

TERMSHEET

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| Issuer / Company | Edelweiss Agri Value Chain Limited (EAVCL) |
| Credit Enhancement / Guarantee | Guarantee from Edelweiss Commodity Services Limited (ECSL) ("Credit Enhancer" / "Guarantor") |
| Type of Instrument | Secured Rated Listed Redeemable Non-Convertible Debentures ("Debentures") issued on Private Placement Basis |
| Nature of Instrument | Secured |
| Seniority | Senior |
| Mode of Issue | Private Placement |
| Security | <p>Exclusive charge by way of Equitable or Registered Mortgage on 7 floors of commercial building known as Edelweiss House (14 storey building, excluding 5th, 10th & 12th Floor) at Kalina, Santa Cruz, Mumbai ("Property") and receivables on the books of the company. Security cover will be maintained at atleast 1.1x of principal and interest outstanding at all times.</p> <p>Security to be created within 60 days from deemed date of allotment. Any delay in security creation would attract penal interest of 2% p.a. over and above the coupon rate from the deemed date of allotment.</p> <p>In case the security is not created even after a period of further 3 months over and above the stipulated period of 3 months as mentioned above, the investors shall reserve the right to recall the outstanding principal amounts along with all the accrued interest due.</p> |
| Issue Size | INR 400 crores |
| Minimum Application Size | 10 Debenture and in multiples of 10 Debenture thereafter. |
| Face Value | Rs. 10,00,000/- per Debenture |
| Issue Price | Rs. 10,00,000/- per Debenture |
| XIRR | 8.70% p.a. |
| Tenor | 10 years |
| Put/Call Option | None |
| Day count basis | Actual / Actual |
| Redemption Amount | At par |
| Rating | CRISIL AA / Stable (pronounced "CRISIL Double A Stable") by CRISIL Limited and [ICRA] AA (pronounced as "ICRA Double A") rating with Stable Outlook by ICRA Limited. |
| Issue Opening Date | 30 th June, 2017 (30/06/2017) |
| Issue Closing Date | 30 th June, 2017 (30/06/2017) |
| Pay-in-Date | 30 th June, 2017 (30/06/2017) |
| Deemed Date of Allotment | 30 th June, 2017 (30/06/2017) |
| Covenants | <p>The NCDs are redeemable if any of the following are reached</p> <ul style="list-style-type: none"> Consolidated Group Leverage not more than 8x |

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| | <ol style="list-style-type: none"> 1. "Leverage" defined as (Total Debt + Contingent Liabilities)/Tangible Net worth). 2. All the guarantees given for the group companies (which form part of the Edelweiss Financial Services Ltd Consolidated entity) will be excluded for the purpose of calculating contingent liabilities. For clarification purposes, any other guarantees given to companies not being consolidated with Edelweiss Financial services Ltd. will be included. 3. "Tangible Net worth" defined as (Equity Share Capital + Reserves & Surplus including minority interest – Intangible Assets – Miscellaneous expenditure to the extent not written off) <ul style="list-style-type: none"> • Edelweiss Group cannot raise money in the form of lease rental discounting on the rentals receivable from the same property • Edelweiss Group will continue to have Management Control of the Issuer and have minimum 51% shareholding directly or indirectly, in the Issuer, and the Issuer and guarantor will continue to have "Edelweiss" in its name • Credit Rating to be maintained at 'A' or better |
| Redemption Premium | Nil |
| Redemption Date | 30 th June, 2027 (30/06/2027) |
| Step Up / Step Down Coupon Rate | Not Applicable |
| Coupon payment frequency | Annual |
| Coupon payment dates | 29 th June 2018, 28 th June 2019, 30 th June 2020, 30 th June 2021, 30 th June 2022, 30 th June 2023, 28 th June 2024, 30 th June 2025, 30 th June 2026 & 30 th June 2027 |
| Coupon type | Fixed |
| Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc) | Interest rate/coupon rate to be reset at the end of 3 rd / 5 th / 7 th year from the Deemed Date of Allotment with the mutual consent of Issuer and the Debenture Trustee |
| Interest Rate/ Coupon Rate Reset Process | <p>Revised Interest rate/ Coupon rate will be mutually decided between the Issuer and the Debenture Trustee (acting on behalf of investors) as per the mechanism stated below</p> <p>Reset mechanism:</p> <ol style="list-style-type: none"> 1. The Issuer will communicate via 'Interest Reset Notice', the Proposed revised Interest rate/Coupon rate to Debenture Trustee, at least 60 calendar days prior to the Interest reset date. The Debenture Trustee, in turn, will communicate the same, to the investors on the same day 2. The investors, to whom the Proposed revised Interest rate is acceptable, shall communicate their acceptance to the Debenture Trustee at least 45 business days prior to the Interest reset/Coupon reset date. For these investors this shall be set as the Interest rate/ Coupon rate for the subsequent year. 3. If need be, there can be several rounds of discussion on Interest rate revision between the investors and Issuer, routed through Debenture Trustee. However these will have to be concluded within the above stated timelines. On agreement between the Issuer and the Investors on the Interest rate/Coupon rate, the Debenture Trustee will inform the same to the Issuer and Investor, prior to each Interest Rate / Coupon rate reset date. |

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| | 4. NCDs held by these investors, to whom the proposed revised Interest rate/Coupon rate is not acceptable, shall be mandatorily redeemed on the Interest reset date (Early Redemption) |
| Communication of change in the Interest Rate/ Coupon Rate | Debenture Trustee will communicate the revised Interest Rate/ Coupon Rate to the Issuer and the Investors on or before 3 working days prior to the date of change in the Coupon Rate |
| Interest on Application Money | Not Applicable |
| Default Interest Rate | Refer 'Default in Payment' topic in Other Terms |
| Discount at which security is issued and the effective yield as a result of such discount | 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 • FPIs • Insurance Companies • Mutual Funds • Any other investor eligible to invest in these Debentures |

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| Events of Default | <p>An Event of Default shall have occurred upon the happening of any event or circumstances, including those mentioned hereunder:</p> <ol style="list-style-type: none"> Breach of the covenants including all Covenants mentioned in Debenture Trust Deed Cross default with any of the Edelweiss group entities Issuer does not pay, on the due date, any amount payable pursuant to any of the Transaction Documents; If Issuer voluntarily or compulsorily goes into liquidation or ever has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking; If Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or admits inability to pay its respective debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its respective property All Events of Default stated in the Debenture Trust Deed to be executed. |
| Consequences of EOD | <p>Upon the happening of any Event of Default, all outstanding amounts on the Instrument shall stand accelerated and the Debenture Trustee will, give notice (unless instructed otherwise by the Investors in writing) to the Issuer to pay the outstanding amounts within fifteen Business Days of the happening of any Event of Default. If the Issuer fails to make such payments, the Debenture Trustee shall be entitled to enforce the Security (in accordance with the terms of the Transaction Documents). In case of non receipt of monies, from the Issuer, which is adequate to make payment of the outstanding amount, the Debenture Trustee will enforce the Security (unless instructed otherwise by the Investors in writing) and the proceeds from enforcement of such Security will be appropriated by the Debenture Trustee towards the payment of outstanding amount to the Investors, in terms of the Transaction Documents and the balance if any shall be returned to the Issuer.</p> |
| Listing | <p>The Company proposes to list the Debentures on the Wholesale Debt Segment of BSE Limited. The Company confirms that the Debentures would be listed within the statutory time limit prescribed under the statutory laws.</p> |
| Market Lot | <p>The minimum lot size for trading shall be 1 Debenture and in multiples of 1 thereafter</p> |
| Issuance mode of Debentures | <p>Demat</p> |
| Trading mode of the Debentures | <p>Demat</p> |
| Depository | <p>NSDL / CDSL</p> |
| Purpose and Objects of the Issue | <p>The Issuer proposes to augment its long term resources to meet its requirements of funds to carry on its business operations</p> |
| Details of the Utilisation of the proceeds | <p>The proceeds of the issue of Debentures would be utilized for the objects mentioned above.</p> |
| Settlement mode of the | <p>Redemption proceeds comprising of the value of Principal & Interest shall be done</p> |

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| Debentures | by RTGS/cheque to the holders of the NCDs as on the Record Date. |
| Working day / Business days Convention | All days, except Saturday, Sunday and any public holiday, on which banks in Mumbai are open for business. |
| Holiday Convention | <p>Should any of the date(s), including the Date of Allotment/Deemed Date of Allotment, or the Record Date, as defined in the Disclosure Document, falls on a Saturday or Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next Working Day shall be considered as the effective date.</p> <p>Should the Maturity Date or Redemption Date of the debt securities falls on a Saturday, Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the redemption proceeds shall be paid on the previous working day.</p> |
| 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. |
| Conditions Subsequent to Disbursement | Not Applicable |
| Conditions Precedent for Investment | <p>The investment will be subject to conditions, including those stated below:</p> <ul style="list-style-type: none"> • Issuer shall meet all the regulatory requirement relating to companies • Corporate approvals from the Board of Directors and shareholders (if required) of Issuer shall have been received for the execution, delivery and performance by Issuer for issuance of NCDs to Investors in accordance with the terms of the Issuance; |
| Roles and Responsibilities of Debenture Trustee | <p>Regulation 15 of the SEBI (Debenture Trustees) Regulations 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/ or 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 or |

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| | <ul style="list-style-type: none"> • 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. |
| Governing Law and Jurisdiction | <p>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 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.</p> |
| Other Terms | <p>Security Creation:</p> <ul style="list-style-type: none"> • In case of delay in execution of Trust Deed and Charge documents, the Company will pay penal interest of atleast 2% p.a. on the Face Value of the Debentures till these conditions are complied with at the option of the investor. <p>Default in Payment :</p> <ul style="list-style-type: none"> • In case of default in coupon or principal amount on the due date, additional interest of atleast @ 2% p.a. on the Face Value of the Debentures will be payable by the Company for the defaulting period. <p>Delay in Listing:</p> <ul style="list-style-type: none"> • In case of delay in listing of the debt securities beyond 15 days from the Deemed Date of Allotment, the Company will pay penal interest of atleast 1 % p.a. on the Face Value of the Debenture from the expiry of 15 days from the Deemed Date of Allotment till the listing of such debt securities to the investor. If penal interest is applicable the same shall be paid to the Investors on the 7th day from the day of Listing the NCDs. <p>The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.</p> <ul style="list-style-type: none"> • With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in to be listed debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem /buyback the Debentures from the FIIs/sub-accounts of FIIs. |
| Material Transaction Documents | <ul style="list-style-type: none"> • Letter appointing IDBI Trusteeship Services Limited as Trustee to the Debenture holders ("Debenture Trustee"). |

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| | <ul style="list-style-type: none"> • Letter appointing Karvy as Registrar and Transfer Agent (“Registrar”). • Debenture Trust Deed to be executed between the Company and the Debenture Trustee. • Memorandum & Articles of Association of the Company. • Corporate Guarantee from Edelweiss Commodities Services Limited • Board Resolution dated May 16, 2017 authorizing issue of Debentures offered under terms of the Disclosure Document. • Resolution dated May 26, 2017 passed by the members authorizing the issue of NCD. • Letter from Rating agency(s) conveying the credit rating for the Debentures of the Company (not more than 1 month old from the deemed date of allotment). • Rating rationale pertaining to the NCDs. • Any other documentation in form and substance customary for Transactions of this nature. |
| Letter of Allotment | The Issuer shall ensure the Debentures are credited to the demat accounts of investors within 4 working days from the Deemed Date of Allotment. |
| Debenture Trustee | IDBI Trusteeship Services Limited |
| Approvals | The Issuer agrees to comply with all applicable laws in respect of the Issue. The Issuer will be responsible for taking all the necessary authorizations and / or approvals internal, external regulatory, statutory or otherwise. |

