

TERM SHEET

Issuer	Aptus Value Housing Finance India Ltd			
Type of Instrument	Listed Secured Rated Redeemable Non-Convertible Debentures			
Nature of Instrument	Secured			
Seniority	Senior			
Sole Arranger	ICICI Securities Primary Dealership Limited			
Investor	Franklin Templeton Mutual Fund			
Mode of Placement	On Private Placement basis to eligible investors			
Use of Proceeds	The funds raised through the issue will be used for various financing activities viz providing affordable housing loans/Non Housing Loans.			
Debenture holders or NCD Holders	The several persons, who are, for the time being; the beneficial owners of the Debentures and whose names appear in the records maintained by the Depository and shall include the investors and their transferees.			
Rating	"A" by ICRA			
Issue Amount		Tranche I	Tranche II	Tranche III
	Issue Amount (INR)	800,000,000	800,000,000	400,000,000
Face Value & Issue Price	Face value per Debenture - INR 1 Lakh Issue Price - at Par			
Coupon	10.00% payable monthly for the first 5 years from the Deemed date of Allotment. Coupon payable monthly to be mutual agreed for the balance tenor as per the Coupon reset option.			
Coupon Reset Event	Date falling 5 years from the Deemed Date of Allotment			
Coupon Reset Option	<p>1) The Issuer shall at least 20 (twenty) days prior to the Coupon Reset Event, provide a written notice to the Debenture Trustee which shall mention the proposed Coupon Rate ("Coupon Reset Notice"), and the Debenture Trustee shall forward the Coupon Reset Notice to the Debenture Holders on the date of receipt of the Coupon Reset Notice. In the event the revised Coupon Rate is acceptable to the Debenture Holder(s), they shall communicate to the Debenture Trustee their acceptance of the revised Coupon Rate at least 15 (fifteen) days prior to the Coupon Reset Date. Within this 5 day period, the Issuer and Debenture Holders can have multiple rounds of discussions and Debenture Holders can give a counter quote on the Revised Coupon Rate. Upon receipt of such information, the Debenture Trustee shall inform the revised Coupon Rate to the Issuer and the Accepting Debenture Holders, on or prior to the Coupon Reset Date (the "Coupon Reset Event"), and on each Coupon Payment Date occurring after the Coupon Reset Event, the Accepting Debenture Holders, shall be paid the Coupon at such revised Coupon Rate which shall be applicable from the Coupon Reset Date.</p>			

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	<p>2) In case there is no agreement on the revised Coupon Rate between the Issuer and Debenture Holders till 15 (fifteen) days prior to the Coupon Reset Date,</p> <p>a) the Issuer shall have an option to give a Call notice to prepay the NCDs to Debenture Holders on Coupon Reset Date. Such notice to exercise Call Option has to be given by the Issuer atleast 14 days prior to the Coupon Reset Date. On exercise of Call option, the issuer shall make the prepayment (principal amount of NCDs along with all the other Amounts Due, including accrued Coupon on such NCDs) on the Coupon Reset Date</p> <p>b) the NCD holder shall also have an option to give a Put notice to ask for prepayment of the NCDs to Debenture Holders on Coupon Reset Date. Such notice to exercise Put Option has to be given by the NCD Holder atleast 13 days prior to the Coupon Reset Date. In case the put option is exercised, the issuer shall make the prepayment (principal amount of NCDs along with all the other Amounts Due, including accrued Coupon on such NCDs) on the Coupon Reset Date.</p> <p>c) If either of the parties do not exercise their options despite being in disagreement on the revised coupon rate, the revised coupon rate shall be reset to original coupon rate i.e., 10% per annum payable monthly.</p>			
Issue Timing (Exact dates to be mutually decided)		Tranche I	Tranche II	Tranche III
	Issue Opening Date	22 December 2017	23 January 2018	23 February 2018
	Issue Closing Date	26 December 2017	25 January 2018	26 February 2018
	Pay in Date	26 December 2017	25 January 2018	26 February 2018
	Deemed Date of Allotment	26 December 2017	25 January 2018	26 February 2018
Maturity date	Tranche I	Tranche II	Tranche III	
	26 December 2024	24 January 2025	26 February 2025	
Coupon Payment Date	Interest will be payable monthly			
Date of Redemption	The day on which the Debentures are redeemed.			
Redemption Amount	The Redemption Amount means the sum of the Face Value of the NCDs, the coupon accrued, Default Interest, if any, and other charges then payable (if any).			
Form of Issuance	Demat			
Interest on Application Money	The Company shall be liable to pay the Debenture Holders, interest on application money at the Coupon rate for the period commencing from the date on which the Debenture Holders have made payment of the application monies			

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	in respect of the Debentures to the Company and ending on one Business Day prior to the Deemed Date of Allotment. The interest on application monies, if any, shall be paid by the Company to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.
Listing	On the Wholesale Debt Market segment of the Bombay Stock Exchange ("BSE"). The Issuer shall obtain In Principle Approval from BSE prior to Deemed Date of Allotment. The Issuer shall ensure listing of the NCDs within 15 days.
Day Count	Actual / Actual
Security	The NCDs will be secured by a first ranking security interest over specified receivables of the Issuer, in a form and substance satisfactory to investor and for an amount corresponding to a 110% cover over the outstanding principal amount and accrued interest on the NCDs.
Security Creation	<p>Issuer will create the security within 60 days of the deemed date of allotment</p> <p>Issuer will execute security creation documents such as Deed of Hypothecation or any other document as may be prescribed by Debenture Trustee for creation of security, to the satisfaction of the Debenture Trustee.</p> <p>➤ In the event of delay in execution of Debenture Trust Deed, the Issuer shall refund the subscription at the coupon rate/ Yield or shall pay penal interest of 2% per annum over the coupon rate/ Yield for the delayed period till such conditions are complied with, at the option of the debenture holders.</p>
Default Interest	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise), the Issuer shall pay an additional 2.0% (Two Percent) per annum over and above the applicable Coupon Rate on the outstanding principal amount of the Debentures, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable
Business Days	Any day (other than Saturday or Sunday or a bank holiday) on which scheduled commercial banks are open for general business in Mumbai.
Business Day Convention	In case the date for performance of any event or any Coupon Payment Date falls on a day which is not a Business Day the payment to be made on such Due Date or the due date for such performance of the event shall be made on the next Business Day, except where the Redemption Date falls on a day which is not a Business Day, in which case all payments to be made on the Redemption Date (including accrued Coupon) shall be made on the immediately preceding Business Day
Key Covenants	<p><u>Financial Covenants</u></p> <p>The Issuer shall prudently manage its financial position in accordance with sound banking and financial practices, applicable laws and the Reserve Bank of India</p>

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	<p>prudential standards. In addition to this the issuer shall comply with the following covenants:</p> <ul style="list-style-type: none"> (i) Risk Weighted Capital Adequacy Ratio of not less than fifteen percent (15%); (ii) a Debt to Equity ratio of 6 times; <p>All covenants would be tested on semi-annual basis for the Company i.e. as on 31st March and 30th September every year, starting from 31st March, 2018 on consolidated and standalone balance sheet till the redemption of the Debentures. The covenants shall be certified by the Company within 30 days from end of each reporting half year.</p> <p>"Debt" shall mean aggregate of</p> <ul style="list-style-type: none"> > All long-term debt outstanding, whether secured or unsecured, plus > Contingent liability pertaining to corporate/ financial guarantees given on behalf of any company / SPV / subsidiary/affiliate to the extent of outstanding of such guaranteed debt, plus > Any short term debt outstanding, whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt > Any amount raised by acceptance under any acceptance credit facility > Receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis) > Any put option, shortfall / liquidity support undertaking, debt service reserve account undertaking, keep fit letter(s), Letter of Comfort issued in favour of any person(s), which give or may give rise to any financial obligation(s) > Any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing; <p>"Equity" shall mean issued and paid up Equity, compulsory convertible instruments and Preference Share Capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (+) deferred tax liability (-) deferred tax asset (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Issuer.</p>
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Early Redemption	<p>The Debentures along with accrued interest shall become due and payable within 30 days upon receipt of written notice from Debenture Trustee of happening of any of the following events ("Early Redemption Events"):</p> <p>If any time during the tenor of debentures, the rating of the instrument is downgraded below A- , the Debenture Trustee shall have the right, but not an obligation, to require the Issuer to redeem the Debentures</p>
Transaction Documents	<p>For the fulfillment of the objective, the Parties shall execute / ensure execution of the following documents ("Transaction Documents")</p> <ul style="list-style-type: none"> > Debenture Trustee Agreement > Debenture Trust Deed > Deed of Hypothecation <p>Any other documents as may be prescribed by the Debenture Trustee and /or the Investor</p>
Condition Precedent to Disbursement	<ul style="list-style-type: none"> > Authority from Board of Directors and Shareholders to issue debentures
Condition Subsequent to Disbursement	<p>All the Transaction Documents to be executed within the stipulated timelines mentioned in this term sheet.</p>
Taxes , duties and cost	<p>Relevant taxes, duties and levies are to be borne by the Issuer.</p> <p>All charges / fees and any amounts payable under the NCD by the Issuer to the Investor as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</p>
Expenses	<p>All costs and expenses incurred in the preparation, negotiation and subscription of the NCDs (including those of legal, due diligence duties, taxes, translation, security creation etc.) are to the account of the Issuer. The Issuer agrees to pay such costs and expenses whether or not the NCDs are subscribed. In case any of the costs or expenses is incurred by the Investor, the Issuer agrees to reimburse such costs and expenses to the Investor within seven (7) Business Days from the date of demand for such reimbursement being raised by the Investor, whether or not the NCDs are subscribed</p>
Role of Debenture Trustee	<ul style="list-style-type: none"> > It is proposed that the Debenture Trustee inter alia, shall perform the following functions; > To ensure that the Security is created and charge is registered within stipulated time frame, and report any discrepancy in this regard to the Investor or its successors and assigns > to accept, perfect, manage and administer the Security and, for that purpose or in connection therewith, enter into any Transaction Documents and to perform all such acts, deeds and things which the Debenture Trustee may from time to time deem necessary for or incidental to the management and administration of the rights and Security interest vested in it

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**FRANKLIN TEMPLETON
INVESTMENTS**

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	<ul style="list-style-type: none">➤ To hold the Security created by the Issuer and any sums of money realized pursuant thereto, in favour of and for the benefit of the Investor and its successors and assigns from time to time,➤ To monitor the asset cover of the Security,➤ In an Event of Default by the Issuer under the NCDs, the Debenture Trustee shall enforce the Security on behalf of the Investor or its successors and assigns, upon the instructions of the Investor or its successors and assigns. To accept notice from Issuer / Investors and give notice to Issuer / Investors within stipulated time frame.
Governing Law & Jurisdiction	➤ The Definitive Agreements will be governed by the laws of India. Courts in Mumbai will have jurisdiction in relation to any dispute that arises under any of the Definitive Agreements.
Material Adverse Change	Any material adverse effect on or a material adverse change (in the judgment of Investor) in (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Issuer; (b) the ability of the Issuer to enter into and to perform its obligations under Transaction Documents or any other related document to which Issuer is or will be a party; or (c) the validity or enforceability of the Transaction Documents or any other related document or the rights or remedies of Investor there under; or (d) the international capital or loan market conditions; or (e) the political, financial or economic condition of Republic of India; and shall also mean and include any event whether domestic or international, which in the opinion of Investor could adversely affect the repayment of the outstanding Debentures or impact the underlying Security

Accepted and agreed
For Franklin Templeton Asset Management
(India) Pvt Ltd.

Sumit Gupta
Portfolio Manager, Fixed Income

For APTUS VALUE HOUSING FINANCE INDIA LTD.

Authorised Signatory