | Rated, Listed, Unsecured, Subordinated, Redeemable Dematerialised Non- Convertible Debentures (NCDs) |
| Nature of Instrument | Unsecured  |

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| Seniority  | Subordinated  |
| Mode of Issue  | Private placement   |
| Eligible Investors   | <ul style="list-style-type: none"> <li>• Scheduled Commercial Banks;</li> <li>• Financial Institutions;</li> <li>• Insurance Companies;</li> <li>• Primary/ State/ District/ Central Co-operative Banks (subject to permission from RBI);</li> <li>• Regional Rural Banks;</li> <li>• Mutual Funds;</li> <li>• Companies, Bodies Corporate authorized to invest in Debentures;</li> <li>• Provident Funds, Gratuity, Superannuation &amp; Pension Funds, subject to their Investment guidelines;</li> <li>• Trusts;</li> <li>• The persons set out in Section 8(b) below; or</li> <li>• Any other investor category eligible to invest subject to current applicable rules, act, laws etc.</li> </ul> |
| Listing (including name of stock Exchange(s) where it will be listed and timeline for listing)   | The debentures will be listed on Capital Market segment of Bombay Stock Exchange / National Stock Exchange. In case of delay in listing of the debentures beyond 4 days from the Issue close date or the debentures are delisted, the company will pay a penal interest of 2% p.a. over the coupon rate from the deemed date of allotment till the listing/ re-listing of the Debt Securities to investors.   |
| Rating of the Instrument   | "CRISIL AA-" by CRISIL Limited  |
| Issue Size   | Rs. 25,00,00,000 (Rupees Twenty Five Crores) plus Green shoes option of Rs. 125,00,00,000 (Rupees One Hundred Twenty Five Crores)   |
| Face Value   | Rs 10,00,000/- (Rupees Ten Lakhs Only)  |
| Issue Price  | At Par - Rs. 10,00,000/- (Rupees Ten Lakhs Only)  |
| Redemption Price   | At Par - Rs. 10,00,000/- (Rupees Ten Lakhs Only)  |
| Option to retain oversubscription (Amount)   | Not applicable  |
| Objects of the issue & details of the utilization of the proceeds                                | The proceeds of the issue will be used for onward-lending in the regular course of business and other general corporate purpose   |
| Coupon Rate  | 9.75% payable on an annual basis  |
| Step Up/Step Down Coupon Rate  | Not applicable  |
| Coupon Payment Frequency   | As per annexure   |
| Coupon Payment Dates   | As per annexure   |
| Coupon Type  | Fixed   |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc). | Not applicable  |
| Day Count Basis  | Actual / Actual<br><br>Interest payable on Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days as the case may be i.e. Actual/ Actual  |

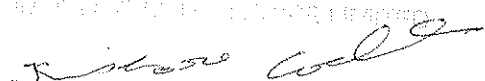
  
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| Interest on Application Money  | NIL. However, if the Issuer fails to allot the Debentures to the Applicants within 2 (two) calendar days from the date of receipt of the Application Money ("Allotment Period"), then at a coupon rate, (subject to deduction of tax of source, as applicable) from the date of realization of cheque(s) / demand draft(s) / date of receipt of funds. |
| Default Interest Rate  | In case of default of payment of interest and / or principal redemption on the due date, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Issuer from the date of the occurrence of such default until the default is cured or the NCDs are redeemed pursuant to such default, as applicable                                  |
| Tenor  | 67 months from the Deemed Date of Allotment (as set out in Annexure)   |
| Put / Call option  | Not Applicable   |
| Redemption Date  | 08 October 2026  |
| Redemption Amount  | The sum of the principal amounts outstanding under the Debentures  |
| Redemption Premium/Discount  | Not applicable   |
| Discount at which security is issued and the effective yield as result of such discount. | Not Applicable   |
| Put Date & Price   | Not Applicable   |
| Call Date & Price  | Not Applicable   |
| Put Notification Time  | Not Applicable   |
| Call Notification Time   | Not Applicable   |
| Minimum Application and in multiples of Debt Securities thereafter                       | Minimum of 1 Debenture and in multiples of 1 Debenture thereafter. It is clarified that the potential Investor shall not be entitled to purchase a fraction of a Debenture   |
| Issue Timing   | Issue Opening Date: 05 March 2021<br>Issue Closing Date: 05 March 2021<br>Pay-in Date: 08 March 2021<br>Deemed Date of Allotment: 08 March 2021  |
| Manner of Bidding  | Close Book Bidding   |
| Mode of Allotment  | Uniform Yield  |
| Mode of Settlement   | ICCL Mechanism   |
| Issuance mode of the Instrument  | Demat only   |
| Trading mode of the Instrument   | Demat only   |
| Settlement mode of the Instrument  | By Cheque(s) / demand draft(s) / e-payment or any other mode which is permissible  |
| Depository   | NSDL/CSDL  |
| Business Day Convention  | Means a day (other than a Sunday or a Bank holiday) on which banks are open for general business in Mumbai and Chennai.<br><br>If any due date falls on a day which is not a Business Day, the payment to be made on such due date shall be made on the immediately succeeding Business Day, except if such  |

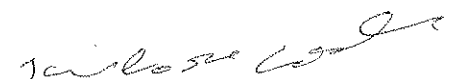


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|   | due date is for the payment of principal, in which case the payment to be made on such due date (including accrued Coupon) shall be made on the immediately preceding Business Day. The foregoing is subject to any directions, notifications or instructions issued by the Securities and Exchange Board of India   |
| Record Date   | 15 business days prior to each Coupon Payment / Redemption date  |
| Holiday convention  | FIMMDA   |
| Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document/ Information Memorandum. | Not applicable   |
| Transaction Documents   | <p>Including but not limited to the following documents:</p> <ul style="list-style-type: none"> <li>• Consent letter from Trustee to act as Trustee to the Bondholders</li> <li>• Valid Rating letter</li> <li>• In-principle approval letter for listing from BSE</li> <li>• Debenture Trust Agreement</li> <li>• Private placement Offer Letter</li> <li>• Information Memorandum or Shelf Disclosure Document as applicable</li> <li>• Debenture Trust Deed</li> <li>• Undertaking/Certificate from the Issuer mentioning all the borrowing facilities of the Company are standard in nature</li> <li>• Any others prescribed by the Debenture Trustee or as may be agreed between the parties.</li> </ul> <p>All transaction documents will comply with the requirements prescribed by the RBI, SEBI and under the Companies Act, 2013 (as applicable) for the issuance of non-convertible debentures.</p> |
| Issuer's Undertaking  | <p>The Issuer undertakes that it has executed/ shall execute the documents including but not limited to the following in connection with the issue:</p> <ol style="list-style-type: none"> <li>1. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of Bonds in dematerialized form;</li> </ol>  |

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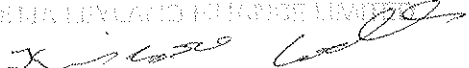
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|   | <p>2. Tripartite Agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</p> <p>3. Letter appointing Link Intime India Private Limited as Registrar and MoU entered into between the Issuer and the Registrar;</p>   |
| <p>Conditions Precedent to Disbursement</p> | <p>The Company shall fulfill conditions precedent customary for issuance of this nature, including but not limited to:</p> <ul style="list-style-type: none"> <li>• HLF will meet all the regulatory requirement pertaining to NBFCs</li> <li>• Credit Rating of [AA-/A1+] by CRISIL Ltd</li> <li>• In-principal listing approval from the stock exchange</li> <li>• Consent Letter from the Debenture Trustee</li> <li>• Execution of Information Memorandum, Rating Letter, Consent letter from Debenture Trustee, Appointment of Registrar and Transfer Agent, Tripartite agreement</li> <li>• The Issuer shall have obtained all necessary resolutions viz board resolution, shareholders' resolution etc. under provisions of the Companies Act, 2013 (including the Rules) as are required in relation to the issue of the Debentures, the appointment of the Debenture Trustee and the execution of necessary documents in connection therewith.</li> <li>• No Event of Default by Issuer;</li> <li>• There is no material adverse effect and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect on the Issuer.</li> <li>• There is no winding up proceedings, or governmental proceeding (including any criminal proceedings) pending against any individual / company of the Promoter Group and the Promoter Group is not aware of any such proceeding being threatened</li> <li>• Certificate from the company signed by director/ Company secretary certifying:             <ul style="list-style-type: none"> <li>○ Company and directors have necessary powers to borrow money pursuant to issue of debentures and no limits are being breached pursuant to the borrowing</li> <li>○ Absence of default</li> </ul> </li> </ul> <p>All reps are true and valid</p> |
| <p>Conditions Subsequent to Issuance</p>    | <p>The Company shall fulfill conditions subsequent within the prescribed timelines customary for issuance of this nature, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Listing of the Debentures on the Stock Exchange</li> <li>• Executed Debenture Trust Deed and filing of PAS-3, PAS-5 etc as per prescribed timelines</li> <li>• Credit demat account of the allottees with the NCDs within 1 day of deemed date of allotment</li> <li>• Form 10 duly signed together with copy of MCA Challan evidencing filing of the same with MCA</li> <li>• Compliance with applicable law (including SEBI regulations)</li> </ul> <p>The issuer shall continue to meet the extant RBI requirements related to Capital Adequacy, NPA Recognition, and provisioning throughout the term of this transaction.</p>  |

  
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| <p>Covenants</p>   | <p>The Company shall provide covenants customary for issuance of this nature, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Credit covenants linked to Capital Adequacy, Asset Quality (including NPA levels), Leverage, networth etc. to be finalized post credit due diligence but prior to payin/disbursement date</li> <li>• Issuer confirms that during the currency of captioned NCDs, Hinduja Group, directly or indirectly would retain the management control and shareholding above 51% in the Issuer. In case it goes below issuer will seek prior approval</li> <li>• No merger, demerger, consolidation, re-organization, amalgamation, restructuring, - without prior consent of Investors</li> <li>• No reduction in share capital without prior consent of Investors</li> </ul> <p>- Additional Covenants:</p> <ul style="list-style-type: none"> <li>• HLF agrees that its obligations hereunder and under the relevant Legal Document are and will be absolute, irrevocable and unconditional and confirms the due and prompt observance, performance and full discharge of such covenants, agreements, obligations and liabilities in accordance with and subject to the terms and conditions contained herein and in the Legal Documentation.</li> <li>• HLF shall defend and hold the Investor, harmless from and against any and all damages incurred by it as a result of, arising from, or in connection with or relating to (i) any matter inconsistent with, or any breach of, the representations and/or warranties made by HLF herein or in the Legal Documentation; or (ii) the non-performance (in whole or in part) by HLF of any of its covenants, obligations or agreements contained herein or the Legal Documentation.</li> </ul> |
| <p>Events of Default (including manner of voting/conditions of joining Inter Creditor Agreement)</p> | <p>Customary to a transaction of such nature, including but not limited to :</p> <ul style="list-style-type: none"> <li>• Non-payment of Coupon or Face Value or Redemption Premium on the due date.</li> <li>• Non-payment of the investor dues by the Company (if acting as a Guarantor)</li> <li>• Cross default – Other than default under the present issue, if the issuer is in default under the terms and conditions of any issuances/obligations under other facilities and receives such notice of event of default from such lender/investor, then that shall also constitute an event of default under the present issue as well</li> <li>• Insolvency or winding-up (whether voluntarily or compulsorily) of the issuer</li> <li>• Breach of any covenant;</li> <li>• If HLF voluntarily or compulsorily goes into liquidation or ever has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking;</li> <li>• If HLF commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or admits inability to pay its respective debts as they fall due, or consents to the</li> </ul>  |

For HINDUJA LEVLANO FINANCE  



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|   | <p>entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its respective property;</p> <ul style="list-style-type: none"> <li>• If a petition is filed for the winding up of HLF</li> <li>• Breach of any representations and/or warranties or covenants contained any Transaction Document,</li> <li>• In the event that any legal proceedings or governmental proceedings are initiated against HLF or claims are made against HLF, which in the opinion of the Debenture Trustee, may impair HLF's ability to perform this their respective obligations undertaken in terms of the Transaction Documents, if either the reliefs sought under the legal or governmental proceedings initiated against HLF or the claims made against HLF are granted.</li> <li>• In the event of threat of institution or initiation of any criminal proceedings or any such governmental proceedings by any regulatory authorities on any of the directors, key management personnel of the companies forming part of the same group of companies as the Company or the Company.</li> <li>• Material alteration in the shareholding pattern of the company without prior approval of the investors through the debenture trustee</li> </ul> |
| Creation of recovery expense fund   | As may be directed by the relevant laws and the Board  |
| Conditions for breach of covenants (as specified in Debenture Trust Deed) | As specified in the Debenture Trust Deed   |
| Provisions related to Cross Default Clause                                | <p>The Issuer:</p> <ul style="list-style-type: none"> <li>(a) defaults in any payment of any Financial Indebtedness;</li> <li>(b) defaults in any payment obligation under any contract (apart from payment obligations arising under any Financial Indebtedness) which are not disputed; or</li> <li>(c) the holder of any Financial Indebtedness accelerating such Financial Indebtedness prior to its stated maturity.</li> </ul>   |
| Implications of Event of Default  | <p>Customary to a transaction of such nature, including but not limited to :</p> <ul style="list-style-type: none"> <li>• In the event of happening of any of the Event of Default, the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) shall be entitled to issue a notice, in writing, to the Issuer accelerating all the payments outstanding in respect of the Debentures and the Issuer will have to pay principal along with accrued interest (both coupon and penalty, if any), within - 7 days calendar days of the date of receipt of the relevant notice. However the claim will remain subordinated as will be governed as per the rule laid by RBI guidelines on subordinated debt.</li> <li>• Provided further that no notice shall be required to be provided by the Debenture Trustee/ the Debenture</li> </ul>  |

For HINDUJA LEVLAND FINANCE LIMITED  


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|  | <p>Holders to the issuer and no additional time period shall be provided in case of payment default</p>   |
| Majority Debenture Holder                      | <p>Debenture Holders whose participation or share in the principal amount(s) outstanding with respect to the Debentures aggregate to 51% (Fifty One per cent) or more of the value of the nominal amount of the Debentures for the time being outstanding</p>   |
| Information Dissemination                      | <ul style="list-style-type: none"> <li>• The Issuer undertakes to provide information pertinent to a credit assessment of the company by the arranger/potential investors in a timely fashion. This information will include, but not be limited to, latest financial information, rating letter, rating rationale, debt-maturity profile, copies of the resolutions authorizing the borrowing, latest company profile etc.</li> <li>• The Issuer shall also extend its full support for convening investor meetings with the senior management of the Issuer.</li> <li>• Company to provide the monthly asset cover data / certificate</li> <li>• On quarterly basis, company to provide following Actual data (for Covenant Testing) – this can be Quarterly CA Certificate detailing:             <ol style="list-style-type: none"> <li>i. Loan Book size and breakup (AUM Basis)</li> <li>ii. CRAR%</li> <li>iii. Rating level</li> <li>iv. "Hinduja Group" shareholding – actual percentage as on quarter end</li> <li>v. Standalone Leverage (quarter ending)</li> <li>vi. Standalone basis: Gross NPA in Rs. crore, Gross NPA %, Net NPA in Rs. crore, Net NPA% (as per RBI defn.)</li> <li>vii. Standalone basis: PBT (for the last Quarter)</li> <li>viii. Standalone basis: EBIT / Gross Interest</li> </ol> </li> </ul> <p>Security cover</p> |
| Role and Responsibilities of Debenture Trustee | <p>In addition to the powers conferred on the Debenture Trustee in the Debenture Trust Deed and Applicable Law, and without limiting the liability of the Debenture Trustee, it is agreed as follows:</p> <p>(a) the Debenture Trustee may, in relation to the Debenture Trust Deed and other Transaction Documents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT the Debenture Trustee shall at all times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver;</p>   |



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|  | <p>(b) subject to the approval of the Debenture Holders by way of Special Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof;</p> <p>(c) the Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;</p> <p>(d) with a view to facilitating any dealing under any provisions of the Transaction Documents, subject to the Debenture Trustee obtaining the consent of the Special Majority Debenture Holders, the Debenture Trustee shall have (i) the power to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the Debenture Trust Deed, and (iii) to take any action on behalf of the Debenture Holders;</p> <p>(e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Company in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof;</p> <p>(f) the Debenture Trustee shall submit to the RBI and SEBI such information as required by them from time to time; and</p> <p>(g) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Company pursuant to the Debenture Trust Deed</p> |
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HINDOLJA LEYLAND FINANCE LTD  


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|                                      | <p>within 2 (two) Business Days of receiving any of the foregoing from the Company.</p> <p>PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee or any receiver, attorney, manager, agent or other person appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust nor any liability which by virtue of Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder.</p> <p>The Trustees shall perform its duties and obligations and exercise its rights and discretions, in keeping with the trust reposed in the Trustees by the holder(s) of the Bonds and shall further conduct itself, and comply with the provisions of all applicable laws. The Trustees shall carry out its duties and perform its functions as required to discharge its obligations under the terms of SEBI Debt Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Debenture Trusteeship Agreement, Disclosure Document and all other related transaction documents, with due care, diligence and loyalty.</p> |
| Risk factors pertaining to the issue | As covered under the section Management's Perception of Risk Factors of this Information Memorandum  |
| Governing Law and Jurisdiction       | The Issue and the Information Memorandum shall be governed by and construed in accordance with the laws of India. The courts and tribunals at Chennai, India shall have exclusive jurisdiction to settle all disputes.   |

## 7. TRANSACTION DOCUMENTS AND KEY TERMS

### 7.1 Transaction Documents

The following documents shall be executed in relation to the Issue ("**Transaction Documents**"):

- (a) Debenture Trustee Agreement, which will confirm the appointment of IDBI Trusteeship Services Ltd as the Debenture Trustee ("**Debenture Trustee Agreement**");
- (b) Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer ("**Debenture Trust Deed**" or "**DTD**");
- (c) Such other documents as agreed between the Issuer and the Debenture Trustee.

### 7.2 Representations and Warranties

The Issuer makes the representations and warranties set out in this Section 7.2 to the Debenture Trustee for the benefit of the Debenture Holders as on the dated of the Debenture Trust Deed, which representations shall be deemed to be repeated on each Due Date until the Final Settlement Date.