Sadbhav
TODAY FOR TOMORROW

Annexure: Key Terms of Debentures

Nature of Instrument	Secured
Seniority	Senior
Mode of Issue	Private Placement
Listing	Proposed to Be listed on BSE/NSE
Rating	A+ by CARE
Objects of Issue	Refinancing of Debt and long term working capital/sub-debt investment in Subsidiaries/step-down Subsidiaries No part of the proceeds would be utilized directly/indirectly towards capital markets or land acquisition
Coupon Rate	9% p.a. so as to achieve and IRR of 12.15% at maturity of the Debentures or on exercise of Put Option
Coupon Payment Frequency	Annually
Tenure	Series I Debentures will mature at the expiry of 3 years from the allotment date of Series I Debentures. Series II Debentures will mature at the expiry of 4 years from the allotment date of Series II Debentures with put option available to the debenture holders at the end of 3rd year Series III Debentures will mature at the expiry of 5 years from the allotment date of Series III Debentures with put option available to the debenture holders at the end of 3rd year and 4th year.
Security	Debentures to be secured by: a) Pledge of 62,58,060 shares of SEL held by Sadbhav Finstock Private Limited (b) NDU and negative lien to be provided by promoter on 3% equity shares of the Company (d) security to be provided in respect of the land owned by Vishnubhai M. Patel, Truptiben Patel, Bhavnaben Patel and Deepakbhai Patel (c) WCDL facility to the extent of next repayment to be lien marked for the NCD by the Company and to be utilized only towards repayment of the NCD atleast 20 days before the redemption date. (d) EPC Payment for Project with EPC value of atleast Rs. 1000 crores inflows shall be routed through a designated escrow account set up for the benefit of the holders of the Debentures. Post adjustment of the dues in relation to the Debentures the surplus amounts shall be transferred to the accounts through which the working capital limits are being operated by The Company. In this regard at least 6 months before the redemption date project should be identified, project should have achieved appointed date and designated escrow account should be opened.

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Key Financial Covenants	During the currency of the Debentures, the Company shall maintain the below mentioned ratios: 1. No PAT loss on annual basis for standalone financials 2. Total Debt to Net Worth not greater than 1.25 times. "Debt" shall mean aggregate of 1. All long term debt outstanding, whether secured or unsecured, plus 2. 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 3.receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis); 4. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
Step up Coupon Rate	The coupon will Step Up by 0.40% per annum from the date of rating downgrade, if rating downgrades from A+ to A- (2 notches). Holders of the Debentures will have the flexibility of requesting for an immediate redemption of the Debentures or increase in coupon if rating falls to BBB+ (3 notch downgrade).

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