

**SUMMARY TERM SHEET**

<b>Issuer</b>	<b>Walchandnagar Industries Limited</b>
<b>Issue Size</b>	<b>57 Crores</b>
<b>Objects of the Issue</b>	<b>Repayment of Existing Term Loans and Long Term Working Capital Requirement</b>
<b>Instrument</b>	<b>Secured Redeemable Non-Convertible Debentures</b>
<b>Nature and status of Bonds</b>	Unlisted, unrated, redeemable, non-convertible debentures to be secured by first charge over specific immovable and movable properties and pledge over shares of the Issuer held by the Obligors. However these Debentures do not constitute "secured debentures" under Section 71(3) of the Companies Act, 2013.
<b>Issuance Mode</b>	<b>Demat</b>
<b>Convertibility</b>	<b>Non-Convertible</b>
<b>Trading Mode</b>	<b>Demat</b>
<b>Credit Rating</b>	<b>Not Applicable</b>
<b>Face Value</b>	<b>Rs. 1 Lac each</b>
<b>Premium/ Discount on Issue</b>	<b>Not Applicable</b>
<b>Issue Price</b>	<b>Rs. 1 Lac each</b>
<b>Premium/ Discount on redemption</b>	<b>Not Applicable</b>
<b>Maturity</b>	<b>September 30, 2023</b>
<b>Redemption/ Maturity Date</b>	<b>September 30, 2023</b>
<b>Lock-in-Period</b>	<b>30 months from allotment</b>
<b>Minimum Application</b>	<b>10 Numbers</b>
<b>Put Option</b>	<b>No</b>
<b>Call Option</b>	<b>No</b>
<b>Call Option Price</b>	<b>No</b>
<b>Call Notification Time</b>	<b>Not Applicable</b>
<b>Coupon Rate</b>	a) From the Disbursement Date till September 30, 2018 – 7% per annum b) From October 01, 2018 to September 30, 2019 – 8% per annum c) From October 01, 2019 till the Final Settlement Date – 10% per annum Floor - 14% Cap 19%
<b>Step Up/ Step Down Coupon Rate</b>	<b>No</b>
<b>Coupon Payment Frequency</b>	<b>Quarterly for Cash Interest</b>
<b>Coupon / Interest Payment Date</b>	<b>Last calendar date of every Fiscal Quarter and if such date is not a Business Day then the immediately preceding Business Day and in case of any</b>

	repayment or prepayment, the date of such repayment or prepayment, as the case may be
<b>Coupon Type</b>	Simple
<b>Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)</b>	N.A.
<b>Default Interest Rate</b>	2%
<b>Day Count Basis</b>	Actual number of days elapsed in a year of 365 or 366 days as the case may be.
<b>Interest on Application Money</b>	N.A.
<b>Listing</b>	No
<b>Trustees</b>	Vistra ITCL (India) Limited (formerly known as IL&FS Trust Company Limited)
<b>Depository</b>	National Securities Depository Limited
<b>Registrars</b>	Link Intime India Private Limited
<b>Settlement</b>	Electronic
<b>Business Day Convention</b>	a day, other than Saturday and Sunday, on which banks are open for general banking business in Mumbai, are considered to be Business Days
<b>Record Date</b>	September 30
<b>Payment Mode</b>	Electronic
<b>Eligible Investors</b>	Please refer to 'Who can apply' section of Information relating to terms of offer.
<b>Non-Eligible classes of Investors</b>	Please refer to 'Who can not apply' section of Information relating to terms of offer.
<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>• Debenture Trust Deed</li> <li>• Debenture Trust Agreement</li> <li>• Amended and Restated Pledge Agreement dated September 04, 2017</li> <li>• Demand Promissory Note dated June 22, 2017</li> <li>• Letter of continuity dated June 22, 2017</li> </ul>
<b>Conditions precedent to subscription of Bonds</b>	<p>1. <b>From the Company</b></p> <p>(a) Resolution of board of directors of the Company approving, authorising, inter alia:</p> <p>(i) the terms of, and the transactions contemplated by, the Financing Documents to which it is a party and resolving that it execute the Financing Documents to which it is a party;</p> <p>(ii) a specified Person or Persons to execute the Financing Documents to which it is a party on its behalf, including all related documents;</p> <p>(iii) agreeing to irrevocably and unconditionally appoint the Debenture Trustee as its agent to undertake the various actions permitted to be undertaken by the Debenture Trustee on their</p>



	<p>behalf in terms of the Financing Documents;</p> <p>(iv) creation and operation of the Specified Account;</p> <p>(v) issuance of the Offer Letter;</p> <p>(vi) affixation of common seal to the Financing Documents; and</p> <p>(vii) creation of security as contemplated in the Financing Documents.</p> <p>(b) Special resolutions passed by the shareholders of the Company under sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013.</p> <p>(c) Special resolution passed by the shareholders of the Company approving the issuance of the Debentures through the Offer Letter.</p> <p>(d) Issuance of the Offer Letter and the application form for the Debentures;</p> <p>(e) Certificate from the statutory auditors of the Company that:</p> <p>(i) the borrowing by way of issuance of the Debentures is within the limits approved by the shareholders of the Company;</p> <p>(ii) other than as set out in the certificate, there are no tax proceedings which are pending against the Company;</p> <p>(iii) there are no circumstances that would prevent or prejudice the receipt of the no objection certificate from the Income Tax Officer under section 281(1)(ii) of the Income Tax Act, 1961 requesting permission/no-objection for the creation of Security in favour of the Debenture Trustee for the benefit of the Debenture Holders.</p> <p>(f) Most recent audited accounts, profit and loss statement, and auditor's report and un-audited accounts of the Company.</p> <p>(g) A copy of the latest memorandum and articles of association of the Company.</p> <p>(h) Incumbency certificates of all Authorized Signatories as per the resolutions referred to in (i) above.</p> <p>(i) Certificate signed by the Authorized Signatory of the Company inter alia confirming that:</p> <p>(i) the borrowing or the availing of Debentures in terms of Financing Documents and/or any other borrowing from its promoters would not cause any borrowing limit binding on the Company to be exceeded;</p> <p>(ii) no Event of Default has occurred and is subsisting; no Material Adverse Effect has occurred;</p> <p>(iii) all representations and warranties made under the Financing Documents are true and correct as of the date of such certificate;</p> <p>(iv) the Clearances as are required for the Company's operations and business are valid, subsisting and in full force and effect;</p> <p>(v) all documents specified in conditions precedents list and delivered to the Debenture Holders is correct, complete and in full force and effect</p> <p>(j) A copy of all consents, waivers, and permissions required (including any pre-emption rights, options, agreements or understandings exercisable now or in the future and contingent or otherwise) for performance of its obligations under the Financing Documents, including from lenders and shareholders and all no objections should have been received.</p> <p>(k) The Company having submitted an application seeking the issuance</p>
--	--

	<p>of a no objection certificate from the Income Tax Officer under section 281(1)(ii) of the Income Tax Act, 1961 for the creation of security in favour of the Debenture Trustee for the benefit of the Debenture Holders.</p> <p>2. <b>Others:</b></p> <p>(a) Execution of all Financing Documents required to be executed prior to allotment of the Debentures;</p> <p>(b) Delivery of all relevant KYC documents in relation to the Company and Pledgors;</p> <p>(c) All concerns / issues raised as a result of legal, technical and financial due diligence should have been resolved to the satisfaction of the Debenture Holders;</p> <p>(d) A certificate from the Company that no Event of Default or Potential Event of Default is continuing or would result as a consequence of the allotment of the Debentures.</p> <p>(e) Creation and perfection of Security.</p> <p>(f) The Company providing title search reports in respect of all immovable properties forming part of the Security to the satisfaction of the Identified Lenders.</p> <p>(g) The Company having entered into necessary agreements with Depositories and the registrar for the issue of the Debentures.</p> <p>(h) The Company having received the ISIN number for the Debentures.</p> <p>(i) Delivery of a disclosure letter to the Debenture Holders, the contents of which shall be accepted by the Debenture Holders in writing ("Disclosure Letter").</p> <p>(j) Delivery of the documents evidencing title of the Borrower to Industry Manor to the Debenture Trustee.</p>
Conditions subsequent to subscription of Bonds	<p>1. Receipt of a no objection certificate from the Income Tax Officer under section 281(1)(ii) of the Income Tax Act, 1961 requesting permission/no-objection for the creation of security in favour of the Debenture Trustee for the benefit of the Debenture Holders within 90 (ninety) days of the Allotment Date, which period can be extended by a further period of 30 (thirty) days, at the sole discretion of the Debenture Holders.</p> <p>2. Creation and perfection of Security on the assets set out in Dharwad.</p> <p>3. The Company shall pay all fees, expenses and other charges, to all relevant advisors of the Debenture Holders and in relation to issue of the Debentures including the upfront fee to such banks, financial institutions and other lenders as stipulated by such lenders under their respective terms of sanction, fees of all counsels appointed for the purpose of representing the interest of the Debenture Holders, consultants, trustees etc., within a period of 5 (five) Business Days from the Allotment Date</p>
Cross Default	<p>1. <b>Cross Default</b></p> <p>(a) Any of the Company and/or the Obligors failing to pay its debts or Indebtedness to any Person as they fall due or suspends or threatens to suspend making payments (whether principal or interest) with respect to any of its debts or any notice received by the Company and/or the Obligors regarding, or commencement by any lender of, any enforcement action on any security made available/guarantee</p>



	<p>provided by the Company and/or the Obligors.</p> <p>(b) Any of the Reference Controlled Entities, if any, failing to pay its debts or Indebtedness to any Person as they fall due or suspends or threatens to suspend making payments (whether principal or interest) with respect to any of its debts or any notice received by any of the Reference Controlled Entities regarding, or commencement by any lender or creditor of, any enforcement action on any security made available/guarantee provided by any of the Reference Controlled Entities.</p> <p>(c) Any of the Company and/or the Obligors fail to comply with or breach the terms of any document (other than Financing Documents, the default in respect of which is provided in paragraphs 1 and 2 above) relating to any Indebtedness of such Company and/or Obligor and such non-compliance or breach entitles the counterparties/creditors of the Company and/or the Obligors to accelerate the outstanding amounts due to them or to take any enforcement action against the Company and/or the Obligors and/or their assets or commence any liquidation, bankruptcy or winding up proceedings, which is not cured within a period of 30 (thirty) calendar days from the date of occurrence of such breach.</p> <p>(d) Any of the Reference Controlled Entities, if any, fail to comply with or breach the terms of any document (other than Financing Documents, the default in respect of which is provided in paragraphs 1 and 2 above) relating to any Indebtedness of such Reference Controlled Entity and such non-compliance or breach entitles the counterparties/creditors of any of the Reference Controlled Entities to accelerate the outstanding amounts due to them or to take any enforcement action against any of the Reference Controlled Entities and/or their assets or commence any liquidation, bankruptcy or winding up proceedings, which is not cured within a period of 30 (thirty) calendar days from the date of occurrence of such breach.</p> <p>(e) Any Person exercises a lien or set-off against any of the Company and/or the Obligors or any of their assets.</p> <p>(f) Failure by the Company and/or the Obligors to pay one or more amounts due under any judgments or decrees which shall have been entered against the Company and/or the Obligors.</p>
<b>Role and Responsibilities of Trustees</b>	As set out in the Debenture Trust Deed
<b>Governing Law and Jurisdiction</b>	<ul style="list-style-type: none"> <li>• This Deed, and all non-contractual obligations arising from or in connection with this Deed, is governed by Indian law.</li> <li>• Jurisdiction of Indian courts Subject to clause (b) below, the courts in Mumbai shall have non-exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement (including any dispute relating to any non-contractual obligation arising from or in connection with this Agreement and any dispute regarding the existence, validity or</li> </ul>

termination of this Agreement) ("Dispute").

• **Arbitration**

(i) Subject to any Debenture Holders' and Debenture Trustee's right to exercise any remedies under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993 ("DRT Act") or the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFESI Act"), if available and/or applicable, the Parties agree that at the option of the Debenture Holders and/or the Debenture Trustee, any Dispute may be referred to arbitration by the Debenture Holders, which decision shall be binding on the Company.

(ii) If the Debenture Holders and/or the Debenture Trustee choose that any Dispute is to be resolved by arbitration under this clause, the Debenture Holders (acting through themselves or the Debenture Trustee, as the case may be) on the one hand shall appoint 1 (one) arbitrator, the Company on the other hand, shall appoint the second arbitrator and the 2 (two) arbitrators so appointed shall appoint the third arbitrator who shall act as the presiding arbitrator. In the event a party fails to appoint their arbitrator for any reason whatsoever within 15 (fifteen) days of another party appointing the arbitrator, then, the appointment process set forth in the rules of Arbitration of the International Chamber of Commerce ("ICC Rules") shall be followed. The seat of arbitration shall be at Mumbai or such other seat in India as may be agreed to by the Parties and the arbitration shall be governed by the provisions of the ICC Rules. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne in such manner as the arbitral tribunal may determine. The award shall be final, conclusive and binding on all parties concerned. The arbitration tribunal may lay down from time to time the procedure to be followed in conducting arbitration proceedings and shall conduct the arbitration proceedings in such manner as it considers appropriate.

(iii) Notwithstanding anything contained hereinabove, in the event of any law being made or amended so as to bring any Debenture Holder under the SARFESI Act or the DRT Act, or any other special legislation to enable such Debenture Holder to enforce the security under the SARFESI Act or proceed to recover dues from the Company under the DRT Act, such Debenture Holder shall be entitled at its sole discretion to initiate such additional / parallel actions as it deems fit. The Parties agree that any arbitration provisions commenced prior to such additional / parallel actions being initiated by the Debenture Holder shall, if mutually agreed to between the parties to such arbitration, stand terminated and the mandate of the arbitrators shall come to an end from the date of such mutual agreement between the parties.

(iv) It is clarified for the avoidance of the doubt that this clause is for the



	<p>benefit of the Debenture Holders and the Debenture Trustee only. As a result, no Debenture Holder and/or Debenture Trustee shall be prevented from taking proceedings relating to a Dispute in any courts in India with jurisdiction. To the extent allowed by applicable law, the Debenture Holders and the Debenture Trustee may take concurrent proceedings in any number of jurisdictions. The Company may however proceed against the Debenture Holders and the Debenture Trustee only in the courts of Mumbai unless the Debenture Holders require arbitration to be carried out in which case arbitration shall be undertaken.</p> <p>(v) Nothing contained in this clause shall restrict a Debenture Holder who is not a part of such arbitration proceeding from joining an on-going arbitration initiated pursuant to this clause between any of the other Parties to protect its interest.</p>
<b>Additional Covenants</b>	<ol style="list-style-type: none"> <li>1. Receipt of a no objection certificate from the Income Tax Officer under section 281(1)(ii) of the Income Tax Act, 1961 requesting permission/no-objection for the creation of security in favour of the Debenture Trustee for the benefit of the Debenture Holders within 90 (ninety) days of the Allotment Date, which period can be extended by a further period of 30 (thirty) days, at the sole discretion of the Debenture Holders.</li> <li>2. Creation and perfection of Security on the assets set out in Dharwad.</li> <li>3. The Company shall pay all fees, expenses and other charges, to all relevant advisors of the Debenture Holders and in relation to issue of the Debentures including the upfront fee to such banks, financial institutions and other lenders as stipulated by such lenders under their respective terms of sanction, fees of all counsels appointed for the purpose of representing the interest of the Debenture Holders, consultants, trustees etc., within a period of 5 (five) Business Days from the Allotment Date.</li> </ol>
<b>Applicable RBI Guidelines</b>	None
<b>Prohibition on Purchase/ Funding of Bonds</b>	None
<b>Issue Opening Date</b>	September 11, 2017
<b>Issue Closing Date</b>	September 18, 2017
<b>Pay In Dates</b>	Date of receipt of application
<b>Date of Allotment</b>	September 18, 2017

