



Date: 26/12/2018

Annexure I

TERMS OF OPTIONALLY CONVERTIBLE DEBENTURES (“OCDs”)

1. Interest on OCDs

- (i) Tenure of the OCDs shall be 22.5 years (Note: Tenure of OCDs shall vary from project to project)
- (ii) The OCDs shall carry such rate of interest per annum as determined annually by a transfer pricing study conducted by an independent advisor, provided that rate of interest shall be in accordance with terms of the senior secured financing availed of by the Company (**Financing Documents**). Interest rate shall be on simple interest rate basis payable annually. No compounding of interest rate is allowed. Further, the Interest Rate shall be lower than the rate of interest payable under Financing Documents.
- (iii) The interest shall accrue from and after 30 (Thirty) months from the date of allotment. and shall accrue, due and payable annually thereafter. However, payment of such interest shall be subject to terms of the Financing Documents;

However, if under the terms of the **Financing Documents**, the Company is restricted from accruing or paying such interest for any period during the tenure of the OCDs (**Restricted Period**), then interest shall not be accrued or paid during the Restricted Period;

Provided further that, if such restriction under Financing Documents ceases to be in effect, then interest shall immediately accrue and be payable for the Restricted Period as well as for the periods thereafter.

2. **Security:** OCDs shall be unsecured.

3. **Face Value:** INR 10/- per OCD.

4. **Issue Price:** INR 10/- per OCD.

5. Conversion:

- (i) **Voluntary Conversion:** At any time, the holder of OCDs shall have right, exercisable by notice in writing to the Company, to convert part or whole of the outstanding number of OCDs into the number of equity shares of the Company of face value of INR 10/- each (**Equity Shares**) as determined by the Conversion Formula (as defined below).

SPRNG AGNITRA PRIVATE LIMITED



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Corporate Office: Office No: A-001, Upper Ground, P-5 Pentagon Tower, Magarpatta City, Hadapsar, Pune, 411013

✉ reachus@sprngenergy.com ☎ (+91) 020-6749 0001 📠 (+91) 020-6749 0010 🌐 www.sprngenergy.com



(ii) Conversion Formula:

Number of Equity Shares issued upon conversion of 1 (one) OCD	=	$\frac{\text{(Face Value of OCD + any accrued and unpaid interest on OCD)}}{\text{Conversion Price}}$
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Where **Conversion Price** shall mean the higher of: (i) the fair market value per Equity Share as determined at the time of issuance of OCDs by an independent valuer appointed by the Company for this purpose; and (ii) the Face Value of the Equity Shares.

(iii) The OCDs, either in part of whole, shall also be converted into Equity Shares as may be required by the senior secured lenders (**Lenders**) under terms of Financing Documents into such number of equity shares of the Company of face value of INR 10/- each (**Equity Shares**) as determined by the Conversion Formula at the Conversion Price (as stated above herein).

6. **Redemption:** The holder of OCDs shall have the right, exercisable by notice in writing to the Company, to redeem part or whole of the outstanding amount at any time after the date of allotment of OCDs, subject to the terms of the Financing Documents and approval of the lenders under Financing Documents. The OCDs will be redeemed as per the Redemption Formula (as set forth below).

Redemption Formula:

Amount due to OCD holder on redemption of 1 (one) OCD	=	(Face Value of OCD + any accrued and unpaid interest on OCD)
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7. The holder of the OCDs may elect, by notice in writing to the Company, to redeem and/ or convert the OCDs on completion of the tenure of OCDs, i.e. 22.5 years from the date of allotment of the OCDs, to the extent not already redeemed or converted into Equity Shares. In the event that the OCD holder fails to make such election prior to completion of the tenure of the OCDs, the outstanding OCDs shall get mandatorily converted into Equity Shares as per the Conversion Formula.

8. **Marketability:** The OCDs are non-marketable, i.e. they are not capable of being sold on a recognized stock exchange in or outside India. The Company does not intend to, and shall not, list the OCDs on any recognized stock exchange in or outside India.

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9. **Terms of Payments:** Payment by the subscribers towards subscription of OCDs to be made by wire transfer/ transfer to the credit of the bank account of the Company.

10. Other Terms:

- (i) The OCDs shall rank pari passu inter-se without any preference or priority of one over the other.
- (ii) Each OCD constitutes unsecured and unsubordinated (as between other unsecured creditors) obligations of the Company. The Equity Shares of the Company shall at all times remain subordinate to the OCDs. The OCDs, as and when converted into Equity Shares, shall rank pari passu with the existing Equity Shares of the Company in all respects.
- (iii) The OCDs shall be subordinate to the secured creditors including term lenders.
- (iv) The OCDs shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of Equity Shares. The provisions relating to transfer and transmission and other related matters in respect of Equity Shares contained in the Articles of Association and the Companies Act shall apply, mutatis mutandis to the OCDs.
- (v) The rights, privileges, terms and conditions attached to the OCDs may be varied, modified, or abrogated with the consent, in writing, of those holders of the OCDs who hold at least three fourths of the outstanding amount of the OCDs (of the current issue) or with the sanction accorded pursuant to resolution passed at the meeting of the OCD holders; provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions governing the OCDs and the same are not acceptable to the Company.
- (vi) Any change in terms and conditions related to conversion of OCD and redemption of OCD would require prior approval of Lenders.
- (vii) The Company shall, as required by section 88 of the Companies Act, 2013, keep a Register of the holders of OCDs and enter therein the particulars prescribed under the said provision.

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