

## SECTION IV: ISSUE RELATED INFORMATION

### PART A- INDICATIVE TERMS OF THE ISSUE

The Company proposes to mobilise through private placement of non principal protected, unlisted, unrated, secured, redeemable, non-convertible debentures of face value of Rs 1,00,000/- (Rupees One Lac Only) each at par aggregating up to Rs. 24,00,00,000 (Rupees Twenty Four Crores, Only).

1.	Issuer	Assets Care & Reconstruction Enterprise Ltd.
2.	Subscribers	Varde Holdings Pte Ltd
3.	Debenture Trustee	Vistra ITCL (India) Limited (Formerly known as IL&FS Trust Company Limited)
4.	Nature of Instrument	Non-Principal protected, unlisted, unrated, secured, redeemable, non-convertible debentures.
5.	Facility Type	Non Principal Protected Non-Convertible Debentures.
6.	Issue Size, Amount	Rs. 24,00,00,000/- (Rupees Twenty Four Crores Only)
7.	Principal Amount	Rs. 24,00,00,000/- (Rupees Twenty Four Crores Only)
8.	Reference Value	Final realization value of the ARC Security Receipts as determined by the Company.
9.	ARC Security Receipts	Security receipts issued/to be issued by the ARC Trust and having a principal outstanding amount aggregating to Rs. 24,00,00,000/-.
10.	ARC Trust	ACRE-41 -TRUST
11.	Face Value	Rs. 1,00,000/- per Debenture (Rupees One Lac each)
12.	Deemed Date of Allotment	The date on which the Debentures are deemed to be allotted, the date not exceeding 15 (fifteen) days from the date of receipt of Principal Amount.
13.	Issue Opening Date	March 27, 2018.
14.	Issue Closing Date	March 28, 2018.
15.	Pay-in Date	March 28, 2018.
16.	Purpose	The proceeds of the Debentures shall be solely utilized for the purpose of funding the Company's share of security receipts of Reliance Communications Ltd from DBS Bank Ltd.



		<p>In the event the proceeds of the Debentures is used for any purpose other than for the purpose as stated above, then the same shall constitute an Event of Default and the Issuer shall be liable to redeem the Debentures.</p> <p>The Company undertakes that it will at all times adhere to the end use restrictions stipulated under notification SEBI/ HO/ IMD/ FPIC/ CIR/ P/ 2017/ 16 dated 28<sup>th</sup> February 2017 issued by the Securities Exchange Board of India and will not divert any funds raised by the issuance of the Debentures in real estate business (as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017 ), capital market and purchase of land.</p>
17.	Listing	Unlisted
18.	Tenor	Up to Eight years from the Deemed Date of Allotment which may be extended subject to approval of the Majority Debenture Holders and applicable laws.
19.	Redemption	<p>On the Final Redemption Date or earlier on the Redemption Date if a Redemption Event occurs.</p> <p>In the event a Redemption Event occurs before the expiry of the Tenor, certain portion of the Escrow Amounts shall be retained in the Escrow Account to the extent required in accordance with applicable laws.</p>
20.	Distribution Waterfall	<p>All Escrow Amounts deposited in the Escrow Account by the Company shall be released by the Escrow Account Bank upon the written instructions from the Debenture Trustee, which will be in the following order:</p> <ol style="list-style-type: none"> <li>1) <b>If they are in the nature of Fee:</b> 100% of amounts will be payable to the Company</li> <li>2) <b>If they are Reimbursements:</b> All amounts will be transferred to the Company in the bank account as may be designated by it, without any distributions to the Debenture Holders.</li> </ol>



		<p>3) <b>If they are in the nature of SR Principal Redemptions:</b> An amount equivalent to 100% shall be paid to the Debenture Holders towards redemption of Principal Amount;</p> <p>4) <b>If they are in the nature of SR Redemption Premium</b> All amounts will be paid to the Debenture Holders towards the payment of return over the Debentures to be distributed pro-rata amongst Debenture Holders ("Redemption Premium").</p> <p>5) <b>If they are Additional Amounts</b> All amounts will be paid to the Debenture Holders towards Interest. All amounts payable to the Debenture Holders are referred to as "Distributable Proceeds".</p>
21.	Record Date	The Record Date shall be the date falling 15 (fifteen) calendar days prior to Final Redemption Date or a Redemption Date, as the case may be.
22.	Issuance	Dematerialised mode
23.	Depository	NSDL and/or CDSL
24.	Security	<p>The Debentures, Redemption Premium, all interest, costs, fee, charges, expenses and all other monies in respect thereof shall be secured by:</p> <p>A first ranking exclusive charge on the Secured Assets ranking pari passu between the Debenture Holders.</p> <p>The Security to be created within 15 days of the Deemed Date of Allotment and perfected within 30 days from the Deemed Date of Allotment, in a form and manner satisfactory to the Debenture Trustee.</p>
25.	Call Option	Not Applicable.
26.	Put Option	Not Applicable.
27.	Debenture Documents	<ul style="list-style-type: none"> <li>(a) Information Memorandum and Offer Letter including PAS-4;</li> <li>(b) Debenture Trust Deed;</li> <li>(c) Escrow Agreement;</li> <li>(d) Security Documents; and</li> </ul>



		<p>(e) Any other document designated as a debenture document by the Debenture Trustee.</p>
28.	Events of Default	<p>As customary for a debenture issuance of this nature and (more particularly set out in the Debenture Trust Deed) to include, without limitation, the following:</p> <p>(a) Payment Default: The Issuer does not make payments on the due date for any amount payable by it under any Debenture Documents at the place and in the currency in which it is expressed to be payable. It is expressly clarified that a payment default will only occur where the Debenture Holders do not receive payments on (i) actual realization of cash flows from the ARC Security Receipts during the Tenor; and/or (ii) the end of the Tenor as set out in the Debenture Documents;</p> <p>(b) Default in performance of covenants and conditions under the Debenture Documents and such default shall have continued for a period of 30 days ("Cure Period") after notice in writing thereof been given to the Company by the Debenture Holders/ Debenture Trustee for remedying such default. It is clarified that the Cure Period will be applicable only in relation to events which are capable of being remedied;</p> <p>(c) Non-compliance of the financial covenants;</p> <p>(d) Representation or warranty found to be untrue or misleading when made or deemed to be repeated;</p> <p>(e) Utilization of the proceeds of the Debentures for purposes other than for which they have been granted;</p> <p>(f) If found that the Issuer have given any material false or misleading information to Subscribers or have concealed any material information from Subscribers which may lead to an event of default;</p> <p>(g) Happening of such material events, which may jeopardize the recovery of its financial</p>



		<p>assistance but does not include diminution of the underlying security receipts;</p> <p>(h) When in the opinion of the Debenture Trustees the Security Interest of Debenture Holders is in jeopardy;</p> <p>(i) Material adverse change;</p> <p>(j) Winding-up or dissolution of Issuer;</p> <p>(k) Insolvency, Bankruptcy and related events;</p> <p>(l) A petition for the reorganization, arrangement, adjustment, winding up (other than any vexatious or frivolous winding-up petitions) or composition of debts of the Company is filed and have been admitted or the Company makes an assignment for the benefit of its creditors generally;</p> <p>(m) Appointment of a Receiver or liquidator or insolvency resolution professional;</p> <p>(n) Cessation of business;</p> <p>(o) If the Company creates or attempts to create any charge on the Secured Assets or any part thereof without the prior approval of the Debenture Trustee; and</p> <p>(p) Other events of default customary to a transaction of such nature.</p> <p>The above shall be defined in detail in the Debenture Trust Deed.</p>
29.	Consequences of an Event of Default	On the occurrence of an Event of Default the Debenture Holders shall continue to hold the Debentures until maturity of the ARC Security Receipts and the Debenture Trustee shall under the Power of Attorney granted to it shall be entitled to enjoy the receipts from the ARC Security Receipts as on each of the Redemption Date.
30.	Governing Law and Jurisdiction	The Debenture Documents shall be governed under the laws of India. All claims or disputes arising out of or in relation to the Debenture Documents shall be settled and finally resolved by arbitration in accordance with the Arbitration Rules of the Mumbai Centre for International Arbitration, which rules are deemed to be incorporated by reference in this clause.



		<p>The seat of arbitration shall be New Delhi.</p> <p>The tribunal shall consist of three arbitrators. The language of the arbitration shall be English.</p> <p>The law governing this arbitration agreement shall be Indian laws. The law governing the contract shall be Indian laws</p> <p>Subject to arbitration, the Parties agree that the Courts in New Delhi shall have the exclusive jurisdiction to exercise all powers under the Arbitration &amp; Conciliation Act, 1996.</p>
31.	Cost and Expenses	<p>All expenses, both one time and ongoing, related to the issue of Debentures including but not limited to costs relating to stamp duty, legal fee, credit rating charges, documentation charges, legal charges, valuation charges and other expenses will be to the account of the Issuer.</p>
32.	Taxes	<p>All payments to be made by the Issuer to any Debenture Holder shall be subject to tax deduction under the applicable provisions of the Income Tax Act, 1961.</p> <p>In case, any withholding taxes are deducted from any payments made to the Subscriber, the Issuer shall produce the tax payment receipt/challan upon request by the Subscriber but in any case within 30 days from the deduction of such withholding tax.</p>

#### **PART B- DISCLOSURES AND INFORMATION RELATING TO THE ARC SECURITY RECEIPTS**

The ARC Trust has issued/will issue the security receipts having a principal outstanding amount aggregating to Rs 24,00,00,000 (Rupees Twenty Four Crores Only). The ARC Security Receipts are issued/will be issued pursuant to Sections 7 (1), 7 (2) and 7 (2A) of the SARFAESI Act.

It should be noted that there are no returns guaranteed on the ARC Security Receipts.

The redemption realisation period of ARC Security Receipts shall be 8 years from the date of its issue which may be extended as permissible under applicable laws.

#### **PART C- OTHER TERMS**

##### **Effect of Holidays**

