

21.) SUMMARY TERM SHEET FOR A0A911A01

Issuer	EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED
Security Name	EARC – Secured Market Linked Non Convertible Debentures - 31-Mar-20
Product Code	A0A911A01
ISIN	This is a further issuance under ISIN- INE015L07642
Date of passing of Board Resolution	May 02,2018
Date of passing of resolution in general meeting	June 01,2018
Type of Instrument	Principal Protected - Market Linked Redeemable Non- convertible Debenture
Nature of Instrument	Secured
Seniority	Senior
Principal Protection	Principal is protected at maturity
Underlying/ Reference Index	NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX
Mode of Issue	Private Placement
Option to retain oversubscription (Amount)	Not Applicable
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • FPIs /FIIs,/sub-accounts of FIIs • Any other investor eligible to invest in these Debentures
Issue Size	RS 650,000,000/-
Minimum application Size	10 Debentures bearing face value of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter.
Investor Category I	Subscription amount being less than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
Investor Category II	Subscription amount being equal to or greater than Rs. 1,00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
Face Value/Principal	Rs. 100,000/- Per Debenture
Effective Price / Issue Price	Rs. 101,440/- Per Debenture
Justification of Issue Price	This is a further issuance under the ISIN- INE015L07642. The issue price is calculated by discounting the expected maturity payout by the yield at which the issuance is being made for the remaining tenor of the security
The effective yield as a result of such	Please refer Pt 23 Under Annualized Return

Premium							
Premium at which Debenture is issued	1,440/- per debenture						
Tenor In Days	397 Days from the Deemed Date of Allotment						
Issue Opening Date	28-Feb-19						
Issue Closing Date	28-Feb-19						
Initial Fixing Date	25-Jan-19						
Initial Fixing Level	Level of 908.44 of the Underlying						
Final Fixing Date	30-Jan-20						
Final Fixing Level	Official Closing Level of NIFTY 10 YR BENCHMARK G-SEC (CLEAN PRICE) INDEX as on Final Fixing Date						
Redemption Date *	31-Mar -20						
Redemption Value *	Face Value*(1+Coupon)						
Pay-in-Date	28-Feb-19						
Deemed Date of Allotment	28-Feb-19						
Underlying Performance	(Final Fixing Level / Initial Fixing Level) – 1						
Participation Rate: PR	NA						
Coupon *	<table border="1"> <thead> <tr> <th>Scenario</th> <th>Coupon</th> </tr> </thead> <tbody> <tr> <td>If Final Fixing level <= 50% of Initial Fixing level</td> <td>0.00%</td> </tr> <tr> <td>If Final Fixing Level > 50% of Initial Fixing Level</td> <td>12.52%</td> </tr> </tbody> </table>	Scenario	Coupon	If Final Fixing level <= 50% of Initial Fixing level	0.00%	If Final Fixing Level > 50% of Initial Fixing Level	12.52%
Scenario	Coupon						
If Final Fixing level <= 50% of Initial Fixing level	0.00%						
If Final Fixing Level > 50% of Initial Fixing Level	12.52%						
Step up/Step down coupon rate	Not Applicable.						
Coupon payment frequency	Coupon, if any will be paid on Redemption Date						
Coupon payment dates *	Coupon, if any will be paid on Redemption Date						
Coupon type	Coupon linked to Underlying / Reference Index.						
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable						
Day Count Basis	Not Applicable						
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.						
Proposed time schedule for which the Disclosure Document is valid	Till redemption						
Redemption Premium / Discount	Not Applicable						
Put Option	None						
Put Option Date	Not Applicable						
Put Option Price	Not Applicable						
Put Notification Time	Not Applicable						
Call Option	None, except in the case of Early Redemption Option						
Call Option Date	Not Applicable						
Call Option Price	Not Applicable						
Call Notification Time	Not applicable						

Listing	<ul style="list-style-type: none"> • <u>For FPIs /FII's /sub-accounts of FII's</u> The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. • <u>For applicants other than FPI/FII's/sub-accounts of FII's</u> The Company proposes to list these Debentures on the BSE WDM segment. The Issuer confirms that the Debentures would be listed within 20 days from the Deemed Date of Allotment
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL
Security	(a) a pari-passu charge on immovable property; (b) hypothecation of the Security Receipts; and (c) unconditional and irrevocable guarantee issued by Edelweiss Financial Services Limited in favour of the Debenture Trustee for the benefit of the Debenture holders Security cover under this issue shall be 1x time.
Rating	CARE PP-MLD AA (SQ) Positive* [(pronounced as 'CARE PP-MLD Double A (Structured Obligation); Outlook: Positive] by CARE Ratings Limited ("CARE") for Rs. 500 Crore Principal Protected Market Linked Debenture issue. 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. 'Positive' outlook indicates a expected upgrade in the credit ratings in the medium term on account of expected positive impact on the credit risk profile of the entity in the medium term. CARE reserves the right to revise/reaffirm/withdraw the rating assigned as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE warrants such an action. CARE's ratings are opinions on credit quality and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. CARE has based its ratings/outlooks on information obtained from sources believed by it to be accurate and reliable. CARE does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions or for the results obtained from the use of such information. *The rating is based on the credit enhancement in the form of unconditional and irrevocable corporate guarantee from Edelweiss Financial Services Limited in the favour of SBI Cap Trustee Company Limited (Trustees) for market linked debentures of Rs.500 crore.
Purpose and objects of the Issue	The Company shall utilise the Subscription Amount to be received from the Debenture Holders towards: (i) subscription to / purchase of the Security Receipts; and/or (ii) general corporate purposes of the Company; and/or (iii) refinancing of existing borrowings of the Company.
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil
Details of the Utilisation of the proceeds	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes.
Settlement	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently

	<p>notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository's record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India's Real Time Gross Settlement System.</p>
Business Day Convention	<p>If any of the date(s), including the Record Date, as defined in the Disclosure Document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.</p> <p>However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Disclosure Document falls on an expiry day, which is thereafter declared as a public holiday/trading holiday, then the day notified by the Exchanges/Regulators as the new expiry day shall be considered as the effective date for the above mentioned dates.</p> <p>However in case Redemption Date (for payment of Principal and Coupon, if any) falls on Sunday or a public holiday, the previous working day shall be considered as the effective date</p>
Interest on Application Money	<p>This issue does not contemplate any interest on application money till allotment of Debentures.</p>
Record Date	<p>The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.</p>
Transaction Documents	<ul style="list-style-type: none"> • Memorandum and Articles of Association of the Company. • Consent Letter No. 0283/2018-19/CL – 2409 dated January 24, 2019 received from SBICAP Trustee Company Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures. • Certified copy of the Board Resolution passed on May 02, 2018 • Certified copy of the Shareholders Resolution passed on June 01, 2018 • Certified copy of the Resolution passed by Debenture Committee on 28-Feb-19 • Letter from CARE Limited conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto. • Consent Letter from Karvy Computershare Private Limited for acting as Registrars to the Issue. MoU entered into between the Company and the Registrar. • Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form. • Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form. • Valuation Agreement dated April 26, 2016 between Company and Credit Analysis and Research Limited and amendments thereafter to the respective agreements, as may be applicable.. • In Principal approval from NSE Indices Limited (IISL)
Conditions Precedent to Disbursement	<p>Nil</p>
Conditions Subsequent to Disbursement	<p>Nil</p>
Events of Default	<p>Please refer "Events of Default" under section Definitions and Abbreviations.</p>
Provisions related to Cross Default Clause	<p>Not Applicable</p>

Early Redemption Option

The Company has an option to redeem the Debentures ("Early Redemption Option"), to be exercised by the Company any time after the Deemed Date of Allotment on occurrence of any one or more than one of the following events-

"Issuer Tax Change Event" and/or "Change in law" and/or "Force Majeure Event" and/or "Hedging Disruption Event" and/or "Market Suspension Event" and/or "Increased Cost of Hedging" and/or "Reference Index Modification Event" and/or "Regulatory events for Investor".

Further, notwithstanding anything contained in this Disclosure Document, the Company shall not be liable for any failure to perform any of its obligations under this Disclosure Document, if the performance is prevented, hindered or delayed by any one or more of the events mentioned above, its obligations shall be terminated with immediate effect. The decision of the Company about the occurrence of the events mentioned above shall be final and binding in respect of all Debenture holders.

Intimation to Investor:

If the Company opts to redeem the debentures on occurrence of the events mentioned above, it shall intimate the investor within reasonable time period from the occurrence of any of the events mentioned above that it has exercised the Early Redemption Option.

Early Redemption Option Exercise Date:

The third Business Day from the date of Early Redemption Option intimation to the debenture holder

Redemption Proceeds: In case the Early Redemption Option is exercised by the Company, the Debenture holder shall be paid the fair value of the Debenture calculated as on such Early Redemption Option Exercise Date.

The fair value will be calculated by the [Calculation Agent] based on

a. For the Principal Repayment: The present value of the Debenture will be calculated by the calculation agent based on the G-Sec yield one day prior to Early Redemption Option Exercise Date plus AA- spread over G-Sec yield, on the basis of a poll undertaken from three reference market-makers selected by the calculation agent at its sole discretion in good faith.

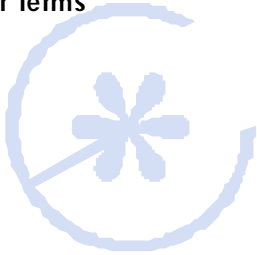
b. For Coupon Payment: The value of the pay-out will be calculated using the standard 'Black and Scholes' option valuation model with input parameters as determined by the [Calculation Agent].

The decision of the [Calculation Agent] in deciding the Coupon payment based on the 'Black and Scholes' option valuation model, shall be final and binding in respect of all the Debenture holders.

Roles and Responsibilities of Debenture Trustee

Regulation 15 of SEBI (Debenture Trustees) Regulation 1993, prescribes duties of the Debenture Trustees including following :

- 1. Call for periodical reports from the issuer.**
- 2. To take possession of Trust property in accordance with the provisions of the Trust Deed.**
- 3. To enforce security in the interest of the debenture holders.**
- 4. To ensure on a continuous basis that the property charged to debentures is available and adequate at all times to discharge the interest and principal amount payable to debenture holders.**
- 5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed.**
- 6. To take appropriate measures for protecting the interest of debenture**

	<p>holders as soon as there is a breach of Trust Deed.</p> <p>7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document.</p> <p>8. To inform SEBI immediately of any breach of trust deed or provision and law.</p> <p>9. To appoint a Nominee Director on the Board of Issuer in the event of</p> <ul style="list-style-type: none"> ▪ Two consecutive defaults in payment of interest to the debenture holders or ▪ Default in creation of security for debentures ▪ Default in redemption of debentures <p>As a Debenture Trustee it may have to take steps as he may deem fit –</p> <ol style="list-style-type: none"> 1. To ensure that the assets of the Company issuing debentures are sufficient to discharge the principal amount at all times. 2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. 3. To ensure that the Company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. 4. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed. 5. To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of 5 bps p.a. to 15 bps p.a. on the face value of the outstanding Debentures
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.
Other Terms 	<p>Default in Payment: In case of default in payment of Coupon and/or principal redemption on the Redemption Date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.</p> <p>Delay in Listing: <u>For applicant other than FPI/FII/sub-accounts of FIIs</u> In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p><u>For investments by FPIs / FII/sub-accounts of FIIs</u> In case of delay in listing of the Debentures beyond 15 days from the Deemed Date of Allotment, the Company will pay penal interest @1 % p.a. over the Coupon from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the investor.</p> <p>With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No.89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai –400 001 in respect of FII investment in 'to be listed' debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of</p>

Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem / buyback the Debentures from the FIIs/sub-accounts of FIIs

The interest rates mentioned in above are independent of each other.

Illustration of Cash Flows:

Company	EDELWEISS ASSET RECONSTRUCTION COMPANY LIMITED	
Face Value	Rs. 100,000/- Per Debenture	
Deemed Date of Allotment	28-Feb-19	
Redemption Date	31-Mar-20	
Coupon	Scenario	Coupon
	If Final Fixing level <= 50% of Initial Fixing Level	0.00%
	If Final Fixing Level > 50% of Initial Fixing Level	12.52%
Coupon Payment Dates/Frequency	Coupon if any, will be paid on Redemption Date	
Day Count Convention	Not Applicable	

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	31-Mar-20	397	* Coupon linked to Underlying / Reference Index.
Face Value	31-Mar-20	397	Rs. 100,000/- Per Debenture
Total	31-Mar-20	397	Rs. 100,000 *(1+Coupon) /- Per Debenture

* Coupon on the Debentures, if any shall be payable on the Redemption Date

***Principal Amount = (Face Value per debenture) * (No. of Debentures subscribed)**

Company reserves the right to change the issue closing date and in such an event, the Deemed date of allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.

23.SCENARIO ANALYSIS FOR A0A91 1A01

The following table shows the value of the Debenture at maturity under different market conditions:

Scenario I

Final Fixing Level is less than Initial Fixing Level

Initial Fixing Level	Final Fixing Level	Underlying Performance	Coupon	Annualized Return
908.44	0.00	-100.00%	0.00%	-1.31%
908.44	90.84	-90.00%	0.00%	-1.31%
908.44	181.69	-80.00%	0.00%	-1.31%
908.44	272.53	-70.00%	0.00%	-1.31%
908.44	363.38	-60.00%	0.00%	-1.31%
908.44	454.22	-50.00%	0.00%	-1.31%
908.44	454.31	-49.99%	12.52%	10.00%
908.44	545.06	-40.00%	12.52%	10.00%
908.44	635.91	-30.00%	12.52%	10.00%
908.44	726.75	-20.00%	12.52%	10.00%
908.44	817.60	-10.00%	12.52%	10.00%

Scenario II

Final Fixing Level is equal to Initial Fixing Level

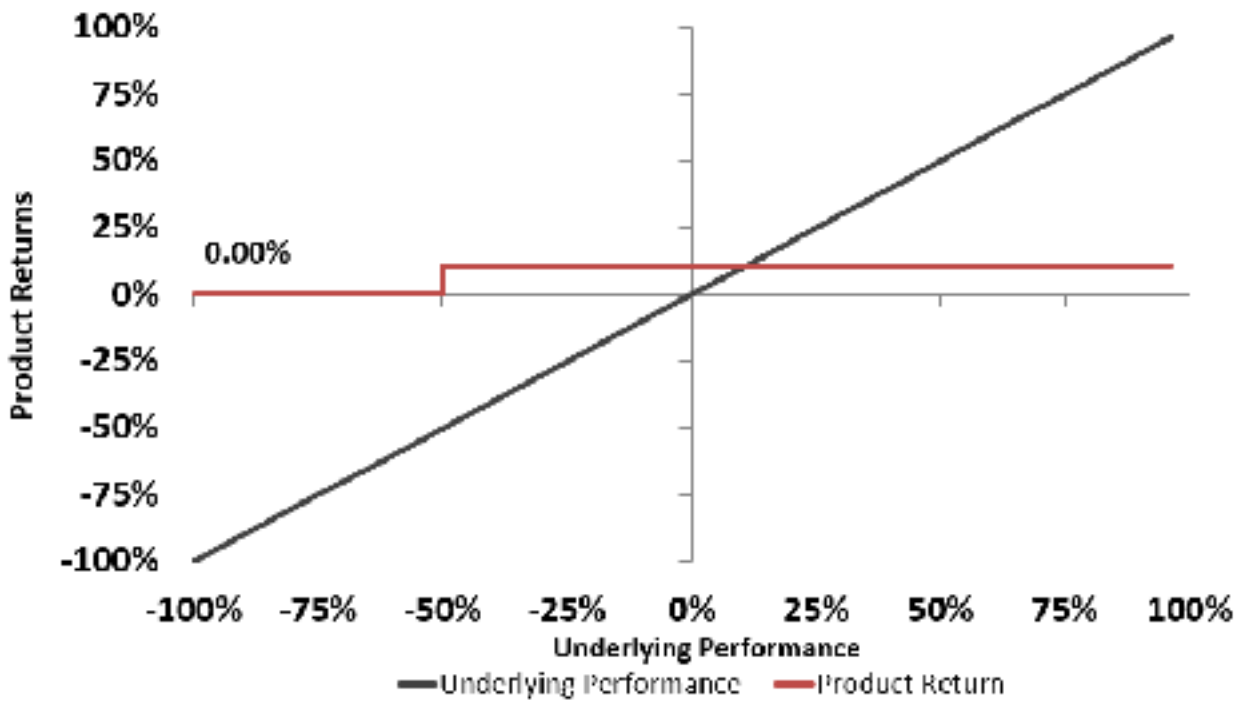
Initial Fixing Level	Final Fixing Level	Underlying Performance	Coupon	Annualized Return
908.44	908.44	0.00%	12.52%	10.00%

Scenario III

Final Fixing Level is greater than Initial Fixing Level

Initial Fixing Level	Final Fixing Level	Underlying Performance	Coupon	Annualized Return*
908.44	999.28	10.00%	12.52%	10.00%
908.44	1090.13	20.00%	12.52%	10.00%
908.44	1180.97	30.00%	12.52%	10.00%
908.44	1271.82	40.00%	12.52%	10.00%
908.44	1362.66	50.00%	12.52%	10.00%
908.44	1453.50	60.00%	12.52%	10.00%
908.44	1544.35	70.00%	12.52%	10.00%
908.44	1635.19	80.00%	12.52%	10.00%
908.44	1726.04	90.00%	12.52%	10.00%
908.44	1816.88	100.00%	12.52%	10.00%

*Effective annualized returns are calculated basis effective issue price



This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.



Edelweiss
 Ideas create, value grows.