

1.	Section A: INTRODUCTION	
1.1.	Company Issuer /	Indian Oil LNG Private Limited (IOLPL) ("Company")
1.2.	Project	5 MMTPA R-LNG Terminal at Kamarajar Port, Ennore, Tamil Nadu with expected date of commencement of commercial operations as April 1, 2019
1.3.	Sponsor	Indian Oil Corporation Limited (IOCL) ("Sponsor")
1.4.	Type of Instrument	Debentures
1.5.	Nature of the Instrument	The Debenture shall mean an instrument which is compulsorily convertible into equity capital of the Company by the Sponsor/Equity Investor in accordance with the terms mentioned herein.
1.6.	Mode of Issue	Private Placement on a fully paid up basis
1.7.	Listing	Unlisted
1.8.	Issue Size	Upto Rs. 787 Crore
1.9.	Process of Issue	Rs. 787 Crore will be issued in multiple tranches with minimum issue size of Rs. 100 Crore for each tranche by giving 5 (five) Business Days issuance notice by Issuer to Investors. There shall not be more than 8 (Eight) tranches and period between issuance of first tranche and last tranche shall not be more than 6 months. The last tranche could be less than Rs. 100 Crore.
1.10.	Issuance Mode	Demat only. Demat credit to be received within 15 days of the Debentures Pay-in Date.
1.11.	Depository	NSDL or CDSL
1.12.	Settlement Mode	Payment of monies (i.e. principal amount, coupon amount and any other amount outstanding under this transaction) shall be made by way of credit through RTGS/NEFT system.
1.13.	Sole Arranger	SBI Capital Markets Limited (SBICAP)
1.14.	Debenture Trustee	[To be appointed]
1.15.	Drawdown	Drawdown is subject to Conditions Precedent to Subscription being satisfied.
1.16.	Availability Period	6 (Six) months and 10 (ten) days from the Signing Date. Any undrawn amounts at the end of this period shall lapse automatically.
1.17.	Signing Date	The date on which the Debenture Trust Deed ("DTD") / Debenture Subscription Agreement ("DSA") are signed and executed by the parties to such deed or agreement thereto.
1.18.	Use of Funds	The Company shall use the proceeds for part financing the Project capital expenditure.
1.19.	Principal Investor(s)	ICICI Bank Limited
1.20.	Equity Investors	Strategic/Financial Investors or any other investor as identified by the Sponsor/Company who is willing to acquire equity stake in the Company.
1.21.	Parties	The Company, Sponsor, the Debenture Trustee and the Principal Investor(s) are collectively referred to hereinafter as the 'Parties'
1.22.	Deemed Date of	The Deemed Date of Allotment for each tranche shall be Pay-in

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	Allotment	Date for that particular Tranche.
1.23.	Pay-in-Date	The Pay-in Date for different Tranches shall be: a) For the first Tranche, the date falling within 10 Business Days from the date of execution of Debenture Subscription Agreement / Debenture Trust Deed ; b) For each subsequent Tranche, the date falling within 5 Business Days from issuance of notice by the Issuer to the Principal Investor(s) for that particular tranche.
2.	Section B: INSTRUMENT STRUCTURE	
2.1.	Subscription Amount	The total amount aggregating up to the Issue Size payable by the Principal Investor(s) to the Company as consideration for Debentures issued to Principal Investor(s) in accordance with the terms of this term sheet/DTD/DSA, as applicable.
2.2.	Face Value	Rs. 10,00,000/- per Debenture
2.3.	No of Units	Up to 7,870 Debentures
2.4.	Tenure	Tenure for each Tranche of Debentures shall be: a) For the first Tranche 36 (Thirty Six) months from Deemed Date of Allotment; b) For the Tranches other than First Tranche, residual period between the Deemed Date of Allotment of that particular Tranche and the date falling on 36 (Thirty Six) months from Deemed Date of Allotment of first Tranche. Debentures of all Tranches will be automatically and compulsorily converted into equity upon expiry of 36 months from Deemed Date of Allotment of first Tranche except in case of Buy-Out/Mandatory Put/Accelerated Put Option exercised by Sponsor or Investor.
2.5.	Coupon Type	Fixed for each tranche to be paid annually
2.6.	Coupon Rate	For each Tranche Coupon Rate shall be fixed at Pay-in Date of that particular tranche as per following method: Coupon Rate= *G-Sec+ *100 (in bps) <i>*Bid yield of 3 year Benchmark G-Sec Rate for average of three preceding Business day (at 5.10 p.m.) of the Pay-in Date for each Tranche as published by Thomson Reuters Indian Benchmark Yield Curve (INBMK) (in bps).</i> <i># Spread will be fixed for all the Tranches at the time of bidding and will be same for all the tranches (in bps)</i>
2.7.	Coupon Payment Date	12 months from the Pay-in-Date of each tranche and annually thereafter. Additionally, the accrued but unpaid coupon shall be paid on buy-out date/ mandatory put-option date/ accelerated put option date, whichever is earlier.
2.8.	Registrar	[To be appointed]
2.9.	Rating of Instrument	Company shall submit External Credit Rating of the Debentures from 2 (Two) Rating Agencies at least 10 days prior to the bid date for the Debentures.
2.10.	Allotment of Debentures	a) The Principal Investor(s) shall remit the Subscription Amount on Pay-in-Date(s).

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		b) The Company shall allot and credit the debentures in dematerialized form within 15 Business days from Pay-in Date of each Tranche.
2.11.	Buy-out Option with the Sponsor	<p>(a) The Sponsor shall have the right to buy-out the Debentures on January 18, 2019 and thereafter at the end of 24th month, 30th month, and 35th month from the Pay-in- Date of first tranche. A prior notice of 30 Business Days shall be given to the Principal Investor(s) for such buy-out.</p> <p>(b) Coupon accrued and due but unpaid till the date of Buy-out will be paid to the Principal Investor(s) on the date of the Buy-out. The Principal Investor(s) shall also be paid, on the date of the Buy-out, any amount that has been due/outstanding and not paid by the Company in reference to the Debentures till the date of the Buy-out;</p> <p>(c) The Buy-out Option can be exercised by the Sponsor for the outstanding Debentures amount or a minimum of Rs. 10 (Ten) Crore of the Debentures issued and in whole number multiples of Rs. 5 (Five) Crore.</p> <p>(d) The allocation amount of such Buy-out for each Principal Investor(s) shall be on pro-rata basis.</p> <p>(e) The Buy-out Option exercised by the Sponsor shall be binding on the Principal Investor(s) and not optional in nature.</p>
2.12.	Mandatory Put Option with the Principal Investor(s)	<p>(a) In the event that the Sponsor has not procured an Equity Investor who has, or the Sponsor by itself has not, acquired all the Debentures from the Principal Investor (s) prior to the expiry of 35 months from the Deemed Date of Allotment of Debentures, the Sponsor will mandatorily, and without requiring any notice or intimation in this regard, buy the outstanding Debentures for the aggregate Face Value of the Debentures and the accrued/ outstanding but unpaid amounts (including but not limited to unpaid coupon amount), if any, at the end of 35th month from the Deemed Date of Allotment ("Mandatory Put Option"). Such Mandatory Put Option shall be mandatorily exercised by the Principal Investor (s) for the entire outstanding Debentures amount;</p> <p>(b) The Mandatory Put Option shall be exercised by the Principal Investor(s) for the entire outstanding Debentures amount.</p> <p>(c) The put options exercised by the Principal Investor(s), shall be compulsorily binding on Sponsor and not optional in nature.</p> <p>(d) The Debenture Trustee shall give a prior notice of 60 days to the Sponsor in regard to the Mandatory Put Option. However, the obligation of the Sponsor under the Mandatory Put Option shall remain, independent of any such notice being given to the Sponsor.</p>
2.13.	Service Account	The Issuer shall create a no-lien Service Account with ICICI Bank Limited for servicing the coupon payments till conversion of the



		<p>entire/whole of Debentures into equity, corresponding to the outstanding Debentures held by the Principal Investor(s).</p> <p>Interest Payment Mechanism:</p> <p>a) 1 (One) Business Day prior to each Coupon Payment Date, the Issuer will fund the Service Account equal to the requisite amount of coupon payment due;</p> <p>b) 1(One) Business Day prior to each Coupon Payment Date, unless the Issuer has already funded the Service account, the Debenture Trustee shall issue notice to the Sponsor with a request to get the service account funded either by the Issuer or itself with the requisite amount on or before Coupon Payment Date;</p> <p>c) The Sponsor unconditionally and irrevocably shall be liable to get the Service Account funded with requisite amount on or before Coupon Payment Date at such notice from Debenture Trustee.</p>
2.14.	Transfer	<p>Principal Investor(s) will not be permitted to transfer the Debentures except as permitted below:</p> <p>a) In case of exercise of Buy-out Option, the Sponsor, by itself, or through any other affiliate or Equity Investor(s) nominated by the Sponsor may acquire the outstanding Debentures.</p> <p>b) In case of Mandatory Put Option and/or the Accelerated Put Option, the Sponsor, by itself, or through any other affiliate or Equity Investor(s) nominated by the Sponsor shall be mandatorily required to buy the outstanding Debentures held by the Principal Investor(s).</p> <p>c) In line with the terms of Debenture Subscription Agreement</p>
2.15.	Conversion Option	<p>The Debentures will not have any conversion option for the period it is held by the Principal Investor(s).</p> <p>On exercise of any of the following, the conversion option shall be effective:</p> <p>a) Buy-out Option;</p> <p>b) Mandatory Put Option;</p> <p>c) Accelerated Put Option</p> <p>Sponsor/Equity Investor shall have the unilateral right to convert the Debentures held by them to equity of the Company.</p>
2.16.	Conversion Terms for Debentures	<p>Debentures shall be automatically and compulsorily converted into ordinary equity shares of the Company, in the hands of Sponsor, by itself, or through any other affiliate or Equity Investors, at the end of 36 months from the Deemed Date of Allotment of first tranche unless conversion option has been exercised earlier pursuant to exercise of options as above. Such conversion will happen at the Conversion Price.</p>
2.17.	Conversion Price	<p>One Debenture with Face Value of Rs. 10,00,000/- (Rs. Ten lakh) would be converted in 1,00,000 equity shares of Rs 10 each of the Issuer.</p>
2.18.	Ranking of shares	<p>The equity shares issued upon conversion of the Debentures shall rank pari-passu in all respect with the Equity Shares existing at the time of such conversion with respect to corporate actions, including but not limited to voting rights, bonus and</p>



		rights shares. Further, the rights as to dividend shall be on proportionate basis.
2.19.	Conditions Precedent To Subscription	<p>The obligation of the Principal Investor(s) to subscribe to the Debentures is subject, among other things, to the execution of definitive Debenture Subscription Agreement/Debenture Trust Deed between the Principal Investor(s), Debenture Trustee, Sponsor and the Company.</p> <p>It shall also be conditional on the Company and the Sponsor to comply with the following conditions to the satisfaction of the Principal Investor(s):-</p> <ol style="list-style-type: none"> No restriction on allotment/transfer of Debentures/Shares The Company shall provide an undertaking that the allotment of the Debentures/ shares shall not be vetoed or in any way objected to or obstructed to by the Company/Sponsor and any transfers as per the terms of Debenture Trust Deed/Debenture Subscription Agreement shall be duly recorded in the Company's corporate records. Statutory Approval(s) for investment by the Principal Investor(s) The Company shall obtain all requisite corporate and other approvals and comply with all regulatory requirements as may be required for allotment of the Debentures/ equity shares upon conversion. Corporate Authorizations <ul style="list-style-type: none"> The Company shall get the necessary resolutions/approvals passed by its Board of Directors and from its shareholders for issue and allotment of Debentures as required under the applicable laws. The Sponsor shall get the necessary resolutions/approvals passed by its Board of Directors for the put option obligation. Certificate from Company Secretary of both the Company as well as the Sponsor stating that section 185 and section 186 of Companies Act, 2013 shall not be attracted by providing put-option to the Principal Investor(s). Sponsor Undertakings The Sponsor shall provide for the following undertakings: <ol style="list-style-type: none"> To get the Service Account funded as per the clause 2.13 of this term sheet; To pay Default Interest in case the Issuer is not able to pay the Default Interest as per clause 4.1 of this term sheet.
2.20.	Commitment Charges	The Issuer shall pay to the Principal Investor(s) a commitment fee of 1.20% p.a. on the amount of variance in disbursement with respect to quarterly disbursement schedule provided by the Issuer at the time of documentation. However, the Issuer would have the option to modify/revise the quarterly draw down

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		schedule twice within the Availability Period by a written notice of 30 days without any commitment charges.
2.21.	Spread Reset	In case the rating of the instrument is downgraded, the spread will be revised upwards by 10 bps for each notch of rating downgrade.
3.	Section C: TRANSACTION DOCUMENTS	
3.1.	Transaction Documents	<ul style="list-style-type: none"> • Debenture Trust Deed ("DTD")/Debenture Subscription Agreement ("DSA") setting out the terms of issuance of Debentures set out in this term sheet including the terms of the Mandatory Put Option, Accelerated Put Option, and Buy-Out Option; • Debenture Trustee Appointment Agreement setting out the terms of appointment of Debenture Trustee and the rights and duties of the Debenture Trustee; • Service Account Agreement • Information Memorandum; and • Legal Opinion as to capacity and enforceability. • Any other document as required by Principal Investor(s)(s)
4.	Section E: TERMINATION	
4.1.	Event of Default	<ul style="list-style-type: none"> • Non-payment under the Mandatory Put Option/ Accelerated Put Option by the Sponsor • Default in performance of covenants and conditions of this term sheet/ the Transaction Documents wherein such default continues for a period of 60 days. • Supply of misleading information/breach of representations and warranties • Liquidation or dissolution of the Company/Sponsor • Attachment of properties and such attachment order continues for a period of 12 months, or certificate proceedings have been taken or commenced for recovery of any dues from the Company. • Non-payment of coupon amount for a period exceeding 15 days. <p>Downgrade of the credit rating of the Company below investment grade.</p> <ul style="list-style-type: none"> • Others as customary to a facility of this nature. <p>For the period of default, the Issuer shall pay a penalty of 1% p.a. ("Default Interest") on the outstanding Debentures from the date of the default until such default is waived or remedied, whichever is earlier. In case the Issuer fails to pay the Default Interest, Sponsor shall pay the same to the Principal Investor(s) no later than 5 (Five) days from the receipt of demand notice from the Debenture Trustee/Principal Investor(s). Such penalty will be over and above the agreed coupon.</p>
4.2.	Consequences of Event of Default	<p>If any of the Events of Default occur and are continuing, then the Debenture Trustee (acting on the instructions of majority of Principal Investor(s)) shall, by giving written notice of 30 days to the Company and Sponsor, have the option to:</p> <ul style="list-style-type: none"> • Exercise Accelerated Put Option; or • Require the Company/Sponsor to arrange for new investor (s)



		<p>to purchase the Debentures</p> <p>These remedies to the Principal Investor(s) shall be cumulative in nature, i.e. the Debenture Trustee (acting on the instructions of majority of Principal Investor(s)) shall have the have the rights to exercise all the options together.</p> <p>It is clarified that the Accelerated Put Option shall be applicable on the entire outstanding principal amount of Debentures and any other dues due to the Principal Investor(s).</p>
5.	Section D: MISCELLANEOUS PROVISIONS	
5.1.	Representations and Warranties and Covenants	<p>The Company shall represent and warrant as under:</p> <ol style="list-style-type: none"> 1. To the best of its knowledge, the information furnished by the Company to the Debenture Trustee/Principal Investor(s) from time to time is true and correct and is not misleading in any respect; 2. The Company has full power, capacity and authority to execute, deliver and perform the rights and obligations provided in the DTD/DSA and has taken all necessary action to allot the Debentures/equity shares to the Principal Investor(s) on the terms and conditions contained in the DTD/DSA and to authorize the execution, delivery and performance of the DTD/DSA; 3. Nothing in the DTD/DSA conflicts with the Memorandum and Articles of Association of the Company or to the best of its knowledge with any other agreement, contract or obligation of the Company and no prior permission, sanction or consent from any person whosoever is required for performance of obligations hereunder by the Company; 4. The Company has obtained all necessary licenses and permits and has entered into requisite arrangements as prudent for its business and shall from time to time apply for and obtain all necessary licenses and permits and enter into such further agreements as required by it; 5. The Subscription Amount or any part thereof will be utilized solely for the purposes as per this term sheet. 6. To the best of its knowledge, no event or condition which could have a material adverse impact on the Company, or its business has occurred or is subsisting and no notice in connection therewith has been served on the Company; 7. The obligation to comply with the terms of the DTD/DSA shall constitute a legal, valid and binding obligation on the Company enforceable against the Company in accordance with the terms hereof; 8. The Company's use of any intellectual property including trade secrets or confidential information, will not expose the Company or the Principal Investor(s)/Debenture Trustee to any infringement claims and the Company has the valid legal and contractual right to all concessions, trademarks, copyrights, trade names, patents, designs and other proprietary information and/or license agreements necessary for the conduct of its business as now conducted



		<p>and as proposed to be conducted, without any known conflict with rights of third parties;</p> <p>9. As on the date of signing the DSA, the Company is not in breach of or in default under any loan, guarantee or debt with any financial institution, bank or other creditor to which either of them is a party or which is binding upon any of them or any of the assets or revenues of any of them;</p> <p>10. As on the date of signing the DSA, there are no outstanding share warrants to be issued nor is there any outstanding obligation on the Company to issue Shares to any person against any amounts received except to the extent disclosed by the Company or for Share Application Money received from the existing Principal Investor(s);</p> <p>11. As on the date of the signing of the DTD/DSA, the Company/Sponsor is not in default under any loan, guarantee or debt with any financial institution, bank or any other creditor to which either of them is a party or which is binding upon any of them or any of the assets or revenues of any of them.</p> <p>12. To the best of its knowledge, as on the date of signing the DTD/DSA, no resolution has been passed, petition has been presented or order has been made for administration or winding up or for the appointment of a receiver or provisional liquidator.</p> <p>The Company shall expressly agree and acknowledge that the above representations and warranties shall remain in force till the termination of the DTD/DSA or till such period as the Principal Investor(s) holds Debentures, whichever is earlier.</p>
5.2.	Accounts, Records and Reports	The financial accounts of the Company will be prepared in accordance with Indian Accounting Standard (Ind-AS). Audited annual accounts will be provided within a period of 180 days from the end of the relevant fiscal year.
5.3.	Confidentiality	<p>The DTD/DSA will contain provisions customary to this type of transaction regarding the confidentiality of proprietary and other information with respect to each of the Party, which is shared between the Parties. Parties agree that they shall treat this term sheet and all subsequent commercial details disclosed by either of them as confidential and will not disclose it to any other person unless it is required to do so for fulfilling their obligations under this term sheet and/or it is required to do so under any applicable law. The confidentiality obligations and limitations on use of Confidential Information, as set forth in this term sheet, shall terminate on the later of 24 (twenty four) months after either the date of execution of this term sheet between the Parties or signing of the Transaction Documents whichever is earlier.</p> <p>Notwithstanding anything contained herein above, the Company and the Sponsor agree, accept and consent for the disclosure and sharing by the Principal Investor(s) of all or any information and data relating to the Company and the Sponsor or any credit facilities, including but not limited to information relating to</p>



		<p>Trustee, acting on the instructions of majority of the Principal Investor(s):</p> <ol style="list-style-type: none"> Effect any change in rights for Debentures/equity shares (directly or indirectly) Effect any material change in scope of the business other than as envisaged in the Information Memorandum submitted to Principal Investor(s) or as agreed from time to time. <p>2. The Company shall provide an end use certificate from its statutory auditor/ chartered accountant certifying that the Debentures proceeds have been utilized for the stipulated purposes within 30 days of the Pay-in-Date(s)</p>
6.	Section G: OTHERS	
6.1.	Governing Law	This term sheet, DTD/DSA shall be governed by, and construed in accordance with the laws of India.
6.2.	Jurisdiction	All legal proceedings arising out of or under the term sheet, DTD/DSA and Transaction Documents shall be subject to the jurisdiction of the courts of Delhi.
6.3.	Expenses	The Company shall bear all costs, charges and expenses in connection with or relating to the Issue (including but not limited to costs of investigation of title, legal fees, professional charges, and stamp duty).
6.4.	Validity	This term sheet remains valid up to 60 days from the last date of bid submission.
6.5.	Memorandum and Article of Association	<p>The Company shall undertake to amend the Memorandum and Articles of Association of the Company to incorporate the terms of DTD/DSA/Put Option (if required) to the maximum extent permitted under the Companies Act.</p> <p>Such amendments in the Memorandum and Articles of Association of the Company shall be made within 90 days from the Deemed Date of Allotment of the first tranche.</p>
6.6.	Cancellability Clause	The Company/ Sponsor reserve the absolute right to cancel the undrawn portion of committed subscription amount at any point of time without assigning any reason whatsoever.
6.7.	Non-Binding Effect	<p>The Principal Investor(s) acknowledges that this term sheet, once accepted, shall constitute a binding agreement with respect to the proposed investment.</p> <p>Upon execution of the term sheet, the Parties shall proceed in good faith to prepare, negotiate and execute the definitive documents of the agreements reflected in this term sheet no later than 60 days from the last date of bid submission as per the Request for Proposal (RFP) issued by the Issuer, with each party using all reasonable efforts to complete before that date; provided that the failure to agree upon such documentation shall not void this term sheet, which shall then be implemented by each party in good faith. This term sheet, definitive documents, and any other legal documentation made under this term sheet or the definitive documentation shall be subject to the Indian law.</p>

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