



**Date: 09/11/2017**

**TERM SHEET - INE197P07144**

ISIN	INE197P07144
Security Name	9.00% Secured Redeemable Non-Convertible Debentures ('NCD' / 'Debentures') August 2024
Series	Series E – II
Issuer	A. K. Capital Finance Private Limited
Nature of Instrument	Secured
Type of Instrument	Secured Rated, Listed, Redeemable Non-Convertible Debentures (NCDs)
Seniority	Senior
Mode of Issue	Private placement
Eligible Investors	As provided in the caption titled "Eligible Investors" in the Shelf Disclosure Document dated June 20, 2017.
Listing	Debentures are proposed to be listed on the WDM of the BSE  <i>In case of delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1 % p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.</i>
Rating of Instrument	"BWR AA(SO)" & "SMERA AA (SO)"  <i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue.</i>
Credit Enhancement	Credit Enhancement on account of presence of a Debt Service Reserve Account (DSRA) equivalent to a minimum of 20 per cent of the principal amount outstanding on the NCD in the form of Bank Fixed Deposits, "AAA" Rated Liquid Bonds, bank guarantee, in any combination.
Option to retain oversubscription	N.A.
Objects & Details of the utilization of the Proceeds	As provided in the caption titled "Object & Utilization of the Issue Proceeds" in the Shelf Disclosure Document
Trustee	Catalyst Trusteeship Limited (formerly known as GDA Trusteeship Ltd )





Amount	Rs.15 crores
Face value	The Debenture would be having face value of Rs. 1,00,000/- (Rupees One Lakh only) each.
Issue Price	Rs. 1,02,243.84/- per Debenture
Redemption Date	August 10, 2024
Coupon Rate	9.00 % p.a. Payable Annually & on Redemption
Coupon Payment Frequency	Annually and on Redemption
Coupon Payment Date	On June 23 <sup>rd</sup> every year and on Redemption.
Coupon Type	Fixed Coupon
Principle terms of Assets charged as Security	<p>The Debentures issued under this document shall be secured by a first charge over the identified 'Business Assets' which are standard in nature, of the Company and a pari passu charge over identified immovable property of the Company.</p> <p>The Company with respect to each category/series of Debentures shall at all times provides Security Cover of 1.05 (One Decimal Zero Five) times of the outstanding Debentures along with coupon thereon.</p> <p>The actual form, mode and method of security creation shall be decided in mutual consultation with the Trustee and the relevant documents shall be executed thereto. The Company shall at all times in consultation of the Trustees maintain a minimum security cover of 1.05 (One Decimal Zero Five) times of the value of the outstanding Debentures proposed to be issued by the Company under the current Shelf Disclosure Document.</p> <p>Subject to compliance with the Companies Act, applicable RBI Guidelines and the SEBI Debt Listing Regulations, the Company shall execute the Debenture Trust Deed in favor of the Debenture Trustee within three months from the Issue Closure Date(s).</p> <p>The Trustee shall provide consent to create pari-passu charge in future in favour of such other Lender (s) as may be requested by the Company, subject to the maintaining of the Minimum Security Cover of at least 1.05 (One Decimal Zero Five) times. Prior consent of the Debenture holder(s) will not be required for the same. The Issuer can raise additional debentures/loans/capital at any point of time subject to maintenance of Minimum Security Cover of 1.05 (One Decimal Zero Five) times.</p>







	<p>If the Company fails to execute the Debenture Trust Deed and or any other charge related documents , on or before the expiry of three months from the respective Issue Closure Date, then the Company shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum above the applicable Coupon Rate on all amounts outstanding Debentures (including the Outstanding Principal Amounts and any accrued interest) from the Deemed Date of Allotment until such time the deed is executed.</p> <p>Further, the Debenture Trustee shall have the right to provide consent to replace the assets provided as security for the NCDs, in part or full, with any other specific asset of the company, subject to maintenance of Minimum Security Cover as stipulated above, on the basis of the valuation as per the latest available FIMMDA Matrix for bond valuation. Prior consent of the debenture holders will not be required for the same.</p> <p>Non Maintenance of Minimum Security Cover as mentioned above will attract 1 % (One Percent) p.a. penalty over and above the Coupon Rate as specified in the Term Sheet, for the period of non-maintenance of cover.</p>
Debt Service Reserve Account (DSRA)	<p>The Company undertakes to maintain minimum 20 % of the NCD principal amount outstanding, in a separate Debt Service Reserve Account (DSRA) at all times during the tenure of the NCDs.</p> <p>The debenture trustee will be authorized to liquidate the DSRA or invoke bank guarantee in case the designated payment account is not funded by T-1 days for the coupon amount due on the forthcoming due date, T in case of a bank fixed deposit; T-2 days in case of a bank guarantee and T-3 days in case of 'AAA' rated liquid bonds. The debenture trustee may invest the above amount temporarily in bank fixed deposits and would be responsible for timely availability of such funds on the due date, T.</p> <p>In case the DSRA is utilized in full or part or the value of the DSRA is diminished below the minimum required, AKCFPL will be required to replenish the same within seven days of the occurrence of such an event. The rating centrally assumes adherence to the SPM by the debenture trustee and AKCFPL on an ongoing basis.</p>
Eligible Investors	<p>a. Mutual Funds</p> <p>b. NBFCs</p>





	<p>c. Provident Funds and Pension Funds</p> <p>d. Trust inclusive of public charitable trust subject to their investment guidelines</p> <p>e. Corporates</p> <p>f. Banks</p> <p>g. Insurance Companies</p> <p>h. Individual</p> <p>Any other person eligible to invest in the Debentures subject the relevant prevalent guidelines.</p>
Material Adverse Effect definition	"Material Adverse Effect" means in relation to any entity, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could reasonably be expected to cause a material and adverse effect on (i) the financial condition, business or operation of the entity which in the opinion of the Debenture Trustee is prejudicial to the ability of the entity to perform its obligations under the Transaction Documents; (ii) the ability of the entity to perform its obligations under the Transaction Documents; or (iii) the legality, validity or enforceability of any of the Transaction Documents.
Exercise Date/Coupon Reset Date	N.A.
Coupon Reset Process	N.A.
Day Count Basis	Actual / Actual
Representations and Warranties of the Issuer	As mentioned in the caption titled "Representations And Warranties Of The Issuer" in the Shelf Disclosure document to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.
Minimum Application size and in multiples Debt Security thereafter	The minimum application size for the Issue shall be 100 Debentures and in multiples of 1 Debenture thereafter.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/ Any other electronic mode
Depositories	NSDL/CDSL







Call Option	At the end of 48 months from the Deemed date of Allotment and every year thereafter.
Call Price	At Par
Call Notification Time	Seven Working Days
Business Day	Any being a day excluding Saturdays, Sundays or a public holiday in Mumbai.
Business Day Convention	<p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date/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 on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
Record Date	The date which will be used for determining the Debenture Holder(s) who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 7 (seven) calendar days prior to any Due Date.
Transaction Documents	<ul style="list-style-type: none"><li>i. Debenture Trustee Agreement, which confirms the appointment of Catalyst Trusteeship Services Limited (formerly known as GDA Trusteeship Ltd ) as the Debenture Trustee ("Debenture Trustee Agreement");</li><li>ii. Debenture Trust Deed,</li><li>iii. Shelf Disclosure Document and Term Sheet(s) for each tranche/series ;</li><li>iv. PAS-4</li><li>v. Any Term Sheet and supplements to the above mentioned Transaction Documents</li></ul> <p>Such other documents as agreed between the Issuer and the Debenture Trustee</p>
Conditions Precedent to Disbursement	<ul style="list-style-type: none"><li>1. Execution of Shelf Disclosure Document</li><li>2. Credit Rating Letter &amp; Rationale</li><li>3. Trustee Consent Letter</li><li>4. Resolution of the shareholders of the Company under Section 180(1)(c) and 180(1)(a) of the Act</li><li>5. Resolution of the shareholders of the Company under Section 42 of the Act</li><li>6. Resolution of the Company's Board of Directors authorizing the issuance of debentures</li><li>7. Resolution of the Company's Debenture Committee authorizing the issuance and allotment of debentures</li></ul>



	<b>8. Execution of the Debenture Trustee Agreement</b>
Conditions Subsequent to Disbursement	<p>The Company shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, pursuant to the Deemed Date of Allotment:</p> <ol style="list-style-type: none"> <li>1. the Company shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment of the respective Series;</li> <li>2. The Company will ensure listing of Debentures on the BSE;</li> <li>3. the Company shall, inter alia, file a copy of Form PAS-4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures with the ROC and SEBI with the prescribed fee within 30 (thirty) days from the date of the Private Placement Offer Letter and file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 30 (thirty) days of the allotment of Debentures along with a list of the Debenture Holders and with the prescribed fee or such other time as prescribed by law whichever is earlier; and</li> <li>4. the Company shall file a copy of Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the relevant series of Debentures along with a copy of the Private Placement Offer Letter with ROC and SEBI within 30 (thirty) days from the date of the Private Placement Offer Letter or such other time as prescribed by law whichever is earlier;</li> <li>5. Execution of Debenture Trust Deed and its registration with the relevant sub-registrar of assurances within the timeline prescribed under applicable law</li> <li>6. Filing of CHG 9 with the jurisdictional registrar of companies and in respect of the Debenture Trust Deed within 30 days of execution thereof.</li> <li>7. Execution of Such other documents as may be required</li> </ol>
Default Interest Rate/Additional Interest Rate / Penal Charges	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <ol style="list-style-type: none"> <li>a) If, at any time, a payment default occurs, the Company agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the outstanding principal amounts and any accrued but unpaid interest) from the date of occurrence of such a payment default until such payment default is cured or the Debentures are fully redeemed.</li> <li>b) If the Company fails to execute the Debenture Trust Deed and/or any other charge related documents on or before the expiry of three months from the respective Issue Closure Date , then the Company shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay</li> </ol>





	<p>additional interest at the rate of 2% (Two Percent) per annum over above the applicable Interest Rate on all amounts outstanding NCDs from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</p> <p>c) In the event there is any delay in listing of the Debentures beyond 20 (twenty) calendar days from the Deemed Date of Allotment, the Company will pay additional interest of 1% (One percent) per annum over the Interest Rate, from the expiry of 30 (thirty) calendar days from the Deemed Date of Allotment till the listing of the NCDs is completed.</p>
Events of Default	As set out in Section 5.4 of the Shelf Disclosure Document and as may be further specified and set out in the Transaction Documents and Issue Addendum. In the event of any conflict or discrepancy between this Shelf Disclosure Documents and the Issue Addendum or the Transaction Documents, the Transaction Documents shall prevail.
Consequences Of Events Of Default	As set out in Section 5.5 of the Shelf Disclosure Document and as may be further specified and set out in the Transaction Documents and Issue Addendum. In the event of any conflict or discrepancy between this Shelf Disclosure Documents and the Issue Addendum or the Transaction Documents, the Transaction Documents shall prevail.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s).
Governing Law	The Debentures / and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Mumbai and as more particularly provided for in the Debenture Trust Deed.

For A. K Capital Finance Private Limited

Authorized Signatory

