

ECL Finance Limited

Term Sheet –NCD Issuance

Security Name	ECLF NCD-Feb-2020
Issuer	ECL Finance Limited
Type of Instrument	Secured Redeemable Non Convertible Debentures
Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Issue Size	Rs. 25 Cr
Option to retain oversubscription (Amount)	Not Applicable
Eligible Investors	<p>The following categories of investors, when specifically approached, are eligible to apply for this private placement of Debentures Individuals</p> <ul style="list-style-type: none">• Individuals• Hindu Undivided Family• Trust• Limited Liability Partnerships• Partnership Firm(s)• Portfolio Managers registered with SEBI• Association of Persons• Companies and Bodies Corporate including Public Sector Undertakings• Commercial Banks• Regional Rural Banks• Financial Institutions• Insurance Companies• Mutual Funds• Any other investor eligible to invest in these Debentures.
Minimum Application Size	10 Debentures bearing face value of Rs. 10,00,000 each and in multiples of 1 Debenture thereafter.
Face Value	Rs. 10,00,000/ per Debenture
Issue Price	Rs. 10,00,000/ per Debenture
Discount at which Debenture is issued and the effective yield as a result of such discount	Not Applicable
Tenor	3 years from the deemed date of allotment
Coupon Rate	9.00%
Step Up/ Step Down Coupon Rate	N.A.
Coupon payment frequency	Annually
Coupon payment dates	14 th February Annually
Coupon type	Fixed

Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc)	N.A.
Day Count Basis	Actual/Actual
Interest on Application Money	Not Applicable
Default interest rate	Not Applicable
Redemption Date	14 th February 2020
Principal Repayment Amount (FV)	Rs. 10,00,000 per debenture
Redemption Premium	NIL
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable
Put Option Date	N.A.
Put Option Price	N.A.
Put Notification Time	N.A.
Call Option Date	N.A.
Call Option Price	N.A.
Call Notification Time	N.A.
Listing	The Company Proposes to list the debentures on the Wholesale Debt Segment of BSE Limited. The Company confirms that the debentures would be listed within 20 days from the deemed date of Allotment.
Market Lot	The minimum lot size for trading shall be 1 debenture and in multiple of 1 thereafter
Issuance mode of Debentures	Demat
Trading mode of the Debentures	Demat
Depository	NSDL/CDSL
Security	<p>100% of the principal and any interest due amounts outstanding during the tenure of the debenture shall be secured with an asset cover of 1.1 times of the debentures outstanding by way of a pari passu charge on present and future book debts / business receivables.</p> <p>The said security shall be created within 30 days from the Deemed Date of Allotment.</p>
Rating	<p>BWR AA+ (pronounced "BWR AA+") rating with Stable Outlook by Brickwork Ratings India Private Limited.</p> <p>CRSIL AA (pronounced CRISIL AA) rating with stable outlook.</p>

Objects of the Issue	The Issuer proposes to augment its long term resources to meet its requirements of funds to carry on its business operations
Details of the Utilisation of the proceeds	The proceeds of the issue of Debentures would be utilized for general corporate purposes and/or for refinance of existing liabilities
Settlement mode of the Debentures	Redemption proceeds comprising of the value of Principal, Interest and Premium amount shall be done by RTGS/cheque to the holders of the NCDs as on the Record Date.
Working day / Business days Convention	All days except Saturday, Sunday and any public holiday on which banks in Mumbai are open for business.
Holiday Convention	Should any of the date(s), including the Date of Allotment/Deemed Date of Allotment, or the Record Date, as defined in the Disclosure Document, falls on a Saturday or Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the next Working Day shall be considered as the effective date. Should the Maturity Date or Redemption Date of the debt securities falls on a Saturday, Sunday or a public holiday or no high value clearing or RTGS is available for any reason whatsoever at a place where the Registered/Corporate Office is situated, the redemption proceeds shall be paid on the previous working day.
Record Date	The date, as may be fixed by the Company, which would be 15 days (or such other date as the Board may decide) for determination of the persons entitled to receive Interest and/or Principal amount in respect of the Debentures.
Conditions Subsequent to Disbursement	Not Applicable
Conditions Precedent for Investment	The investment will be subject to conditions, including those stated below: <ul style="list-style-type: none"> • Issuer shall meet all the regulatory requirement relating to companies • Corporate approvals from the Board of Directors and shareholders (if required) of Issuer shall have been received for the execution, delivery and performance by Issuer for issuance of NCDs to Investors in accordance with the terms of the Issuance;
Events of Default	An Event of Default shall have occurred upon the happening of any event or circumstances, including those mentioned hereunder: <ul style="list-style-type: none"> • Breach of the covenants • Issuer does not pay, on the due date, any amount payable pursuant to any of the Transaction Documents; • If Issuer voluntarily or compulsorily goes into liquidation or ever has a receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or under any other law providing protection as a relief undertaking; • If Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or admits inability to pay its respective debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consents to the appointment of or the taking of possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its respective property
Provisions related to Cross	Not Applicable

Default Clause	
Issue Opening Date	14 th February 2017
Issue Closing Date	14 th February 2017
Pay-in-Date	14 th February 2017
Deemed Date of Allotment	14 th February 2017
Roles and Responsibilities of Debenture Trustee	<p>Regulation 15 of the SEBI (Debenture Trustees) Regulations 1993, prescribes duties of the Debenture Trustees including following:</p> <ol style="list-style-type: none"> 1. Call for periodical reports from the issuer. 2. To take possession of Trust property in accordance with the provisions of the Trust Deed. 3. To enforce security in the interest of the debenture holders. 4. To ensure on a continuous basis that the property charged to debentures is available and adequate at all times to discharge the Interest and/ or Principal amount payable to debenture holders. 5. To exercise due diligence to ensure compliance by the issuer with the provisions of the Companies Act, the listing agreement of the stock exchange or the trust deed. 6. To take appropriate measures for protecting the interest of debenture holders as soon as there is a breach of Trust Deed. 7. To ascertain that the debentures have been redeemed or converted in accordance to the provisions of the offer document. 8. To inform SEBI immediately of any breach of trust deed or provision and law 9. To appoint a Nominee Director on the Board of Issuer in the event of:- <ul style="list-style-type: none"> • Two consecutive defaults in payment of Interest to the Debenture holders or • Default in creation of security for debentures or • Default in redemption of debentures <p>As a Debenture Trustee it may have to take steps as he may deem fit –</p> <ol style="list-style-type: none"> 1. To ensure that the assets of the company issuing debentures are sufficient to discharge the principal amount at all times. 2. To satisfy himself that the prospectus does not contain any matter which is inconsistent with the terms of the Debentures. 3. To ensure that the company does not commit any breach of covenants of the Trust Deed or Terms of issue of Debentures. 4. To take such reasonable steps to remedy any breach of the covenants of the Trust Deed. 5. To take steps to call a meeting of holders of Debentures as and when such meeting is required to be held.
Governing Law and Jurisdiction	The Debentures are governed by and will be construed in accordance with the Indian law. The Company, the Debentures and Company's obligations under the Debentures shall, at all times, be subject to the directions of SEBI. The Debenture holders, by purchasing the Debentures, agree that the Mumbai High Court shall have exclusive jurisdiction with respect to matters relating to the Debentures.

<p>Other Terms</p>	<p>Security Creation:</p> <p>In case of delay in execution of Trust Deed and Charge documents, the Company will refund the subscription with agreed rate of interest or will pay penal interest of at least 2% p.a. on the Face Value of the Debentures till these conditions are complied with at the option of the investor.</p> <p>Default in Payment :</p> <p>In case of default in payment of interest, premium and/ or principal amount on the due date, additional interest of atleast @ 2% p.a. on the Face Value of the Debentures will be payable by the Company for the defaulting period.</p> <p>Delay in Listing:</p> <p>In case of delay in listing of the debt securities beyond 30 days from the Deemed Date of Allotment, the Company will pay penal interest of at least 1 % p.a. on the Face Value of the Debenture from the expiry of 30 days from the Deemed Date of Allotment till the listing of such debt securities to the investor.</p> <p>The interest rates mentioned in above three cases are the minimum interest rates payable by the Company and are independent of each other.</p> <ul style="list-style-type: none"> • With reference to the Notification bearing no. RBI/2011-12/423 A.P. (DIR Series) Circular No. 89 dated March 1, 2012 issued by Reserve Bank of India, Foreign Exchange Department, Central Office, Mumbai – 400 001 in respect of FII investment in ‘to be listed’ debt securities, Issuer confirms that the Debentures would be listed within 15 days from the Deemed Date of Allotment. In case the Debentures issued to the FIIs / sub-accounts of FIIs are not listed within 15 days of Deemed Date of Allotment to the FIIs / sub-accounts of FIIs, for any reason, the FIIs/ sub-accounts of FIIs shall immediately dispose of the NCDs either by way of sale to domestic participants/investors until the Debentures are listed or if the FIIs / sub-accounts of FIIs approaches the Issuer, the Issuer shall immediately redeem /buyback the Debentures from the FIIs/sub-accounts of FIIs.
<p>Material Transaction Documents</p>	<ul style="list-style-type: none"> • Letter appointing SBICAP Trustee Company Limited, as Trustee to the Debenture holders (“Debenture Trustee”). • Letter appointing Link Intime India Pvt Ltd as Registrar and Transfer Agent (“Registrar”). • Memorandum & Articles of Association of the Company. • Board Resolution dated July 31, 2009 authorizing issue of Debentures offered under terms of the Disclosure Document. • Letter from Rating agency conveying the credit rating for the Debentures of the Company (not more than 1 month old from the deemed date of allotment). • Rating rationale pertaining to the NCDs. • Any other documentation in form and substance customary for Transactions of this nature.
<p>Letter of Allotment</p>	<p>The Issuer shall ensure the Debentures are credited to the demat accounts of investors within 2 working days from the Deemed Date of Allotment.</p>
<p>Debenture Trustee</p>	<p>SBICAP Trustee Company Limited</p>
<p>Approvals</p>	<p>The Issuer agrees to comply with all applicable laws in respect of the Issue. The</p>

Issuer will be responsible for taking all the necessary authorizations and / or approvals internal, external regulatory, statutory or otherwise.

Illustration of Bond Cash Flows

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Face Value (per security) Rs.	1,000,000.00
Issue Date/Date of Allotment	Tuesday, February 14, 2017
Coupon Rate	9.00%
Day Count Convention	Actual / Actual

Cash Flows	Date	No. of days	Amount (in Rupees)
1st Coupon	Wednesday, February 14, 2018	365	90,000.00
2nd Coupon	Thursday, February 14, 2019	365	90,000.00
3rd Coupon	Friday, February 14, 2020	365	90,000.00
Principal	Friday, February 14, 2020		1,000,000.00
Total			1,270,000.00