

TERM SHEET

Security Name	Edelweiss Commodities Services Limited, Zero Coupon, 2021
Issuer / Company	Edelweiss Commodities Services Limited
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
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 <p>Any other investor eligible to invest in these Debentures</p>
Listing	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.
Rating	[ICRA] AA (pronounced as "ICRA Double A") rating with Stable Outlook by ICRA Limited CARE AA Stable
Issue Size (Original Issuance)	INR 50 crores
Issue Size (Reissuance)	INR 8.667312Crores
Option to retain oversubscription	Nil
Purpose and Objects of the Issue	The Issuer proposes to augment its long term resources to meet its requirements of funds to carry on its business operations
Details of the Utilisation of the proceeds	The proceeds of the issue of Debentures would be utilized for the objects mentioned above
Coupon Rate	NA
Yield	9.70% XIRR
Step Up / Step Down Coupon Rate	Not Applicable
Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor, etc.)	Not Applicable
Coupon payment frequency	NA
Coupon payment dates	NA
Coupon type	NA
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	Not Applicable
Default Interest Rate	Refer 'Default in Payment' topic in Other Terms
Original Tenor	3 years 4 days
Reissuance Tenor	2 years 322 days
Redemption Date	Thursday, July 15, 2021
Redemption Amount	13,16,375 per debenture
Redemption Premium/Discount	3,16,375
Reissuance Price	10,07,827 per debenture
Discount at which security is issued and the effective yield as a result of such discount	None
Put Date	None
Put Price	None
Call Date	None
Call Price	None
Put Notification Time	None
Call Notification Time	None
Face Value	INR 10 lakh per debenture
Minimum application and in multiples of 1 Debt Securities thereafter	INR 1 cr
Bid Open Date	Friday, August 24, 2018
Bid Closing Date	Friday, August 24, 2018
Pay-in-Date	Monday, August 27, 2018
Deemed Date of Allotment	Monday, August 27, 2018
Issuance mode of Debentures	Demat
Trading mode of the Debentures	Demat
Settlement mode of the Debentures	Redemption proceeds comprising of the value of Principal & Interest shall be done by RTGS/cheque to the holders of the NCDs as on the Record Date.
Depository	NSDL / CDSL
Working day / Business days Convention	All days, except Saturday, Sunday and any public holiday, on which banks in Mumbai are open for business.
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.
Security	The Debentures shall be secured by way of pari passu charge on the receivables and stock in trade to the extent equal to the principal and interest amounts (Redemption Amount) of the Debentures outstanding at any point of time with a minimum security cover of 1x times. Security to be created within 60 days from deemed date of allotment.
Conditions Precedent for Investment	The investment will be subject to conditions, including those stated below: <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;
Conditions Subsequent to Disbursement	Not Applicable
Events of Default	An Event of Default shall have occurred upon the happening of any event or circumstances, including those mentioned hereunder: <ol style="list-style-type: none"> a) Breach of the covenants including all Covenants mentioned in Debenture Trust Deed b) Cross default with any of the Edelweiss group entities

	<p>c) Issuer does not pay, on the due date, any amount payable pursuant to any of the Transaction Documents;</p> <p>d) 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;</p> <p>e) 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</p> <p>f) Any action, voluntary or involuntary, taken under the Insolvency and Bankruptcy Code, 2016 (or any analogous law) against the Issuer/Credit Enhancer, including any application/petition is filed for corporate insolvency resolution against/by the Issuer / Credit Enhancer</p> <p>All Events of Default stated in the Debenture Trust Deed to be executed.</p>
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>
Provisions related to Cross Default Clause	Not Applicable
Re-issuance	Pursuant to SEBI circular CIR/DDHS/P/59/2018 dated 28-Mar-2018, further issuances may be made under this ISIN.
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 • 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.

		<ol style="list-style-type: none"> To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. To ensure that the Company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed. 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 refund the subscription with agreed rate of interest or 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 FIIL 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 FIILs / sub-accounts of FIILs are not listed within 15 days of Deemed Date of Allotment to the FIILs / sub-accounts of FIILs, for any reason, the FIILs/ sub-accounts of FIILs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIILs / sub-accounts of FIILs approaches the Issuer, the Issuer shall immediately redeem /buyback the Debentures from the FIILs/sub-accounts of FIILs.
Material Documents	Transaction	<ul style="list-style-type: none"> Letter appointing IDBI Trusteeship Services Limited, as Trustee to the Debenture holders ("Debenture Trustee"). Tripartite Agreement appointing Karvy Computershare Pvt Ltd 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. Board Resolution dated May 2, 2018 authorizing issue of Debentures offered under terms of the Disclosure Document. Resolution dated May 7, 2018 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.

	<ul style="list-style-type: none"> 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.

Illustration of Bond Cash Flows

Company	Edelweiss Commodities Services Limited
Face Value (Per Security) Rs.	10,00,000
Bid Open/Bid Close Date	Friday, August 24, 2018
Pay-in/Allotment Date	Monday, August 27, 2018
Redemption Date	Thursday, July 15, 2021
Re-issuance Yield	9.70% p.a

Tenure: 1,053 days		
Illustrative Cashflows (Per NCD)	Date	Amount (in Rs.)
Redemption Premium	Thursday, July 15, 2021	3,16,375
Principal Repayment	Thursday, July 15, 2021	10,00,000

Funds Settlement

- The participants should complete the funds pay-in to the designated bank account of Indian Clearing Corporation Ltd (ICCL) by 10:30 am on T+1 day.
- The participants must ensure to do the funds pay-in from their same bank account which is updated by them in the BSE BOND (EBP) platform while placing the bids.

The Designated Bank Accounts of ICCL are as under:

- **ICICI Bank :**
 Beneficiary Name: INDIAN CLEARING CORPORATION LTD
 Account Number: ICCLEB
 IFSC Code : ICIC0000106
 Mode: NEFT/RTGS
- **YES Bank :**
 Beneficiary Name: INDIAN CLEARING CORPORATION LTD
 Account Number: ICCLEB
 IFSC Code : YESB0CMSNOC
 Mode: NEFT/RTGS