


**ASSET
RECONSTRUCTION**
PART A – SUMMARY TERM SHEET

Sr. No.	Particulars	Details
1.	Security Name	Reliance Asset Reconstruction Limited Market Linked Debentures RARC MLD Series RARC/A01 (“ Debentures ”)
2.	Issuer / Company	Reliance Asset Reconstruction Company Limited
3.	Category of Debentures	Category A Debentures
4.	Type of Instrument / Kind of Security	Rated, Listed, Secured, Redeemable Non-Convertible, Principal Protected Market Linked Debentures
5.	Series Number	RARC MLD Series RARC/A01
6.	Board Resolution for raising the Debentures	April 19, 2018
7.	Shareholders’ General Meeting Resolution Dated	August 2, 2014
8.	Nature of instrument	Secured
9.	Seniority	Senior The Debentures Holders shall have a pari-passu first charge over the Security created among the Trustee and the other lenders
10.	Mode of Issue	Private Placement
11.	Eligible Investor(s)	As mentioned in “Eligible Investors” on page 64 of the Information Memorandum
12.	Listing	The Issuer proposes to submit the listing document relating to the Debentures issued under this Information Memorandum to the BSE Limited (“BSE”) within 15 (fifteen) days of the Date of Allotment.
13.	Rating of the Instrument	BWR PP-MLD AA- by Brickwork Ratings
14.	Principal Amount / Face Value per Debenture	INR 1,00,000/- (Rupees One Lakh Only)
15.	Minimum Application and in multiples of thereafter	Minimum application shall be for 25 (Twenty-Five) Debenture(s) and in multiples of 1 (One) thereafter.
16.	Issue size / Amount which the Company intends to raise	INR 10,00,00,000 (Rupees Ten Crore Only) (i.e. 1,000 Debentures)
17.	Option to retain oversubscription (amount)	INR 5,00,00,000 (Rupees Five Crore Only)
18.	Utilisation of Issue Proceeds / Objects of the Issue	The Debentures have been issued to raise resources to meet the ongoing funding requirements for the Company’s business activities, for general corporate purposes and refinancing of the existing debt obligations of the Company

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19.	Details of utilization of the Proceeds	The Issue Proceeds shall be utilized in accordance with the “Utilisation of Issue Proceeds / Objects of the Issue” provision above
20.	Interest on Application Money	Not Applicable
21.	Default Interest Rate	Please refer to the “Default in payment” section page 45 of the Information Memorandum
22.	Call Option (Redemption at the Option of the Company)	The Issuer may at its sole discretion on any Business Day starting from the Call Option Start Date upto one day prior to the Final Redemption Date / Final Maturity Date, exercise a Call Option on the outstanding Debentures. The date as elected by the Issuer will be known as the Call Option Exercise Date. If the Call Option is exercised, the outstanding Debentures will be redeemed on the Call Option Payout Date at the Call Option Price.
	Call Option Start Date	December 12, 2019
	Call Option Payout Date	1 business day after the Call Option Exercise Date
	Call Option Price	100% of Principal Amount + Coupon Amount / Rate as calculated on the Call Option Exercise Date.
	Call Notification Time	By 3:00 pm on the Call Option Exercise Date
23.	Put Option (Redemption at the Option of Debenture holders)	The Debenture holder may at its sole discretion on any Business Day starting from the Put Option Start Date upto one day prior to the Final Redemption Date / Final Maturity Date, exercise a Put Option on the outstanding Debentures. The date as elected by the Debenture holders will be known as the Put Option Exercise Date. If the Put Option is exercised, the outstanding Debentures will be redeemed on the Put Option Payout Date at the Put Option Price.
	Put Option Start Date	December 12, 2019
	Put Option Payout Date	1 business day after the Put Option Exercise Date
	Put Option Price	100% of Principal Amount + Coupon Amount / Rate as calculated on the Put Option Exercise Date
	Put Notification Time	By 3:00 pm on the Put Option Exercise Date
	Put Option (Redemption at the Option of Debenture holders)	The Debenture holder may at its sole discretion on any Business Day starting from the Put Option Start Date upto one day prior to the Final Redemption Date / Final Maturity Date, exercise a Put Option on the outstanding Debentures. The date as elected by the Debenture holders will be known as the Put Option Exercise Date. If the Put Option is exercised, the outstanding Debentures will be redeemed on the Put Option Payout Date at the Put Option Price.

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24.	Issue Timing / Proposed Time Schedule 1. Issue Open Date 2. Issue Close Date 3. Pay in Date 4. Deemed Date of Allotment	<p>September 12, 2018</p> <p>September 14, 2018</p> <p>Between the Issue Open Date and Issue Close Date (both inclusive)</p> <p>September 14, 2018</p> <p>The Company reserves the right to change the above Issue Schedule, with the understanding that the Issue Close Date / Pay-in Date may be rescheduled, at the sole discretion of the Company, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Issue Close Date / Pay-in Date shall be communicated to each investor in the allotment advice (“Allotment Advice”).</p>
25.	Issuance mode of the Instrument	These Debentures would be issued only in Dematerialized form (Demat) through authorized DP
26.	Trading mode of the Instrument	Demat mode only
27.	Settlement mode of the Instrument	RTGS / NEFT / Fund Transfer to the bank details as per Depository records
28.	Depository(ies)	NSDL and CDSL
29.	Business Day Convention	Please refer to the “Effect of Holidays” section on page 68 of the Information Memorandum
30.	Record Date	15 days prior to each Coupon Payment / Final Redemption Date / Contingent Early Redemption Date (if applicable).
31.	Security	<p>(a) a first pari passu charge and mortgage over the Company's, Maharashtra Immovable Property (for details refer Annexure V hereto); and</p> <p>(b) Hypothecation of Security Receipts (for details refer Annexure V hereto)</p>
32.	Security Cover	<p>The Company shall maintain a minimum asset cover of 100% at all times to the extent that part (1) of the Security consists of Security Receipts with a rating of RR1 and higher (or equivalent).</p> <p>The Company shall maintain a minimum asset cover of 133% at all times to the extent that part (2) of the Security consists of Security Receipts with a rating of RR2 (or equivalent)</p>
33.	Contribution being made by the Promoters or directors either as	Nil

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	part of the offer or separately in furtherance of such objects	
34.	Transaction Documents	1. Debenture Trust Deed; 2. Information Memorandum; 3. Rating letter from Brickwork; 4. Consent letter of Karvy Computershare Private Limited to act as Registrar & Transfer Agent for the proposed issue; 5. Tripartite agreement(s) between the Company, Depository(ies) and the Registrar and Transfer Agent; and 6. Uniform Listing Agreement with BSE Limited.
35.	Conditions Precedent to Disbursement	Not applicable
36.	Condition Subsequent to Disbursement	Not applicable
37.	Events of Default	Please refer to the “Main events of default and remedies under the Debenture Trust Deed” section on page 74 of the Information Memorandum
38.	Provisions related to Cross Default Clause	Not Applicable
39.	Role and Responsibilities of Debenture Trustee	Please refer to the “Main events of default and remedies under the Debenture Trust Deed” section on page 74 of the Information Memorandum
40.	Governing Law and Jurisdiction	Please refer to the “Governing Law and Jurisdiction” section on page 76 of the Information Memorandum
41.	Payment Details	Settlement Bank : The Lakshmi Vilas Bank Limited Branch : Fort Account Number : 0174360000003337 Account Name : Reliance Asset Reconstruction Company Limited RTGS / IFSC Code : LAVB0000174
42.	Registrar and Transfer Agent	Karvy Computershare Private Limited
43.	Trustees	Vistra ITCL (India) Limited
44.	Placement Fee	For each of the Debenture applied for, a placement Fee of up to [xx]% of the Issue Price may be payable to the distributor (if any) by the Investor over and above the Issue Price. Note: For each of the Debenture applied for, the Issuer shall collect the Placement Fee, in addition to the Issue Price of the Debenture, from the Investor and credit such Placement Fee to the account of the distributor (if any). For the avoidance of doubt such Placement Fee is not and should not be construed as payment of commission as mentioned under section 40 of the Companies Act, 2013 and the rules made thereunder.

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45.	Early Redemption for Extraordinary Reason, Illegality and <i>Force Majeure</i>	<p>If, for reasons beyond the control of the Company, the performance of the Company's obligations under the Debentures is prevented by reason of force majeure including but not limited to an act of state or situations beyond the reasonable control of the Company, occurring after such obligation is entered into, or has become illegal or impossible in whole or in part or in the exercising of its rights, the Company may at its discretion and without obligation to do so, redeem and/or arrange for the purchase of all but not some of the Debentures, by giving notice of not less than 5 (five) Business Days to the Debenture Holders which notice shall be irrevocable and shall specify the date upon which the Debentures shall be redeemed (such date on which the Debentures become immediately due and payable, the “Early Redemption Date”).</p> <p>Provided however that if the Company believes or is advised that it is necessary to only redeem and/or arrange for the purchase of the Debentures held by only certain class of Debenture Holders to overcome or mitigate any such force majeure, then the Company may without obligation to do so, redeem and/or arrange for the purchase of only such number of the Debentures actually held by such class of Debenture Holders at the relevant time.</p> <p>If the Debentures are bought by the Company, the Company will, if and to the extent permitted by applicable law, pay to each Debenture Holder in respect of each of the Debentures held by such Debenture Holder an amount equal to the Early Redemption Amount of a Debenture notwithstanding the illegality or impracticability, as determined by the Company in its sole and absolute discretion.</p>
46.	Premature Exit	<p>At the request of an Investor, the Company shall at its discretion and without being obliged to do so, arrange for the buyback (“Premature Exit”) of such number of Debentures as the Investor shall request.</p> <p>Such Premature Exit shall occur at a price which shall take into consideration the market value of the Debentures, all costs incurred by the Company as a result of the Investor's request to early terminate the relevant number of Debentures (including costs of unwinding any hedge).</p> <p>Provided that, the price computed above may be further reduced by such amount not exceeding 10.00% of the face value of the Debentures, to be determined by the Company at its sole discretion.</p> <p>A request for Premature Exit by an Investor shall not be considered if made within 03 (three) months from the Deemed Date of Allotment.</p>

PROVISIONS RELATING TO COUPON (IF ANY) AND REDEMPTION AMOUNT PAYABLE

1.	Issue Price per Debenture/ Price of the Debenture & Justification	100% of Principal Amount (Face Value) (The security is being issued at par, with the Coupon Amount / Rate and Coupon Payment Frequency as mentioned below which is in accordance with the prevailing market conditions at the time of issue)
2.	Discount at which security is issued and the effective yield as a result of such discount	Not applicable
3.	Initial Valuation Date	September 14, 2018 The Initial Valuation Date may be rescheduled, at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the date mentioned herein. The actual Initial Valuation Date shall be communicated to each investor in the Allotment Advice.
4.	Final Valuation Date	The NSE Bond futures expiry date in the month of September 2019 (i.e. September 26, 2019, provided that, if such date is not a scheduled NSE Bond futures expiry date, then the NSE Bond futures expiry date as notified by the National Stock Exchange for that month will be considered as the Final Valuation Date)
5.	Final Redemption Date / Final Maturity Date	<ul style="list-style-type: none"> In case of exercise of either Call Option / Put Option : 1 business day after the Call Option Exercise Date / Put Option Exercise Date In case Call Option / Put Option is not exercised : December 14, 2020 <p>Since the Deemed Date of Allotment, Initial Valuation Date may be rescheduled at the sole discretion of the Issuer, to a date falling not later than 07 (seven) working days from the respective dates mentioned herein, this could result in change in the Final Redemption Date / Final Maturity Date.</p> <p>The actual Final Redemption Date / Final Maturity Date shall be communicated to each investor in the Allotment Advice.</p>
6.	Tenor	822 (Eight Hundred and Twenty Two) days from the Deemed Date of Allotment
7.	Redemption Amount	On the Final Redemption Date / Final Maturity Date, each Debenture Holder will receive per Debenture held an amount equal to 100% of Principal Amount + Coupon Amount
8.	Redemption Premium / Discount	Not applicable
9.	Coupon Type / Basis (a) Reference Index (b) Index Sponsor	Reference Index Linked Nifty 10 YR Benchmark G-Sec (Clean Price) index India Index Services & Products Limited (IISL)
10.	Change of Coupon Basis/Step Up/Step Down Coupon Rate	Not Applicable
11.	Coupon Payment Dates/ Frequency	Final Redemption Date / Final Maturity Date Only
12.	Observation Dates	The Initial Observation Date and each Subsequent Observation Date as below. <u>Initial Observation Date:</u>

		<p>The Initial Valuation Date (i.e. September 14, 2018)</p> <p><u>Subsequent Observation Dates:</u></p> <p>The NSE Bond futures expiry date in the months of July 2019 to September 2019 (both inclusive), which are expected to be as below*:</p> <table><tr><th>Sr.No. (i)</th><th>Subsequent Observation Date(i)</th></tr><tr><td>1</td><td>July 25, 2019</td></tr><tr><td>2</td><td>August 29, 2019</td></tr><tr><td>3</td><td>September 26, 2019</td></tr></table> <p>* Provided that, if any such date is not a scheduled NSE Bond futures expiry date, then the NSE Bond futures expiry date as notified by the National Stock Exchange for that month will be considered as the observation date.</p>	Sr.No. (i)	Subsequent Observation Date(i)	1	July 25, 2019	2	August 29, 2019	3	September 26, 2019
Sr.No. (i)	Subsequent Observation Date(i)									
1	July 25, 2019									
2	August 29, 2019									
3	September 26, 2019									
13.	Coupon Amount / Rate	<p>100% of Principal Amount * (Coupon A + Coupon B)</p> <p>Where,</p> <p>“Coupon A” shall mean :</p> <p>A) If Final Level >= 30% of Initial Level (i.e. 0.30 * Initial Level), Rebate</p> <p>Or</p> <p>B) If Final Level < 30% of Initial Level (i.e. 0.30 * Initial Level), Nil</p> <p>“Coupon B” shall mean :</p> <p>$(1 + \text{Coupon A}) * 9.50\% * (\text{Day-Count}/365)$</p> <p>“Rebate” = 11.66%</p> <p>“Final Level” = $\left(\frac{1}{3}\right) \times \sum_{i=1}^3 \text{Level}(i)$</p> <p>“Level(i)” = Official Closing Level of the Reference Index on the Subsequent Observation Date(i)</p> <p>“Initial Level” = Official Closing Level of the Reference Index on the Initial Observation Date</p> <p>“Day-Count” = Total number of days in the period starting from one day after the Call Option Start Date up to (and including) the Call Option Payout Date / Put Option Payout Date / Final Redemption Date / Final Maturity Date (as the case maybe)</p>								
14.	Valuation Agency	<p>The Valuation Agency CRISIL Limited shall be appointed by the Issuer and communicated to each Investor in the Allotment Advice.</p> <p>CRISIL Limited: The Valuation Agency will publish a valuation on its website at least once every calendar week. The valuation shall be available on the website of the Valuation Agency at http://crisil.com/capital-markets/mld-valuations.html</p>								

		<p>The Issuer will also make available, as soon as practicable, the valuation provided by the Valuation Agency on its website at www.rarcl.com.</p> <p>The cost of valuation shall be upto 0.10% p.a. of issue size and shall be borne by the Issuer.</p> <p>The latest and historical valuations for the the Debentures will be published on the website of the Issuer at www.rarcl.com and the website of the Valuation Agency at http://crisil.com/capital-markets/mld-valuations.html</p> <p>Upon request by any Debenture Holder for the valuation of the Debentures, the Issuer shall provide them with the latest valuation.</p>
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**ASSET
RECONSTRUCTION**
Disclosure of Cash Flows as per SEBI Circular No. CIR/IMD/DF/18/2013 dated October 29, 2013

Company	Reliance Asset Reconstruction Company Limited
Principal Amount / Face Value per Debenture	Rs. 1,00,000/- (Rupees One Lakh Only)
Issue Date	September 12, 2018
Date of Allotment	September 14, 2018
Final Redemption Date	December 14, 2020
Coupon Rate	Market Linked
Frequency of Coupon Payment with specified dates	On the Final Maturity Date/ Final Redemption Date only
Day Count Convention	Not Applicable

Cash Flows	Date (of actual payment)	No. of Days in Coupon Period	Amount in Rupees
Coupon	December 14, 2020	822	Market Linked
Principal Redemption	December 14, 2020	822	INR 1,00,000
Total			INR 1,00,000 + Market Linked Coupon

Note: Payment dates are subject to change as per holidays declared in that particular year. Payment convention as specified in SEBI Circular CIR/IMD/DF/18/2013 dated October 29, 2013 shall be followed.

Scenario Analysis

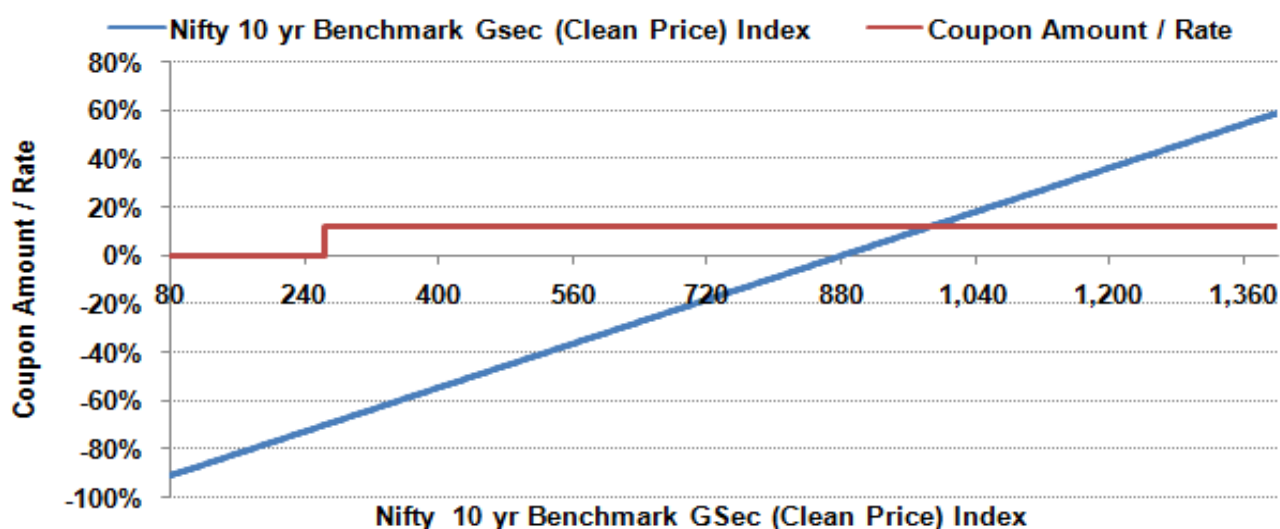
The scenario analysis set out below is an illustrative representation of the returns on the Debentures in the following scenarios. (Assuming Initial level of the Reference Index is 880)

In the following Tabular and Graphical Representation it is assumed that the Issuer has exercised the Call Option on the Call Option Start Date or the Debenture holder has exercised the Put Option on the Put Option Start Date.

A. Tabular Representation

Scenarios	Initial Level	Final Level	Performance of Reference Index	Coupon Amount / Rate	Initial Investment Amount	Redemption Amount	Return on Debenture (Annualized)
					(in INR)	(in INR)	
Rising Market Conditions	880.00	1,100.00	25.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	1,012.00	15.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	968.00	10.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	950.40	8.00%	11.66%	10,000,000	11,166,000	9.25%
Stable Market Conditions	880.00	924.00	5.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	888.80	1.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	880.00	0.00%	11.66%	10,000,000	11,166,000	9.25%
Falling Market Conditions	880.00	792.00	-10.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	660.00	-25.00%	11.66%	10,000,000	11,166,000	9.25%
	880.00	220.00	-75.00%	0.00%	10,000,000	10,000,000	0.00%

B. Graphical Representation



NOTE: This scenario analysis is being provided for illustrative purposes only. It does not represent all possible outcomes.