FORM NO. PAS 4 - SANKHYA FINANCIAL SERVICES PRIVATE LIMITED PRIVATE PLACEMENT OFFER LETTER- DATED MARCH 31, 2017

**ANNEXURE 4** 

#### **TERM SHEET**

Private Placement of 800 Unsecured, Unlisted, Unrated, Taxable, Redeemable, Non-Convertible Subordinate Debentures as Tier II capital of the face value of Rs. 10,00,000/- each, for cash aggregating to Rs. 80 Crores only.

Issuer	Sankhya Financial Services Private Limited		
Security Name	Series I NCDs – 2016-17		
Type of Instrument	Unsecured, Unlisted, Unrated, Taxable, Redeemable Non-Convertible Subordinate Debentures (NCDs)		
Nature of Instrument	Unsecured (Tier II)		
Seniority	Subordinate		
Mode of Issue	Private placement		
Eligible Investors	<ol> <li>QUALIFIED INSTITUTIONAL BUYERS ("QIBS"):         <ul> <li>Mutual Funds,</li> <li>Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;</li> <li>Scheduled Commercial Banks;</li> <li>State Industrial Development Corporations;</li> <li>Insurance Companies registered with the Insurance Regulatory and Development Authority;</li> <li>Provident Funds and Pension Funds with minimum corpus of Rs. 25.00 crore;</li> <li>National Investment Funds set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>Insurance funds set up and managed by army, navy or air force of the Union of India.</li> </ul> </li> <li>NON - QIBS:         <ul> <li>Companies and Bodies Corporate authorized to invest in bonds/ debentures;</li> <li>Co-operative Banks and Regional Rural Banks authorized to invest in bonds/ debentures;</li> <li>Gratuity Funds and Superannuation Funds;</li> <li>Provident Funds and Pension Funds with corpus of less than Rs. 25.00 crore;</li> <li>Societies authorized to invest in bonds/ debentures;</li> <li>Trusts authorized to invest in bonds/ debentures;</li> <li>Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures;</li> </ul> </li> </ol>		
Listing (including name of stock exchange(s) where it will be listed and timeline for listing	Unlisted		

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Rating of the Instrument	Unrated	
Issue Size	Rs. 80 Crore/- (Rupees Eighty Crores only)	
Option to retain oversubscription	Not Applicable	
Objects of the issue	The funds are being raised through issuance of NCDs to augment to Tier II capital of the issuer and for enhancing the its long-te resources.	
Detail of the utilization of the proceeds	The funds raised will be used by the Issuer for its various financing activities and the business operations.	
Coupon Rate / Yield	9.50% per annum	
Step Up / Step Down Coupon Rate	Not Applicable	
Coupon Payment Frequency	Annual	
Coupon Payment dates	31st March of each year till maturity	
Coupon Type	Fixed	
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc.).	Not Applicable	
Day Count Basis	Actual / Actual	
Interest on Application Money	At the Coupon Rate	
Default Interest Rate	2% pa over the Coupon Rate on the defaulted interest and/or principal redemption amount, for the duration of default	
Tenor	7 years	
Redemption Date	29 <sup>th</sup> March 2024	
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture	
Redemption Premium / Discount	Nil	
Issue Price	Rs.10,00,000/- (Rupees Ten Lakh only) per Debenture	
Discount at which security is issued and the effective yield as a result of such discount.	None	
Put option Date	Not Applicable	
Put Option Price	Not Applicable	
Call Option Date	Not Applicable	
Call Option Price	Not Applicable	
Put Notification Time	Not Applicable	
Call Notification Time	Not Applicable	
Face Value	Rs. 10,00,000/- (Rupees Ten Lakh only) per Debenture	

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Minimum Application & in multiples of Debt securities thereafter	Debenture thereafter	
Issue Opening date	31 <sup>st</sup> March 2017	
Issue Closing Date	31 <sup>st</sup> March 2017	
Pay in Date	31st March 2017	
Deemed Date of Allotment	31 <sup>st</sup> March 2017	
Issuance mode of the Instrument	Demat only	
Trading mode of the Instrument	Demat only	
Settlement mode of the Instrument Depository	Payment of interest and repayment of principal shall be made by way of credit through direct credit/ RTGS/ Fund Transfer/ NECS/ NEFT or any other electronic mode offered by the Banks.	
Depository(ies)	NSDL	
Business Day Convention	<ul> <li>Means a day (other than a Sunday and Saturday or a Bank holiday on which banks are open for general business in Mumbai#.</li> <li>1. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</li> <li>2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures until but excluding the date of such payment.</li> <li>#In terms of the SEBI Circular No. CIR/MD/DF-1/122/2016 dated 11 Nov, 2016, interest/redemption payments shall be made only on the days when the money market is functioning in Mumbai.</li> </ul>	
Record Date	15 days prior to each Coupon Payment / Principal repayment. If the record date is non-business day, then the previous working day will be considered.	
Security (where applicable) (Including description, type, likely date of creation, minimum cover, revaluation, replacement of security)	The Debentures will be unsecured.  Further, the Debentures will be subordinated to the claims of other creditors, free of restrictive clauses and will not be redeemable at the initiative of the Debenture holder, except with the previous consent of the Reserve Bank of India.	
Conditions Precedent to Disbursement	NIL	
Condition Subsequent to Disbursement	NIL	

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Events of Default	The events including but not limited to the following events, shall constitute an Event of Default for the purpose of the Issue:  a. Default in payment of monies due in respect of interest / Redemption Amount owing upon the Debentures on the respective due dates;  b. The Issuer voluntarily or compulsorily going into liquidation or having a receiver appointed in respect of all its assets or referring itself under any law providing protection as a relief undertaking;  c. Inability of the Issuer or admitting in writing its inability to service the interest/ repayment obligations of the Debentures on the due dates;  d. Filing a petition for the winding up of the Issuer and admission of the same and non-dismissal or stay of such petition within a period of 60 (Sixty) Business Days of such petition being admitted;  e. Commencement of a proceeding under any applicable bankruptcy, insolvency, winding up or other similar law, or admitting inability to pay its debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law;  f. Breach of any material representations and/or warranties or covenants contained in the 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);  g. Any material adverse event, as defined in the Transaction Documents.	
Transaction Documents	<ul> <li>i. Information Memorandum</li> <li>ii. Agreement appointing the Debenture Trustee to the Debenture Holders</li> <li>iii. Debenture Trust deed</li> <li>iv. Tripartite Agreement between the Issuer, Registrar and NSDL for issue of Debentures in dematerialized form</li> <li>v. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar</li> </ul>	
Provisions related to Cross Default Clause	Not Applicable	
Role and Responsibilities of Debenture Trustee	As per applicable laws	
Governing Law and Jurisdiction	Indian Law, Courts of Mumbai	

#### **Illustrative Cash Flow**

Particulars	Coupon payment Date	Actual date of payment	No. of days	Amount (Rs.)
1 <sup>st</sup> Coupon	Saturday, 31 March, 2018	Monday, 2 April, 2018	365	95,000
2 <sup>nd</sup> Coupon	Sunday, 31 March, 2019	Tuesday, 2 April, 2019	365	95,000
3 <sup>rd</sup> Coupon	Tuesday, 31 March, 2020	Tuesday, 31 March, 2020	366	95,000
4 <sup>th</sup> Coupon	Wednesday, 31 March, 2021	Wednesday, 31 March, 2021	365	95,000

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	Total			16,64,481
Principal	Friday, 29 March, 2024	Friday, 29 March, 2024	365	10,00,000
7 <sup>th</sup> Coupon	Friday, 29 March, 2024	Friday, 29 March, 2024	364	94,481
6 <sup>th</sup> Coupon	Friday, 31 March, 2023	Friday, 31 March, 2023	365	95,000
5 <sup>th</sup> Coupon	Thursday, 31 March, 2022	Thursday, 31 March, 2022	365	95,000

#### Note:

- > The Cash Flow displayed above is calculated per Debenture (face value of Rs. 10,00,000).
- > The Cash Flow is calculated considering year 2020 as Leap year. Hence number of days taken as 366 days for interest calculations. (Actual/ Actual as per SEBI Circular no: CIR/IMD/DF/18/2013 dated 29th Oct 2013 and SEBI Circular no CIR/IMD/DF-1/122/2016 dated 11<sup>th</sup> November 2016).
- > If the date of payment of interest happens to be holiday, the Interest payment will be made on the next working day
- > In case of Redemption of Debenture if the date happens to be holiday, the payment will be made on the previous working day.
- > The cash flow has been prepared based on the best available information on holidays and could further undergo change(s) in case of any scheduled and unscheduled holiday(s) and/or changes in money market settlement day conventions by the Reserve bank of India/ SEBI.
- > For the purpose of the above table, the Deemed Date of Allotment is considered as 31.03.2017
- > Interest payments are rounded-off to nearest rupee as per the FIMMDA 'Handbook on market practices'.

For Sankhya Financial Services Pvt. Ltd.

Director