

# **HEBBAL INFRASPACE PRIVATE LIMITED**

## **TERMS OF SERIES A DEBENTURES**

### **1. Face Value and Purpose**

- 1.1 The Debentures shall have a face value of INR 100 each.

### **2. Term**

Subject to the redemption of the Series A Debentures upon written request by the Investors in accordance with the terms of this Agreement, the term of the Series A Debentures shall be from the date of allotment of relevant Series A Debentures and ending on December 31, 2050, which date may be extended by the Board with the prior written consent of the Investors. It being clarified that the Borrower shall not have a right to pre-pay / redeem the Series A Debentures or portion thereof prior to the Redemption Date, except as may be specifically provided under this Agreement.

### **3. Utilisation of Subscription Amount**

- 3.1 The Series A Subscription Amount shall be utilised by the Borrower only as permitted under the Agreement and shall not, directly and indirectly, be utilised for real estate business, acquisition of land and/or for investment in capital markets (including acquisition of unlisted securities) or for any other purpose prohibited / restricted under the Foreign Exchange Management Act 1999, Securities and Exchange Board of India Act 1992, or any rules or regulations framed by the Reserve Bank of India and/or Securities and Exchange Board of India.
- 3.2 The Borrower shall use, and the Promoters shall ensure that the Borrower shall use, the Series A Subscription Amount solely for the End-use as mentioned in Clause 13.
- 3.3 The Subscription Amount shall be utilised as per the following structure.

<b>Series of Debentures</b>	<b>Purpose of Utilisation</b>
SERIES A DEBENTURES	For construction and development of the Project

### **4. Redemption**

#### **4.1 Mandatory Redemption**

The Borrower shall compulsorily redeem the outstanding Series A Debentures on the Redemption Date and pay Debenture Repayment Amounts to the Investors. It is agreed that any pre-repayment / early redemption of the outstanding principal amount of the Series A Debentures or portion thereof shall require prior written consent of Investors.

#### **4.2 Redemption Mechanism**

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- (a) The Borrower shall take all such steps as may be necessary and redeem all the Series A Debentures as mentioned above, on the relevant Redemption Date.
- (b) The Borrower shall take all actions required to implement such repayment / redemption of the Series A Debentures, including without limitation making all applications necessary and obtaining all required approvals to effect the aforesaid repayment / redemption on the relevant Redemption Date. On each Redemption Date, the amount paid to the Investors shall be adjusted as follows: first, towards, the Default Interest, if any; second, towards the Series A Coupon Amount; and third, towards, the repayment of the respective face value of Debentures.

## **5. Voting Rights**

The Series A Debentures shall not carry any voting rights save and except to the extent permitted under Applicable Law.

## **6. Security**

The relevant Debenture Repayment Amounts shall be secured by the Security set out in Clause 16.

## **7. Interest / Coupon**

- 7.1 Subject to paragraphs 7.2 and 7.3 below, the Borrower shall be obligated to pay to the Debenture Holders, and the Debenture Holders shall be entitled to receive, an interest / coupon (“**Series A Coupon Amount**”) on the outstanding face value of the Series A Debentures, at the rate which shall be the higher of:

- (a) 11.5% (eleven point five percent) per annum on the basis of a 365 days year on the outstanding value of Series A Debentures, on a quarterly compounding basis (pre-tax) from the respective Closing Date for each tranche of Series A Debentures till the date of receipt of Occupancy Certificate. Thereafter, 10.5% (ten point five percent) per annum on the basis of a 365 days year on the outstanding value of Series A Debentures, on a quarterly compounding basis (pre-tax) from the date of receipt of Occupancy Certificate till the date of payment of the Debenture Repayment Amounts for Series A Debentures is made in full;
- (b) 3 (three) month Singapore swap offer rate (“**SOR**”) + 9.97432% per annum (reset date will be 1 April, 1 July, 1 October and 1 January) on the basis of a 365 day year on the outstanding value of Series A Debentures, on a quarterly compounding basis (pre-tax) from the respective Closing Date for each tranche of Series A Debentures till the date of receipt of Occupancy Certificate. Thereafter 3 (three) month Singapore swap offer rate (“**SOR**”) + 8.97432% per

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annum (reset date will be 1 April, 1 July, 1 October and 1 January) on the basis of a 365 day year on the outstanding value of Series A Debentures, on a quarterly compounding basis (pre-tax) from the date of receipt of Occupancy Certificate till the date of payment of the Debenture Repayment Amounts for Series A Debentures is made in full. It is clarified that the Singapore Swap Offer Rate as of January 03, 2020 is 1.52568.

- 7.2 Series A Coupon Amount shall accrue from the date of allotment of each relevant Series A Debentures for a period of 36 months from the Series A First Closing Date. On expiry of aforesaid 36 months period, the Borrower shall pay the applicable Series A Coupon Amount in the manner prescribed herein. Series A Coupon Amount accrued and not paid, shall compound on quarterly basis (pre-tax).
- 7.3 Series A Coupon Amount shall be made within 5 (five) days of the end of each financial quarter (“**Interest Due Date**”). In case any Interest Due Date is not a Business Day, the amount shall be payable on the immediately preceding Business Day. It is clarified that any interest payable shall be subject to deduction of applicable withholding taxes.
- 7.4 In case the Occupancy Certificate for the Project is not received by 39 (thirty nine) months from the Series A First Closing Date (“**Estimated OC Date**”), then notwithstanding anything in Paragraph 7.1(a) above, until the actual Occupancy Certificate for the Project is received, the interest rate as set out shall be deemed to be (“**Series A Default Interest**”):
- (a) For any delay up to 90 (ninety) days from the Estimated OC Date: 15% (fifteen per cent) per annum on the basis of a 365 days year on the outstanding value of the Series A Debentures, on a quarterly compounded basis(pre-tax) from the date of Estimated OC Date; and
  - (b) Where the delay exceeds 90 (ninety) days from the Estimated OC Date: 18% (eighteen per cent) per annum on the basis of a 365 days year on the outstanding value of the Series A Debentures, on a quarterly compounded basis (pre-tax) from the date of expiry of 90 (ninety) days from Estimated OC Date.

Provided, under the Applicable Laws, a committee is the relevant authority for grant of the Occupancy Certificate (“**OC Committee**”) and the OC Committee has not been constituted by the Governmental Authorities, then the period of 90 days under aforesaid sub-Clause 7.4 (a) and 7.4 (b), respectively, shall be calculated from the date of notification of such Governmental Authorities constituting the OC Committee

- 7.5 The Series A Coupon Amount shall be calculated from the respective Closing Date.
- 7.6 At all times the Promoters shall be responsible for infusing such amount of monies into the Borrower for payment of the Series A Coupon Amount, subject to the provisions of Clause 9 of the Agreement.

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## **8. Other Miscellaneous Terms**

- (a) On every Closing Date, the relevant number of Series A Debentures shall be issued in dematerialised form and shall be credited to the Demat Accounts of the Investors by the Borrower promptly (and on the same day) upon receipt of the amount specified in the relevant Drawdown Notice.
- (b) The Debentures issued by the Borrower on each Closing Date shall be deemed to be allotted to the Investors on the relevant Closing Date itself.
- (c) The rights and interests of the Investors with respect to the Debentures shall not be varied, save and except, in accordance with and pursuant to the terms of this Agreement.

**For Hebbal Infraspac Private Limited**

**Director**