



TERMS AND CONDITIONS OF THE SERIES H CCDs

The SERIES H CCDs are subject to the following terms and conditions (the "**Conditions**"):

1. Status

The SERIES H CCDs constitute direct unsubordinated and unsecured obligations of the Company and rank pari passu amongst themselves and (subject to obligations preferred by mandatory provision of law) rank and will rank at least equally with all other outstanding unsecured and unsubordinated obligations of the Company.

2. Form and denomination

The SERIES H CCDs are issued in registered form in the denomination of INR 1,00,00,000 (Indian Rupees One Crore) each and in integral multiples thereof. The SERIES H CCDs shall be issued in a partly paid form such that 10% (Ten per cent) of face value of such Series H CCD shall be paid by the Subscriber on the SERIES H Closing Date and the balance 90% (Ninety per cent) of face value of such Series H CCD shall be payable by the Subscriber in one or more calls (not later than 5 years from the SERIES H Closing Date) as may be decided by the Company.

3. Interest

The SERIES H CCDs shall bear interest from the date of issue and allotment (the "**Issue Date**") at the rate of 6% (Six percent) per annum payable within 7 days of the end of each half year, i.e., within 7 (Seven) days from 30th September and 31st March, as the case may be (each such date for the payment of interest, an "**Interest Payment Date**"). If an Interest Payment Date is not a Business Day, the next immediately following Business Day shall be the Interest Payment Date. Each SERIES H CCD will cease to bear interest where the conversion right as defined in Condition 6 shall have been exercised in respect of that SERIES H CCDs, from the Relevant Conversion Date. The interest accrued until the date of conversion shall be paid to the Subscriber immediately at the date of conversion. Whenever it is necessary to compute an amount of interest in respect of any SERIES H CCD for a period of other than a full year, it will be calculated on the basis of a 365 day year.

4. Transfer

The SERIES H CCDs will be issued in the demat form to the Subscriber. A SERIES H CCD may be transferred by depositing the duly executed delivery instruction slip to its Depository Participant.

5. Covenants

For so long as any SERIES H CCD remains outstanding, the Company shall comply with the provisions of Clause 9 of the Agreement.

6. Conversion

(A) Conversion Period and Conversion Price

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(i) **Conversion Period**

The SERIES H CCDs shall be automatically and compulsorily converted into equity shares from the expiry of 7 (Seven) years from the date of allotment other than such SERIES H CCDs which remain partly paid up. Any such SERIES H CCDs that remain unconverted upon expiry of 7 (Seven) years from the date of allotment shall be automatically and compulsorily converted into equity shares upon such SERIES H CCDs being fully paid up.

(ii) **Conversion Price**

Each Series H - CCD shall be converted into 1,35,000 (One Lakh Thirty Five Thousand) equity shares of face value of INR 10/- (Rupees Ten) and the price at which Equity Shares will be issued upon conversion (the "**Conversion Price**") will be INR 74.07 (Rupees Seventy Four and paisa Seven Only) including premium of INR 64.07 (Rupees Sixty Four and paisa Seven Only), for each Equity Share.

(iii) **Conversion Date**

"**Conversion Date**" shall mean date falling immediately upon expiry of 7 (Seven) years from the date of allotment.

(B) **Delivery of equity shares**

Upon occurrence of a conversion event under the terms of this Schedule, the SERIES H CCDs (provided such SERIES H CCDs are fully paid up) are then held by the holder of SERIES H CCDs shall be converted into the Equity Shares and the Company shall:

- (i) (A) take on record the issuance and allotment of the Equity Shares to the holder of SERIES H CCDs, free and clear of Encumbrances; and (B) update the register of members of the Company to reflect the holder of SERIES H CCDs as the registered owner of the Equity Shares;
 - (ii) arrange to credit the fully paid up Equity Shares issued upon conversion of SERIES H CCDs in accordance with Conversion Date and Conversion Price to the demat account of the Subscriber within a period of 30 days from the Conversion Date. Any unpaid or accrued interest due on the SERIES H CCDs till the date of Conversion date shall be payable by the Company; and
 - (iii) file a return of allotment in the prescribed Form PAS - 3 with the RoC in the manner and time period required under the Act and do such other things as necessary under Applicable Laws, in respect of the allotment of equity shares on conversion of the SERIES H CCDs including payment of applicable stamp duty
- (C) The Company covenants that: (a) all Equity Shares issued by the Company will upon issuance and delivery, be duly and validly issued, fully paid and free from all Encumbrances and in all respects, rank pari passu with the other Equity Shares of the Company; and (b) all pre-

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emptive rights of the Shareholders with respect to the issuance of the Equity Shares, if any, shall have been duly waived.

7. **Taxation**

All payments of interest by the Company in respect of the SERIES H CCDs will be made after deduction of withholding tax as required by Indian Income Tax Act, 1961 ("**Taxes**").

The Company shall deposit and provide tax deduction certificate to the Subscriber for the amount so deducted.

8. **Events of Default**

The Subscriber may convert any outstanding SERIES H CCDs (provided that such SERIES H CCDs are fully paid up) in accordance with the provisions of Condition 6 if any of the following events occurs.

- (i) A default is made in the payment of interest in respect of any of the SERIES H CCDs as and when the same ought to be paid in accordance with these Conditions and such default continues for a period of 7 days.
- (ii) The Company fails to deliver / credit CCDs / Equity Shares as and when such CCDs / Equity Shares are required to be delivered / credited following the conversion of SERIES H CCDs on the occurrence of the Conversion Date.
- (iii) A material default is made by the Company in the performance or observance of any covenant, condition or provision contained in the Agreement. A cure period of 90 days shall be provided to rectify the material default.
- (iv) Other than iron ore leases which are due to expire by FY 2021 -22, any governmental authority or agency nationalises, compulsorily acquires, expropriates or seizes, in the opinion of the Subscriber acting reasonably, all or any material part of the business or assets of the Company or any member of the Group without fair compensation.
- (v) There shall have been entered against the Company a decree or order by a competent court or tribunal adjudging the Company bankrupt or insolvent or the institution by the Company of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it.
- (vi) Any representation or statement made or deemed to be made by the Company in the Agreement or any other document delivered by or on behalf of the Company under or in connection with the Agreement is or proves to have been incorrect or misleading in any material respect when made or deemed to be made.
- (vii) Any Financial Indebtedness of any member of the Group, is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual or potential default an event of default, credit review event or any similar event.

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- (viii) Any commitment for any Financial Indebtedness of any member of the Group, is cancelled or suspended by a creditor of any member of the Group, (as the case may be) as a result of any actual or potential default an event of default, credit review event or any similar event (however described).
- (ix) Any creditor of any member of the Group, becomes entitled to declare any Financial Indebtedness of any member of the Group, (as the case may be) due and payable prior to its specified maturity as a result of any actual or potential default, an event of default, credit review event or any similar event (however described).
- (x) The Aditya Birla Group ceases to hold 51% (fifty one percent) of the issued share capital in the Company.

Upon the date on which notice as first mentioned in this Condition is given by the Subscriber to the Company, the SERIES H CCDs will automatically convert into the number of equity shares equal to the quotient of 100% (One Hundred per cent) of the principal amount divided by the Conversion Price.

9. Payments

(i) Interest

Payment of interest in respect of SERIES H CCDs will be made (in respect of the first Interest Payment Date) to the holder shown on the Register at time and (in respect of the last Interest Payment Date) to the holder shown on the Register at the close of business on the date (the "**Interest Record Date**") being the 15th day before the Interest Payment Date. Payments of interest on each SERIES H CCDs will be made by transfer to the Registered Account of the SERIES H CCDs holder.

(ii) Registered Accounts

For the purpose of this Condition, a SERIES H CCDs holder's "**Registered Account**" means the Bank Account maintained by or on behalf of the SERIES H CCDs holder, details of which have been provided to the Company.

(iii) Fiscal Laws

All payments are subject in all cases to any applicable fiscal or other laws and regulations, but without prejudice to the provisions of Condition 9. No commissions or expenses shall be charged to the SERIES H CCDs holders in respect of making such payments.

(iv) Payment Initiation

Where payment is to be made by transfer to a Registered Account, payment instructions (for value the due date or, if that is not a Business Day, for value the first following day which is a Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed, on the due date for payment or, if later, on the Business Day on which the relevant Certificate is surrendered at the registered office of the Company.

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(v) **Payment Delay**

SERIES H CCDs holders will not be entitled to any interest or other payment in respect of any delay after the due date in receiving the amount due if the due date is not a Business Day (and the amount due is received on the next following Business Day), or if a cheque mailed in accordance with this Condition arrives or is cleared after the due date for payment.

(vi) **Partial Payments**

If the amount of or interest which is due on the SERIES H CCDs is not paid in full, the Company will annotate the Register and any Certificates surrendered for payment with a record of the amount of or interest, if any, in fact paid and the date of such payment.

10. **Marketability**

The SERIES H CCDs shall be non-marketable, i.e. they shall not be capable of being sold on a recognised stock exchange within or outside India. The Company does not intend to, nor shall it list the SERIES H CCDs on any recognised stock exchange within or outside India.

11. **Impairment**

The Company shall not, by amendment of its Charter Documents or through any reorganisation, recapitalisation, consolidation, merger, dissolution or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but shall, at all times in good faith, assist in the carrying out of all the provisions of these terms and in the taking of all such actions as may be necessary or appropriate in order to protect the conversion rights of the SERIES H CCD holders against impairment. Without limiting the generality of the foregoing, the Company shall take all such actions as may be necessary or appropriate in order that it may validly and legally issue fully paid-up Equity Shares to the SERIES H CCDs holder, automatically and immediately upon occurrence of a conversion event.

12. **Miscellaneous**

All SERIES H CCDs which are converted into Equity Shares of the Company shall forthwith be cancelled or be deemed to have been cancelled.

13. **Notices**

All notices to the SERIES H CCDs holders required to be given by these Conditions shall be in the English language and be given by sending by prepaid post (first class if inland, first class airmail if overseas) or by facsimile transmission or by delivering it by hand to them at their respective addresses on the Register. Any such notice sent by post as aforesaid shall be deemed to have been given three days (in the case of inland post) or seven days (in the case of overseas post) after despatch and notice given by facsimile transmission as aforesaid shall be deemed to have been given 24 (twenty four) hours after the time of despatch and, in the case of a notice given by facsimile transmission, such notice shall forthwith be confirmed by post.

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14. **Governing Law and Jurisdiction**

- (a) The terms of SERIES H CCDs are governed by, and shall be construed in accordance with, the laws of India and shall be subject to the dispute resolution clause under the SERIES H Debenture Subscription Agreement.
- (b) The Company acknowledges that the SERIES H CCDs holders may suffer irreparable harm as a result of any breach of the terms of the issue of the SERIES H CCDs and further acknowledges that the SERIES H CCDs holders shall be entitled to apply for and receive from any court of competent jurisdiction, a temporary restraining order, preliminary injunction or permanent injunction, without any necessity of proving actual damages or any requirement to post a debenture or other security, enjoining the Company from further breach. Such relief as is obtained shall be in addition to and not in substitution for any other remedies available to the SERIES H CCDs holders or otherwise.

For **Essel Mining & Industries Limited**

Dhananjoy Karmakar
Company Secretary

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