

PRIVATE AND CONFIDENTIAL

INDICATIVE TERM SHEET

Term-Sheet	
Issuer/ Company	M/s. Bahadur Chand Investments Private Limited (" BCIPL " / " Issuer " / " Company "), a private limited company incorporated under the provisions of the Companies Act, 1956 (I of 1956) and registered as a core investment company with the Reserve Bank of India.
BMOP	M/s. Brijmohan Lal Om Parkash, a registered partnership firm constituted under the Indian Partnership Act, 1932 having an office at Hero CR Division, Sua Road, Hero Nagar, Ludhiana – 141003, Punjab and an office at Bharti Crescent, 1 Nelson Mandela Marg, Vasant Kunj, Phase-II, New Delhi - 110 070.
Promoter Group	<p>Promoter Group shall mean the Company, BMOP, the partners of BMOP and the respective associates of BMOP and of the partners of BMOP.</p> <p>For the purposes of this paragraph, the term "associates" of any person shall mean his relatives viz. such person's lineal ascendants and descendants including the spouses and daughters of such person and for avoidance of any doubt the lineal ascendants and descendants of the spouses and daughters of such person and any company, body corporate, firm, association of persons or other organisation, whether incorporated or not in which such person has the power, direct or indirect, to direct or cause the direction of the management and policies or the right to appoint and/ or remove all or majority of the members of the board of directors or other governing body of such entity, whether by contract or otherwise.</p>
Type of Instrument	Rated, Redeemable Indian Rupee denominated Non-Convertible Debentures (" Debentures/ NCDs ")
Mode of Issue	Private Placement basis
Listing	Unlisted
Credit Rating	[ICRA] AA
Issue Size	Up to Rs. 775,00,00,000/- (Rupees Seven Hundred and Seventy Five Crore only)
Objects of the Issue	For refinancing a portion of the existing debt of the Company, for its general corporate purposes and to meet the costs in relation to the Issue (" Purpose ").
Coupon	<p>The Coupon Rate shall:</p> <p>(a) for the period commencing from the Deemed Date of Allotment and expiring on the date falling at the expiry of 12 (Twelve) months from the Deemed Date of Allotment, mean 10.35% (Ten decimal point Three Five percent);</p> <p>(b) from the expiry of the period set out in (a) above, mean the rate which shall be equal to the aggregate of</p>

	<p>(i) the simple average of the Benchmark Rate calculated for the period of 30 (Thirty) calendar days immediately prior to, but including, the relevant Determination Date, and</p> <p>(ii) the Spread,</p> <p>in each case, as the same maybe reset in the manner specified in the Coupon Reset Process, Coupon Rate Step-up and/or Spread Step-up, as provided for hereinbelow.</p> <p>For the purposes of this paragraph:</p> <p>"Benchmark Rate" shall, on any day, mean the 6 (Six) month Commercial Paper rate appearing on the Crisil 6 (Six) months Commercial Paper rate Index.</p> <p>"Spread" shall be 1.22% (One decimal point Two Two percent) per annum. The Spread shall be reset in accordance with the Coupon Rate Step-up and Spread Step-up, as provided for hereinbelow.</p>
Principal Repayment	Bullet repayment of the principal amount at the end of the Tenor subject to the exercise of the Call Option or Put Option or the Early Redemption Option or the Additional Borrowings Accelerated Option as provided for below.
Coupon Payment Date	The Coupon shall be payable annually on January 16, 2020, January 16, 2021, January 16, 2022, January 16, 2023 and January 16, 2024. In case the Call Option is exercised by the Issuer or in case the Put Option is exercised by the Debenture Trustee (acting on the instruction of any of the Debenture Holder(s)) prior to the Redemption Date, the coupon accrued on the principal amount of the Debentures redeemed pursuant to the exercise of the Call Option or the Put Option shall also be required to be paid on the relevant Call Option Date or Put Option Date (as applicable).
Coupon Type	Floating
Coupon Reset Date	The Coupon shall be automatically reset on the date falling at the expiry of 12 (Twelve) months from the Deemed Date of Allotment and on the expiry of every 6 (Six) month period thereafter, i.e. on January 16, 2020, and on the dates falling at the expiry of every 6 (Six) months thereafter, i.e. on July 16, 2020, January 16, 2021, July 16, 2021, January 16, 2022, July 16, 2022, January 16, 2023 and July 16, 2023. The Coupon shall be reset in accordance with the Coupon Reset Process.
Coupon Reset Process	<p>The Coupon shall be automatically reset, with effect from each Coupon Reset Date, by aggregating: (i) the simple average of the Benchmark Rates calculated for the period of 30 (Thirty) calendar days immediately prior to, but including, the relevant Determination Date; and (ii) the Spread.</p> <p>For the purposes of this paragraph,</p> <p>"Determination Date" shall mean the date which falls 16 (Sixteen) Business Days prior to each Coupon Reset Date.</p>

	<p>The Company shall provide an intimation, in writing, of the computation of the new Coupon Rate applicable for the 6 (Six) month period commencing from each Coupon Reset Date to the Debenture Trustee.</p>
Coupon Rate Step-up	<p>The Coupon Rate applicable for the period commencing from the Deemed Date of Allotment and expiring on the date falling 12 (Twelve) months from the Deemed Date of Allotment shall stand enhanced by:</p> <p>(a) (other than in the event set out in (b) below) 25 bps (Twenty Five basis points) as a result of any and each downgrade of the credit rating assigned to the Debentures/ Company/ any other outstanding facility of the Company by any accredited credit rating agency;</p> <p>(b) 15 bps (Fifteen basis points) as a result of downgrade of the credit rating assigned to the Debentures/ Company/ any other outstanding facility of the Company by CARE Ratings from AA+ to AA,</p> <p>it being clarified that, a change in the rating outlook (e.g. from stable to negative etc.) shall not be construed as a downgrade for the purposes of this provision. The revised Coupon Rate shall be effective on and from the date of occurrence of the relevant credit rating downgrade.</p> <p>In the event that the downgrade in the credit rating assigned to the Debentures/ Company/ any other outstanding facility of the Company by any accredited rating agency based on which the Coupon was stepped up in terms of this provision is reversed, the step-up to the Coupon Rate shall also be reversed.</p>
Spread Step-up	<p>The Spread shall stand enhanced by:</p> <p>(a) (other than in the event set out in paragraph (b) below) 25 bps (Twenty Five basis points) as a result of any and each downgrade of the credit rating assigned to the Debentures/ Company/ any other outstanding facility of the Company by any accredited credit rating agency;</p> <p>(b) 15 bps (Fifteen basis points) as a result of downgrade of the credit rating assigned to the Debentures/ Company/ any other outstanding facility of the Company by CARE Ratings from AA+ to AA,</p> <p>it being clarified that, a change in the rating outlook (e.g. from stable to negative etc.) shall not be construed as a downgrade for the purposes of this provision. The revised Spread shall be effective on and from the date of occurrence of such credit rating downgrade.</p> <p>In the event that the downgrade in the credit rating assigned to the Debentures/ Company/ any other outstanding facility of the Company by any accredited rating agency based on which the Spread was stepped up</p>

	<p>in terms of this this provision is reversed, the step-up to the Spread shall also be reversed.</p> <p>It is further clarified that, if the events set out in (a) above and/or (b) above occur within the first period of 12 (Twelve) months from the Deemed Date of Allotment and no reversal of the applicable downgrade has occurred by the expiry of 12 (Twelve) months from the Deemed Date of Allotment, the Spread shall be enhanced as contemplated above, such that the Spread which will be applied to determine the Coupon Rate on the first Coupon Reset Date shall be the original Spread as stepped-up pursuant to the Spread Step-up as provided herein.</p>
Day Count Basis	'Actual/365 (366 in case of a leap year)'
Interest on Application Money	The interest on application money shall be calculated at the Coupon Rate prevailing on the Deemed Date of Allotment, i.e. 10.35% (Ten decimal point Three Five percent) per annum and shall be payable for the period commencing on the date of receipt of the subscription monies from the prospective Debenture Holders by the Issuer up to 1 (One) day prior to the Deemed Date of Allotment. The interest on application monies shall be paid by the Company to the Debenture Holders within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest Rate	Amounts unpaid on due date will attract interest at 2% (Two percent) per annum ("Default Interest"), which Default Interest shall be payable over and above the Coupon from the date on which such payment is actually due to the date on which the relevant overdue amounts are repaid to the Debenture Holders.
Tenor	60 (Sixty) months from the Deemed Date of Allotment
Redemption Date	The date falling at the expiry of 60 (Sixty) months from the Deemed Date of Allotment, i.e. January 16, 2024
Final Settlement Date	The date on which the Debentures have been redeemed and the Amounts Outstanding have been irrevocably and unconditionally repaid in full
Taxes, duties, cost and expenses	<p>All charges / fees and any other amounts payable under these NCDs by the Issuer to the Debenture Holders and/or the Debenture Trustee from time to time as mentioned herein do not include any applicable indirect taxes, levies including but not limited to service tax etc. and all such impositions shall be borne by the Issuer additionally. Each party shall however bear its own income taxes.</p> <p>It is clarified that, if required under applicable law, any and all payments to be made by the Issuer in respect of or pursuant to the Debentures shall be subject to withholding tax if required under applicable law and such payments will be made net of the taxes so deducted/withheld. The Issuer shall not be required to gross-up any payments made by it to counteract / make up for any such tax withheld / deducted at source. All stamp duty and documentation fees/charges etc. in respect of the Debentures shall be borne by the Issuer. Without prejudice to any arrangement or writing whatsoever, all costs, charges, expenses etc., payable in respect of the creation of Security if any, by the Issuer shall be borne and paid by the Issuer.</p>

<p>Call Option</p>	<p>The Issuer shall have the right but not the obligation to redeem all or any of the Debentures at the Approved Call Option Dates or on the occurrence of a Covenant Disagreement Event by provision of a notice, in writing, at least 21 (Twenty One) Business Days in advance to the Debenture Holders (or in the event that only a part of the Debentures are proposed to be redeemed, the Debenture Holders holding the relevant Debentures that are proposed to be redeemed), of the date on which the Debentures (or the relevant portion thereof) are proposed to be redeemed ("Call Option Date").</p> <p>Provided that in case of the call option being exercised other than on an Approved Call Option Date as a result of the occurrence of a Covenant Disagreement Event, the Company shall be required to make payment of call option charges ("Call Option Charges") at the rate of 1% (One percent) per annum calculated on the principal amount of the Debentures proposed to be redeemed, for the period commencing on the relevant Call Option Date and expiring on and including the Approved Call Option Date, immediately succeeding the relevant Call Option Date.</p> <p>"Approved Call Option Dates" shall mean the dates falling at the expiry of 12 (Twelve) months and 5 (Five) days from the Deemed Date of Allotment, 24 (Twenty Four) months from the Deemed Date of Allotment, 36 (Thirty Six) months from the Deemed Date of Allotment and 48 (Forty Eight) months from the Deemed Date of Allotment, i.e. on January 21, 2020, January 16, 2021, January 16, 2022 and January 16, 2023.</p> <p>"Covenant Disagreement Event" shall mean the non-acceptance by the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, of a request made by the Company seeking modifications to the terms applicable in respect of the Debentures.</p> <p>In case any such Call Option Date or Approved Call Option Date falls on a non-Business Day, then the preceding Business Day would be deemed to be the Call Option Date or Approved Call Option Date (as the case may be).</p>
<p>Put Option</p>	<p>The Debenture Trustee (acting on the instruction of any of the Debenture Holders) shall have the right but not the obligation to require the Issuer to redeem all of the Debentures held by the relevant Debenture Holder(s) who have chosen to exercise the Put Option, on any of the Put Option Dates by provision of a notice, in writing, at least 21 (Twenty One) Business Days in advance to the Issuer.</p> <p>"Put Option Dates" shall mean the dates falling at the expiry of 12 (Twelve) months and 5 (Five) days from the Deemed Date of Allotment, 24 (Twenty Four) months from the Deemed Date of Allotment, 36 (Thirty Six) months from the Deemed Date of Allotment and 48 (Forty Eight) months from the Deemed Date of Allotment, i.e. on January 21, 2020, January 16, 2021, January 16, 2022 and January 16, 2023.</p>

	In case any Put Option Date falls on a non-Business Day, then the preceding Business Day would be deemed to be the Put Option Date.
Face Value	Rs. 10,00,000/- (Rupees Ten Lakh) each
Minimum Application	500 (Five Hundred) Debentures
Issue Opening Date	January 15, 2019
Issue Closing Date	January 16, 2019
Pay in Date	January 16, 2019
Deemed Date of Allotment	January 16, 2019
Issuance mode of the Instrument	Dematerialised
Depository	NSDL
Holiday Convention	<p>Should the Coupon or Principal Payment date fall on a day which is not a Business Day, the relevant payment shall be required to be made by the Borrower on the preceding Business Day.</p> <p>Coupon shall be calculated on actual / 365 days (366 in the case of a leap year) basis</p> <p>Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends.</p>
Business Day	means any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which banks are open for general banking business in New Delhi and Mumbai.
Record Date	The record date shall be the date falling 7 (Seven) Business Days prior to the Coupon Payment Dates and/ or the Redemption Date. In case of the exercise of any Call Option, Put Option, Early Redemption Option or the Additional Borrowings Acceleration Option, the Record Date shall be the Business Day immediately preceding the date of the Call Option Notice, Put Option Notice, Early Redemption Option Notice or the Additional Borrowing Accelerations Option Notice, as the case may be.
Amounts Outstanding	Amounts Outstanding, on any date until the Final Settlement Date shall mean the aggregate of the face value of the Debentures outstanding for the time being, accrued Coupon, Default interest payable (if any) and other charges payable (if any), as per the Transaction Documents.
HMCL Shares	Fully paid-up, freely transferable equity shares of Hero MotoCorp Limited ("HMCL"), being a company incorporated under the Companies Act, 1956 and having its registered office at 34, Community Centre, Basant Lok, Vasant Vihar, New Delhi – 110057.
Pledged Shares	Pledged Shares shall, in case a Share Pledge is created by the Issuer pursuant to the terms of the Transaction Documents, mean the HMCL

	Shares over which a pledge is created by the Issuer pursuant to the other provisions hereof.
Debenture Trustee	Axis Trustee Services Limited
Role of Debenture Trustee	<p>To act for and on behalf of and in trust for the Debenture Holders, including but not limiting to:</p> <ul style="list-style-type: none"> ➤ To hold, maintain and accept the lien on Permitted Investments; ➤ To remove lien on Permitted Investments for liquidating the Permitted Investments; ➤ If a pledge over the HMCL Shares is created pursuant to the other provisions hereof, the following additional duties will also be performed by the Debenture Trustee: <ul style="list-style-type: none"> • to hold and accept the pledge created by the Issuer on the HMCL Shares held by it as security for the Debentures; • to monitor the value of pledged HMCL Shares provided as security for the Debentures in case of Superior Borrowing, on a daily basis after the creation of such security.
Majority Debenture Holders	The Debenture Holder(s) holding an aggregate amount representing not less than 51% (Fifty One Percent) of the value of the nominal amount of the Debentures outstanding for the time being.
Pre-disbursement Conditions	<ul style="list-style-type: none"> ➤ The Issuer shall execute all Transaction Documents. ➤ The Board of Directors of the Issuer to pass necessary board resolution authorizing the issue of the Debentures.
Representations and Warranties	<p>The representations and warranties set out herein shall be made by the Issuer on the Deemed Date of Allotment of Debentures:</p> <p>1) Status</p> <p>(a) It is a corporation, duly incorporated and validly existing under the law of India.</p> <p>(b) It has the power to sue and be sued in its own name and to own its assets and carry on its business as that business is being and will be conducted.</p> <p>2) Binding obligations</p> <p>The obligations expressed to be assumed by it in each of the Transaction Documents to which it is a party are its binding obligations.</p> <p>3) Non-conflict with other obligations</p> <p>The entry into and performance by it of and the transactions contemplated by, the Transaction Documents to which it is a party do not and will not conflict with:</p> <p>(a) any applicable law or regulation applicable to it or binding on its assets;</p> <p>(b) its constitutional documents; or</p> <p>(c) any agreement or instrument entered into by the Issuer for the purpose of availing any Borrowing</p>

4) Power and authority

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by the Transaction Documents.

5) Validity and admissibility in evidence

All resolutions, consents and Government Approvals, if any, required to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party have been obtained or effected and are in full force and effect.

6) Transaction Documents

The Issuer has, duly executed and delivered each of the Transaction Documents to which it is a party, and each of such Transaction Documents constitutes upon execution a legal, valid and binding obligation of the Issuer enforceable against the Issuer without any further action being required with respect to such documents.

7) No misleading information

All information set out in the Information Memorandum and/or all documents (whether in writing or electronic form) furnished by the Company to the Debenture Trustee or the Debenture Holders in connection with the issue of the Debentures is true and correct in all material respects on the date hereof, and is not false or misleading in any material respect; provided however the Issuer shall not be in breach of this representation unless such breach has an adverse impact of at least Rs. 50,00,00,000/- (Rupees Fifty Crore only) on the accounting profit of the Issuer.

8) No proceedings pending

- (a) No litigation, arbitration or administrative proceedings of or before any Governmental Authority (to the best of its knowledge and belief) are pending against the Issuer
- (b) nor is there any subsisting judgment or award given against it by any court, arbitrator or other body which has not been satisfied by the Issuer within the time frame stipulated in such judgment or award,

in each case which relate to the legality, validity, binding effect or enforceability of the Transaction Documents.

9) Insolvency

	<p>It has not taken any action nor (to the best of its knowledge and belief) has any order been passed for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a insolvency professional, liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.</p> <p>10) No default</p> <p>(a) No Event of Default has occurred, is continuing or might reasonably be expected to result from the execution of the Transaction Documents.</p> <p>(b) To the best of the knowledge of the Issuer, no other event or circumstance is outstanding as on the date of this document which constitutes (or would do so with the expiry of a grace period, the giving of notice, the making of any determination, the satisfaction of any other condition or any combination of any of the foregoing) a default or termination event (howsoever described) under any agreement under which the Issuer has incurred any financial indebtedness, which is binding on it or to which its assets are subject,</p> <p>11) Applicable Law</p> <p>To the best of the knowledge of the Issuer, the Issuer is in material compliance with all applicable laws and is not subject to any liability by reason of non-compliance with such applicable laws; in each case, except where such non-compliance does not result in a material adverse impact on the Debenture Holders'/ Debenture Trustee's rights/ or the interest and/or rights of the Debenture Holders in respect of the Debentures.</p>
<p>Key Representation and Covenants</p>	<p>(a) The Issuer represents and warrants that the Promoter Group presently holds shares of HMCL which correspond to atleast 25.01% (Twenty Five Decimal Point Zero One percent) of the equity share capital of HMCL taken on a Fully Diluted Basis.</p> <p>(b) The Issuer shall not, without the prior approval of the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders, voluntarily wind up, liquidate, or dissolve its affairs.</p> <p>(c) The Issuer presently holds unEncumbered shares of HMCL, the value of which is, atleast 2 (Two) times of the aggregate Borrowing of the Issuer.</p>
<p>General Covenants</p>	<p>(a) The Issuer shall be required to provide the Debenture Trustee with such other information (which is relevant to the rights of the Debenture Holders and/or the ability of the Issuer to meet its obligations in respect of the Debentures) that is requested for reasonably by the Debenture Trustee in writing at reasonable time</p>

	<p>intervals. The Issuer shall be required to furnish all the relevant details to the Debenture Trustee, within 10 (Ten) Business Days of the receipt of such request.</p> <p>(b) The Issuer shall submit its audited financial statements to the Debenture Trustee within 180 (One Hundred and Eighty) days from the end of each financial year.</p> <p>(c) The Issuer shall not enter into any agreement, the terms of which conflicts with the provisions of the Transaction Documents.</p> <p>(d) The Company shall not amend or modify its Memorandum of Association and Articles of Association in a manner which would have an adverse effect on the rights of the Debenture Holders under the Transaction Documents.</p>
Negative Covenants	<p>(a) The Issuer shall not enter into any compromise or arrangement or settlement with any of its secured creditors without the prior approval of the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders.</p> <p>(b) The Company shall not, without the prior approval of the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction.</p> <p>(c) The Company shall not, without the prior approval of the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, take any action which directly or indirectly reduces the paid-up equity share capital of the Company.</p> <p>(d) The Issuer shall not create or permit to subsist any Encumbrance over any of its other assets in respect of any Borrowing availed of in excess of the Borrowing Cap except with the prior written consent of the Debenture Trustee, which consent shall not be unreasonably withheld or delayed or in respect of an Additional Borrowing which is consented to or deemed to be consented to by the Debenture Trustee (as provided for below).</p> <p>(e) The Issuer shall not, without the prior written consent of the Debenture Trustee, which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders declare any dividend to the shareholders of the Company until such time as the Company has made the payments in respect of the Debentures due in that financial year or made provisions for the Payments due in that financial year (of such amount and in such manner as may be determined by the Issuer, in its sole discretion).</p>
Positive Covenants	<p>(a) The Issuer shall ensure that at all times until the Final Settlement Date, the Promoter Group will maintain Control (as defined in the</p>

Companies Act, 2013) of the Issuer including such aggregate number of shares of the Issuer which correspond to at least 51% (Fifty One percent) of the total paid-up equity share capital of the Issuer taken on a Fully Diluted Basis.

- (b) The Issuer shall perform all its obligations under the terms of the Transaction Documents and maintain in full force and effect each of the Transaction Documents to which it is a party.
- (c) The Issuer shall conduct its business (including collecting debts owed to it) in a proper, orderly and efficient manner and must not cease its business without the prior written consent of the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders.
- (d) The Company shall ensure that, at all times during the tenor of the Debentures, at least 1 (One) of the partners of BMOP shall be a director on the Board of Directors of the Company
- (e) The Company shall ensure that, upon occurrence of an Event of Default, any Borrowing which is availed of by the Company, from any of the companies in the Promoter Group, shall be Subordinated to the obligations of the Company in relation to the Debentures.
- (f) The Issuer shall at all times act and proceed in relation to its affairs and business in material compliance with Applicable Law.
- (g) The Issuer shall, at least 10 (Ten) Business Days from the end of each financial quarter, provide to the Debenture Trustee, a certificate signed by a director of the Issuer and in the format specified in the Transaction Documents ("**Quarterly Certificate**"):
 - (i) either confirming that based on the facts and circumstances prevailing on the last date of the immediately preceding financial quarter, the Key Representations, provided for hereinabove would be true, if made on the last date of the immediately preceding financial quarter or alternatively intimating the changes in the facts and circumstances;
 - (ii) reflecting the aggregate level of Borrowing and Liquid Assets of the Issuer and the aggregate level of Borrowing and Liquid Assets of the BMOP as at the end of every financial quarter and the peak Borrowing and the peak Borrowing (less Liquid Assets) during such financial quarter accompanied by a letter addressed by BMOP to the Issuer certifying the level of Borrowing and Liquid Assets of BMOP as at the end of the relevant financial quarter including the peak Borrowing and the peak Borrowing (less Liquid Assets) of BMOP during such financial quarter;
 - (iii) either confirming that based on the facts and circumstances prevailing on the last date of the immediately preceding financial quarter, the representations and warranties would be true, if made on the last date of the immediately preceding financial quarter or alternatively intimating the changes in the facts and circumstances.
- (h) The Issuer shall inform the Debenture Trustee if it makes any changes to the financial year currently adopted by them for the purpose of filing tax returns within a period of 10 (Ten) Business Days

	<p>from the date of such change.</p> <p>(i) The Issuer shall keep such accounting and control systems, management information systems, books of account, and other records as are required to be maintained under applicable law and such accounts as are adequate to reflect truly and fairly the financial condition and results of operations and which shall contain full, true and correct entries in conformity with Indian GAAP consistently applied and all requirements of Applicable Law.</p> <p>(j) The Issuer shall comply with any directions/ guidelines issued by any Governmental Authority, in relation to the Issue.</p> <p>(k) At least 10 (Ten) Business Days from the end of each financial quarter, the Company shall submit a report to the Debenture Trustee, containing the following particulars:</p> <p>(i) Updated list of names and addresses of the Debenture Holders;</p> <p>(ii) Details of unpaid due payments, to be made, but unpaid and reasons for non-payment thereof;</p> <p>(iii) The number and nature of grievances received from the Debenture Holders (A) resolved by the Company; and (B) unresolved by the Company and the reasons thereof;</p> <p>(iv) The list of directors on the Board of Directors of the Company, as at the end of the immediately preceding financial quarter.</p> <p>(l) The Issuer shall provide an intimation to the Debenture Trustee prior to making any change in the nature and conduct of business of the Company.</p>
<p>Superior Borrowing and creation of Security</p>	<p>(a) In the event that the Company avails of any Superior Borrowing (as defined below), the Company shall be obliged to inform the Debenture Trustee of the same, within 3 (Three) Business Days of the availing of the Superior Borrowing ("Superior Borrowing Intimation"). Within 7 (Seven) Business Days of the receipt of the Superior Borrowing Intimation by the Debenture Trustee ("Security Creation Date"), the Company shall be entitled to create a pledge over such number of unEncumbered HMCL Shares ("Share Pledge") and in the event that the Issuer chooses to create the Share Pledge, the Company shall also execute all such documents and do any such deeds as may be necessary for creation and perfection of the Share Pledge, so that the Security Cover (as defined hereinafter) is equal to the higher of the following:</p>

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 Director/Authorised Signatory

- (i) The security cover required to be maintained by the Issuer in respect of the concerned Superior Borrowing; or
- (ii) 1.5 (One Decimal Point Five) times of the Amounts Outstanding of the Debentures.

It is clarified that the security cover determined in the manner aforesaid, shall be maintained by the Company at all times from the date of creation of the Share Pledge until the Debentures are redeemed, in full.

Notwithstanding anything to the contrary contained hereinabove, it is clarified that this provision shall not be applicable in the event that a pledge is created over unEncumbered HMCL Shares by the Company in favour the Debenture Trustee (acting in trust for on behalf and for the benefit of the Debenture Holders) on or before the Security Creation Date.

- (b) On the creation of the Share Pledge as provided for hereinabove, the Superior Borrowing shall be deemed to be consented to by the Debenture Holders and the Debenture Holders shall not be entitled to exercise the Early Redemption Option (as mentioned below).

(c) **Determination of Security Cover being maintained**

For the purpose of determining the security cover on or after the Security Creation Date ("**Security Cover**"), the following formula shall be used:

Value of the HMCL Shares pledged / (Amounts Outstanding – any amounts provided as Cash Top-up).

(d) **Determination of value of Pledged Shares pledged**

For determining the value of the Pledged Shares, as on the date on which the Share Pledge is created by the Issuer ("**Pledge Creation Date**"), the lower of (a) the average Market Price for the period of 15 Working Days immediately preceding the date falling 2 (Two) Working Days prior to the Pledge Creation Date; or (b) Market Price on the date being 2 (Two) Working Days prior to the Pledge Creation Date, will be considered and the price so determined shall be multiplied with the total number of the Pledged Shares.

For determining the value of the Pledged Shares on a day after the Pledge Creation Date and thereafter at all times while the Debentures are outstanding, the lower of (a) the average Market Price for the last 15 (Fifteen) Working Days; and (b) the last Market Price, will be considered and the price so determined shall be multiplied with the total number of the Pledged Shares.

	<p>For the purposes of this paragraph,</p> <p>"Superior Borrowing" shall mean any borrowing availed of by the Company which is secured by a pledge created by the Company over the unEncumbered HMCL Shares held by it;</p> <p>"Encumbrance" shall mean any mortgage, hypothecation, pledge, non-disposal undertaking, escrow arrangement or encumbrance which has the effect of creation of a security interest and is construed as an encumbrance for the purposes of Chapter V of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;</p> <p>"Market Price" shall mean the closing price of a HMCL Share on a particular Working Day on the National Stock Exchange of India Limited ("NSE"). In case of any non-Working Day, the closing price on the immediately preceding Working Day for the NSE, shall be considered as the Market Price.</p>
<p>Revision and Reinstatement of Security Cover</p>	<p>At all times on or after the execution of the Share Pledge until the Final Settlement Date:</p> <p>(a) The Revised Security Cover:</p> <p>In case the Market Price of the HMCL Shares falls by 25% (Twenty Five percent) or more from the Market Price of the HMCL Shares on the Pledge Creation Date then the minimum Security Cover that shall be required to be maintained by the Borrower shall be enhanced by 0.25 (Zero Decimal Point Two Five) times of the Amounts Outstanding ("Revised Security Cover"), subject to the Reinstatement of the Original Security Cover provision contained herein below.</p> <p>(b) Reinstatement of Original Security Cover</p> <p>In the event that, during the period that the minimum Security Cover required to be maintained by the Issuer is the Revised Security Cover, the Market Price of the HMCL Shares increases such that it is at least equal to the Market Price of the HMCL Shares as prevailing on the Pledge Creation Date and remains at those levels for 5 (Five) consecutive Working Days, the minimum security cover shall be reinstated to the Original Security Cover and the excess number of pledged HMCL Shares shall be released from pledge in accordance with the provisions hereinafter contained ("Reinstatement of the Original Security Cover").</p>
<p>Top-up Mechanism</p>	<p>At all times on or after the execution of the Share Pledge until the Final Settlement Date, the following provision shall apply:</p> <p>In case the Security Cover drops below the Original Security Cover or the Revised Security Cover, as the case may be, then the Issuer shall be obliged to (i) pledge such additional number of unEncumbered HMCL Shares ("Share Top-Up") and/or (ii) invest such amounts in Permitted</p>

	<p>Investments which are lien marked in favour of the Debenture Trustee ("Cash Top-Up"), within 5 (Five) Business Days of the receipt of a notice from the Debenture Trustee of any such reduction in Security Cover, such that the Security Cover is brought back to the Original Security Cover or the Revised Security Cover, as the case may be.</p> <p>For the purposes of this term sheet and the Transaction Documents,</p> <p>"Permitted Investments" shall mean fixed deposits with scheduled commercial banks having a rating of AA or higher or in units of liquid or money market mutual fund schemes having an AUM of more than Rs. 500 Crore and rating of A1+ / AA or equivalent.</p>
<p>Release of shares under pledge</p>	<p>At all times on or after the execution of the Share Pledge until the Final Settlement Date, the following provisions shall apply:</p> <p>(a) In cases where the actual Security Cover being maintained by the Issuer exceeds the Original Security Cover or the Revised Security Cover, as the case may be, and remains at those levels for atleast 5 (Five) consecutive Working Days of NSE, the Debenture Trustee shall, on the request and the option of the Issuer, forthwith release, at the Issuer's cost, without any reference to the Debenture Holders, the pledge on such number of HMCL Shares or release its lien in respect of Permitted Investments of such amounts (referred to as "Top Down 1") as directed by the Issuer such that the Security Cover after such Top Down 1 is maintained at atleast the Original Security Cover or the Revised Security Cover, as the case may be.</p> <p>(b) In case of Reinstatement of the Original Security Cover, the Debenture Trustee shall forthwith release, at the Issuer's cost, without any reference to the Debenture Holders, the pledge on such number of HMCL Shares or, at the option of the Issuer, its lien in respect of Permitted Investments of such amounts (referred to as "Top Down 2") as directed by the Issuer such that the Security Cover after such Top Down 2 is maintained at atleast the Original Security Cover.</p> <p>(Top Down 1 and Top Down 2 are hereinafter collectively referred to as "Top Down").</p>
<p>Aggregate Borrowing Cap and BC IPL Borrowing Cap</p>	<ul style="list-style-type: none"> ➤ At all times during the tenor of the Debentures (i.e. on and from the Deemed Date of Allotment upto the Final Settlement Date), the Company shall ensure that the aggregate amount of all the Borrowing availed of by the Company, shall not result in a breach of the BC IPL Borrowing Cap, as more particularly provided for hereinbelow. ➤ At all times during the tenor of the Debentures (i.e. on and from the Deemed Date of Allotment upto the Final Settlement Date), the Company shall ensure that the aggregate value of Borrowing availed by the Company and BMOP, taken together, shall not result in a breach of the Aggregate Borrowing Cap, as provided for herein. ➤ The Debenture Trustee shall monitor the compliance of the Company with the BC IPL Borrowing Cap and the Aggregate Borrowing Cap, as on the last date of every financial quarter based upon the Quarterly

Certificates submitted by the Company as provided for hereinbelow. It is clarified that it is the responsibility of the Company to ensure compliance with the BC IPL Borrowing Cap and the Aggregate Borrowing Cap and to provide Quarterly Certificates atleast 10 (Ten) Business Days from the end of each financial quarter to the Debenture Trustee.

- If the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap is breached in any financial quarter ("**Borrowing Cap Breach**"), the Company shall provide intimation of the same to the Debenture Trustee within 3 (Three) Business Days of the date on which the Company becomes aware of the said breach. The Company shall have a maximum period of 7 (Seven) Business Days to remedy the Borrowing Cap Breach, which period shall be calculated from the date of the Company becoming aware of such breach, failing which, the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, shall be entitled to exercise the Early Redemption Option, as more particularly provided for hereinbelow.
- If the Rating Agency communicates, whether orally or in writing, to the Company ("**Revision Intimation**"), that as a result of any significant reduction in the price of the HMCL Shares or any other material development which has affected the credit profile of the Company, the BC IPL Borrowing Cap and/or Aggregate Borrowing Cap has been revised downwards ("**Revision**"), the Company shall promptly but no later than 3 (Three) Business Days of receipt of such Revision Intimation by the company inform the Debenture Trustee of the receipt of such communication. The Revision shall take effect 7 (Seven) Business Days from the date of receipt of the Revision Intimation, after which the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap shall be the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap prevailing immediately prior to the Revision as adjusted by the Revision.
- If within 7 (Seven) Business Days of the date of the receipt of the Revision Intimation, the Company does not ensure compliance with the BC IPL Borrowing Cap and/or Aggregate Borrowing Cap, in each case as computed after accounting for the modification thereto pursuant to the Revision, the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, shall be entitled to exercise the Early Redemption Option, as provided for hereinbelow.

For the purposes of this paragraph,

"**Borrowing**" shall mean aggregate of (a) the principal amount of any borrowing appearing in the balance sheet of an Entity and (b) any other contingent liability of the concerned Entity, including any corporate guarantees, letter of comfort, keep fit letter or any other form of off-balance sheet support provided in respect of the obligations of any other party or other writing by virtue of which the concerned Entity is responsible for, the indebtedness of any other person / entity.

It is hereby clarified that the amount received by the Company pursuant to

the Issue shall also be deemed to be a Borrowing, availed of, by the Company, as provided for herein;

"BCIPL Borrowing Cap" shall mean the maximum aggregate level of Borrowing which may be availed of by the Company, without requiring the specific approval of the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders (which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders), which BCIPL Borrowing Cap, unless revised as provided for herein, shall be the Initial BCIPL Borrowing Cap. It is clarified that for the purposes of calculation of the BCIPL Borrowing Cap:

- (a) the following Borrowing shall not be considered, namely:
- (i) any Borrowing availed of by the Company from the other members of the Promoter Group, so long as such Borrowing is Subordinated to the obligations of the Company in respect of the Debentures;
 - (ii) the Existing Promoter Borrowing, so long as the maturity of such Existing Promoter Borrowing continues to be beyond the Maturity Date and the coupon payable in respect of such Existing Promoter Borrowing continues to be lower than the Coupon Rate;
 - (iii) any Additional Borrowing availed of by the Company, which has been consented or deemed to be consented by the Debenture Trustee, as provided for herein;
 - (iv) any Borrowing which is sought to be repaid from the proceeds of the Debentures;
- (b) the value of the Liquid Assets of the Company shall be deducted from the aggregate Borrowing of the Company.

"Aggregate Borrowing Cap" shall mean collectively, the Aggregate Gross Borrowing Cap and the Aggregate Net Borrowing Cap;

"Aggregate Gross Borrowing Cap" shall mean the maximum level of Borrowing which may be availed of by the Company and BMOP cumulatively, without requiring the specific approval of the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders (which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders)), which Aggregate Gross Borrowing Cap, shall, unless revised as provided for herein, be the Initial Aggregate Gross Borrowing Cap. It is hereby clarified that for the purposes of calculation of the Aggregate Gross Borrowing Cap, the following Borrowings shall not be considered:

- (a) any Borrowing availed of by the Company from the other members of the Promoter Group provided that all such Borrowing is Subordinated to the obligations of the Company in respect of the Debentures;
- (b) the Existing Promoter Borrowing, so long as the maturity of such

Existing Promoter Borrowing continues to be beyond the Maturity Date and the coupon payable in respect of such Existing Promoter Borrowing continues to be lower than the Coupon Rate;

- (c) any Borrowing availed of by the Promoter from the other members of the Promoter Group provided that all such Borrowing is Subordinated;
- (d) any Additional Borrowing availed of by the Company and/or BMOP, which has been consented or deemed to be consented to by the Debenture Trustee, as provided herein; and
- (e) any Borrowing which is sought to be repaid from the proceeds of the Debentures;

"Aggregate Net Borrowing Cap" shall mean the maximum level of Borrowing which may be availed of by the Company and BMOP cumulatively (after taking into account the deduction contemplated in (b) below), without requiring the specific approval of the Debenture Trustee (acting upon the instructions of the Majority Debenture Holders (which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders)), which Aggregate Net Borrowing Cap, shall, unless revised as provided for herein, be the Initial Aggregate Net Borrowing Cap. It is hereby clarified that for the purposes of calculation of the Aggregate Net Borrowing Cap:

- (a) the following Borrowings shall not be considered:
 - (i) any Borrowing availed of by the Company from the other members of the Promoter Group provided that, all such Borrowing is Subordinated to the obligations of the Company in respect of the Debentures;
 - (ii) the Existing Promoter Borrowing, so long as the maturity of such Existing Promoter Borrowing continues to be beyond the Maturity Date and the coupon payable in respect of such Existing Promoter Borrowing continues to be lower than the Coupon Rate;
 - (iii) any Borrowing availed of by the Promoter from the other members of the Promoter Group provided that all such Borrowing is Subordinated;
 - (iv) any Additional Borrowing availed of by the Company and/or BMOP, which has been consented or deemed to be consented to by the Debenture Trustee, as provided herein; and
 - (v) any Borrowing which is sought to be repaid from the proceeds of the Debentures;

	<p>(b) the value of the Liquid Assets of each Entity shall be deducted from the aggregate Borrowing of such Entity.</p> <p>"Entity" shall mean the Issuer or BMOP, as the context may require;</p> <p>"Existing Promoter Borrowing" shall mean the zero coupon compulsorily convertible debentures of an aggregate nominal value of Rs. 390,00,00,000 (Rupees Three Hundred and Ninety Crore) and the zero coupon non-convertible debentures of an aggregate nominal value of Rs. 4350,00,00,000 (Rupees Four Thousand Three Hundred and Fifty Crore) issued by the Company to BMOP;</p> <p>"Liquid Assets" shall mean, with respect to any Entity, at any point in time, the cash and bank balances and all investments in fixed deposits with scheduled commercial banks having a rating of AA or higher, units of liquid or money market mutual fund schemes having an AUM of more than Rs. 500,00,00,000/- (Rupees Five Hundred Crore only) and rating of A1+/AA or equivalent and certificates of deposit maintained and held by such Entity, at the relevant point in time;</p> <p>"Subordinated" shall mean Borrowings with respect of which:</p> <p>(a) no principal repayment is made prior to the Final Settlement Date;</p> <p>(b) the rate of interest applicable to such Borrowing, is lower than the higher of (i) the Coupon Rate, applicable to the Debentures, or (ii) the minimum interest rate which is mandatorily required to be charged in respect of such Borrowing under Applicable Law;</p> <p>(c) no right to declare an event of default and/ or accelerate the Borrowings is available the lender(s) prior to the Final Settlement Date; and</p> <p>(d) the lenders have covenanted not to prove in competition with the Debenture Holders in any liquidation, bankruptcy or insolvency proceedings of the relevant Entity.</p>
<p>Shareholding in HMCL</p>	<p>➤ If the aggregate of Effective Holding of the Company and BMOP in HMCL falls below 34.4% (Thirty Four Decimal Point Four percent) of the equity share capital of HMCL taken on a Fully Diluted Basis ("Current Effective Holding"), then the BCIPL Borrowing Cap and the Aggregate Borrowing Cap shall stand reduced proportionately viz. as per the following formula:</p>

For Bahadur Chand Investments Pvt. Ltd.

Director/Authorised Signatory

Reduced BC IPL Borrowing Cap-

(Reduced Effective Holding/ Current Effective Holding) *Initial BC IPL Borrowing Cap

Reduced Aggregate Gross Borrowing Cap-

(Reduced Effective Holding / Current Effective Holding) *Initial Aggregate Gross Borrowing Cap

Reduced Aggregate Net Borrowing Cap-

(Reduced Effective Holding / Current Effective Holding) *Initial Aggregate Net Borrowing Cap

- The reduction in the BC IPL Borrowing Cap and the Aggregate Borrowing Cap as provided for hereinabove shall take effect after 7 (Seven) Business Days from the date on which the Effective Holding of the Company and BMOP in HMCL falls below the Current Effective Holding ("**Dilution Event**"), after which the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap shall be the Reduced BC IPL Borrowing Cap and the Reduced Borrowing Cap calculated in the manner specified above.
- The Company shall provide intimation of the occurrence of a Dilution Event to the Debenture Trustee promptly and in any event within 3 (Three) Business Days from the occurrence of a Dilution Event.
- If within 7 (Seven) Business Days of the Dilution Event, the Company does not ensure compliance with the BC IPL Borrowing Cap and/or Aggregate Borrowing Cap, in each case as computed after accounting for the modification thereto pursuant to the Dilution Event, the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, shall be entitled to exercise the Early Redemption Option, as provided hereinbelow.

For the purposes of this paragraph,

"**Effective Holding**" shall mean the aggregate of the direct and indirect percentage shareholding of the Issuer and BMOP in HMCL. 'Indirect Holding' of the Issuer or BMOP shall be calculated using the following formula:

*Percentage of Issuer/ BMOP's shareholding in any entity * Percentage of the shareholding of such entity in HMCL*

"**Initial Aggregate Gross Borrowing Cap**" shall mean Rs. 6000,00,00,000 (Rupees Six Thousand Crore);

	<p>"Initial Aggregate Net Borrowing Cap" shall mean Rs. 5000,00,00,000 (Rupees Five Thousand Crore);</p> <p>"Initial BC IPL Borrowing Cap" shall mean Rs. 4000,00,00,000 (Rupees Four Thousand Crore);</p> <p>"Reduced Effective Holding" shall mean the aggregate of the direct and indirect percentage shareholding of the Issuer and BMOP in the share capital of HMCL after the same has fallen below the Current Effective Holding.</p> <p>"Fully Diluted Basis" shall, in calculations of share numbers, mean that the calculation should be made assuming that all outstanding options, warrants, preference shares and other securities convertible into or exercisable or exchangeable for the equity shares (whether or not by their terms then currently convertible, exercisable, or exchangeable), have been so converted, exercised or exchanged (in each case at such conversion ratio as applicable at the relevant point of computation).</p>
<p>Additional Borrowing Acceleration</p>	<p>➤ In the event that at any time during the tenor of the Debentures, the Company and/or BMOP seeks to avail of any Borrowing ("Additional Borrowing") which Borrowing together with the existing Borrowing of the Company and/or BMOP, shall cause a breach of the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap, the Company shall intimate the Debenture Trustee of the same ("Additional Borrowing Intimation"), seeking the prior approval of the Debenture Trustee acting upon the instructions of the Majority Debenture Holders, which approval shall not be unreasonably withheld or delayed by the Debenture Trustee or the Debenture Holders. In the event that the Debenture Trustee does not respond to the Additional Borrowing Intimation, within 15 (Fifteen) Business Days from the date of the Additional Borrowing Intimation, the Debenture Trustee and the Debenture Holders shall be deemed to have consented to such Additional Borrowing. In the event that the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, chooses to refuse to give consent for the Additional Borrowing, it shall communicate its refusal to the Company in writing ("Additional Borrowing Refusal Notice"). In the event that the Company and/or BMOP seek to avail of the Additional Borrowing, even after receipt of the Additional Borrowing Refusal Notice, the Company shall be required to intimate the Debenture Trustee of the intent to avail such Additional Borrowing ("Additional Borrowing Availment Notice"), within 3 (Three) Business Days of the receipt of the Additional Borrowing Refusal Notice. Upon receipt of the Additional Borrowing Availment Notice, the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, by the provision of a written notice ("Additional Borrowings Acceleration Notice"), shall be entitled to require the Company to redeem the Debentures within 21 (Twenty One) Business Days of the receipt of the Additional Borrowings Acceleration Notice ("Additional Borrowings Acceleration Option"); provided that the Company shall not avail of the Additional</p>

	<p>Borrowing within such period unless the proceeds of such Additional Borrowing is first utilised towards repayment of the Debentures, provided that in the event that the Additional Borrowings Acceleration Option is intended to be exercised by the Debenture Trustee, the notice to the Company in this regard must be issued within a maximum period of 15 (Fifteen) days from the date of the receipt by the Debenture Trustee of the Additional Borrowing Availment Notice, failing which it shall be deemed that the Debenture Trustee has chosen not to exercise the Additional Borrowings Acceleration Option and they shall thereafter have no right to exercise the Additional Borrowings Acceleration Option triggered by the relevant Additional Borrowing.</p>
<p>Early Redemption</p>	<p>In the event that:</p> <ul style="list-style-type: none"> (a) the Issuer does not create a pledge on the unEncumbered HMCL Shares on or before the Security Creation Date as provided for hereinabove; (b) the Issuer fails to ensure compliance with the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap, as the case may be, on the occurrence of a Borrowing Cap Breach; (c) the Issuer fails to ensure compliance with the BC IPL Borrowing Cap and/or the Aggregate Borrowing Cap, as the case may be, pursuant to a Revision or pursuant to a Dilution Event as provided for hereinabove; (d) the Promoter Group does not have a shareholding, at any time during the tenor of the Debentures, of at least 25.01% (Twenty Five Decimal Point Zero One percent) in the equity share capital of HMCL taken on a Fully Diluted Basis; (e) the Issuer does not hold such aggregate number of unEncumbered shares of HMCL, the value of which is, at least equal to 2 (Two) times of the Amounts Outstanding, provided that this provision shall cease to apply, in the event a Share Pledge is created by the Issuer, as provided for herein; (f) the credit rating assigned by any accredited rating agency to the Debentures/ Company/ any other outstanding facility of the Company is downgraded to 'A-' or below. For the avoidance of doubt, it is hereby clarified that for the purpose of this sub-clause, the credit rating shall be determined on the basis of the lowest credit rating assigned by any accredited credit rating agencies in case of a divergence of credit ratings between them; (g) the Promoter Group, before the Final Settlement Date, ceases to maintain control (as defined in the Companies Act, 2013) of the Company including such aggregate number of shares of the Company which correspond to at least 51% (Fifty One percent) of

the total paid-up equity share capital of the Company, taken on a Fully Diluted Basis;

- (h) during the tenor of the Debentures there are no partners of BMOP on the Board of Directors of the Company.

(each an "Early Redemption Event") the Debenture Trustee, acting on the instructions of the Majority Debenture Holders, shall be entitled to require the Company to redeem all the Debentures then outstanding on the date being 15 (Fifteen) Business Days from the receipt by the Company of the notice issued by the Debenture Trustee to the Company in this regard (except on the occurrence of the Early Redemption Event set out in the (f) above, in which case, the Debenture Trustee, acting on the instructions of the Majority Debenture Holders, shall be entitled to require the Company to redeem all the Debentures then outstanding on the date being 30 (Thirty) calendar days from the receipt by the Company of the notice issued by the Debenture Trustee to the Company in this regard) ("**Early Redemption Option**"). On the exercise of the Early Redemption Option, as provided for hereinabove, the Amounts Outstanding, in relation to the Debentures shall become due and payable within 15 (Fifteen) Business Days from the date of the receipt by the Issuer of the notice, in this regard (except on the occurrence of the Early Redemption Event set out in the (f) above, in which case, the Amounts Outstanding, in relation to the Debentures shall become due and payable within 30 (Thirty) calendar days from the date of the receipt by the Issuer of the notice).

Provided that in the event that the Early Redemption Option is intended to be exercised by the Debenture Trustee, the notice to the Company in this regard must be issued:

- (i) in case of the Early Redemption Events, provided for in sub-clauses (a), (b) and (c) above, within a maximum period of 30 (Thirty) calendar days from the date on which the Debenture Trustee becomes entitled to exercise the Early Redemption Option, and
- (ii) in case of the Early Redemption Events, provided for in sub-clauses (d), (e), (f), (g) and (h) above, within a maximum period of 30 (Thirty) calendar days from the date of receipt by the Debenture Trustee of an intimation, in writing, from the Issuer, of the occurrence of such event(s),

failing which it shall be deemed that the Debenture Trustee/ Debenture Holders have chosen not to exercise the Early Redemption Option and they shall thereafter have no right to exercise the Early Redemption Option triggered by the relevant Early Redemption Event.

The Company shall promptly and no later than 7 (Seven) Business Days from the date it becomes aware of the occurrence of the Early Redemption Events, provided for in paragraph (d), paragraph (e), paragraph (f),

	<p>paragraph (g) or paragraph (h) above, intimate the Debenture Trustee of the same, in writing.</p> <p>It is further clarified that the exercise of the Early Redemption Option is the sole remedy available to the Debenture Trustee upon the occurrence of an Early Redemption Event and the occurrence of such event will not be construed as a breach of covenant for the purposes of the Transaction Documents.</p>
<p>Events of Default</p>	<p>Each of the following shall constitute an Event of Default with respect to the Debentures:</p> <ul style="list-style-type: none"> ➤ Failure of the Issuer to pay any amount due and payable to the Debenture Holder(s) under the Transaction Documents on the respective due date; ➤ If the Issuer voluntarily or compulsorily goes into liquidation or has a receiver appointed in respect of its assets or refers itself under any law providing protection as a relief undertaking; ➤ If the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or admits inability to pay its debts as they fall due, or consents to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property; ➤ On a petition being filed and admitted for the winding up of the Issuer, and the same not being dismissed or stayed within a period of 15 (Fifteen) Business Days of its being admitted; ➤ Any final order being passed against the Issuer by a competent authority directing the Issuer to make a payment of over Rs. 50,00,00,000/- (Rupees Fifty Crores) which order the Issuer does not satisfy within 30 (Thirty) Business Days of the due date directed in such order; ➤ If the Company defaults in making a payment of an amount of over Rs. 50,00,00,000/- (Rupees Fifty Crores) when due in respect of any borrowing availed of by the Company; ➤ Breach of material representation and material covenants (which breach is not remedied within 30 (Thirty) Business Days of a notice being received by the Issuer from the Debenture Trustee specifying the breach). A material representation or a material covenant for the purposes of this clause shall mean any representation or covenant the breach of which is likely to directly result in damages/ losses caused to the Issuer in an amount exceeding Rs. 50,00,00,000/- (Rupees Fifty Crores); ➤ Illegality and/or unenforceability of the transactions contemplated by the Transaction Documents; ➤ Repudiation by the Issuer of any Transaction Document; ➤ In the event that the Share Pledge is created by the Company as provided for hereinabove, upon the occurrence of any of the following events, <ul style="list-style-type: none"> (i) If there is an attachment or lien against the HMCL Shares pledged, (ii) Invalid security or loss of charge on the HMCL Shares pledged,

	<ul style="list-style-type: none"> ➤ Failure of the Issuer to redeem the Debentures and make payment of the Amounts Outstanding on the relevant due date upon the exercise by the Debenture Trustee, acting upon the instructions of the Majority Debenture Holders, of the Early Redemption Option and/ or the Additional Borrowing Acceleration Option; ➤ Delisting of the HMCL Shares or any action by any exchange that may result in the delisting of the HMCL Shares, or issuing an order to cease trading in HMCL Shares or suspension of trading in the HMCL Shares for any reason whatsoever for 15 (Fifteen) consecutive working days; ➤ In the event that the Company without the consent of the Debenture Trustee, acting on the instructions of the Majority Debenture Holders, ceases to carry on its business or gives notice to the Debenture Trustee or the Debenture Holders of its intention to do so.
Consequences of Event of Default	Upon the happening of any Event of Default, that remains uncured after expiry of the cure period, if any, the Debenture Trustee (on the instructions of the Majority Debenture Holders) shall be entitled to provide a notice to the Issuer (" Event of Default Notice ") accelerating payment of all Amounts Outstanding and requiring the Issuer to make payment of the Amounts Outstanding, in full within 10 (Ten) Business Days of the receipt of the Event of Default Notice, except on the occurrence of an Event of Default set out in the first and/or sixth bullet point under the head of term 'Event of Default' above, in which case, the Issuer shall be required to make payment of the Amounts Outstanding forthwith upon receipt of the Event of Default Notice. If the Issuer fails to make such payment on receipt of an Event of Default Notice within the time frame stipulated above, the Debenture Trustee (on the instructions of the Majority Debenture Holders) shall be entitled to exercise any and all rights which are vested with it, including but not limited to selling the HMCL Shares provided as Security, if any, under the Transaction Document and/or Applicable Law
Governing Law and Jurisdiction	This Term Sheet and the Transaction Documents for the Issue shall be governed by Indian Law and shall be subject to the jurisdiction of courts and tribunals of New Delhi.
Registrar	MCS Share Transfer Agent Limited, a company incorporated under the Companies Act, 2013 and having its registered office at 12/1/5, Manoharpukur Road, Kolkata – 700 026;
Working Days	means any day on which the NSE is open for trading.
Transaction Documents	<ul style="list-style-type: none"> ➤ Debenture Trust Deed; ➤ Debenture Trustee Agreement; ➤ Information Memorandum; ➤ Private Placement Offer Letter; ➤ Any other documents designated by the Debenture Trustee and the Company as a Transaction Document
Clear Market Provision	The Issuer shall ensure that it will not bring any other primary issue of non-convertible debentures with more favourable terms within 8 (Eight) weeks from Deemed Date of Allotment.
Transferability of the Debentures	The Debentures may be transferred by the Initial Debenture Holders subject to fulfilment of all the following conditions: <ul style="list-style-type: none"> ➤ The proposed transferee(s) of the Debentures is one of the Recognised Transferees; and

- A minimum of 500 (Five Hundred) Debentures are transferred to any one Recognised Transferee.

For the purposes of this paragraph, "**Recognised Transferees**" shall mean any one of the following mutual funds:

- (i) Reliance Mutual Fund through any of its schemes;
- (ii) Birla Sunlife Mutual Fund through any of its schemes;
- (iii) ICICI Prudential Mutual Fund through any of its schemes;
- (iv) Templeton Mutual Fund through any of its schemes;
- (v) Kotak Mutual Fund through any of its schemes;
- (vi) HDFC Mutual Fund through any of its schemes;
- (vii) SBI Mutual Fund through any of its schemes;
- (viii) UTI Mutual Fund through any of its schemes;
- (ix) DSP Mutual Fund through any of its schemes;
- (x) Axis Mutual Fund through any of its schemes.

Any Debenture Holder other than the Initial Debenture Holder may transfer the Debentures subject to fulfilment of all the following conditions:

- The proposed transferee(s) of the Debentures is one of the Recognised Transferee; and
- A minimum of 500 (Five Hundred) Debentures are transferred to any one Recognised Transferee.

Notwithstanding anything to the contrary contained herein, the Debentures may in addition to the Recognised Transferees also be transferrable by any Debenture Holder to:

- (a) any entity which such Debenture Holders or Recognised Transferee controls, is controlled by or is under common control with;
- (b) the asset management company of any Recognised Transferee and the holding companies (as defined under the Companies Act, 2013) of its asset management company, any subsidiaries of such holding companies and any other entities controlled by such holding companies.

'Control' for the purposes of this paragraph, shall have the meaning assigned to such term in the Companies Act, 2013.

For Bahadur Chand Investments Pvt. Ltd.


Director/Authorised Signatory