

**Term Sheet for Tranche \_\_\_\_\_ : Option I, II & III (Unsecured ITNL NCD) Annexure**

<b>Issuer</b>	IL&FS Transportation Networks Ltd. (ITNL)		
<b>Issue Amount</b>	Issue size of Rs.100 crores plus green shoe option of Rs.99 crore		
<b>Option</b>	I	II	III
<b>Security Name</b>	9.35% IL&FS Transportation Networks Ltd. 2023	9.40% IL&FS Transportation Networks Ltd 2025	9.45% IL&FS Transportation Networks Ltd 2028
<b>Rate of Interest</b>	9.35% p.a payable quarterly	9.40% p.a payable quarterly	9.45% p.a payable quarterly
<b>Coupon Payment Frequency</b>	Quarterly from the Deemed Date of Allotment	Quarterly from the Deemed Date of Allotment	Quarterly from the Deemed Date of Allotment
<b>Coupon payment dates</b>	Interest servicing shall be quarterly every year, falling in the month of 27 <sup>th</sup> April, 27 <sup>th</sup> July, 27 <sup>th</sup> October and 27 <sup>th</sup> January with first interest servicing starting from 27 <sup>th</sup> July 2018 till maturity.		
<b>Redemption Amount</b>	Bullet at par the end of 5 Years from the deemed date of allotment. The final maturity will fall due on 27 <sup>th</sup> April 2022.	Equal quarterly staggered redemption starting from the first quarter end of 6th year 27 <sup>th</sup> July 2023 from the deemed date of allotment till principal amounts are repaid i.e. last quarter end of 7th year i.e. 25 <sup>th</sup> April' 2025	Equal quarterly staggered redemption starting from the first quarter end of 6th year 27 <sup>th</sup> July 2023 from the deemed date of allotment till principal amounts are repaid i.e. last quarter end of 10th year i.e. 27 <sup>th</sup> April' 2028
<b>Type of Instrument</b>	Non-Convertible Debentures		
<b>Nature of Instrument</b>	Unsecured, Rated, listed, taxable, redeemable Non-Convertible Bonds backed by DSRA undertaking from IL&FS.		
<b>Mode of Issue</b>	Private placement under SEBI (Issue and Listing of Debt Securities) Regulations' 2008 and other applicable Regulatory Guidelines. & SEBI Circular vide Ref No SEBI/HO/DDHS/CIR/P/2018/05 January 05, 2018 on Electronic book mechanism for issuance of securities on private placement basis		
<b>Issue Price</b>	At par		
<b>Listing</b>	Proposed to be listed on WDM segment of NSE.		



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Eligible Investors	Will be detailed in the Disclosure Document/ Invitation letter for the private placement made to the investor under section "Who Can Apply".
Listing	Proposed to be listed on the WDM Segment of National Stock Exchange. The final listing approval shall be taken from the respective stock exchange within a maximum period of 15 (fifteen) days from Deemed Date of Allotment.  In case of a delay by the Issuer in listing the Debentures beyond 20 (Twenty) days from the Deemed Date of Allotment the Issuer shall make payment to 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) days from the Deemed Date of Allotment till the listing of the Debentures.
Credit Rating of Instrument	Validated credit rating of AA+ (SO) from ICRA and Brickworks not more than one month old from the launch date of the current tranche.
Objects of the Issue	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
Details of the utilization 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.
Coupon Type	Fixed
Day Count Basis	Actual/ Actual
Interest on Application Money	At Coupon rate, will be paid to investors at coupon from date of realization of subscription money up to one day prior to Deemed date of Allotment.
Default Interest Rate	2% per annum over and above the Coupon Rate from the date of the occurrence of the default, until the default is cured as per the cure period or the debentures are redeemed pursuant to such default, as applicable.
Rating downgrade Event	In consonance to the credit rating assigned to the structure where-in the entity rating is downgraded to below BBB+, the terms of DSRA undertaking with IL&FS under such event will be followed..
Put/ Call Option	N.A.



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Face Value	Rs.10,00,000/- (Rupees Ten Lakhs only) per NCD
Minimum Application size	Rs.50,00,000/- (Rupees Fifty Lacs only) (Minimum application is of 5 Debentures of face value of Rs.10 lakhs each and thereafter in multiple of 1 Debenture )
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Depositories	NSDL and CDSL
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. If the due date for payment falls on a day that is not a Business Day as per  RBI calendar, then the due date in respect of such payment shall be succeeding Business Day in case of interest payment and preceding day in case of redemption payment. In such a case, interest shall be paid inclusive of such days falling as holidays.
Record Date	15 days prior to interest payment, staggered redemption date, maturity date, put/call date (if any).
Seniority	Senior
Security	Unsecured
Nature of credit enhancement (Escrow account, DSRA, Guarantee etc.), if any	DSRA undertaking from IL&FS and as per confirmation from rating agencies.
Debt Service Reserve Account (DSRA)	A DSRA Account would be opened by Issuer to cover an amount equal to next Scheduled Debt Obligation. The said DSRA is opened and operated by the Debenture Trustee, for the benefit of the Debenture Holders with a mutually accepted scheduled commercial Bank ('DSRA Bank') . The first DSRA to be created on Date of Allotment  The lien on DSRA would be marked in favour of the Debenture Trustee  If the DSRA Account is utilized on any interest / principal payment date, it has to be topped up by the Issuer, within 50 days from utilization to the extent of shortfall in the monies available to meet the next Scheduled Debt Obligation. In the event Issuer fails to top up the DSRA by T+45 <sup>th</sup> calendar day, the Debenture Trustee to notify the



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	<p>Credit Enhancement Provider on T+45<sup>th</sup> calendar day. The Credit Enhancement Provider or its nominee shall arrange necessary finance for infusion of funds into the DSRA Account for equivalent amount to ensure that DSRA is re-instated cover an amount equal to next Scheduled Debt Obligation within T+60 calendar days.</p> <p>The Debenture Trustee shall ensure that utilization of funds lying in DSRA is done in accordance with the Payment Mechanism</p> <p>In case the long term stand alone rating of ITNL falls below ICRA BBB+, the DSRA shall be increased to three quarters scheduled debt obligation so as to cover the scheduled debt obligation over the immediately succeeding three payment dates</p>
DSRA Account	<p>Being the DSRA account maintained with the DSRA Bank at ( )</p> <p>Investment of the available balances lying in the credit of DSRA Account will be permitted in Permitted Investments. For the purposes of this clause "Permitted Investments" shall mean:</p> <ul style="list-style-type: none"> <li>a) Certificates of deposit, debt instruments or similar instruments denominated in Rupees, which is for the time being rated at least AAA or equivalent short term money market ratings by either of CRISIL or CARE or FITCH or ICRA</li> <li>b) Interest bearing deposits with scheduled commercial banks / financial institutions rated AA+ and above;</li> <li>c) Money market mutual funds rated at least AAA or equivalent market ratings by either of CRISIL or CARE or FITCH or ICRA</li> </ul> <p>The DSRA will be maintained Net of Debenture Redemption Reserve (DRR), if any. The mechanism will be detailed in the Debenture Trust deed</p>
Escrow Account/Debt Service A/c	<p>Being the account maintained with the Bank at ( ) which would be opened by the Issuer for the servicing of the interest and principal on the NCD</p> <p>The Account should not be funded from the DSRA Account (which needs to be maintained throughout the tenor of the NCDs) but funded separately in accordance with "Principal &amp; Interest Payment Mechanism" as set out below</p>
Principal &	<b>For Principal and Interest Redemption;</b>



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Interest Payment Mechanism	<table border="1"> <thead> <tr> <th>Days</th> <th>Action towards redemption of Principal and Interest servicing mechanism</th> </tr> </thead> <tbody> <tr> <td>T-10</td> <td>Issuer to fund the Escrow Account for the principal &amp; interest servicing due as per Scheduled Debt Obligation</td> </tr> <tr> <td>T-5</td> <td>If funding of Escrow Account is not done by T- 5 days, then it would be compulsory for Debenture Trustee to utilize the funds lying in the DSRA Account to meet the Principal &amp; Interest Due on T</td> </tr> </tbody> </table>	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 compulsory for Debenture Trustee to utilize the funds lying in the DSRA Account to meet the Principal & Interest Due on T
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Where T is the Interest Payment Date or the Redemption Date as the case may be							
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 detailed term sheet/DSRA Undertaking/ Rating Rationale/ Trust Deed.						
Delay in execution of the Debenture Trust Deed	In case of any delay in the execution of the Debenture Trust Deed beyond 90 days from the deemed date of allotment, the Company shall be liable to return the subscription amounts to the Investors, or pay to the Investors, a penal interest at the Default Interest Rate of at least 2% p.a. over the coupon rate till the conditions are complied with at the option of investor.						
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"> <li>1. Rating letters from two credit rating agencies not being more than one month old from the issue opening date and two relevant ratings of minimum of AA+(SO);</li> <li>2. Letter from the Trustees conveying their consent to act as Trustees for the NCD holder(s);</li> <li>3. Letter from NSE conveying its in-principle approval for listing of NCDs.</li> <li>4. Support Mechanism/DSRA support undertaking from IL&amp;FS to be obtained before closure of the issue.</li> <li>5. Relevant &amp; applicable Regulatory Guidelines.</li> </ol>						
Conditions Subsequent to Disbursement	Issuer shall ensure that the following documents are executed/ activities are completed as per terms of this Disclosure Document:						



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	<ol style="list-style-type: none"> <li>1. Credit of Demat account(s) of the allottee(s) by number of NCDs allotted within 2 working days from the Deemed Date of Allotment;</li> <li>2. Making application to NSE to list the NCDs and seeking listing permission within 15 days from the Deemed Date of allotment. In case of a delay by the Issuer in listing the Debentures beyond 20 days from the Deemed Date of Allotment, the Issuer shall make payment to 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 days from the Deemed Date of Allotment till the listing of the Debentures.</li> <li>3. execution of trust deed as per the terms of disclosure document.</li> <li>4. And in compliance with other Regulatory Guidelines as applicable.</li> </ol>
Events of Default	<ol style="list-style-type: none"> <li>1. Delay in execution of trust deed/ DSRA undertaking with IL&amp;FS/.</li> <li>2. Default in payment of interest and /or principal redemption</li> <li>3. Delay in Listing</li> <li>4. .</li> </ol>
Consequences of Events of Default	<p>Delay in execution of trust deed/ DSRA Undertaking with IL&amp;FS</p> <ol style="list-style-type: none"> <li>1. In case of delay in execution of Trust Deed, the company will refund the subscription with agreed rate of interest 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 investor.</li> <li>2. Default in payment of interest and /or principal redemption Default in Payment In case of default in payment of Interest and /or principal redemption 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.</li> <li>3. Delay in Listing 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 Investors</li> </ol>
Role and	To oversee and monitor the overall transaction for and on behalf of



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<b>Responsibilities of Debenture Trustee</b>	the Debenture Holders as customary for transaction of a similar nature and Size and roles and responsibilities as prescribed under the Companies Act 1956 or Companies Act 2013, whichever is applicable and rules made there under and relevant Guidelines / Regulations/ Rules of SEBI, RBI, NSE, ROC etc.
<b>Issue Schedule &amp; Pay-in dates.</b>	as per schedule mentioned in covering letter.  All documentation including, but not limited to, the Information Memorandum, Board Resolution, DSRA Support Undertaking, , Escrow Arrangement, Rating Letter, Appointment of Trustees, in-principle listing approval from the Stock Exchange, Security covenants & charge registration, lien marking etc., to be completed as per the terms of placement and in Regulatory Compliances there-to.
<b>Business Convention Day</b>	If any payment date is not a Business Day, payment shall be made on the next Business Day to the bank account of ITNL.  Business Day means a day (other than a Saturday, Sunday or a Bank holiday) on which banks are open for general business as per RBI calendar
<b>Day Count Basis</b>	Actual / Actual
<b>Trustees</b>	Any SEBI registered Bank/ Institution mutually acceptable.
<b>Issue of Bonds</b>	The Issuer will issue the Bonds in dematerialized form within 7 (seven) business days from the Deemed Date of Allotment
<b>Documentation</b>	Customary documentation for the issue as required by Sole Arrangers and in compliance to the relevant guidelines of SEBI, RBI, IRDA, ITA, Companies Act, Stock Exchange/s etc. Issuer will also ensure timely submission of information, data, documents to the investor, stock exchanges, credit rating, trustee's, Regulatory Authorities both in compliance to pre and post formalities including but not limited to in principle approval of the stock exchange etc.
<b>Resolutions required</b>	The Issuer should ensure that all the consents and resolutions required to issue Bonds are in place prior to the issue and in order of the regulatory compliance.



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