

22. H) SUMMARY TERM SHEET FOR E9E705H

Security Name	ECAP – Secured Market Linked Non Convertible Debentures
Product Code	E9E705
Option Type	Option H
Issuer	ECAP EQUITIES LIMITED
Type of Instrument	Principal Protected - Market Linked Redeemable Non- convertible Debenture
Nature of Instrument	Secured
Seniority	Senior
Principal Protection	Principal is protected at maturity
Underlying/ Reference Index	NIFTY 50
Mode of Issue	Private Placement
Option to retain oversubscription (Amount)	Not Applicable
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures</p> <ul style="list-style-type: none"> • Individuals • Hindu Undivided Family • Trust • Limited Liability Partnerships • Partnership Firm(s) • Portfolio Managers registered with SEBI • Association of Persons • Companies and Bodies Corporate including Public Sector Undertakings. • Commercial Banks • Regional Rural Banks • Financial Institutions • Insurance Companies • Mutual Funds • FPIs /FIIs,/sub-accounts of FIIs • Any other investor eligible to invest in these Debentures
Minimum application Size	10 Debentures bearing face value of Rs. 100,000/- each and in multiples of 1 Debenture(s) thereafter.
Investor Category I	Subscription amount being less than Rs. 1, 00,00,000/- (Rupees One Crore) after considering discount or premium, if any.
Investor Category II	Subscription amount being equal to or greater than Rs. 1, 00, 00,000/- (Rupees One Crore) after considering discount or premium, if any.
Face Value	Rs. 100,000/- Per Debenture
Issue price	Rs. 100,000/- Per Debenture
Justification of Issue Price	Not Applicable
Tenor In Days	1247 Days from the Deemed Date of Allotment
Issue Opening Date	29-May-17
Issue Closing Date	29-May-17
Initial Fixing Date	As may be mutually decided between the Issuer and the Investor.
Initial Fixing Level	<p>If single date: Official Closing Level of NIFTY 50 as on Initial Fixing Date</p> <p>If multiple dates: Average of Official Closing Levels of NIFTY 50 as on Initial Fixing Dates</p>

Final Fixing Date	As may be mutually decided between the Issuer and the Investor.	
Final Fixing Level	If single date: Official Closing Level of NIFTY 50 as on Final Fixing Date If multiple dates: Average of Official Closing Levels of NIFTY 50 as on Final Fixing Dates	
Redemption Date *	27-Oct-20	
Redemption Value *	Face Value*(1+Coupon)	
Pay-in-Date	29-May-17	
Deemed Date of Allotment	29-May-17	
Underlying Performance	(Final Fixing Level / Initial Fixing Level) – 1	
Binary Level	Binary Level will be in the range of 70% to 170% and will be intimated to all the Investors in writing	
Participation (PR)	Participation will be in the range of 70% to 150% and will be intimated to all the Investors in writing	
Coupon *	Scenario	Coupon
	If Final Fixing Level > Binary Level	Coupon will be in the range of 0% to 100% and will be intimated by the issuer to all the investors in writing
	If Final Fixing Level <= Binary Level	Max(0,PR*Underlying Performance)
Step up/Step down coupon rate	Not Applicable.	
Coupon payment frequency	Coupon, if any will be paid on Redemption Date	
Coupon payment dates *	Coupon, if any will be paid on Redemption Date	
Coupon type	Coupon linked to Underlying / Reference Index.	
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable	
Day Count Basis	Not Applicable	
Default interest rate	In case of default in payment of Coupon and/or principal redemption on the Redemption date, additional interest @ 2% p.a. over the Coupon will be payable by the Company for the defaulting period.	
Proposed time schedule for which the Disclosure Document is valid	Till redemption	
Redemption Premium / Discount	Not Applicable	
Put Option	None	
Put Option Date	Not Applicable	
Put Option Price	Not Applicable	
Put Notification Time	Not Applicable	
Call Option	None, except in the case of Early Redemption Option	
Call Option Date	Not Applicable	
Call Option Price	Not Applicable	
Call Notification Time	Not applicable	
Listing	Not Applicable However, the Company may at a future date propose to list its unlisted	

	NCDs on the recognized stock exchange, subject to compliance with extant regulations, as applicable
Issuance mode of Debenture	DEMAT form
Trading mode of the Debenture	DEMAT form only
Depository	NSDL and CDSL
Security	The Debentures shall be secured by way of a first pari passu mortgage and charge over the Mortgage Premises as defined in the Debenture Trust Deed; a charge on the receivables and stock in trade to the extent equal to the principal and interest amounts of the Debentures outstanding at any point of time and the unconditional and irrevocable guarantee issued by Edelweiss Financial Services Limited, the Holding Company guarantee in favour of the Debenture Trustee for the benefit of the Debenture holders as a security for the Debt in relation to the Debentures
Rating	PP-MLD [ICRA] AA (pronounced “PP-MLD ICRA Double A”) by ICRA Limited for Rs. 350 Crores Principal Protected Equity Linked Debenture issue. Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk. ICRA’s rating of Market Linked Debentures is an assessment of the underlying credit risk of the instrument. The rating addresses only the credit risk associated with timely payment of obligations as per terms of the issuance. The rating does not address the market risks associated with the instrument on account of linking of coupon payment to external variables such as reference equity index, equity shares, commodity process/index. This could result in variability or absence of coupon payments because of adverse movement in value of the external variables.
Purpose and objects of the Issue	General corporate purposes, business operations and investments
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	Nil
Details of the Utilisation of the proceeds	The Issuer proposes to augment its resources to meet its requirements of funds to carry on its business operations. The proceeds of the issue of Debentures would be utilized for general corporate purposes.
Settlement	Cheque / pay order will be dispatched by courier or registered post at the address provided in the Application Form / at the address as subsequently notified to the Issuer in writing by Debenture-holder(s) or at the address on the Depository’s record. Where applicable, settlement will be effected by account to account transfer vide Reserve Bank of India’s Real Time Gross Settlement System.
Business Day Convention	<p>If any of the date(s), including the Record Date, as defined in the Disclosure Document fall on a Sunday or a public holiday, the next working day shall be considered as the effective date.</p> <p>However, if any Initial Fixing Date, Final Fixing Date or Observation Date as defined in the Disclosure Document falls on an expiry day, which is thereafter declared as a public holiday/trading holiday, then the day notified by the Exchanges/Regulators as the new expiry day shall be considered as the effective date for the above mentioned dates.</p> <p>However incase Redemption Date (for payment of Principal and Coupon, if any) falls on Sunday or a public holiday, the previous working day shall be considered as the effective date</p>
Interest on Application Money	This issue does not contemplate any interest on application money till allotment of Debentures.

Record Date	The date, as may be fixed by the Company, which will be 15 days prior to the redemption date on which the determination of the persons entitled to receive coupon/redemption amount in respect of the Debentures (i.e., persons whose names are registered in the register of Debenture Holders or NSDL/CDSL record) shall be made.
Transaction Documents	<ul style="list-style-type: none"> • Letter appointing Karvy Computershare Private Limited as Registrar and Transfer Agents • MoU entered into between the Company and the Registrar. • Memorandum and Articles of Association of the Company. • Date of passing of Board Resolution: Feb 08, 2017 • Date of passing of resolution in general meeting: Feb 15, 2017 • Consent Letter No. 0239/2016-2017/CL-1785 dated 22-Feb-2017 received from SBICAP Trustee Company Limited for acting as Debenture Trustee for and on behalf of the holder(s) of the Debentures. • Consent Letter from Karvy Computershare Private Limited for acting as Registrars to the Issue • Letter from ICRA Limited, conveying the credit rating for the Debentures of the Company and the rating rationale pertaining thereto. • Tripartite Agreement between the Company, National Securities Depository Limited ("NSDL") and the Registrar for the Issue of Debentures in dematerialised form. • Tripartite Agreement between the Company, Central Depository Services (India) Limited ("CDSL") and the Registrar for the Issue of Debentures in dematerialised form. • Debenture Trust deed between Company and SBICAP Trustee Company Limited • License Agreement with IISL and amendments thereafter. • Valuation Agreement dated March 01, 2017 between Company and Credit Analysis and Research Limited and amendments thereafter to the respective agreements, as may be applicable.
Conditions Precedent to Disbursement	Nil
Conditions Subsequent to Disbursement	Nil
Events of Default	Please refer "Events of Default" under section Definitions and Abbreviations.
Provisions related to Cross Default Clause	Not Applicable
Early Redemption Option	<p>The Company has an option to redeem the Debentures ("Early Redemption Option"), to be exercised by the Company any time after the Deemed Date of Allotment on occurrence of any one or more than one of the following events-</p> <p>"Issuer Tax Change Event" and/or "Change in Law" and/or "Force Majeure Event" and/or "Hedging Disruption Event" and/or "Market Suspension Event" and/or "Increased Cost of Hedging" and/or "Reference Index Modification Event".</p> <p>Further, notwithstanding anything contained in this Disclosure Document, the Company shall not be liable for any failure to perform any of its obligations under this Disclosure Document, if the performance is prevented, hindered or delayed by any one or more of the events mentioned above, its obligations shall be terminated with immediate effect. The decision of the Company about the occurrence of the events mentioned above shall be final and binding in respect of all Debenture holders.</p> <p>Intimation to Investor:</p>

	<p>If the Company opts to redeem the debentures on occurrence of the events mentioned above, it shall intimate the investor within reasonable time period from the occurrence of any of the events mentioned above that it has exercised the Early Redemption Option.</p> <p>Early Redemption Option Exercise Date:</p> <p>The third Business Day from the date of Early Redemption Option intimation to the debenture holder</p> <p>Redemption Proceeds: In case the Early Redemption Option is exercised by the Company, the Debenture holder shall be paid the fair value of the Debenture calculated as on such Early Redemption Option Exercise Date.</p> <p>The fair value will be calculated by the [Calculation Agent] based on</p> <p>a. For the Principal Repayment: The present value of the Debenture will be calculated by the calculation agent based on the G-Sec yield one day prior to Early Redemption Option Exercise Date plus AA- spread over G-Sec yield, on the basis of a poll undertaken from three reference market-makers selected by the calculation agent at its sole discretion in good faith.</p> <p>b. For Coupon Payment: The value of the pay-out will be calculated using the standard 'Black and Scholes' option valuation model with input parameters as determined by the [Calculation Agent].</p> <p>The decision of the [Calculation Agent] in deciding the Coupon payment based on the 'Black and Scholes' option valuation model, shall be final and binding in respect of all the Debenture holders.</p>
Roles and Responsibilities of Debenture Trustee	<p>Regulation 15 of SEBI (Debenture Trustees) Regulation 1993, prescribes duties of the Debenture Trustees including following :</p> <ol style="list-style-type: none"> 1. Call for periodical reports from the issuer. 2. To take possession of Trust property in accordance with the provisions of the Trust Deed. 3. To enforce security in the interest of the debenture holders. 4. To ensure on a continuous basis that the property charged to debentures is available and adequate at all times to discharge the interest and principal amount payable to debenture holders. 5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed. 6. To take appropriate measures for protecting the interest of debenture holders as soon as there is a breach of Trust Deed. 7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document. 8. To inform SEBI immediately of any breach of trust deed or provision and law. 9. To appoint a Nominee Director on the Board of Issuer in the event of <ul style="list-style-type: none"> • Two consecutive defaults in payment of interest to the debenture holders or • Default in creation of security for debentures • Default in redemption of debentures <p>As a Debenture Trustee it may have to take steps as he may deem fit –</p> <ol style="list-style-type: none"> 1. To ensure that the assets of the Company issuing debentures are sufficient to discharge the principal amount at all times. 2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. 3. To ensure that the Company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. 4. To take such reasonable steps to remedy any breach of the covenants of

	the Trust Deed. 5. To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Distribution Fees	The Issuer will pay the distributor a distribution fee which shall not exceed 2.00% per annum of the amount collected through them
Placement Fees	The Issuer will pay the distributor a Placement fee which shall not exceed 2.00% per annum of the amount collected through them
Valuation Agency Fees	Fees paid to Valuation Agent by the Issuer shall be in the range of 5 bps p.a. to 15 bps p.a on the face value of the outstanding Debentures
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of the RBI and the SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.

Illustration of Cash Flows:

Company	ECAP EQUITIES LIMITED	
Face Value	Rs. 100,000/- Per Debenture	
Deemed Date of Allotment	29-May-17	
Redemption Date	27-Oct-20	
Coupon *	Scenario	Coupon
	If Final Fixing Level > Binary Level	Coupon will be in the range of 0% to 100% and will be intimated by the issuer to all the investors in writing
	If Final Fixing Level <= Binary Level	Max(0, PR*Underlying Performance)
Coupon Payment Dates/Frequency	Coupon if any, will be paid on Redemption Date	
Day Count Convention	Not Applicable	

Cash Flows	Date	No. of days in Coupon Period	Amount (in Rupees)
Coupon on Redemption, if any	27-Oct-20	1247	* Coupon linked to Underlying / Reference Index.
Face Value	27-Oct-20	1247	Rs. 100,000/- Per Debenture
Total	27-Oct-20	1247	Rs. 100,000 *(1+Coupon) /- Per Debenture

* Coupon on the Debentures, if any shall be payable on the Redemption Date

Company reserves the right to change the issue closing date and in such an event, the Deemed date of allotment may also be revised by the Company at its sole and absolute discretion. In the event of any change in the above issue dates, the investors shall be intimated of the revised schedule by the Company.

Scenario Analysis –

Assuming that –

- a. Total Tenure is 822 Days
- b. The Binary Level is 120% of the Initial Fixing level.

- c. Coupon scenario is –

Scenario	Coupon
If Final Fixing Level > Binary Level	36.00%
If Final Fixing Level <= Binary Level	Max(0,120%*Underlying Performance)

The Scenario Analysis will be as follows (Please refer to the next page) –



SCENARIO ANALYSIS -

The following table shows the value of the Debenture at maturity under different market conditions:

Scenario I

Final Fixing Level is less than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	Annualized Return
9100	0	-100.00%	0.00%	0.00%
9100	910	-90.00%	0.00%	0.00%
9100	1,820	-80.00%	0.00%	0.00%
9100	2,730	-70.00%	0.00%	0.00%
9100	3,640	-60.00%	0.00%	0.00%
9100	4,550	-50.00%	0.00%	0.00%
9100	5,460	-40.00%	0.00%	0.00%
9100	6,370	-30.00%	0.00%	0.00%
9100	7,280	-20.00%	0.00%	0.00%
9100	8,190	-10.00%	0.00%	0.00%

Scenario II

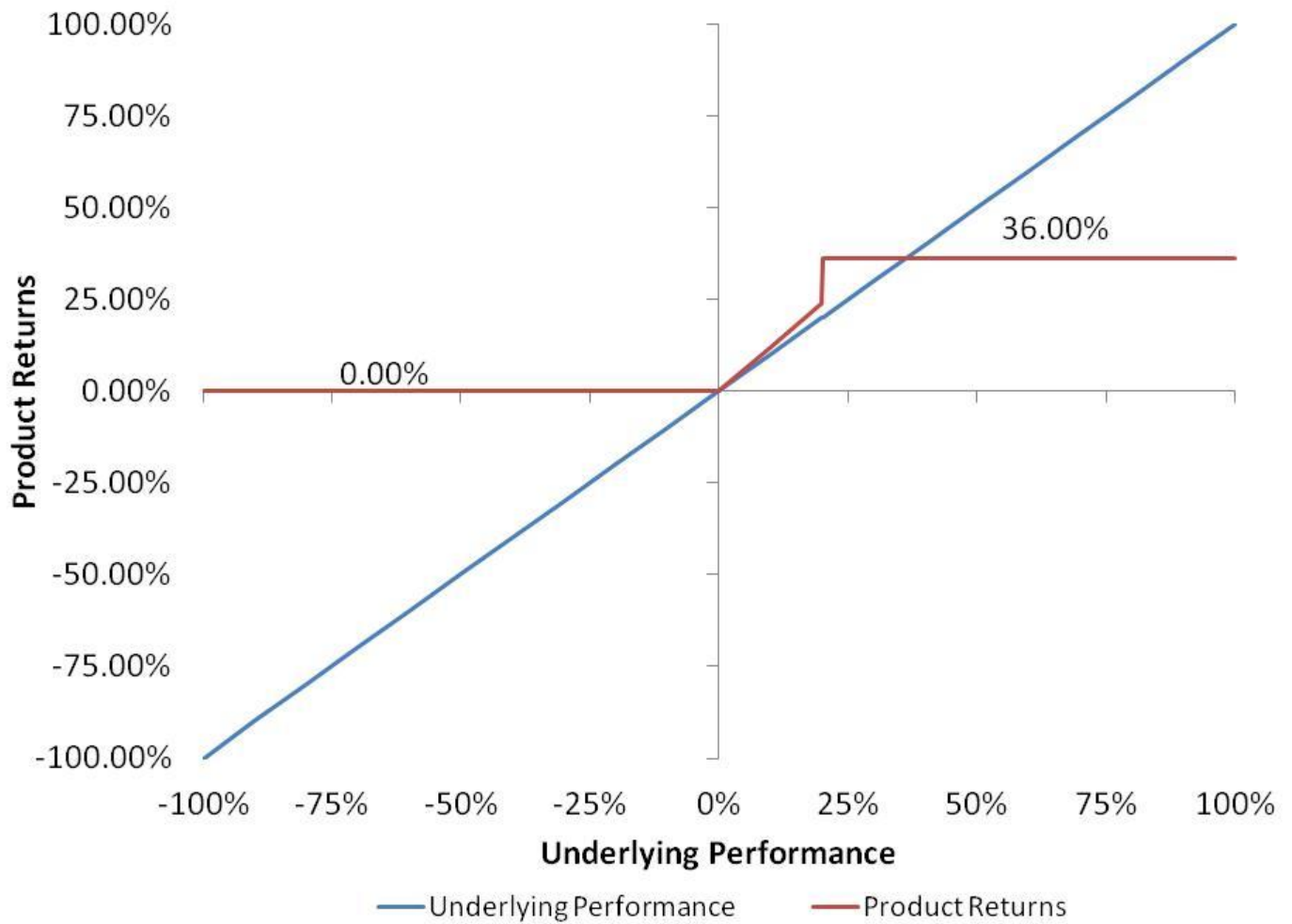
Final Fixing Level is equal to Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	Annualized Return
9100	9,100	0.00%	0.00%	0.00%

Scenario III

Final Fixing Level is greater than Initial Fixing Level

Initial Level	Final Level	Underlying Performance	Coupon	Annualized Return
9100	10,010	10.00%	12.00%	5.16%
9100	10,920	20.00%	24.00%	10.02%
9100	10,921	20.01%	36.00%	14.63%
9100	11,830	30.00%	36.00%	14.63%
9100	12,740	40.00%	36.00%	14.63%
9100	13,650	50.00%	36.00%	14.63%
9100	14,560	60.00%	36.00%	14.63%
9100	15,470	70.00%	36.00%	14.63%
9100	16,380	80.00%	36.00%	14.63%
9100	17,290	90.00%	36.00%	14.63%
9100	18,200	100.00%	36.00%	14.63%



This scenario analysis is provided for illustrative purposes only and does not represent actual termination or unwind prices, nor does it present all possible outcomes or describe all factors that may affect the value of your investment.

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