

27-Mar-2018

IL&FS Transportation Networks Limited
IL&FS Centre
Bandra Kurla Complex
Mumbai

Dear Sir / Madam,

Subsequent to our discussion with IL&FS Financial Services regarding the Fund Mobilization programme of our company through issuance Rated, Listed, Secured Redeemable Non-Convertible Debentures (NCD's), Darashaw & Company Private Limited would be pleased to syndicate monies at the terms stated below,

Issuer	IL&FS Transportation Networks Limited (ITNL)
Promoter/Credit Enhancement (CE) Provider	Infrastructure Leasing & Financial Services Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Rated, Listed, Secured Redeemable Non-Convertible Debentures
Seniority	The Debentures shall rank pari passu to other senior debt in terms of repayment.
Security	<p>Debentures are proposed to be secured by way of a first ranking pari passu charge created and registered with the ROC, over the Hypothecated Assets. The security cover being provided by such Hypothecated Assets shall not at any time be less than 100% (One Hundred Percent) of the principal amounts borrowed, applicable Coupon there-on, expenses of the trustees, any other expense or charges, direct or indirect and not limited to stamp duty, listing fee, rates, taxes, any fee etc.. The charge on the Hypothecated Assets shall be created without delay within the time stipulated herein and shall be shared on pari passu basis with the Secured Lenders in accordance with the Security Documents.</p> <p>The charge on the Hypothecated Assets will be created in favour of IDBI Trusteeship Services Limited (acting in its capacity as the security trustee in relation to the indebtedness made available by the Secured Lenders) and the Debenture Trustee will be inducted as an additional lender (for the benefit of Debenture Holders) by execution of a deed of accession/adherence to security trustee agreement executed to appoint IDBI Trusteeship Services Limited (to act as the security trustee in relation to the indebtedness made available by the Secured Lenders) and such other security documents, as may be necessary for creating first ranking pari passu charge on the Hypothecated Assets as a security for the Debentures.</p>

DARASHAW & COMPANY PVT.LTD.

CIN-U67120MH1994PTC076656

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	The security as aforesaid shall be created within 90 (Ninety) days from the Date of Closure of the Issue.		
Nature of credit enhancement (Escrow account, DSRA, Guarantee etc.), if any	DSRA Support Undertaking from IL&FS and as per confirmation from the Rating Agencies.		
Mode of Issue	Private placement		
Eligible Investors	Only the following categories of investors, when specifically contacted, are eligible to invest in these NCDs: a. Companies b. Scheduled Commercial Banks c. Co-operative Banks d. Financial Institutions e. Insurance Companies f. Mutual Funds g. Provident, Gratuity, Pension and Superannuation Funds h. Any other investor authorized to invest in these NCDs		
Listing	Proposed to be listed on the WDM segment of the NSE within a maximum period of 15 (Fifteen) Business Days from Deemed Date of Allotment. Without prejudice to any covenants of the Issuer in this regard, in case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) Business Days from the Deemed Date of Allotment, the Issuer shall make payment the Debenture Holders of penal interest calculated on the face value of the Debentures at the rate of 1% p.a. over the Coupon Rate from the expiry of 30 (Thirty) Business Days from the Deemed Date of Allotment till the listing of the Debentures		
Issue Size	Total size Rs. 325 Crore (Three Hundred Twenty Five Crore Only)		
Option to retain oversubscription	N.A.		
Details of the utilization of the Proceeds	The proceeds of the Issue would be utilized to meet fund requirements for the business activities of the Issuer, augmentation of capital for capital expenditure, refinance of existing debt and other general corporate purpose.		
Structures	Series 1	Series 2	Series 3
Tenure	5 Years	7 Years (Equal Staggered maturity quarterly starting from the 5 th Year)	10 Years (Equal Staggered maturity quarterly starting from the 5 th Year)
Coupon Rate	A fixed rate of 9.10% per annum payable quarterly, which shall be calculated on the face value of the Debentures and shall be payable until the Debentures are redeemed	A fixed rate of 9.15% per annum payable quarterly, which shall be calculated on the face value of the Debentures and shall be payable until the Debentures are redeemed	A fixed rate of 9.20% per annum payable quarterly, which shall be calculated on the face value of the Debentures and shall be payable until the Debentures are redeemed

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Coupon Payment Frequency	Payable Quarterly	Payable Quarterly	Payable Quarterly
Issue size as per options	Rs. 75 Crore	Rs. 110 Crore	Rs. 140 Crore
Coupon Payment Dates	The dates on which Coupon shall be paid and the amounts payable as Coupon is as set out in Annexure VIII herein.		
Coupon Type	Fixed		
Coupon Reset Process	N.A.		
Day Count Basis	Actual / Actual		
Rating of Instrument	ICRA AA+ (SO) by ICRA Ratings BWR AA+ (SO) by Brickwork Ratings		
Objects of the issue	To raise debt up to the extent of Rs.325,00,00,000/- (Rupees Three Hundred Twenty Five Crore only)		
Redemption Date(s)/ Scheduled Debt Obligation	Series 1: Bullet repayment at the end of 5 years Series 2: 7 Years (Equal Staggered maturity quarterly starting from the 5 th Year) Series 3 : 10 Years (Equal Staggered maturity quarterly starting from the 5 th Year)		
Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture along with Coupon on Redemption.		
Interest on Redemption	NA		
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs Only) per Debenture.		
Face Value	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture		
Minimum Application size	The minimum application size for the Issue shall be 10 (Ten Debenture) and in multiples of 1 (One) thereafter.		
Issue Schedule	<ul style="list-style-type: none"> • Issue Opening Date: 28-Mar-2018 • Issue Closing Date: 28-Mar-2018 • Pay -in Date: 28-Mar-2018 • Deemed Date of Allotment: 28-Mar-2018 <p>All documentation including, but not limited to, the Information Memorandum, Board Resolution, Rating Letter, Appointment of Trustees, Credit Rating Rationale to be completed and made available to the Arranger 1 (One) business day prior to Issue Opening Date.</p>		
Issuance mode of the Instrument	Demat only		
Trading mode of the Instrument	Demat only		
Settlement mode of the Instrument	Payment of Interest/ Coupon and Redemption Amount of the Debentures shall be made by way of cheque(s)/ interest/ redemption warrant(s)/ demand draft(s)/credit through direct credit/ ECS/ RTGS/ NEFT or any other online payment mechanism as allowed by the banks.		
Depositories	NSDL & CDSL		
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date and shall mean the day falling 15 (Fifteen) calendar days prior to any Due Date.		

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Interest on Application Money	The Issuer shall be liable to pay to each Debenture Holder, interest on the application monies (subject to any tax deductible at source under Applicable Law) paid by the said Debenture Holder in the event that the Debenture Holder has remitted the application monies prior to the Deemed Date of Allotment, for which interest shall be calculated at the Coupon rate on the application monies, for the period commencing from the date on which the said Debenture Holder has made payment of the application monies (in respect of the Debentures) and ending on the day prior to the Deemed Date of Allotment. The interest on the application monies shall be paid by the Issuer to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest Rate	In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Default Interest, which shall be a rate of 2% (Two Percent) per annum payable annually over and above the Coupon rate from the date of the occurrence of the default until the default is cured or the Debentures are redeemed pursuant to such default, as applicable
Rating downgrade Event	Lowering of the long term credit rating of the issuer to below BBB+. Upon occurrence of a Rating Downgrade Event the applicable terms of the DSRA Support Undertaking will be followed.
Transaction Documents	<p>The following documents shall be executed in relation to the Issue, on or prior to the Deemed Date of Allotment ("Transaction Documents"):</p> <ul style="list-style-type: none"> • this Information Memorandum; • Debenture trustee agreement, confirming the appointment of Vistra ITCL(India) Limited as the Debenture Trustee ("Debenture Trustee Agreement"); • DSRA support undertaking, for setting out the terms upon which the Debenture Trustee shall be entitled to call upon the Promoter for arranging the DSRA required to be maintained by the Company in relation to the Debentures ("DSRA Support Undertaking"); • Such other documents as agreed between the Issuer and the Debenture Trustee. <p>The Debenture Trust Deed, setting out the terms upon which the Debentures are being issued and the representations and warranties and the covenants to be provided by the Issuer ("Debenture Trust Deed") shall be executed within a maximum period of 90 (Ninety) days from the Deemed Date of Allotment.</p> <p>The Security Documents shall be executed within 90 (Ninety) days from the Date of Closure of the Issue.</p>

Events of Default	<p>(a) Delay in execution of the Debenture Trust Deed/DSRA Support Undertaking as per the timelines stipulated in the Transaction Documents;</p> <p>(b) Default in making the payments in relation to the Debentures;</p> <p>(c) Delay in listing;</p> <p>(d) If the charge is not registered as per the security cover and the security covenants within the stipulated time.</p> <p>(e) Such other events as more particularly set out under the Debenture Trust Deed and other Transaction Documents.</p>
Consequences of Event of Default	<p>1. In case of delay in execution of Debenture Trust Deed/DSRA Support Undertaking, the Company will refund the subscription with agreed Coupon or will pay penal interest of at least 2% p.a. over the Coupon rate till these conditions are complied with at the option of the Debenture Holders.</p> <p>2. In case of default in payment of Coupon and /or principal on the Due Dates, additional interest of at least @2% p.a. over the Coupon rate will be payable by the Company for the defaulting period.</p> <p>3. 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 of at least 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 Debenture Holders.</p> <p>4. In case of delay in registration of charges and execution of the security documents within stipulated time and/ or default in maintenance of 100% asset cover, all the outstanding debt obligation and monies raised through issuance these Debentures shall be immediately refunded by the Company, as the case may be, including but not limited to any other penal interest, as applicable. The regulatory guidelines in this regard shall be strictly followed by the Company, Debenture Trustee and IDBI Trusteeship Services Limited (acting in its capacity as the security trustee in relation to the indebtedness made available by the Secured Lenders) and including but not limited to DSRA Support Undertaking executed with IL&FS.</p> <p>5. Such other consequences (if any) as more particularly set out under the Debenture Trust Deed and other Transaction Documents</p>
Business Days	Means a day (other than a Saturday, Sunday or a Bank holiday) on which banks are open for general business as per RBI calendar.
Business Day convention #	<p>If any Due Date for Coupon payment of the NCDs (other than the last Coupon payment date which falls on the relevant Maturity Date), falls on a day that is not a Business Day, Coupon payment thereof shall be made on the immediately succeeding Business Day.</p> <p>If the Due Date for redemption of the NCDs falls on a day that is not a Business Day, the Redemption Amounts shall be paid on the immediately preceding Business Day along with</p>

	interest accrued under the NCDs until but excluding the date of such payment.
Conditions Precedent to Disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following and in compliance to SEBI Guidelines in this regard:</p> <ol style="list-style-type: none"> 1. Rating letters from the Rating Agencies not being more than one month old from the Issue Opening Date assigning minimum rating of AA+(SO); 2. Consent letter from the Debenture Trustee conveying their consent to act as Debenture Trustee for the NCD holder(s); 3. Letter from NSE conveying its in-principle approval for listing of NCDs. 4. DSRA Support Undertaking to be executed by IL&FS. 5. Such other conditions as may be mutually agreed and set out in the Transaction Documents.
Conditions Subsequent to Disbursement	<p>Issuer shall ensure that the following documents are executed/ activities are completed as per terms of the Transaction Documents in relation to the Debentures:</p> <ol style="list-style-type: none"> 1. Credit of demat account(s) of the allottee(s) by number of NCDs allotted within 2 (Two) Business Days from the Deemed Date of Allotment; 2. Making application to NSE within 15 days from the Deemed Date of Allotment to list the NCDs and seeking listing permission within 15 days from the Deemed Date of Allotment. 3. Execution of the Debenture Trust Deed in accordance with the terms hereof and the regulatory guidelines as applicable within 90 (Ninety) days from the Deemed Date of Allotment. 4. Such other conditions as may be mutually agreed and set out in the Transaction Documents. 5. the Issuer shall ensure execution of the Security Documents in accordance with the terms hereof and the regulatory guidelines as applicable, within 90 (Ninety) days from the Date of Closure of the issue
Debt Service Account	<p>Account opened and operated by the Issuer with a scheduled commercial bank mutually acceptable to the Issuer and the Debenture Trustee. The Issuer shall ensure that the Debt Service Account is used for no purpose other than for deposit of the payments in relation to the Debentures as per the Payment Mechanism and shall further ensure that all the debt service amounts i.e. the principal and Coupon are deposited in the Debt Service Account in accordance with the Payment Mechanism.</p> <p>Further the Issuer shall ensure that on any Due Date, the amounts due and payable to the Debenture Holders are transferred from the Debt Service Account to such account of the Debenture Holders as may be directed by them.</p>
Debt Service Reserve Account (DSRA)	The Issuer shall open a debt service reserve account ("DSRA Account") with a mutually acceptable scheduled commercial

bank ("DSRA Bank"), which account shall be operated by the Debenture Trustee for the benefit of the Debenture Holders. The Issuer shall ensure that on the Deemed Date of Allotment, the DSRA Account is funded with DSRA. A lien on DSRA would be marked in favour of the Debenture Trustee on the Deemed Date of Allotment.

In the event of shortfall in the DSRA pursuant to utilization of the amounts therein in terms of the Transaction Documents or pursuant to occurrence of Identified Rating Event, it has to be topped up by the Issuer, within 45 days from previous Due Date or the Rating Event Date to the extent of shortfalls in the monies available to meet the DSRA.

Upon the occurrence of a Deposit Shortfall Event or Deposit Shortfall After Rating Event, the Debenture Trustee shall, immediately, inform the Promoter of the same. The Promoter shall, upon receiving a notice from the Debenture Trustee as aforesaid, within a maximum period of 60 (Sixty) calendar days from: (i) the previous Due Date, in case of a Deposit Shortfall Event; or (ii) the Rating Event Date in case of a Deposit Shortfall After Rating Event, as the case may be, arrange necessary finance for infusion of funds in the DSRA Account for equivalent amount to ensure that DSRA is re-instated.

The Debenture Trustee shall ensure that utilization of funds lying in DSRA Account is done in accordance with the Payment Mechanism.

The Issuer shall be entitled to instruct the DSRA Bank to make any Permitted Investments utilising the amounts lying in the DSRA Account until such time as they are required for meeting any payments and mark a lien thereon in favour of Debenture Trustee for the benefit of the Debenture Holders. All amount realised upon maturity of the Permitted Investments made utilising the monies lying in the DSRA Account shall be credited back to the DSRA Account.

The Company shall at all times maintain the investments towards debenture redemption as required under Rule 18(7) (c) of the Companies (Share Capital and Debentures) Rules, 2014 ("DRR Investments"). The said DRR Investments shall be made in compliance with the Companies Act, 2013 and rules made thereunder including in relation to ensuring that the DRR Investments are not subject to any lien or charge and the said DRR Investments shall be utilized solely for the purpose of redemption of Debentures. Its hereby clarified that when determining whether the DSRA requirement has been complied with under the terms of Transaction Documents the DRR Investments will also be taken into consideration including for the purpose of compliance

	under DSRA Support Undertaking	
Principal & Interest Payment Mechanism	Days	Action towards redemption of Principal and Interest servicing mechanism
	T-10	Issuer to fund the Escrow Account for the Principal & Interest servicing due as per Scheduled Debt Obligation
	T-5	If funding of Escrow Account is not done by T- 5 days, then it would be a compulsory for Debenture Trustee to utilize the funds lying in the DSRA account to meet the Principal & Interest Due on T
	Where T is the Coupon Payment Date or the Redemption Date as the case maybe	
Financial Covenants	The Company hereby covenants with the Debenture Trustee that it shall (accepts as may be previously agreed in writing with the Debenture Trustee) comply with each of the financial conditions more particularly set out in the detailed termsheet/ DSRA Support Undertaking/ rating rationale/ Debenture Trust Deed as per relevant guidelines, rules and regulations as may be applicable.	
Security Covenants	The Company hereby covenants with the Debenture Trustee that it shall (except as may be previously agreed in writing with the Debenture Trustee) comply with each of the security covenants more particularly set out in the detailed termsheet/ DSRA Support Undertaking/ rating rationale/ Debenture Trust Deed in accordance with the relevant guidelines, rules and regulations as may be applicable including guidelines, rules and regulations issued by SEBI, RBI, IBBI etc or any other authority and in a manner so as to not limit the rights of the Debenture Holders in any manner whatsoever including rights in respect of the title, claim, recovery, sale, enforceability etc. of the assets/underlying assets over which security is created in terms of the Security Documents.	
Delay in execution of the Debenture Trust Deed	In case of any delay in the execution of the Debenture Trust Deed beyond 90(Ninety) days from the Deemed Date of Allotment the Company shall be liable to return the subscription amounts to the Debenture Holders, or pay to the Debenture Holders, a penal interest at the Default Interest Rate of at least 2%(Two Percent) p.a. over the Coupon Rate till the conditions are complied with at the option of Debenture Holder.	
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.	
Expenses	All expenses related to the issue including but not limited to costs relating to stamp duty, legal fee, credit rating charges and other expenses will be to the account of the Issuer.	
Taxes and Deductions	All payments to be made by the Issuer to a holder of a Debenture shall be made free and clear of and without any Tax Deduction/ with-holding, unless the Issuer is required to make a Tax Deduction/ with-holding by law, in which case the Issuer shall make that Tax Deduction in accordance with the Act and deliver to that holder a tax deduction certificate in the format	

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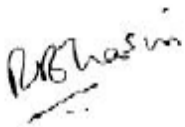
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	prescribed under the Rules and within the time prescribed under the Rules. Stamp taxes and value added taxes (including service tax) payable in connection with the Debenture Documents are for the account of the Issuer.
Information	The Issuer undertakes to provide information relevant for a credit assessment of the Issuer to potential investors in a timely fashion. This information will include, but not be limited to, latest financial information, rating letter and rating rationale, copies of the resolutions authorising the borrowing and the latest profiles of the Issuer.
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of courts and tribunals in Mumbai.
Arranger	Darashaw & Company Pvt. Ltd.
Other Terms	Any further agreements/additions made to this offer through separate communications and accepted by ITNL will be considered as a part of this offer.

With warm regards
We remain, yours truly

Accepted by



Rishi Bhasin
Associate Director
Darashaw & Co. Pvt Ltd

Authorized Signatory
For IL&FS Transportation Networks Limited