



MSP STEEL & POWER LIMITED

(An ISO 9001 : 2008, 14001 : 2004 OHSAS 18001 : 2007 Certified Company)

Regd. Office : 1, Crooked Lane, Kolkata - 700 069, Phone : 033 2248 5096

CIN No. : L27109WB1968PLC027399

1. Term Sheet:

The following are the details of the Resolution Plan for MSP S4A Scheme:

The existing funded debt of Rs. 1,186.29 crores as on 31/07/2017 (including overdue interest on Part B debt upto Sep'17) has been bifurcated as under:

Part A: Rs. 605.32 crores which includes Cash Credit - Rs. 260.00 crores, Term Loan - Rs.330.86 crores and Capex. Loan -Rs. 14.46 crores

Part B: Rs. 580.97 crores—which is to be converted into equity aggregating to Rs.128.58 crores and balance into Optionally Convertible Debentures (OCDs) amounting to Rs.452.39 crores.

The terms and conditions of the various facilities are detailed as under:

1. Part A portion of debt;

(A) Cash Credit- Rs. 260.0 crores

(i) Interest: The existing interest rate will continue

(ii) Repayment: payable on demand

(iii) Security: Existing security will continue

(B) Term Loan and Capex Loan: Term Loan - Rs.330.86 crores and Capex. Loan Rs.14.46 crores

(i) Interest: The existing interest rate will continue

(ii) Repayment: The Term Loan and Capex. Loan will be paid in proportion to the existing repayment schedule (detailed in Annexure)

(iii) Security: Existing security will continue


2. Part B portion of debt;

Subscription to equity – Rs.128.58 crores: Lenders shall subscribe 12.86 crores of equity shares in MSPL at a price of Rs. 10.00/-per share (face value) against present market price of about Rs.15.00 per share. The existing promoter shareholding will get diluted by 44.41% (i.e. in the proportion of Part B to total dues) by transfer of shares from promoter instead of issuance of fresh equity shares to lenders. Promoters will have holding of 41.63% equity shares in the company post dilution against lender's shareholding of 33.27% as represented in the following table:

Particulars	Existing	After Conversion of Preference Shares into Equity *	Proposed after S4A
Promoters Holding	71.90%	74.90%	41.63%
Public Holding	28.10%	25.10%	25.10%
Lender's Share			33.27%
TOTAL	100.00%	100.00%	100.00%

*Fresh equity shares to the tune of 29.84 Crore shares are being issued to existing preference shareholders.

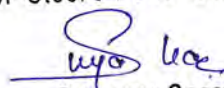
For MSP Steel & Power Limited


Company Secretary

Subscription to Optionally Convertible Debentures (OCDs): Rs. 452.39 crores issued by the company, in terms of issue having mutually agreed upon as listed here under:

- (i) Tenor: Unless otherwise the period of redemption is reset, the OCD's shall mature on 30/09/2033.
- (ii) Repayment: OCDs shall have moratorium period of 7 years and shall be repayable in 36 structured quarterly installments starting from December 2024 and maturing on Sep 2033.
- (iii) Coupon: The OCDs shall carry a coupon rate of 0.01% pa. payable quarterly till maturity.
- (iv) IRR: OCDs may be redeemed along with a redemption premium. The redemption premium will be calculated with YTM @ 2.00% p.a. compounded quarterly.
- (v) Security: Till such time as the Part A of the debt continues to be repaid, the OCDs shall be treated as unsecured. Thereafter, it would be automatically converted into Secured Debentures.
- (vi) Prepayment: Lenders shall have the right to utilize any excess cash flows (after repayment of Part A obligations) towards prepayment of OCDs along with a redemption premium.
- (vii) Conversion option: Lenders will have the right to convert the principal and/or interest/coupon amount of the OCDs into equity at their option at a rate as per applicable guidelines on listed shares. Lenders will have the right to engage an independent valuer / merchant banker to determine the conversion price for the shares of the company.
- (viii) As per SEBI-ICDR guidelines, the conversion option is available only for 18 months whereas the tenure of proposed OCDs is 10 years. In light of SEBI restriction, it is proposed that the following treatment would be given to OCD after expiry of 18 months:
 - The conversion option will be extended, if RBI and SEBI allows special dispensation in this regard
 - The conversion option will be rolled-over after 18 months
 - The OCD will be converted into NCD

For MSP Steel & Power Limited


Company Secretary
13/08/18