

ANNEXURE 3

Terms of Debentures

The debentures proposed to be issued by the Company *vide* this offer letter will be subject to the terms as set out below. The terms referred to but not defined in this Annexure shall unless defined otherwise or inconsistent with the context or meaning thereof shall have the meaning as defined under the Loma 1 Debenture Subscription Agreement.

1. **Face Value**

The Debentures shall have a face value of INR 1,00,000 (Indian Rupees One lakh) ("Face Value").

2. **Term**

Subject to the redemption of the Debentures prior to the Redemption Date by the Investors in accordance with the terms of Loma 2 Debenture Subscription Agreement, the term of the Debentures shall be 30 (thirty) years from the respective Closing Date ("**Redemption Date**"), which date may be extended by the Board of the Company with the prior written consent of the Investors, in which case the term "Redemption Date" shall be construed accordingly. It being clarified that the Company shall not have a right to pre-pay / redeem the Debentures prior to the Redemption Date, except as may be specifically provided under Loma 2 Debenture Subscription Agreement.

3. **Interest / Coupon**

3.1 Subject to Paragraph 3.3, Paragraph 3.8 and Paragraph 4 below, the Investors shall be entitled to receive interest / coupon ("**Coupon Amount**"), remitted through designated banking channels, on the part of the Subscription Amount tendered by them as on date in relation to the Debentures, at the rate of 11.25% (eleven point two five percent) per annum (gross of taxes, including any tax withholding) on the part of the Subscription Amount tendered by them as on date in relation to the Debentures.

3.2 The payment of the Coupon Amount shall be made within 5 (five) days of the end of each financial quarter ("**Interest Due Date**"). In case any Interest Due Date is not a Business Day, the amount shall be payable on the immediately succeeding Business Day provided that in case the Interest Due Date on which the last Coupon Amount is to be paid is not a Business Day, the amount shall be payable on the immediately preceding Business Day.

3.3 Subject to the maximum of the Subscription Amount, the Investors shall be responsible for funding the Coupon Amount until 31 December 2019.

3.4 Notwithstanding anything contained in the Loma 2 Debenture Subscription Agreement, Aurum shall be responsible for infusing such amount of monies into the Company for payment of the Coupon Amount after 31 December 2019.



- 3.5 It is hereby agreed that an amount equal to the Coupon Amount at the rate of 11.25% (eleven point two five percent) per annum (gross of taxes, including any tax withholding) for 2 (two) financial quarters shall be withheld by the Investors from the Subscription Amount ("Withheld Interest"). The Company shall pay an interest of 3.5% (three point five percent) per annum (gross of taxes, including any tax withholding) on the Withheld Interest.
- 3.6 In the event the Company does not make payments of the Coupon Amount in accordance with this Paragraph 3, without prejudice to other rights of the Investors under Clause 18 (Event of Default) of the Loma 2 Debenture Subscription Agreement, the Investors shall utilise the Withheld Interest to set-off the Coupon Amount at the interest rate of 18% (eighteen percent) per annum (gross of taxes, including any tax withholding). It being clarified that the Investors shall be under no obligation to maintain Withheld Interest upon the Withheld Interest being utilised in full to set-off Coupon Amount payable by the Company in the event the Company does not make payment of the Coupon Amount per this Paragraph 3.
- 3.7 If the Company does not make the payment of the Coupon Amount on the Interest Due Date, the Coupon Amount payable to the Investors on the Debentures shall be calculated at the rate of 18% (eighteen percent) per annum (gross of taxes, including any tax withholding) on the part of the Subscription Amount tendered as on date in relation to the Debentures, from the Interest Due Date or the date of the termination of the Loma 2 Debenture Subscription Agreement under Clause 4.6, Clause 5.9, Clause 7.1 or Clause 7.7 or under clause 5.4, clause 5.5 or clause 6.4 or clause 8.10 of the Loma 2 Share Purchase Agreement (as the case may be) and till the date the Coupon Amount set out in this Paragraph 3.7 is paid in full ("Default Interest").
- 3.8 Upon the occurrence of an Investor Event of Default, the Coupon Amount payable to the relevant Investor on the Debentures held by such Investor shall be calculated at the rate of 9.25% (nine point two five percent) per annum (gross of taxes, including any tax withholding) on the part of the Subscription Amount tendered as on date in relation to the Debentures held by such Investor. In the event that the Company is unable to procure additional debt in accordance with Clause 18.9.1 within 12 (twelve) months of the Enforcement Date, the Coupon Amount applicable on the part of the Subscription Amount tendered by such Investor as on date of expiry of such 12 (twelve) months' period in relation to the Debentures shall be at the rate of 7.25% (seven point two five percent) per annum (gross of taxes, including any tax withholding) from the expiry of 12 (twelve) months' period from the Enforcement Date, until the date of the full repayment of the Debenture Repayment.

4. Redemption

4.1 Mandatory Redemption

The Company shall compulsorily redeem the outstanding Debentures on the Redemption Date, or the EOD Redemption, whichever is earlier, and pay Debenture Repayment to the Investors.



4.2 Specific Enforcement Events

- (a) In addition to Clause 18.6, in case of occurrence of an Enforcement Event due to Clause 18.1.11 or Clause 18.1.12 or Clause 18.1.13 of the Loma 2 Debenture Subscription Agreement, on and from such Enforcement Event ("Specific Enforcement Events"), any further transactions contemplated under the Loma 2 Transaction Documents shall not be given effect to (other than as required to give effect to Clause 18.6) and the Company shall within 1 (one) month from a Specific Enforcement Event, repay the entire outstanding principal amount of the Debentures issued along with Trigger Coupon Amount on the part of the Subscription Amount tendered as on date in relation to the Debentures with effect from the Specific Enforcement Event until the date of Debenture Repayment.
- (b) The coupon amount payable on the Debentures in case of Specific Enforcement Event: (i) under Clause 18.1.11 shall be 15% (fifteen percent) per annum from 31 January 2020; (ii) under Clause 18.1.12 shall be 13.25% (thirteen point two five percent) per annum from the date of detection of the deviation / defect / non-compliance; and (iii) under Clause 18.1.13 shall be 13.25% (thirteen point two five percent) per annum from 31 January 2020; in each case, gross of taxes (including any tax withholding) ("Trigger Coupon Amount").
- (c) The Trigger Coupon Amount shall be paid monthly in advance from the date on which the Specific Enforcement Event has occurred to the date of Debenture Repayment.

4.3 Redemption Mechanism

- (a) The Company shall take all such steps as may be necessary and redeem all the Debentures as mentioned above, on the Redemption Date, or EOD Redemption, as the case may be, or within such other time as may be mutually agreed to between the Company and the Investors in writing.
- (b) The Company shall take all actions required to implement such repayment / redemption of the Debentures, including without limitation making all applications necessary and obtaining all required approvals to effect the aforesaid repayment / redemption on the dates as mentioned in this Schedule (each "Repayment Date"). On each Repayment Date, the amount paid to the Investors shall be adjusted as follows: first, towards, the Default Interest, if any; second, towards the Coupon Amount or Trigger Coupon Amount, as the case may be; and third, towards, the repayment of the respective face value of Debentures.

5. Voting Rights

The Debentures shall not carry any voting rights save and except to the extent of any matters affecting the rights of any holders of the Debentures.

6. Security



The Debenture Repayment shall be secured by the following:

- (a) creating a *pari passu* first charge on the Mortgaged Properties;
- (b) pledge on the Pledged Shares;
- (c) the Loma 2 Corporate Guarantee; and
- (d) Coupon Amount for a period of 2 (two) quarters, withheld by the Investors.

7. End-Use

- (a) The Subscription Amount shall be utilised by the Company: (i) reimbursement / assignment of costs incurred by Loma IT, in accordance with the Loma 2 Deed of Assignment; (ii) towards payment of the Lease Consideration under clause 4.1 of the Loma 2 Sub-Lease Agreement for Terms and Conditions; (iii) for meeting the partial Cost of Development, to such extent not covered under Paragraph 7(a)(i); and (iv) subject to Paragraph 3.4 above, payment of Coupon Amount.
- (b) Except in accordance with the terms of Loma 2 Transaction Documents, the Subscription Amount shall not be utilised by the Company for: (i) investment in real estate business; (ii) capital market; (iii) undertaking any related party transaction, except as specifically agreed in the Loma 2 Transaction Documents; (iv) purchase of land; and (v) any other restricted purposes as specified under guidelines, notifications or circulars issued by the Reserve Bank of India and/or Securities Exchange Board of India from time to time.

8. Other Miscellaneous Terms

- (a) Day count convention for computing the interest on the Debentures: actual / actual.
- (b) On every Closing Date, the Debentures shall be issued in dematerialised form and shall be credited to the Demat Accounts of the Investors by the Company promptly (and on the same day) upon receipt of the amount specified in the relevant Drawdown Notice.
- (c) The Debentures issued the Company on each Closing Date shall be deemed to be allotted to the Investors on the relevant Closing Date itself.
- (d) The rights and interests of the Investors with respect to the Debentures shall not be varied, save and except, in accordance with and pursuant to the terms of the Loma 2 Debenture Subscription Agreement.

