

## Summary Term Sheet

<b>Issuer / Company</b>	Edelweiss Commodities Services Limited
<b>Security</b>	ECSL, 2021
<b>Credit Enhancement / Guarantee</b>	Comfort letter from Edelweiss Financial Services Limited ("Credit Enhancer") by EFSL
<b>Type of Instrument</b>	Secured, Rated, Listed, Redeemable Non-Convertible Debentures (the "Debentures")
<b>Nature of Instrument</b>	Secured
<b>Seniority</b>	Senior
<b>Mode of Issuance</b>	Private Placement
<b>Issue Size</b>	INR 475 Crs (Rupees Four Hundred & Seventy Five Crores Only)
<b>Option to retain oversubscription (Amount)</b>	INR 325 Crs (Rupees Three Hundred & Twenty Five Crores Only)
<b>Rating</b>	CRISIL AA (pronounced as "CRISIL Double A") rating with Stable Outlook by CRISIL Limited
<b>Objects of the Issue</b>	The Issuer proposes to augment its long term resources to meet its requirements of funds to carry on its business operations
<b>Details of the Utilization of the proceeds</b>	The proceeds of the issue of Debentures would be utilized for the objects mentioned above.
<b>Eligible Investors</b>	<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"> <li>• Individuals</li> <li>• Hindu Undivided Family</li> <li>• Trust</li> <li>• Limited Liability Partnerships</li> <li>• Partnership Firm(s)</li> <li>• Portfolio Managers registered with SEBI</li> <li>• Association of Persons</li> <li>• Companies and Bodies Corporate including Public Sector Undertakings</li> <li>• Commercial Banks</li> <li>• Regional Rural Banks</li> <li>• Financial Institutions</li> <li>• FPIs</li> <li>• Insurance Companies</li> <li>• Mutual Funds</li> <li>• PF, Gratuity &amp; Superannuation funds</li> </ul> <p>Any other investor eligible to invest in these Debentures</p>
<b>Face Value</b>	INR 10 Lakh per Debenture
<b>Issue Price</b>	At Par - INR 10 Lakh per Debenture
<b>Redemption date</b>	Monday, November 29, 2021
<b>Security Cover</b>	1.0x

**Edelweiss Commodities Services Limited**

Corporate Identity Number : U45201AP2006PLC078157

Registered Office : 2nd Floor, MB Towers, Plot No. 5, Road No. 2, Banjara Hills, Hyderabad 500034 ☎+91 40 4031 6900

Corporate Office : Edelweiss House, Off CST Road, Kalina, Mumbai 400098 ☎+91 22 4009 4400



<b>Deemed Date of Allotment</b>	<b>Friday, December 21, 2018</b>
<b>Maturity</b>	<b>Monday, November 29, 2021</b>
<b>Tenor</b>	1074 days
<b>Listing ( including name of Stock Exchange(s) where it will be listed and timeline for listing)</b>	Listed (BSE)
<b>Coupon Payment</b>	Coupon shall be payable on floating rate basis and Coupon Rate shall be set as Benchmark Rate (as specified below) plus Spread (as specified below), p.a. payable monthly
<b>Benchmark Rate</b>	"1 year SBI MCLR " which is 1 year MCLR rate of State Bank of India observed on the page : <a href="https://www.sbi.co.in/portal/web/interest-rates/mclr">https://www.sbi.co.in/portal/web/interest-rates/mclr</a>
<b>Spread</b>	Spread shall be decided in the following manner: <ul style="list-style-type: none"> <li>• Spread can never be less than 1.50% at any point of time during the tenor of Debentures;</li> <li>• Spread for the first 3 months will be settled at 1.50% (the "Initial Spread") and thereafter Spread shall be reset at quarterly intervals subject to a floor of 1.50% and a cap of 2.50% (the "Spread Cap")</li> <li>• The first Spread Reset shall be done at the expiry of 3 months from the Deemed Date of Allotment.</li> </ul>
<b>Coupon Rate</b>	Coupon Rate shall be the aggregate of Benchmark Rate + Spread. The First Coupon Rate applicable shall be 10.05% p.a. payable monthly ("First Coupon Rate") since - Benchmark Rate = 8.55% (Effective December 10, 2018) - Spread = 1.50%
<b>Coupon Payment Frequency</b>	Monthly
<b>Coupon Payment Dates</b>	As mentioned later in "Illustration of Bond Cash Flows per Debenture"
<b>Benchmark Fixing &amp; Observation dates</b>	<p>Observation Dates: Last Business Day of the month immediately preceding the month in respect of which Coupon is payable. In case any Observation Date falls on a Date which is not a Business Day then immediately preceding date shall be considered as Observation Date.</p> <p>Benchmark Fixing: In the event there is any change in the Benchmark Rate on Observation Dates, Benchmark fixing for the succeeding month in respect of which Coupon is payable shall be done on such Observation Date itself. To clarify, if the Benchmark Rate on December 31, 2018 is different from the previous month, the applicable Coupon Rate for the interest payment period starting from January 28, 2019 will be based on the revised Benchmark Rate.</p>
<b>Floor and CAP for Coupon Rate</b>	Floor Coupon Rate will be Benchmark +1.50% and

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	Coupon Rate will be capped at Benchmark Rate plus 2.50%
<b>Step Up/Step Down Coupon Rate</b>	N.A.
<b>Coupon Amount</b>	Accrued Interest on the paid-up value of Debentures payable on Coupon Payment Date
<b>Coupon Type</b>	Floating
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).</b>	<p>Subsequent to the Initial Spread, the Spread shall be mutually decided between the Issuer and the investors as per the mechanism stated below and at quarterly intervals thereafter (each a "Spread Reset Date"), till maturity of the instrument</p> <p>Reset mechanism:</p> <ul style="list-style-type: none"> <li>The Issuer vide a prior written notice of 30 calendar Days before each Spread Reset Date (each a "Spread Reset Notice") will communicate the proposed revised Spread to Debenture Holders Provided that such Spread shall be subject to Initial Spread and Spread Cap;</li> <li>If required, there can be several rounds of discussion on Spread revision between the Debenture Holders and Issuer. However these will have to be concluded before Spread Reset Date.</li> <li>The Debenture Holders, to whom the proposed Revised Spread is acceptable, shall communicate their written acceptance to the Issuer at least 7 calendar days prior to such Spread Reset Date. For these Debenture Holders this shall be set as the Spread for the quarter immediately succeeding such Spread Reset Date. The Debenture Holders, to whom the Revised Spread is not acceptable, shall communicate their written intimation to the Issuer at least 7 calendar days prior to such Spread Reset Date. Spread reset shall be subject to Initial Spread and Spread Cap. Debenture holders will not have an option to seek mandatory prepayment as long as the Issuer agrees to pay the revised spread which will always be between Initial Spread and Spread Cap (both inclusive). Debenture holders can seek mandatory prepayment of the Debentures if the Issuer does not agree to the revised spread quoted by the Debenture holders (which will be subject to the Spread Cap). If the Debenture holders quote a revised spread which is higher than the Initial Spread, the Issuer will have an option to prepay the Debentures ("Early Redemption". To clarify, if the Debenture holders continue at the Initial Spread, the Issuer will not have any option to prepay the Debentures.</li> <li>Early Redemption payment schedule: The Issuer shall on the Spread Reset Date pay 100% of the Amounts due to the Debenture Holders falling under the Early Redemption;</li> </ul>



	<p>However, till redemption is completed as per Early Redemption Schedule as aforesaid, the existing Spread before such Spread Reset Date shall continue to be applicable</p> <ul style="list-style-type: none"> <li>If the issuer does not issue any Spread Reset Notice for the applicable quarter, the existing Spread shall be applicable for such quarter.</li> </ul>
<b>Day Count Basis</b>	Actual / Actual
<b>Interest on Application Money</b>	Fixed rate of interest @10.00% p.a.
<b>Default Coupon Rate</b>	2% p.a. over the Coupon Rate on defaulting amounts for the defaulting period
<b>Tenor</b>	1074 Days
<b>Redemption Schedule &amp; Dates</b>	Bullet Repayment on Monday, November 29, 2021
<b>Redemption Amount</b>	INR 10 Lakh (Rupees Ten Lakh Only) per Debenture
<b>Redemption Premium /Discount</b>	N.A.
<b>Face Value</b>	INR 10 Lakh per Debenture
<b>Issue Price</b>	At Par - INR 10 Lakh per Debenture
<b>Number of NCDs</b>	4750 NCDs and 8000 NCDs in case of oversubscription being retained
<b>Discount at which security is issued and the effective yield as a result of such discount.</b>	N.A.
<b>Put Option Date</b>	N.A.
<b>Put Option Price</b>	N.A.
<b>Put Option Notice</b>	N.A.
<b>Call Option Date</b>	N.A.
<b>Call Option Price</b>	N.A.
<b>Call Option Notice</b>	N.A.
<b>Put Notification Time</b>	N.A.
<b>Call Notification Time</b>	N.A.
<b>Bidding Type</b>	Fixed Rate
<b>Minimum Application and in multiples of 1 Debt securities thereafter</b>	1 (One) Debenture
<b>Issue Timing</b>	
<b>1. Issue Opening Date/Bid Open Date</b>	Thursday, December 20, 2018
<b>2. Issue Closing Date/Bid Close Date</b>	Thursday, December 20, 2018
<b>3. Pay-in Date</b>	Friday, December 21, 2018

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<b>4. Deemed Date of Allotment</b>	Friday, December 21, 2018
<b>Bid book Type</b>	Closed
<b>Manner of Allotment</b>	Uniform
<b>Issuance mode of the Instrument</b>	Dematerialised only
<b>Trading mode of the Instrument</b>	Dematerialised only
<b>Settlement mode of the Instrument</b>	Cheque(s) / Direct Credit / Electronic Clearing Services / RTGS (Electronic mode) / Fund Transfer
<b>Depository</b>	NSDL & CDSL
<b>Business Day Convention</b>	<ul style="list-style-type: none"> <li>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</li> <li>If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</li> </ul>
<b>Record Date</b>	15 days prior to each Coupon Payment / Redemption Date or such other date as the Board/ Debenture Allotment Committee may decide
<b>Security (where applicable) (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security).</b>	The Debentures shall be secured by way of pari passu charge on the receivables, immovable property 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 1.0x times. Security to be created within 60 days from deemed date of allotment.
<b>Security Creation</b>	<ul style="list-style-type: none"> <li>The Issuer undertakes to create security within 60 days from the deemed date of allotment.</li> <li>Any delay in security creation would attract penal interest of 2% p.a. over and above the Coupon Rate for the delayed period till Security creation is completed, at the option of the Debenture Holders.</li> </ul>
<b>Transaction Documents</b>	Debenture Trust Deed and/or any other documents as may be considered necessary by the Company, the Debenture Trustee and/or the Debenture Holders.
<b>Conditions Precedent to Disbursement</b>	<p>The investment will be subject to conditions, including those stated below:</p> <ul style="list-style-type: none"> <li>Issuer shall meet all the regulatory requirement relating to companies</li> <li>Corporate approvals from the Board of Directors and shareholders (if required) of Issuer shall have been received for</li> </ul>



	the execution, delivery and performance by Issuer for issuance of NCDs to Investors in accordance with the terms of the Issuance;
<b>Condition Subsequent to Disbursement</b>	Security creation as detailed above and any other condition as mentioned in the Debenture Trust Deed
<b>Financial and Other Covenants</b>	<ol style="list-style-type: none"> <li>1. The Issuer shall continue to remain a subsidiary of Edelweiss</li> <li>2. Consolidated Group Leverage not more than 7x               <ol style="list-style-type: none"> <li>a. "Leverage" defined as (Total Debt + Contingent Liabilities)/Tangible Net worth).</li> <li>b. 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.</li> <li>c. "Tangible Net worth" defined as (Equity Share Capital + Reserves &amp; Surplus including minority interest – Intangible Assets – Miscellaneous expenditure to the extent not written off) 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 will continue to have "Edelweiss" in its name</li> </ol> </li> <li>3. All covenants would be tested on a semi-annual basis as on 30<sup>th</sup> September and 31<sup>st</sup> March every year (each a "Testing Date") till the final redemption of the Debentures. and Issuer shall provide a certificate to this effect within a period of 45 days from the Testing Date</li> <li>4. The Debenture Holders shall have the right to request early redemption of the Debentures, if the rating of the Debentures fall to A or lower by any rating agency. In case the Debenture Holders exercise early redemption, the Issuer shall prepay the Debentures within 7 business days</li> </ol> <p>For abundant caution it is clarified that any interim breach of the aforesaid covenants which does not persist or gets remedied before the Testing Date shall not be considered as breach of covenants.</p>
<b>Events of Default</b>	<p>Events of default as stated in the Debenture Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> <li>• Failure to pay amounts due under the Issue on the relevant due date by the Issuer;</li> <li>• Insolvency, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer;</li> <li>• Illegality, cessation of business of the Issuer;</li> <li>• Security in jeopardy;</li> <li>• Bankruptcy, CDR proceedings admitted with respect to the Issuer;</li> </ul>



	<ul style="list-style-type: none"> <li>• Breach of any of the terms of the Transaction Documents by the Issuer;</li> <li>• Breach of any covenants;</li> <li>• Breach of any Representations and Warranties;</li> <li>• Nationalization or expropriation of any of a substantial part of the assets of the Issuer;</li> <li>• Unlawfulness or moratorium;</li> <li>• Cross default with other financial indebtedness of the Issuer and Credit Enhancer. It is clarified that this cross default clause will apply only with respect to payment default to financial creditors/lenders and not payment default to other creditors (like vendor payments obligations etc).</li> <li>• Downgrade in the ratings of the Debentures to A or below</li> </ul>
<b>Consequences of Event of Default</b>	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security;</li> <li>• To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer;</li> <li>• Enforce its right under the Transaction Documents;</li> <li>• Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue;</li> <li>• Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists</li> <li>• Any cost incurred on any of the above shall be borne by Issuer</li> </ul>
<b>Material Transaction Documents</b>	<ul style="list-style-type: none"> <li>• Letter appointing IDBI Trusteeship Services Limited, as Trustee to the Debenture holders ("Debenture Trustee").</li> <li>• 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. (within 60 days of deemed date of allotment of NCDs).</li> <li>• Memorandum &amp; Articles of Association of the Company.</li> <li>• Debenture Allotment Committee Resolution dated December 18, 2018 authorizing issue of Debentures offered under terms of the Disclosure Document.</li> <li>• Resolution dated May 7, 2018 passed by the members authorizing the issue of NCD.</li> <li>• 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).</li> <li>• Rating rationale pertaining to the NCDs.</li> </ul>



	<ul style="list-style-type: none"> <li>Any other documentation in form and substance customary for Transactions of this nature.</li> </ul>
<b>Role and Responsibilities of Debenture Trustee</b>	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders, as per the terms of the Transaction Documents
<b>Governing Law and Jurisdiction</b>	The Debenture Documents shall be governed by the laws of India. The Courts in Mumbai will have exclusive jurisdiction in relation to any dispute that may arise out of or in connection with any of the Debenture Documents.
<b>Taxation</b>	All the taxes as per law excluding Income tax, as and when applicable on the instrument from time to time shall be borne by the Company.

### Illustrative Cash Flows

Company	ECSL			
Face Value (Per Security) Rs.	10,00,000			
Issue Opening/ Bid Date	Thursday, December 20, 2018			
Pay-in/ Date of Allotment	Friday, December 21, 2018			
Redemption Date	Monday, November 29, 2021			
Coupon Rate	10.05% (initial coupon) [SBI 1yr MCLR + 150 bps spread]			
Implied yield	Subject to revised benchmark and spread			
Tenor	1,074 days			
Illustrative	Date	Coup	No.of	Amount (in Rs.)
Pay-in	Friday, December 21, 2018			-10,00,000
Coupon 1	Monday, January 28, 2019	10.05	38	10,463
Coupon 2	Thursday, February 28, 2019	10.05	31	8,536
Coupon 3	Thursday, March 28, 2019	10.05	28	7,710
Coupon 4	Sunday, April 28, 2019	10.05	31	8,536
Coupon 5	Tuesday, May 28, 2019	10.05	30	8,260
Coupon 6	Friday, June 28, 2019	10.05	31	8,536
Coupon 7	Sunday, July 28, 2019	10.05	30	8,260
Coupon 8	Wednesday, August 28, 2019	10.05	31	8,536
Coupon 9	Saturday, September 28, 2019	10.05	31	8,536
Coupon 10	Monday, October 28, 2019	10.05	30	8,260
Coupon 11	Thursday, November 28, 2019	10.05	31	8,536
Coupon 12	Saturday, December 28, 2019	10.05	30	8,238
Coupon 13	Tuesday, January 28, 2020	10.05	31	8,512
Coupon 14	Friday, February 28, 2020	10.05	31	8,512
Coupon 15	Saturday, March 28, 2020	10.05	29	7,963
Coupon 16	Tuesday, April 28, 2020	10.05	31	8,512
Coupon 17	Thursday, May 28, 2020	10.05	30	8,238
Coupon 18	Sunday, June 28, 2020	10.05	31	8,512

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Coupon 19	Tuesday, July 28, 2020	10.05	30	8,238
Coupon 20	Friday, August 28, 2020	10.05	31	8,512
Coupon 21	Monday, September 28, 2020	10.05	31	8,512
Coupon 22	Wednesday, October 28, 2020	10.05	30	8,238
Coupon 23	Saturday, November 28, 2020	10.05	31	8,512
Coupon 24	Monday, December 28, 2020	10.05	30	8,260
Coupon 25	Thursday, January 28, 2021	10.05	31	8,536
Coupon 26	Sunday, February 28, 2021	10.05	31	8,536
Coupon 27	Sunday, March 28, 2021	10.05	28	7,710
Coupon 28	Wednesday, April 28, 2021	10.05	31	8,536
Coupon 29	Friday, May 28, 2021	10.05	30	8,260
Coupon 30	Monday, June 28, 2021	10.05	31	8,536
Coupon 31	Wednesday, July 28, 2021	10.05	30	8,260
Coupon 32	Saturday, August 28, 2021	10.05	31	8,536
Coupon 33	Tuesday, September 28, 2021	10.05	31	8,536
Coupon 34	Thursday, October 28, 2021	10.05	30	8,260
Coupon 35	Monday, November 29, 2021	10.05	32	8,811
Repayment	<b>Monday, November 29, 2021</b>			10,00,000

Edelweiss Commodities Services Limited

*[Signature]*  
 Director/Authorised Signatory