

Terms and Conditions

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| Issuer | Afcons Infrastructure Limited ("Afcons") ("the Issuer" / "Company") |
| Promoter Group | Shapoorji Pallonji Group ("SPG") |
| Sole Arranger | YES Bank Limited ("YBL") |
| Instrument | Unsecured Unlisted Rated Redeemable Non-Convertible Debenture ("NCDs") |
| Amount | INR 100 Crores (Rupees One Hundred Crores Only) |
| Mode of Placement | On private placement basis |
| Credit Rating | 'AA/Stable' by ICRA |
| Face Value of NCDs | Rs. 10,00,000/- per Bond |
| Issue Price of NCDs | At par i.e. Rs. 10,00,000/- per Bond |
| Tenor | 5 Years from Deemed Date of Allotment |
| Coupon Rate | 8.65% p.a. payable annually |
| Redemption | Bullet at the end of 5 Years from the Deemed date of Allotment |
| Interest Payment | Annual |
| Put Option | NA |
| Call Option | NA |
| Purpose of NCD | The Issuer shall use the Issue Proceeds towards Capital expenditure and / or towards long term working capital requirements, however specifically excluding for acquisition or purchase of land and/ or investment in Capital Markets or any other activities not permitted by the Reserve Bank of India. |
| Security | Unsecured |
| Listing | Unlisted |
| Default Interest rate | In case of default in payment of Interest and/or Principal redemption on the due dates, additional interest of 2.00% p.a. over the coupon rate will be payable by the Company for the defaulting period. |
| Business Convention | <p>Day</p> <p>If the coupon payment date of the debentures falls on a Saturday/Sunday or a holiday or a day on which no RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next Working Day shall be considered as the effective date.</p> <p>If the maturity date of the debentures falls on a Sunday or a holiday or a day on which no RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the redemption proceeds shall be paid on the previous working day.</p> <p>Such coupon payment on the next working day would not constitute non-payment on due date and no additional payment will be made for such day(s)</p> |
| Pay-in Date | 23 February 2017 |
| Deemed Date of Allotment | 23 February 2017 |

| Day Count Basis | Actual/ Actual |
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| Management covenants | <p>Shareholding Covenant & Management control SPG, at all times during the tenor of the NCDs shall have a minimum of 51% shareholding ownership in the Issuer and shall have management control during the tenor of NCDs</p> <p>Non Compliance of the above Covenant will constitute an Event of Default unless any specific NOC is obtained from the Majority Debenture Holders.</p> |
| Rating Covenants | <p>Step Up Coupon In case of rating downgrade by 2 notches by ICRA i.e. to A+, the Coupon rate shall be increased upwards by 25 bps and another 25 bps for every notch of downgrade thereafter. (i.e. 25 bps for downgrade of rating to A+, 50bps for downgrade of rating to A and so on).</p> <p>The revised Coupon rate shall be applicable from the date of communication by the Credit Rating Agency.</p> <p>In case the rating is restored back or upgraded by ICRA the coupon shall be reduced back by 25 basis points, from the then prevailing rate, for each rating upgrade, but no coupon rate reduction would be applicable corresponding to rating upgrade from A+ to AA-. For purposes of clarity it is to be noted that Coupon rate at any points in time would not be reduced from original coupon rate.</p> |
| | <p>Early Redemption Event In the event the rating is downgraded to A- or below by ICRA or any other credit rating agency during the tenor of the NCDs, then each Debenture Holder shall have an option to redeem the Non-Convertible Debentures within a period of 30 days from such announcement by the rating agency.</p> <p>If, upon an Early Redemption Event, the Debenture Holders wish to exercise their right to an Early Redemption, then the Debenture Trustee must submit a written notice, to that effect, to the Issuer. Upon receipt of such notice, the Issuer must repay the outstanding amounts and redeem the NCDs within 30 (Thirty) working days of receipt of such notice.</p> |
| Security Covenant | In the event the Issuer provides any security to any NCD issuance at a date later than the Deemed Date of Allotment, the Issuer agrees to extend the security of movable fixed assets with a security cover of 1.10x over this specific outstanding NCD amounts within a period of 30 days from such an event. |
| Information Covenants | The issuer agrees to provide the following information within the agreed time periods: |

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| | <ul style="list-style-type: none"> • Audited annual financial statements within 180 days of FY end • Unaudited Half yearly financial statements within 90 days of the relevant Half year end |
| Negative Covenants | <p>Without the prior written permission of the Trustee, the Issuer shall not take any action in relation to the items set out in this Clause. The Trustee shall give its prior written approval/dissent within 21 (Twenty One) Business Days after having received a request to give its approval provided such request is accompanied by the relevant information substantiating the request for the Debenture Holders to make a conscious discussion. The Trustee shall take the consent of the Majority Debenture Holders prior to any such approval/dissent.</p> <p>(i) CONSTITUTIONAL DOCUMENTS Change its articles of incorporation or organizational documents in any material way which would prejudicially affect the interests of the Debenture Holders.</p> <p>(ii) DIVIDEND Declare or pay any dividend to its shareholders during any financial year unless it has paid all the dues to the Debenture Holders/Trustee up to the date on which the dividend is proposed to be declared or paid or has made satisfactory provisions therefore provided that such dividend shall be declared and/or paid only from income earned from the financial year in which such dividend has been declared and/or paid and so long as no Event of Default exists or is continuing or would result there from.</p> <p>(iii) CHANGE IN ACCOUNTING POLICIES Change in the existing accounting policies of the Issuer.</p> <p>(iv) CORPORATE RESTRUCTURING Any merger, amalgamation, demerger, consolidation or corporate restructuring</p> |
| Events of Default | <p>An Event of Default shall have occurred upon the happening of any event or circumstances, including those mentioned hereunder: Cure Period of 30 days is applicable for each of the EOD except point (a), (b) and (c) for which no cure period is available and for EOD (h) for which 60 days is applicable.</p> <p>(a) The Issuer does not pay, on the due dates, any amount payable under Debenture Trust Deed;</p> <p>(b) Cross default with any other debt obligation of the Issuer.</p> <p>(c) Issuer not redeeming the debentures after 30 working days from the notice of Early Redemption subsequent to Rating Downgrade as per Rating Covenant;</p> |

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| | <p>(d) Breach of Management Covenants as described above;</p> <p>(e) Breach of any of the Negative Covenants as described above</p> <p>(f) If the Issuer 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 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> <p>(g) If the Issuer 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;</p> <p>(h) If a petition is filed for the winding up of the issuer and the same is admitted, and such petition is not dismissed or stayed within a period of 60 (Sixty) days of such petition being admitted;</p> <p>(i) Material Breach of any representations and/or warranties or covenants contained in this Deed or any other Transaction Document, which is detrimental to the interest of the Debenture Holders in the discretion of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) or any such representations and/or warranties are found to be untrue, misleading or incorrect, when made;</p> <p>(j) One or more events, conditions or circumstances (including any change in law) shall occur or exist which in the opinion of the Debenture Trustee, could have a Material Adverse Effect</p> |
| Debenture Trustees | To be mutually decided |
| Expenses | All expenses including but not limited to stamp duty, legal expenses, issuances costs such as credit rating charges, trustee fees, registrar charges, listing fees etc shall be directly on account of the Issuer |

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| Material Adverse Circumstances | <p>These terms are subject to there being no material adverse change (or an event which is likely to result in a material adverse change) in -</p> <p>(a) The financial or business conditions of the Issuer</p> <p>(b) The Indian political or economic circumstances or the Indian capital, debt, credit or foreign exchange markets which in the sole opinion of the Sole Arranger would impact the successful syndication of the issue of Debenture. This clause shall apply from the date of the proposal up to the date of closure of syndication.</p> <p>In such an event, the Sole Arranger shall have the option to renegotiate the terms of the issue or return the mandate.</p> |
| Issue of Debenture | Electronic credit for Debentures shall be made within 2 days from the Deemed Date of Allotment of Debentures |
| Resolutions required | The Issuer should ensure that all the consents and resolutions required to issue NCDs are in place prior to the issue. |
| Transaction Documents | <ol style="list-style-type: none"> 1. Information Memorandum / Disclosure Document/PAS-4 2. Debenture Trustee Agreement 3. Debenture Trust Deed 4. Rating Letter (not older than 1 month) 5. Rating Rationale (not older than 6 months) 6. Debenture Trustee Consent Letter 7. Board Resolution, other relevant resolutions and approvals authorizing the borrowing via NCDs <p>Any other document as agreed between the Issuer and the Debenture Trustee</p> |
| Investor Profile | Banks, Financial Institutions, Insurance Corporations, Corporate Investors. There shall be no negative list of investors |
| Majority Debenture Holders | Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures for the time being outstanding. |
| Record Date | 15 days prior to each Coupon date/ redemption date |
| Clear Market Provision | The Issuer undertakes that it will not raise or enter into discussions to raise or attempt to raise NCDs for a period of 45 days from Deemed date of Allotment. |
| Exclusivity | During the validity of the Offer, the Sole Arranger will have the exclusive right to arrange the Issue. In the event potential investors approach the Issuer directly, the Issuer should direct them to the Sole Arranger. |
| Publicity Communication & | On successful conclusion of the transaction, the Sole Arranger reserves the right to issue publicity material such as tombstones, advertisements etc. |
| Governing Law and Jurisdiction | The laws of India and the jurisdiction in the event of any suit that will govern the mandate or legal action shall lie with the High Court of Mumbai |