



# PRISM JOHNSON LIMITED

(FORMERLY PRISM CEMENT LIMITED)

## INDICATIVE TERM SHEET

This document is issued for discussion purposes only and does not constitute any commitment, offer, recommendation or solicitation to any person to enter into any transaction. The terms are neither complete nor final and are subject to further discussion, negotiation and internal approvals. The terms of any transaction entered into will be recorded in a written confirmation or other document. ICICI Prudential AMC has no fiduciary duty towards you, and assume no responsibility to advise on, and makes no representation as to the appropriateness or possible consequences of, the prospective transaction.

Security Name	Private placement of Unsecured, Rated, Listed, Redeemable, Taxable, Non-convertible Debentures – Tranche XV
Issuer	Prism Johnson Limited ("The Company" / "Issuer")
Investor / Subscriber	ICICI Prudential Asset Management Company Limited
Promoter Group	Rajan Raheja Group - Such persons and entities as declared to the NSE and BSE, as on September 30, 2019, as "Promoter & Promoter Group"
Type of Instrument	Unsecured, Rated, Listed, Taxable Non-convertible, Redeemable, Debentures ("NCDs" / "Debentures")
Nature of Instrument	Unsecured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	<ol style="list-style-type: none"> <li>Commercial Banks, Mutual Funds, Insurance Companies, Financial Institutions;</li> <li>Companies and Bodies Corporate including public sector undertakings;</li> <li>Provident Funds, Gratuity Funds, Pension Fund; and</li> <li>Any other investor(s) authorised to invest in the Debentures subject to the compliance with applicable law(s).</li> </ol> <p>All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.</p>
Debenture Trustee	Axis Trustee Services Limited
Listing	The Debentures will be listed on the WDM segment of BSE and/ or NSE
Timeline for Listing	Making application to BSE within 15 (Fifteen) days from the Deemed Date of Allotment to list the Debentures and procure the listing of Debentures within 20 (Twenty) days from the Deemed Date of Allotment in terms of Regulation 19(3) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008.
Rating	A with outlook Stable by the India ratings and Research Private Limited ("Rating Agency").
Face Value	Rs. 10,00,000/- (Rupees Ten Lakh) per Debenture
Amount / Issue Size	Rs. 84,00,00,000/- (Rupees Eighty Four Crores only)
Issue Opening Date	On or before January 31, 2020
Issue Closing Date	On or before January 31, 2020



Deemed Date of Allotment	On or before January 31, 2020
Maturity Date	January 31, 2023
Proposed Redemption Date	January 31, 2023
Coupon/Interest Rate	10.00 % (Ten Percent) per annum.
Coupon payment Frequency	Annual
Put Option Date/Call Option Date	2 Year from date of deemed date of allotment i.e. January 31, 2022
Put Option Price / Call Option Price	At Par
Put Option Notification Time /Call Option Notification Time	Atleast 30 calendar days
Redemption Amount	Rs.84 crores plus accrued Coupon along with Default Interest (if any) and any other amounts, payable on the due dates under the Transaction Documents.
Option to retain oversubscription	N.A.
Object of the Issue	Replacement/ refinancing of existing debt, capital expenditure, long term working capital and general corporate purpose.
Details of the Utilisation of the proceeds	Proceeds will be utilised for replacement/ refinancing of existing debt, capital expenditure, long term working capital and general corporate purpose. No part of the proceeds would be utilized directly/indirectly towards capital markets or land acquisition or for any other purpose ineligible for bank finance as per Reserve Bank of India guidelines.
Step up Coupon Rate/ Step down Coupon Rate	NA
Coupon Type	Fixed
Day Count Basis	Actual/365 (Three Hundred and Sixty Five) (366 (Three Hundred and Sixty Six) days in case of a leap year)
Interest on Application Money	Interest at the Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the NCDs for the period starting from and including the date of realization of application money in Issuer's bank account upto 1 (One) day prior to the Deemed Date of Allotment. Where Pay-in Date and Deemed Date of Allotment are the same, no interest on Application money is to be paid.
Default Interest Rate	In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), without prejudice to the right of the Debenture Trustee to call an Event of Default, the Issuer shall



	<p>pay additional interest of 2% (Two percent) per annum in addition to the Coupon Rate payable on the NCDs, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</p> <p>In the event of delay in execution of Debenture Trust Deed or any other transaction documents, the Issuer shall either refund the subscription at the Coupon Rate or shall pay penal interest of 2% (Two percent) per annum over and above the Coupon Rate for the delayed period till such conditions are complied with, at the option of the Debenture Holders.</p> <p>Delay in listing: In case of delay in listing of the NCDs beyond 20 (Twenty) days from the Deemed Date of Allotment, the Company will pay penal interest of 2% p.a. over the Coupon Rate from the expiry of 30 (Thirty) days from the Deemed Date of Allotment till the listing of the NCDs on the WDM segment of BSE and/ or NSE to the Debenture Holders.</p>
Minimum Application and in multiples of 1 Debt securities thereafter	Minimum 1 Debenture of 10,00,000/- each and in multiple of 1 Debenture thereafter
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/NEFT
Depository	NSDL and CDSL
Business Day	Any day on which the money markets are open for business in Mumbai, not being a Saturday, Sunday or a Public holiday



Business Day Convention	<p>If any coupon payment date (except the last coupon payment date in which case the Business Day Convention in case of Maturity Date shall be applicable) falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day without calculating interest for such additional period. Provided however that subsequent coupon payment schedule would not be disturbed merely because the coupon payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a non-Business Day.</p> <p>If the Maturity Date (also being the last coupon payment date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment.</p> <p>Interest shall be calculated on actual/365 days (366 days in case of a leap year) basis.</p>
Record Date	The date falling 15 (fifteen) calendar days prior to each coupon payment date and maturity date.
Information Undertaking	<ol style="list-style-type: none"> <li>1. Unaudited quarterly financial statements within 60 days;</li> <li>2. Consolidated financial statements at the end of Financial Year and standalone financial statements to be submitted to the Debenture Trustee at the end of each of the financial half years;</li> <li>3. Details of any material litigation, arbitration or administrative proceedings to be submitted to the Debenture Trustee;</li> <li>4. Notice of any change in authorised signatories of the Issuer with respect to the Debentures to be submitted to the Debenture Trustee;</li> <li>5. Issuer to provide end-use certificate within 3 (Three) months from the Deemed Date of Allotment confirming that no part of the Issue has been used for purpose ineligible for bank finance as per RBI guidelines and the proceeds of the Issue has been utilized solely for the end – use stated herein;</li> <li>6. Others as agreed between the Debenture Holders and the Issuer.</li> </ol>
Transaction Documents	<p>The Issuer has executed/shall execute the documents but not limited to the following in connection with the issue:</p> <ol style="list-style-type: none"> <li>1. Consent letter from Debenture Trustee.</li> <li>2. Debenture Trustee Agreement.</li> <li>3. Debenture Trust Deed.</li> <li>4. Rating Letter of India Ratings.</li> <li>5. Tripartite agreement between the Issuer, Registrar and NSDL/CDSL for issue of Debentures in demat form.</li> <li>6. Information Memorandum and Private Placement Offer cum Application Letter Letter (PAS-4).</li> </ol>



	<p>7. In-principle approval from BSE and/or NSE.</p> <p>8. Listing Agreement with BSE and/or NSE.</p>
Representations/ Covenants	<p>Representations, warranties, covenants and defaults appropriate for an Issue of this nature, including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Status, binding obligation, power and authority;</li> <li>2. Non-conflict with other obligations;</li> <li>3. Validity and admissibility in evidence;</li> <li>4. Insolvency;</li> <li>5. No misleading information;</li> <li>6. No proceedings pending or threatened;</li> <li>7. No material adverse change or event of default;</li> <li>8. Compliance with applicable law;</li> <li>9. financial indebtedness;</li> <li>10. Good title to assets;</li> <li>11. Transaction documents, disclosures, authorization, approvals and other documents;</li> <li>12. All representations and warranties are true as on the date of execution and drawdown;</li> <li>13. No event of default or potential event of default has occurred by the company i.e. Prism Johnson Ltd and its subsidiaries is continuing.</li> </ol>
Financial Covenants	<p>During the currency of the Debentures, the Issuer shall maintain the below mentioned ratios:</p> <ol style="list-style-type: none"> <li>1. DSCR not below 1.00 (One) times; First testing on 31 March, 2020</li> <li>2. No EBIDTA loss on annual basis (trailing 12 months); First testing on 31 March, 2020</li> <li>3. Total Debt to Net Worth not greater than 2.0 (Two) times; First testing 31 March, 2020</li> </ol> <p>All Financial Covenants would be tested on half yearly basis i.e. as on 31<sup>st</sup> March and 30<sup>th</sup> Sept every year on standalone balance sheet till the redemption of the Debentures. The Financial covenants shall be certified by an independent chartered accountant within 90 (Ninety) calendar days from end of the period.</p> <p><b>“Debt Service Coverage Ratio (DSCR)”</b> shall means, for the trailing 12 (Twelve) month period, the ratio of (i) the aggregate of profit after tax, depreciation, non-cash expenses, interest liabilities to (ii) the principal repaid (excluding working capital borrowing and amount of loan being tied up for refinance atleast one month prior to the maturity of such loans being refinanced) and interest due on all outstanding indebtedness of the Issuer. However, under no circumstance any loan which has been prepaid shall be considered for determining the DCSR.</p>



	<p><b>“Debt”</b> shall mean aggregate of</p> <ol style="list-style-type: none"> <li>1. All long-term debt outstanding, whether secured or unsecured;</li> <li>2. Any short-term debt outstanding, whether secured or unsecured, availed of in lieu of long-term debt or by way of bridge financing for long term debt;</li> <li>3. Any amount raised by acceptance under any acceptance credit facility;</li> <li>4. Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis);</li> <li>5. Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</li> </ol> <p><b>“Net-Worth”</b> shall mean issued and paid up equity share capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (-) intangibles (including but not restricted to brand valuation, goodwill etc. but excluding software) as per the latest audited financials of the Issuer.</p> <p><b>“EBIDTA”</b> means earnings before interest, depreciation, Tax and amortisation. For clarity it will also exclude any exceptional gain or loss &amp; as classified in financial of the company.</p>
Early Redemption Option	In case, the rating of the NCDs falls to “BBB” or below by any Rating Agency and for every notch thereafter, the Debenture Holder (s) shall have the right to ask for mandatory prepayment in full/part of the outstanding NCDs. The Issuer shall make the payment within 15 (Fifteen) calendar days from the date of exercise of acceleration option by the Debenture Holder (s).
Covenants	<p>During the currency of the Debentures:</p> <ol style="list-style-type: none"> <li>1. Issuer shall not amend or modify objects clause in its Memorandum of Association and Article of Association without the consent of the majority (51% (Fifty One Percent) of the Debenture Holders;</li> <li>2. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by the Debenture Holders) without the consent of all the Debenture Holders;</li> <li>3. Issuer shall not change the accounting method or policies currently followed or in case of any modification / alteration in the accounting policies/standards followed by the Issuer during the currency of the Debentures unless otherwise required by any prevailing applicable law / Companies Act, 2013 / rules etc without the consent of the majority (51% (Fifty One percent) of the Debenture Holders;</li> </ol>



	<p>4. Issuer to ensure that no proceedings against it is admitted in the NCLT under The Insolvency and Bankruptcy Code, 2016;</p> <p>5. Issuer shall not participate in any material sale of asset/business/division or re-structuring of the existing business/split of businesses (Material for this clause to be defined as Rs. 75,00,00,000/- (Rupees Seventy Five Crores only) and above) without the consent of the majority (51% (Fifty One percent)) of the Debenture Holders;</p> <p>6. Promoters at all times to retain Management Control of the Company;</p> <p>7. No dividend, if an Event of Default has occurred and is subsisting, without the consent of all the Debenture Holders; and</p> <p>8. Such other conditions/documents required by the Debenture Holders in the Transaction Documents.</p> <p>For the purposes of this clause “Management Control of the Company” shall mean: (i) At least 51 % (Fifty One percent) ownership and management control of the Company shall remain with its Promoters (Rajan Raheja Group) during the tenor of the facility and (ii) the ability of the Promoter Group to appoint majority of the directors of the Board of directors of the Company; and (iii) ability of the Promoter Group to control and direct the business, operations and functioning of the Company. Such other conditions/documents required by the Debenture Holder(s) in the Transaction Documents.</p>
Conditions precedent to disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. Compliance with all the regulatory guidelines with respect to the issue</li> <li>2. Long term rating letter from Rating Agency, not being more than 1 (One) month old from the issue opening date;</li> <li>3. Letter from Debenture Trustee conveying its consent to act as trustee for the Debenture Holders;</li> <li>4. Letter from BSE and/or NSE conveying its in-principle approval for listing of Debentures;</li> <li>5. Execution of the following Transaction Documents in a form acceptable to Investor <ul style="list-style-type: none"> <li>a) Information Memorandum; and Private Placement offer cum Application Letter ("PAS 4");</li> <li>b) Debenture Trustee Agreement; and</li> </ul> </li> <li>6. Evidence of due execution and authority for the Transaction Documents;</li> <li>7. Evidence that the Transaction Documents mentioned in point 5 above are valid and subsisting;</li> <li>8. Payment of all fees due under the Transaction Documents;</li> </ol>



	<ol style="list-style-type: none"> <li>9. Undertaking from the Issuer that each of the Representations &amp; Warranties made by the Issuer are true and correct;</li> <li>10. Non-occurrence of any force majeure event/Event of Default;</li> <li>11. 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.</li> <li>12. Submission of certified true copies of the Memorandum &amp; Articles of Association and such other documents of the Issuer as may be required by the Debenture Trustee/Debenture Holders;</li> <li>13. All corporate and other approvals (including necessary CA certificates) (if applicable);</li> <li>14. All necessary Board resolutions of the Issuer to the satisfaction of the Debenture Holders;</li> <li>15. List of authorized signatories of the Issuer along with their specimen signatures;</li> <li>16. Shareholders resolution of the Issuer in relation to Section 180(1)(c) of the Companies Act, 2013 approving the current borrowing limit of the Issuer;</li> <li>17. Shareholders resolution of the Issuer in relation to Section 42 of Companies Act, 2013 approving the issuance of the Debentures on a Private Placement basis;</li> <li>18. A copy of tripartite agreement between the Company, Registrar and NSDL/CDSL for issue of Debentures in Demat form;</li> <li>19. All other Transaction Documents (if any) (except the Information Memorandum, Private Placement Offer cum Application Letter, Debenture Trustee Agreement and the Debenture Trust Deed) to be in agreed form;</li> <li>20. Such other conditions/documents required by the Debenture Holder(s) in the Transaction Documents.</li> </ol>
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per time frame mentioned herein below:</p> <ul style="list-style-type: none"> <li>• Credit of demat account(s) of the allottee(s) by number of Debentures Allotted within 3 (Three) Business Days from the Deemed Date of Allotment;</li> <li>• Making application to BSE within 15 (Fifteen) days from the Deemed Date of Allotment to list the Debentures and procure listing within 20 (Twenty) days from the Deemed Date of Allotment in terms of Regulation 19(3) of the SEBI (Issue and Listing of Debt Securities) Regulations, 2008;</li> <li>• Execution of all other Transaction Documents (except the Information Memorandum, PAS -4, Debenture Trustee Agreement and the Debenture Trust Deed) within 30 calendar days from the Deemed Date of Allotment.</li> </ul>



	<ul style="list-style-type: none"> <li>• Filing of Form PAS 3</li> <li>• Debenture Trust Deed within 30 days from date of deemed allotment</li> <li>• Any others as agreed between the parties</li> </ul>
Events of Default	<p>Events of default as stated in the NCD Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Failure to pay any amount due in respect of Debentures including any installment of interest (including Default Interest, if applicable) or the principal amount of the Debentures on due dates, any other monies including costs, charges, expenses incurred by the Trustee, as and when the same shall have become due and payable;</li> <li>• Failure to execute the DTD as per regulatory timelines;</li> <li>• Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;</li> <li>• Bankruptcy;</li> <li>• Reporting of the Company's account in CRILC resulting in the initiation of the Review Period by the lenders of the Company under the provisions of "<b>Prudential Framework for Resolution of Stressed Assets</b>" issued by the Reserve Bank of India on June 07, 2019 which in the opinion of the Trustee may adversely affect the rights of the Trustee and/or the Debenture holders and/or may cause a material adverse effect on the Company.</li> <li>• Breach of any covenants by the Issuer;</li> <li>• Breach of any Representations and Warranties by the Issuer;</li> <li>• Nationalization or expropriation of any of a substantial part of the assets of the Issuer;</li> <li>• Unlawfulness or moratorium;</li> <li>• Breach of any terms, conditions and covenants of any Transaction Documents and failure to comply with Applicable Law in respect of the Debentures;</li> <li>• Cross default / acceleration under agreements (subject to relevant cure periods, if any, provided in the respective agreements) for indebtedness of the Issuer or its subsidiaries;</li> <li>• Change in Management Control of the Company and/or a transfer and/or the creation of an Encumbrance on the Promoter Group shareholding in the Company without prior written approval or sanction of the Debenture Trustee;</li> <li>• It is or becomes unlawful for the Company to perform any of its obligations under any Transaction Document</li> <li>• Any others as agreed between the parties</li> </ul>
Consequences of Event of Default	The consequences of default will, include but not be limited to the following:



	<ul style="list-style-type: none"> <li>• Acceleration of all outstanding dues in respect of the issue, cancellation of total Issue;</li> <li>• Enforcement of rights under the Transaction Documents and/or under applicable law(s);</li> <li>• Appropriate any amount in the accounts and utilization of the same for payment/repayment of any amount outstanding under the Issue;</li> <li>• Charge Default Interest. It is clarified that the default interest shall be charged at the Default Interest Rate and from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists;</li> <li>• Any cost incurred on any of the above shall be borne by Issuer</li> </ul>
Cross default	<ul style="list-style-type: none"> <li>• Cross default / acceleration under agreements (subject to relevant cure periods, if any, provided in the respective agreements) for indebtedness of the Issuer;</li> <li>• Cross default means default with any lenders by the Company or its subsidiary companies</li> </ul>
Role and Responsibilities of Debenture Trustee	The Debenture Trustee shall carry out its duties and perform its functions under SEBI (Issuing and Listing of debt securities) Regulations, 2008, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as amended from time to time, and the Transaction Document, with due care, diligence and loyalty.
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the exclusive jurisdiction of the Courts and Tribunals at Mumbai (Maharashtra).
Clear Market	The Company to ensure that starting from the time of acceptance of this letter, till the end of 30 calendar days from the Deemed Date of Allotment, the Company would not bring any other primary issue of Debentures with more favorable terms or pricing.
Force Majeure	<p>This Term Sheet is subject to, in the opinion of the prospective investor,</p> <ol style="list-style-type: none"> <li>a) any material adverse change having occurred in any of the business, condition (financial operations, of the issuer (and its subsidiaries or parent company or promoter group) since the last available audited annual report,</li> <li>b) any circumstance, change or condition (including the continuation of an existing condition) in the domestic and international commercial bank, loan syndication, financial or capital market, political or economic conditions that, in the</li> </ol>



	<p>opinion of the prospective investor, would materially affect syndication and conclusion of the Facility; and</p> <p>c) any material adverse change having occurred in the financial markets in which the issuer and/or its principal assets are located or in the market for loans to and debt securities of India.</p>
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Date : 24 January, 2020

Place : Mumbai

For PRISM JOHNSON LIMITED

Authorised Signatories