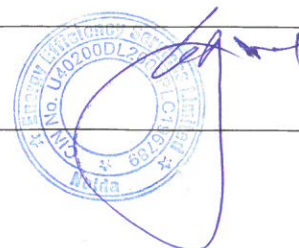


**SUMMARY TERM SHEET FOR PRIVATE PLACEMENT ISSUE/ALLOTMENT OF UNSECURED, NON-CONVERTIBLE, NON-CUMULATIVE, REDEEMABLE, TAXABLE BONDS IN THE NATURE OF DEBENTURES ON PRIVATE PLACEMENT BASIS**

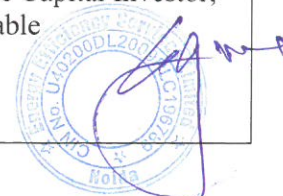
Security Name	EESL BONDS SERIES- II (2017-18)
Issuance Form	In Dematerialized Form.
Issuer	Energy Efficiency Services Limited ("EESL/the "Company"/the "Issuer")
Objects of the Issue / Details of utilization of proceeds	To finance the future / existing funding requirement of the company including but not limited to capital expenditure, working capital, repayment of the existing short / long term borrowings and /or for any other purpose related to business operations of the Company.
Instrument	Unsecured, Redeemable, Taxable, Non-cumulative, Non-Convertible Bonds in the nature of Debentures.
Issue Size	Rs. 450 Crores.
Credit Rating	"CARE AA" by CARE and "ICRA AA" by ICRA Ratings.
Mode of Issue	Private Placement
Security	Not Applicable
Total Face Value of a Bond	Rs.10,00,000/- per Bond
Issue Price	At par (Rs. 10,00,000/- per Bond)
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Trading mode of Instrument	Dematerialization
Premium/discount on redemption	Nil
Redemption Price	At par (Rs. 10,00,000/- per Bond)
Tenor	5years from the date of Allotment



Put & Call Option	No Put / Call
Redemption/ Maturity	At Par of Rs 10,00,000/- for a period of 5Years from the date of Allotment.
Redemption Date	At Par of Rs 10,00,000/- for a period of 5Years from the date of Allotment.
Coupon Rate (% p.a.)	7.80% per annum
Step Up/Step Down Coupon Rate	Not Applicable
Coupon reset process	Not Applicable
Interest Payment	Annual
Interest Payment Dates	Annually on 18 <sup>th</sup> July of each year till maturity of Bonds ( corresponding to the deemed date of allotment)
Coupon Type	Fixed
Minimum Application	50 bonds (Rs.5crores) and thereafter in multiple of 50 bonds (Rs.5 crores)
Day Count Basis	Actual/Actual Interest shall be computed on an "actual/actual basis".
Listing	Proposed on the Wholesale Debt Market (WDM) Segment of the Bombay Stock Exchange Ltd. (BSE)
Trustees to the Bondholders	Axis Trustee Services Limited
Depository	National Securities Depository Ltd. and Central Depository Services (India) Ltd.
Registrar	Karvy Computershare Private Ltd.
Settlement	Payment of interest and repayment of principal shall be made by way of cheque(s)/interest warrants/ redemption warrant(s)/demand draft(s)/credit through direct /NECS/RTGS/NEFT mechanism and / or any other electronic payment mode.
Business Day	"Business Day" shall be a day on which commercial banks are open for business in the city of New Delhi and the days when the money market is functioning in Mumbai.
Record Date	15 days prior to each Coupon Payment Date/ Redemption date.
Effect of Holiday	1. If the interest payment date falls on a holiday, the payment may be made on the following working day however the dates of the future coupon payments would be as per the schedule originally stipulated at the time of issuing the security. In other words, the subsequent coupon schedule would not be disturbed merely because the payment

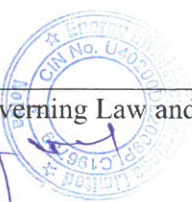


	<p>date in respect of one particular coupon payment has been postponed earlier because of it having fallen on a holiday.</p> <p>2. If the Redemption Date and Coupon Payment Date of the debentures falls together on a holiday, the redemption proceeds shall be paid by the Issuer on previous working Business Day along with interest accrued on the debentures in line with Circular No. CIR/IMD/DF-1/122/2016 dated 11th November, 2016.</p>
Mode of Subscription	By way of electronic transfer of funds through RTGS / NEFT mechanism for credit in the Account No. 201000695669 of Energy Efficiency Services Limited Bond Account with IndusInd Bank, New Delhi (IFSC INDB0000005)
Eligible Investors	<p>In Compliance with Notification issued by Ministry of Corporate Affairs Notification dated 31<sup>st</sup> March 2014, Acceptance of Public Deposit and Amendment on 29<sup>th</sup> June 2016</p> <ol style="list-style-type: none"> <li>1. Mutual Funds,</li> <li>2. Public Financial Institutions specified in Section 2(72) of the Companies Act 2013;</li> <li>3. Scheduled Commercial Banks;</li> <li>4. State Industrial Development Corporations;</li> <li>5. Insurance Companies registered with the Insurance Regulatory and Development Authority;</li> <li>6. Provident Funds, Pension Funds, Gratuity Funds and Superannuation Funds authorised to invest in the Issue</li> <li>7. National Investment Funds set up by resolution no. F. No. 2/3/2005- DDII dated November 23, 2005 of the Government of India published in the Gazette of India;</li> <li>8. Insurance funds set up and managed by army, navy or air force of the Union of India.</li> <li>9. Companies and Bodies Corporate authorized to invest in bonds/debentures;</li> <li>10. Co-operative Banks and Regional Rural Banks authorized to invest in bonds/debentures;</li> <li>11. Gratuity Funds and Superannuation Funds;</li> <li>12. Societies authorized to invest in bonds/debentures;</li> <li>13. Trusts authorized to invest in bonds/debentures;</li> <li>14. Foreign Portfolio Investors (not being an individual or family offices);</li> <li>15. Statutory Corporations/ Undertakings established by Central/ State legislature authorized to invest in bonds/ debentures.</li> </ol> <p>However All investors are required to comply with the relevant regulations/ guidelines applicable to them for investing in the issue of Bonds/ Debentures as per the norms approved by Government of India, Reserve Bank of India or any other statutory body from time to time.</p>
Non-Eligible Investors	<ol style="list-style-type: none"> <li>1. Minors;</li> <li>2. Non-resident investors being an individual including NRIs, QFIs (individual), (individual or family offices);</li> <li>3. Venture Capital Fund and Foreign Venture Capital Investor;</li> <li>4. Person ineligible to contract under applicable statutory/regulatory requirements.</li> <li>5. Resident Individual Investors;</li> <li>6. Hindu Undivided Families;</li> </ol>





	7. Partnership firms.
Conditions precedent to subscription of Bonds	<ol style="list-style-type: none"> <li>1. Rating letter from CARE and ICRA Ratings not being one month old from date of opening</li> <li>2. Seek written consent from the Trustees giving consent to act as Trustees for the Bondholders.</li> <li>3. BSE In principle Approval</li> </ol>
Conditions subsequent to subscription of Bonds	<p>The company shall ensure that the following documents are executed/ activities are completed as per permissible time frame :</p> <ol style="list-style-type: none"> <li>1. Credit of demat account account(s) of the allottee(s) by the number of bonds allotted within 2 working days from the deemed date of allotment.</li> <li>2. Listing permission from BSE within 20 days from deemed date of allotment of Bonds in pursuance of SEBI Debt Regulation</li> <li>3. Execution of Debenture Trust Deed within time frame prescribed in the relevant regulations/ act/ rules etc.</li> <li>4. Maintaining a complete record of private placement offers in Form PAS-5 and filling such record along with Private Placement Offer Letter in form PAS-4 with Registrar of Companies.</li> </ol> <p>Besides, the company shall perform all activities, whether mandatory or otherwise, as applicable.</p>
Transaction documents	<p>The Issuer shall execute the documents including but not limited to the following in connection with the issue:</p> <ol style="list-style-type: none"> <li>(i) Letter of Consent from Debenture Trustees to the Bond Holders.</li> <li>(ii) Debenture trustee agreement</li> <li>(iii) Debenture trustee deed</li> <li>(iv) Rating letters from Rating agency;</li> <li>(v) Tripartite agreement between the Issuer, Registrar and NSDL for issue of Bonds in dematerialized form;</li> <li>(vi) Tripartite agreement between the Issuer, Registrar and CDSL for issue of Bonds in dematerialized form;</li> <li>(vii) Letter of Consent from Registrar.</li> <li>(viii) Letter(s) Appointing Arranger to the Issue;</li> <li>(viii) Listing Agreement with BSE;</li> <li>(ix) Private Placement Offer Letter dated 18<sup>th</sup> July' 2017.</li> </ol>
Issue Open Date and Close Date	18 <sup>th</sup> July' 2017
Pay-in Date	18 <sup>th</sup> July' 2017
Deemed Date of Allotment	18 <sup>th</sup> July' 2017
Interest on Application Money	At the coupon rate (subject to deduction of Income Tax under the provisions of the Income Tax Act, 1961 or any other statutory modification or re-enactment thereof, as applicable) from the date of RTGS up to one day prior to the Deemed Date of Allotment will be paid on the face value .
Governing Law and Jurisdiction	The bonds are governed by and shall be construed in accordance with the existing laws of India, any dispute arising thereof shall be subject to the jurisdiction of district court of Delhi.



Events of default	In case of default in payment of interest or delay in listing of the debt securities or delay in security creation provision according to SEBI (Issue and Listing of Debt Securities) (Amendment) Regulations, 2012 shall apply.
Default interest rate	<p>i. <i>Default in Payment: In case of default in payment of Interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the coupon rate will be payable by the Company for the defaulting period.</i></p> <p>ii. <i>Delay in Listing: In case of delay in listing of the debt securities beyond 20 days from the deemed date of allotment, the Company will pay penal interest @ 1 % p.a. over the coupon rate from the expiry of 30 days from the deemed date of allotment till the listing of such debt securities to the investor.</i></p>

*The Issuer reserves its sole and absolute right to modify (pre-poned/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. Incase if the Issue Closing Date/ Pay in Date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the Issuer at its sole and absolute discretion. Consequent to change in Deemed Date of Allotment, the Coupon Payment Dates and/or Redemption Date may also be changed at the sole and absolute discretion of the Issuer.*



