

Terms & conditions for the NCD issuance of S.D. Corporation Private Limited

Issuer/Company	S.D. Corporation Private Limited	
Promoter Group	Shapoorji Pallonji Group	
Guarantor	Shapoorji Pallonji Company Private Limited	
Arrangers	ICICI Bank Limited and ICICI Securities Primary Dealership Limited	
Instrument	Unsecured, Redeemable, Rated, Unlisted, Taxable, Non-Convertible Debentures ("NCDs")	
Rating	"CARE AA(SO)" by CARE Ratings	
Debt Service Reserve Account (DSRA)	A Debt Service Reserve Account (DSRA) would be opened by the Issuer, with lien marked in favor of the Debenture Trustee. Throughout the tenure of the NCDs, the Issuer has to ensure that the DSRA balance is always maintained to the extent of 3 months interest equivalent.	
Guarantee	The NCDs would be secured by an unconditional, irrevocable and a revolving DSRA Guarantee from SPCPL (Guarantor). As per the terms of this guarantee, SPCPL would be obligated to fund the DSRA (to the extent mentioned in clauses "DSRA" and "Payment Mechanism & Invocation of DSRA Guarantee"), in case the Issuer is unable to do the same at any time during the entire tenure of the NCDs.	
Mode of Placement	On private placement basis	
Eligible investors	Any investor who are permitted to invest in the Debentures under Applicable Law	
	Tranche 1	Tranche 2
Quantum	Rs.125 crs	Rs.115 crs
Maturity date	April 09, 2020	April 09, 2020
Amount	Rs. 240 crore	
Coupon Rate	9.75% per annum	
Call option	Issuer has the option to exercise call option 20 business days before the Maturity date of the debentures with prior intimation to the debenture holders by giving a notice of 5 business days in advance.	
Call Option Date	March 04, 2020	

Coupon Frequency	Annual
Coupon Type	Fixed
Day Count Basis	Actual/Actual
Interest on Application Money	At the coupon rate from the date of receipt of application money till one day prior to the date of Deemed Date of Allotment on aggregate face value of NCDs.
Security	Unsecured
End use	<p>Real estate development/ Refinancing of existing debt/ General corporate purposes</p> <p>The proceeds from the NCDs either in part or full will not be used for investment in or on lending for the capital market, land acquisition, acquiring equity shares of Indian company/ies, buyback of shares of Indian company, funding of promoter's equity contribution in the project or any other purpose, which is prohibited under RBI guidelines for Bank finance.</p>
Record Date	15 days prior to each Coupon date/ Redemption date
Issue Expenses	All expenses viz. documentation, stamp duty, Trustee fee, R&T Agent fee, legal opinion etc. related to the transaction will be to the account of the Issuer
Listing	Unlisted
Form of issuance	Dematerialised
Face value	Rs. 100,00,000 per NCD
Issue Price	At par i.e. Rs. 100,00,000 per NCD
Redemption Price	At par i.e. Rs. 100,00,000 per NCD
Financial Covenant(s)	As documented in the Debenture Trust Deed & other transaction documents
Other Covenants	<p>If the Issuer issues new NCDs on or before March 31, 2017 , with both:</p> <p>a) DSRA Guarantee from Shapoorji Pallonji and Company Private Limited (SPCPL) and;</p> <p>b) Pari-passu charge on the assets of the Issuer;</p> <p>then the Debenture Holder(s) will have the right to exercise put option immediately on the Issuer and the Issuer shall have to make the payment within 30 working days of such exercise of put option.</p>
Management Control Covenant	During the tenure of NCDs, Shapoorji Pallonji and Company Private Limited (SPCPL) shall maintain minimum 50% shareholding either directly or indirectly in the issuer and will retain 50% management control.
Rating Downgrade Covenant	In the event of rating downgrade of the NCDs i.e. the credit rating falls from CARE AA(SO) to CARE AA-(SO), the Coupon Rate shall be increased by 25 basis points (equals 0.25%) and the enhanced coupon shall be payable effective from the date of rating downgrade.

	<p>In case, the rating of the NCDs falls to CARE A+(SO) or below or rating of the company is withdrawn or suspended for any reason by any rating agency, the Debentureholder (s) shall have the right to:</p> <ul style="list-style-type: none"> • Increase the coupon further by 50 basis points (equals 0.50%) for every notch rating downgrade (to CARE A+ (SO) and below) And / Or • ask for mandatory prepayment in full/part of the outstanding NCDs. The Issuer shall make the payment within 30 calendar days from the date of exercise of acceleration option by the Debentureholder (s). <p>The above rating covenant shall be mutually agreed upon and further documented in detail in the Debenture Trust Deed & other transaction documents.</p>
Events of Default	<p>Customary to financing of such nature including but not limited, following events shall be an Event of Default:</p> <ol style="list-style-type: none"> 1. Default is made in any kind of payments in respect of the NCD when due. 2. The Issuer does not perform or comply with one or more of its other obligations in relation to the NCD or the Debenture Trust Deed which default is incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Debenture Trustee; 3. the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay (in the opinion of the Debenture Trustee) a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or (in the opinion of the Debenture Trustee) a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or (in the opinion of the Debenture Trustee) a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer; 4. a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 30 days; 5. an order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and

	<p>followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;</p> <ol style="list-style-type: none"> 6. an encumbrance takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 30 days; 7. the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganization, liquidation or dissolution; 8. It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCD or the Debenture Trust Deed; 9. Any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or (in the opinion of the Trustee) a material part of the assets of the Issuer which is material to the Issuer; 10. Downgrade of credit rating to A (SO) or below 11. Any event occurs which under the laws of any relevant jurisdiction an analogous effect to any of the events has referred to in any of the foregoing paragraphs. 12. Non maintenance of DSRA as stipulated. <p>Upon the happening of an Event of Default the Debenture Trustee shall <i>inter alia</i> be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.</p> <p>The cure period for the Events of Default shall be mutually agreed and documented in the Debenture Trust Deed & other Transaction Documents.</p> <p>The Event of Defaults on the Guarantor shall be separately covered in the Deed of Guarantee.</p>
Designated Account	ESCROW Account of the Issuer with a scheduled commercial bank, wherein the interest & redemption proceeds for all debentures shall be credited by Issuer. In case of invocation of DSRA Guarantee, the Guarantor shall make payments into the Designated ESCROW Account.
Payment Mechanism & Invocation of DSRA Guarantee	<p>Coupon payments mechanism:</p> <ul style="list-style-type: none"> • Escrow Account shall be funded by the Issuer at least T-5 business days, wherein Due Date is "T" day. • Incase Issuer is unable to fund the Escrow Account by 2:00 pm on T-5 business day, Debenture Trustee will notify the SPCPL to fund the DSRA with next payable Interest by T-3

business days.

- Debenture Trustee will liquidate the DSRA with payable Interest and transfer the same to Escrow Account latest by T-2 business day.
- Post liquidation, SPCPL to fund DSRA with 3 months interest equivalent by 2:00 pm on T-1 business day.
- Provided that notwithstanding anything contained herein, the SPCPL shall be required to meet its obligations irrespective of whether the said notice is issued by the Debenture Trustee to the SPCPL

Principal repayment mechanism:

- Issuer shall fund the "DSRA" with next payable Principal at least 20 business days prior to Due Date of payment of principal, wherein Due Date is "T" day.
- Incase Issuer is unable to fund the DSRA by T-20 business days, Debenture Trustee will inform DSRA Guarantor "SPCPL" to fund the DSRA with next payable Principal within 5 business days after T-20 business days.
- Debenture Trustee will liquidate the DSRA with payable Principal and transfer the same to Escrow Account latest by T-2 business day.
- Payment of Principal along with Interest (as per Servicing of Interest Mechanism above) shall be done on T day.
- Issuer has the option to exercise the call 20 business days before the maturity of the debentures with a prior intimation to the debenture holders by giving a notice of 5 business days in advance.
- Provided that notwithstanding anything contained herein, the Issuer and DSRA Guarantor shall be required to meet its obligations irrespective of whether the said notice is issued by the Debenture Trustee to the Issuer and/or DSRA Guarantor

In case of Event of Default / Early Redemption Situations:

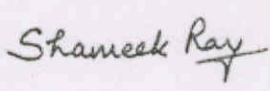
- Debenture Trustee will issue the notice immediately to Issuer and DSRA Guarantor informing the Outstanding Dues i.e. Interest and Principal both, payable due to occurrence of Event of Default / Early Redemption. Date of such notice shall be termed as "T" day
- Issuer shall fund the "Escrow" with Outstanding Dues within T+5 business days from the date of such Event of Default.
- In case Issuer is unable to fund the Escrow Account within 5 business days, Debenture Trustee will inform DSRA Guarantor "SPCPL" on T+6 business day for replenishing the DSRA with Outstanding Dues by T+9 business day.
- On T+10 business day, Debenture Trustee will liquidate the DSRA and fund the Escrow Account for clearing the Outstanding Dues by T+10 business day.

The above payment mechanism shall be mutually agreed upon

	and further documented in detail in the Debenture Trust Deed & other transaction documents.
Right of First Refusal	<p>If the Issuer wishes to issue new NCDs on or before March 15, 2017, at a pricing greater than that of the current issue, it must notify to the Debenture Trustee its intention to issue the new NCDs by notice in writing stating the quantum, coupon, maturity, structure and other terms. ("Notice")</p> <p>The Debenture Trustee, will, in turn, intimate the Debenture Holder(s) on the same day.</p> <p>In such case, the Debenture Holder(s) shall have the Right of First Refusal ("ROFR") to subscribe to all of the new NCDs proposed to be issued by the Issuer at the price/other terms as stated in the Notice.</p> <p>The Debenture Holder(s), through the Debenture Trustee, shall be required to confirm exercise of the ROFR (either accept or reject the offer) within 1 business day. In case of non-receipt of any confirmation from the Debenture Holders regarding the Notice, the Issuer may issue the proposed NCDs to the third person(s).</p>
Penalty in case of default	In case of delay in payment of interest/principal beyond the due dates, additional penal interest @ 2% over the Coupon Rate will be payable by the Issuer on the overdue amount for the defaulting period.
Conditions Precedent to disbursement	<p>The subscription from the debenture holder (s) shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> 1. The Issuer shall have obtained all necessary board / shareholder resolutions under the provisions of the Companies Act, 2013 as are required in relation to the borrowing powers, issue of the NCDs and the execution of necessary documents in connection therewith. 2. Signed copy of Private Placement Offer Letter (information memorandum) 3. Rating letter and rationale (Rating letter not older than 1 month and rationale not older than 6 months) 4. Consent letter from the Debenture Trustee 5. Execution of DSRA Guarantee by SPCPL in favour of the Debenture Trustee 6. Any other conditions as the debenture holder (s) and/or the Debenture Trustee may require
Conditions Subsequent to disbursement	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per agreed time frame:</p> <ol style="list-style-type: none"> 1. Allotment of NCDs 2. RoC Filing 3. Execution of Debenture Trust Deed 4. All other activities whether mandatory or mutually agreed between issuer and debenture holder (s)
Transaction Documents	<p>Main documents:</p> <ol style="list-style-type: none"> 1. Private Placement Offer Letter (information memorandum), complying with applicable SEBI regulations & certified by Issuer

	2. Debenture Trustee Agreement and Trustee's consent letter 3. Debenture Trust Deed 4. DSRA Guarantee Deed 5. Escrow Agreement 6. Rating letter and rationale (Rating letter not older than 1 month and rationale not older than 6 months) 7. Shareholder and Board resolution and other corporate authorizations from the Issuer as per the provisions of Companies Act, 2013
Governing Law and Jurisdiction	Indian laws and courts / tribunals of Mumbai
Force Majeure	The Issuer understands that this term sheet is contingent on the assumption that from the date of the provision of this term sheet to the Deemed Date of Allotment, there is no material adverse change in the financial conditions of the issuer or any of its affiliate and Indian debt markets which in the reasonable opinion of the Arrangers would make it inadvisable to proceed with the issue. In case of such material adverse change, the terms may be renegotiated to the mutual satisfaction of the Arrangers and the Issuer.
Information Provision	The Issuer undertakes to provide information pertinent to the credit assessment of the Issuer by the Arrangers/potential investors in a timely fashion. This information will include, but not limited to latest financial information, rating letter and rating rationale, copies of the resolutions authorizing the borrowing and the latest company profile etc. The information provided by the issuer to the Arrangers/potential investors shall be classified as private and confidential and disclosing the same is prohibited without prior intimation/permission. This will not be applicable to secondary market transactions.
Debenture Trustee	Any entity registered with SEBI as debenture trustee
Depository	NSDL/ CDSL
Pay-in date & Deemed Date of Allotment	For Tranche 1 : February 06, 2017 For Tranche 2 : February 09, 2017

Date: February 01, 2017

For ICICI Bank Limited	For ICICI Securities Primary Dealership Limited	Accepted by SD Corporation Pvt Ltd
 Yashaswini Subraveti Markets Group	 Shameek Ray Head DCM	

