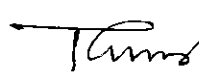
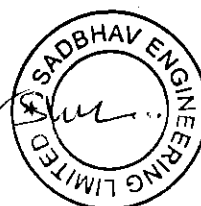
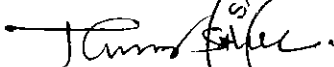
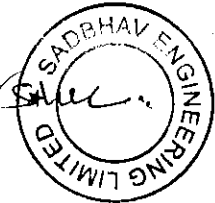


SUMMARY OF TERMS AND CONDITIONS

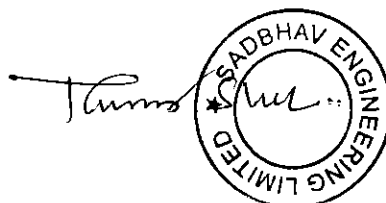
Issuer	Sadbhav Engineering Limited (“SEL”, “Company”)
Type of Instrument	Secured, Redeemable, Listed Non-Convertible Debentures (“NCDs”)
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors (“Investors”)	<ol style="list-style-type: none"> 1. Companies and Bodies Corporate including Public Sector Undertakings 2. Scheduled Commercial Banks 3. Financial Institutions 4. Insurance Companies 5. Provident Funds 6. Mutual Funds 7. Individual Investors 8. Foreign Institutional Investors 9. Any other investor authorised to invest in such NCDs.
Listing	Proposed to be listed on Wholesale Debt Market (WDM) Segment of the BSE Ltd. (BSE) within 20 days of the deemed date of allotment of the relevant Debentures.
Rating of the Instrument	Minimum A+ by Care Ratings
Option to retain oversubscription	None
Objects of the Issue	Refinancing of debt and working capital of Issuer The proceeds of the NCD issue will not be utilized towards investments in capital markets, speculative activity, acquisition of land and any other real estate investments or real estate purposes.
Payment Mechanism	Any dues to the investor shall be deposited in an identified Designated Account 3 business days prior to the redemption date of the relevant NCDs.
Funding Shortfall Event	If dues to the Investor is not deposited as per payment mechanism above, Debenture holders will have right to accelerate debentures, declare event of default and liquidate the security or any other rights available under the transaction document
Rating downgrade	<p>The coupon/YTM will step up by 0.25% per annum (from the date of downgrade) for every notch of rating downgrade over the prevailing coupon rate on the NCDs up to minimum of rating A-. (For example if rating falls from A+ to A, coupon/YTM will increase by 0.25% per annum).</p> <p>If rating falls below A-, Investors will have the option of early redemption subject to 30 days written notice. If option of early redemption is not exercised by Investors, prevailing coupon will increase by 50 bps for every notch downgrade.</p> <p>In case of multiple ratings of Issuer Debentures, lowest rating would be considered for step up as well as early redemption.</p>
Face Value	Rs.10,00,000/- (Rupees Ten Lakh) per Debenture
Amount	Rs 170 Cr

Issue Open	June 22, 2018
Issue Close	June 22, 2018
Deemed Date Of Allotment	June 22, 2018
Maturity Date	Series 1 – date falling at the end of 3 years from the Deemed Date of Allotment Series 2 - date falling at the end of 4 years from the Deemed Date of Allotment Series 3 - date falling at the end of 5 years from the Deemed Date of Allotment
Put Option	Put Option for all the Series: Investors will have a Put Option at the end of 18 months from the deemed date of allotment. Put Option for Series 2 &3: Investors will have a Put Option at the end of 36 months from the deemed date of allotment.
Call Option	Wherever above put option is available with Investors, Call Option is also available with the Issuer
Coupon Rate	9% per annum
Coupon Frequency	Annual
Redemption Premium	The Debentures shall be redeemable at a premium of such amount which gives the holder of the Debentures an IRR of 9.90% p.a. computed using the XIRR function on Microsoft Excel 2010 Edition (“Rate of Return”). Redemption Premium per NCD, Maturity Date / Put date shall be the amount such that the internal rate of return on the debenture is equal to the Rate of Return on the relevant Redemption Date and/or Put/Call Option Date.
Day Count Basis	Actual/Actual Interest shall be computed on an “actual/actual basis”. Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis.
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 designated bank account up to one day prior to the relevant Deemed Date of Allotment. Where Pay-in Date and the relevant 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), the Issuer shall pay additional interest of 2% per annum in addition to the Coupon Rate or the Redemption Premium as applicable 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 up to but excluding the date on which such amount is actually paid.
Issue Price	Rs.10,00,000/- (Rupees Ten Lakh) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Minimum Application	Minimum of 1 (One) NCD and in Multiples of 1 (One) NCD thereafter
Issuance Mode of the Instrument	Demat only
Trading Mode of the Instrument	Demat only
Settlement Mode of the Instrument	Payment of interest and repayment of principal in relation to NCDs shall be made by way of ECS / Direct Credit / RTGS / NEFT/ Cheque (s) / Warrant (s) / Demand Draft (s).
Depository	National Securities Depository Ltd. (NSDL).
Business Convention	<p>Any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai or Ahmedabad) shall be a business day for the purpose of the Transaction Documents. ("Business Day")</p> <p>If the date for performance of any event or the due date for any payment including but not limited to the Maturity Date falls on a day that is not a Business Day, then the date in respect of performance of such event or the due date for payment shall be the immediately preceding Business Day.</p>
Record Date	7 days prior to each Coupon Payment/Maturity Date.
Security	<p>A. First charge on 1,81,86,060 shares representing 23% of total paid-up share capital of Mysore Bellary Highway Private Limited</p> <p>B. First exclusive charge on specific unencumbered machinery/equipments so as to provide a security cover more specifically detailed in the attached Annexure [A].</p> <p>C. First charge on 1,77,74,412 shares representing 5.04% of total paid-up share capital of Sadbhav Infrastructure Projects Limited</p> <p>Overall cover to be atleast 1.50x of the Outstanding Amount during the tenor of the facility.</p> <p>D. Upon the occurrence of any of the following events, the Issuer agrees that the Debentures (along with all monies in relation thereto) shall be secured by a first ranking pledge of such number of fully paid up equity shares of Sadbhav Infrastructure Project Limited, so as to provide minimum security cover of 1.50x (Pledge provided under C above will be included to calculate the required security cover of 1.50x) on the aggregate of the (i) Debenture amount (as reduced by the amounts redeemed, from time to time);</p>



and (ii) Coupon thereon (i.e., Coupon on the outstanding principal amount of the Debentures), at all times;

- a. breach of any financial covenant. *Provided* that deviation upto 5% (five percent) from the prescribed financial covenant(s) shall be permitted to be cured by the following next testing date; or
- b. rating of the Company is downgraded by a single notch from A+, or
- c. pledge of equity shares of SIPL/SEL, in excess of the Existing Pledge, is provided to any other lender as security for any future borrowings of the Company. *Provided* that in the event the equity shares constituting the Existing Pledge (or any part thereof) are released and subsequently re-pledged, such re-pledge shall be considered as part of the Existing Pledge for all intents and purposes; and such re-pledge shall not constitute an event, upon the occurrence of which, the equity shares held by the Pledgor in the Company/SIPL (as hereinbefore mentioned) would be required to be pledged for the Secured Obligations; or
- d. pledge of equity shares of the SIPL/SEL to any existing or new NCD in excess of "Existing Pledge" mentioned below.

"Existing Pledge" shall in relation to Sadbhav Engineering Limited, mean pledge of 8.00% of the total equity share capital of SEL and in relation to the SIPL, mean pledge of 26% (twenty six percent) of the total equity share capital of the Company.

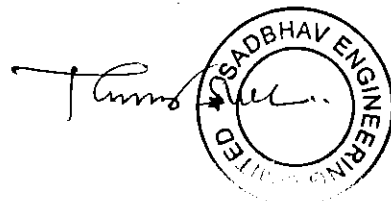
An initial valuation of the shares proposed to be pledged in terms of (A) and encumbrance over equipments in terms of (B) above shall be conducted, and the Company shall provide a copy of the same before the Deemed Date of Allotment. The Company shall provide a valuation report (at the cost and expense of the Company) of the shares pledged / proposed to be pledged in terms of (A) on an annual basis, from a reputed third party valuer of the Debenture Trustee's choice, with the first such valuation report to be submitted at the end of 1 (one) year from the Deemed Date of Allotment, at the cost and expense of the Company.

Security stipulated under (A), (B) and (C) shall be created upfront. The security to be perfected within 15 calendar days.

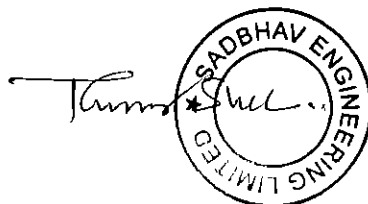
The security stipulated under (D) above shall be created and perfected within 5 (five) Business Days (or such other period agreed to by the Debenture Holders / Debenture Trustee in writing) from the occurrence of any of the events stipulated under (D) above.

Provided that upon the creation and perfection of the security stipulated under (D) to the satisfaction of the Debenture Trustee, the security stipulated under (A) and (B) shall be discharged and released.


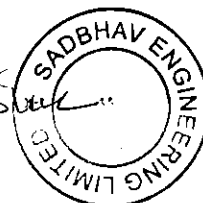
It being hereby clarified that the security stipulated under (A) and (B) above shall be valid and effective until the final settlement date or the

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "SADBHAV ENGINEERING LIMITED" around the perimeter and "SAD" in the center.

	<p>creation and perfection of the security stipulated under (D) above to the satisfaction of the Debenture Trustee, whichever is earlier.</p> <p>Security mentioned under (C) shall be released post deemed date of allotment to the extent further additional machinery have been provided as security so as to calculate a security cover of 1.50x</p>
Security Creation	<p>Security Creation and perfection: In the event of delay in security creation/perfection, issuer shall pay penal interest of 2% per annum over the Coupon Rate or the Redemption Premium, as applicable, for the delayed period till such conditions are complied.</p> <p>Investors have unconditional rights to put the NCDs in case of such delay with 2 (two) days of notice to the Issuer.</p>
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue as per latest SEBI guidelines applicable to NCDs/Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> 1. Security documents 2. Letter appointing trustees to the NCD holders 3. Debenture Trusteeship Agreement 4. Debenture Trust Deed 5. Rating Agreement with the aforesaid rating agency(ies) as regards to this Issue 6. Tripartite Agreement between the Issuer; Registrar and NSDL for issue of NCDs in dematerialized form 7. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar <p>Any other as per the requirement of the Debenture Trustee for the issuance of the NCDs</p>
Conditions Precedent to Disbursement	<p>The Issuer shall ensure that all the consents and resolutions required to issue the NCDs are in place prior to the issue. The Issuer shall also ensure that all regulations pertaining to this are complied with following documents:</p> <ol style="list-style-type: none"> 1. Final rating letter from CARE. 2. Letter of Offer and acceptance for Trusteeship appointment and execution of Debenture Trustee Agreement. 3. Certified Copy of Common Disclosure Document/Letter of Offer/Information Memorandum/Prospectus/Subscription Agreement. 4. The Company's Board resolution for appointing Debenture Trustee and also approving the various drafts of documents and authorizing the company directors/executives/officials to execute relevant documents towards creation of security against the borrowings through the NCD Issue. 5. The Company's Board resolution for allotment of NCDs within stipulated period under regulation. 6. The Company Shareholder's resolutions passed under Sections 180(1) (a) and 180(1) (c) of the Companies Act, 2013. 7. Undertaking/Certificate from the company secretary of the Issuer



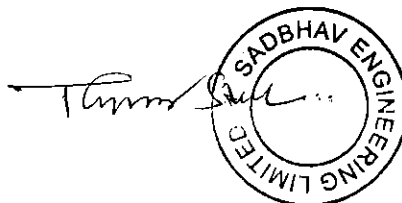
	<p>certifying compliance with Section 185 of Companies Act 2013.</p> <ol style="list-style-type: none"> 8. Auditor's Certificate/ Chartered Accountant certificate in regard to borrowing powers and borrowing Limits of the Company and the same is not exceeding by borrowings through the NCDs. 9. Certified Copy of updated Memorandum & Articles of Association of the Company and the Guarantor. 10. Copy of the latest annual report and the latest financial results announced. 11. Application for Income Tax clearances under Section 281(i) (ii) of the Income tax Act, 1961 for creating charge in favour of Debenture Trustee. 12. Certificate from a Chartered Accountant certifying that the Company does not have any tax dues etc. except as disclosed 13. Letters from CARE Ratings in relation to provisional rating of the Debentures. 14. Application to Depository for creation of ISIN. 15. In respect of Pledge Shares :- <ol style="list-style-type: none"> i) Percentage of shares proposed to be pledged to the paid up capital. ii) Names of the stock exchange on which the Pledge Shares are listed, if applicable. iii) In case of Corporate Pledgors their respective latest certified MOAs, Annual Reports/Balance Sheet iv) Certificate under section 186 of the Companies Act, 2013. 16. Debenture Trustee's consent letter. In-principal Listing letter from the stock exchange 17. Debenture Trustee Agreement 18. Debenture Trustee Deed <p>Any other as per the requirement of the Debenture Trustee for the issuance of the NCDs</p>
Conditions subsequent to Disbursement	<ol style="list-style-type: none"> 1. CHG-9 duly signed together with copy of MCA Challan evidencing filing of the same with MCA. 2. ROC Certificate evidencing registration of charge over Pledge Shares in favour of Debenture Trustee 3. Confirmation/proofs of payment of interest and principal made to the NCD holders on due dates. 4. Auditor's certificate for utilization of funds/Issue proceeds 5. Income Tax clearances under Section 281(i) (ii) of the Income tax Act, 1961 for creating charge in favour of Debenture Trustee. Communicate to the debenture holders on half yearly basis the compliance of the terms of the issue by the body corporate, defaults, if any, in payment of interest or redemption of debentures and action taken therefor. 6. Any other as per the requirement of the Debenture Trustee for the issuance of the NCDs.
Financial Covenants	<p>Total Debt to Equity of SEL to not exceed 1.25x</p> <p>Total Debt to EBITDA (including other income) of the SEL (standalone basis) should not exceed 3.75 times</p>

	<p>Covenants to be tested on semi-annual basis (30th Sep & 31st March)</p> <p>Total Debt mean the aggregate of (i) all long term debt outstanding, whether secured or unsecured; (ii) 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; (iii) receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis); (iv) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; and (v) any amount raised by acceptance under any acceptance credit facility.</p>
Shareholding & Control Covenant	<p>In case of breach of any of the following Debenture Holders will have the option of early redemption subject to 15 days written notice or call an EOD (at their sole discretion)</p> <ol style="list-style-type: none"> 1. SEL to (i) hold at least 51% (Fifty One Percent) of the equity share capital in the SIPL (taken on a fully diluted basis); and (ii) have the ability to appoint majority of the directors of the Board of directors of the SIPL; and (iii) to have the ability to control and direct the business, operations and functioning of the SIPL; 2. The Promoters to (i) hold at least 40% of the equity share capital in SEL (taken on a fully diluted basis); and (ii) have Management Control of SEL 3. Any change in Control of the Issuer and / or Mr. Shasin Patel and / or Mr. Vasistha Patel ceasing to be Key Managerial Personnel of the Company and /or Mr. Vishnubhai Patel ceasing to be Chairman Emeritus of the Company without the prior written approval of the Debenture Holders.
General Covenants	<ol style="list-style-type: none"> 1. Issuer shall not amend or modify its objects Clause or any clause that effects its security/rights of the Debentures Trustee/NCD holders in its Memorandum of Association and Article of Association without prior consent of the Debenture Trustee/NCD holders except if mandated by law. Debenture Trustee/NCD holders shall provide its consent within 7 days from the date of request letter sent to them, otherwise it shall be deemed to be accepted. 2. Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Investors) without prior consent of the Debenture Trustee/NCD holders 3. Issuer shall not change the accounting method or policies currently followed without prior consent of the Debenture Trustee/NCD holders unless otherwise mandated by law. 4. Company to intimate Debenture Holders before any sale of asset/business/division above Rs. 25 crs. In case Debenture Holders are not comfortable with the same, Debenture Holders will have the option of early redemption subject to 15 days written notice 5. Merger/demerger or re-structuring of the existing business has to be with the prior consent of the NCD holders 6. Issuer's net worth to remain positive during the tenor of the Issue. 7. No dividend, if a payment Default has occurred and is subsisting. <p>Other covenants to be stipulated as per credit approvals.</p>



Representation and Warranties	<p>The Transaction Documents shall contain customary representations and warranties, conditions, covenants and indemnities including but not limited representations in connection with:</p> <ol style="list-style-type: none"> 1. Status, binding obligation, power and authority. 2. Non-conflict with other obligations. 3. Insolvency. 4. No misleading information. 5. Compliance with the applicable laws. 6. Representations in relation to security being provided / caused to be provided. 7. Good title to assets. 8. No Wilful Defaulters. <p>More detailed points in DTD</p>
Events of Default ("EOD")	<p>Events of default as stated in the Transaction Documents, including but not limited to the following:</p> <ol style="list-style-type: none"> 1. *Failure to pay amounts due under the Issue on the relevant due date by the Issuer; 2. *Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer/SIPL or any subsidiary of Issuer; 3. *Payment default / an Event of Default declared by the lender which is continuing / acceleration under agreements for indebtedness of the Issuer/SIPL or any subsidiary of Issuer 4. *Illegality, cessation of business of the Issuer or SIPL or any subsidiary (direct/indirect) of Issuer 5. *Security in jeopardy 6. *Bankruptcy, CDR proceedings filed with respect to the Issuer /SIPL or any subsidiary of Issuer 7. Breach of any of the terms of the Transaction Documents by the Issuer. 8. Breach of any covenants 9. Breach of any Representations and Warranties 10. Nationalization or expropriation of any of a substantial part of the assets of the issuer; 11. Unlawfulness or moratorium; 12. Breach of Shareholding & Control covenant of the Issuer without prior approval <p>Any others that may be advised by credit committee and legal counsel. Specific cure period to be provided during documentation. More detailed points including cure periods to be defined in DTD</p>
Consequences of Event of Default	<p>The consequences of occurrence and subsistence of any default will, include but not be limited to the following:</p> <ol style="list-style-type: none"> 1. Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security; 2. To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer; 3. Enforce its right under the Transaction Documents;



	<p>4. Charge Default Interest. It is clarified that the default interest shall be charged 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</p> <p>5. Any cost incurred on any of the above shall be borne by Issuer.</p>
Debenture Trustee	IDBI Trusteeship Services Limited
Role and Responsibilities of Debenture Trustee	As per SEBI (Debenture Trustee) Regulations, 1993, SEBI (Issue and Listing of Debt Securities) Regulations 2008, Listing Agreement as amended from time to time
Governing Law and Jurisdiction	The NCDs are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai.
Market Flex	<p>The commitment of the Investor to provide the facilities at the present terms shall be subject to a number of conditions including there being in the opinion of the Investor:</p> <ul style="list-style-type: none"> - the absence of any material adverse change (or any event which is likely to result in a material adverse change) in the business, assets, operations, financial condition of prospects of the Company or credit rating of the Company since the date of the last annual audited or unaudited financial statements; or - No material change in the domestic or international loan, equity, capital or financial markets, in each case since the date of this letter. - Policies of the AMCs/Banks / Regulator / Govt. etc.
Restricted Payments	<p>Issuer shall not:</p> <p>In case of a payment Default, Issuer shall not pay any dividends or make any distributions in respect of equity till such time the Event of Default is subsisting.</p>
Clear Market	<p>In the event that the Company propose to raise further funding through issuance of securities in India, during the period commencing from the date hereof and expiring on the date falling on the expiry of 3 (Three) months from the Deemed Date of Allotment, the Company shall ensure that the Company offers a right of first refusal to the Debenture Holders to make available such financing before approaching any other Person for making available / arranging for the said funding. If the said issuance is at a higher Yield To Maturity for the same/similar terms (including any fees to Arrangers or Investors) offered for the Debentures, the Company shall obtain a prior No Objection Certificate for the same from Majority Debenture Holders. In the event the Debenture Holders do not respond within 10 business days, it will be deemed that such Debenture holder do not desire to subscribe or has accorded its consent to the issue.</p>

