

## SUMMARY TERM SHEET

Security Name	RVIPLSeriesB2022
Issuer	Reddy Veeranna Investments Private Limited
Arranger	NA
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Rated Listed Redeemable Transferable Non-Convertible Debentures
Seniority	Senior
Mode of Issue	Private placement
Eligible/Identified Investors	Please refer paragraph “ <b>Eligible Investors</b> ” of the Shelf Disclosure Document.
Listing	<p>The Series B Debentures are proposed to be listed on BSE Ltd. within a maximum period of 15 (Fifteen) calendar days from the Deemed Date of Allotment of the Series B Debentures.</p> <p>In case of delay in listing of the Series B Debentures beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer will pay penal interest of at least 1% (One Percent) over the Redemption Premium of Series B Debentures compounded monthly from the expiry of 30 (Thirty) days from the Deemed Date of Allotment of Series B Debentures till the listing of such Series B Debentures.</p>
Rating of Instrument	“ICRA” “(BB)” (pronounced as “ICRA Double B” with “Stable”
Series	B
Issue Size	<p>The aggregate size of the Issue is up to Rs. 1510,00,00,000/- (Rupees One Thousand Five Hundred and Ten Crores only) to be issued in one or more Series.</p> <p>The Issue size for this tranche is up to Rs. 20,00,00,000/- (Rupees Twenty Crore Only) with a Greenshoe of up to Rs. 23,70,00,000/- (Rupees Twenty Three Crore Seventy Lakhs Only).</p>
Option to retain oversubscription	N/A
Objects of the Issue	Refinancing of certain existing borrowings of the Issuer and for general corporate purposes.
Details of the utilization of the Proceeds	To meet Objects of the Issue. Until the Debentures have been allotted, the proceeds of the Issue will remain in the Issue Proceeds Account
Coupon Rate	N.A.
Step Up Coupon Rate / Step Down Coupon Rate	N.A.
Coupon Payment Frequency	N.A.
Coupon Payment Dates	N.A.
Coupon Type	Zero Coupon

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Coupon Reset Date	N.A.
Coupon Reset Process	N.A.
Day Count Basis	Actual/Actual
Interest on Application Money	<b>For Series B Debentures</b> - Interest shall be payable on all application monies received at the rate of 14.75% (Fourteen Decimal Seventy Five Percent) per annum from the date of realization of the application monies by the Issuer until the Deemed Date of Allotment and the same shall be paid to the relevant Investors within 7 (Seven) Business Days from the Deemed Date of Allotment.
Default Interest	In the event of a payment default of the amounts due under this Issue or any other Event of Default (whether by way of acceleration, at maturity or otherwise) or Early Redemption Event, or Prepayment, the Issuer shall pay an additional 2% (Two Percent) per annum over and above the applicable Redemption Premium compounded monthly on the defaulted amounts, calculated from the date of the occurrence of the default until such default is cured or the Debentures are redeemed pursuant to such default, as applicable.
Delay Penalty	In the case of a delay in the execution of Debenture Trust Deed and the Security documents, the Issuer shall refund the subscription with the agreed rate of interest or shall pay penal interest of 2% (Two Percent) per annum over the and above the applicable Redemption Premium compounded monthly till such time that the conditions have been complied with at the option of the Investor.
Tenor	928 days
Redemption Date	30-09-2022
Principal Payment Date(s)	Means the dates as set out in Annexure I.
Prepayment Date	Means any date prior to April 23, 2021 on which any Debentures are redeemed and prepaid by the Company in whole or in part.
Prepayment Amount	Means the principal amount of the Debentures along with all the Redemption Premium, Make Whole Premium, Default Interest and any other amounts payable to the Debenture Holders on the Prepayment Date in accordance with the terms stipulated in the Debenture Trust Deed and any other Transaction Document.
Redemption Amount	(i) On an Early Redemption Date means, the Early Redemption Amount; (ii) On the Prepayment Date means, the Prepayment Amount; and (iii) On the Redemption Date means, the Final Redemption Amount.
Prepayment and Cancellation	The Issuer shall be entitled to voluntarily pre-pay the Outstanding Amounts in relation to the Debentures subject to the terms and conditions of the Transaction Documents. Provided however, that if the Company prepays the Outstanding Amounts in relation to the Debentures in whole or in part, prior to April 23, 2021, then such amounts which are being pre-paid shall also attract a Make Whole Premium payable by the Company, over and above the Redemption Premium payable on the Prepayment Date.
Re-financing of Debentures	If the Issuer is desirous of availing further financing from IIFL Income Opportunities Series II and its Associates then IIFL Income Opportunities Series II and its Associates may, at its sole discretion, provide funds to the Issuer on such terms and conditions as IIFL

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	<p>Income Opportunities Series II and its Associates may deem fit including that the security cover on such additional funding shall be at least 1.8x (One Decimal Point Eight Times) the amount of the additional funding.</p> <p>Upon IIFL Income Opportunities Series II and its Associates having agreed to provide such additional funding to the Issuer, the manner of providing the additional funding shall be decided solely by IIFL Income Opportunities Series II and its Associates (including requiring the Issuer to redeem the Debentures and payment of Make Whole Premium or such other amounts as stipulated in the Transaction Documents and calling for fresh issuance in an amount equal to the extant outstanding amounts under the Debentures and the additional amount requested by the Issuer or requiring the Issuer to issue fresh debentures independent from this Issue).</p>
Redemption Premium	<p><b>For Series B Debentures –</b></p> <p>A. Redemption Premium payable for Series B Debentures:</p> <p>(i) If Call Option/ Put Option is exercised on the First Call Option Date/ First Put Option Date, then Rs. 1,72,608/- per debenture (Rupees One Lakh Seventy Two Thousands Six Hundred and Eight Only per debenture);</p> <p>(ii) If Call Option/ Put Option is exercised on Second Call Option Date/ Second Put Option Date, then Rs. 2,45,403/- per debenture (Rupees Two Lakhs Forty Five Thousands Four Hundred and Three Only per debenture);</p> <p>(iii) If Call Option/ Put Option is exercised on the Third Call Option Date/ Third Put Option Date, then Rs. 3,33,893/- per debenture (Rupees Three Lakhs Thirty Three Thousands Eight Hundred and Ninety Three Only per debenture).</p> <p>B. If the Call Option/ Put Option is not exercised, then Rs. 4,29,064/- per debenture (Rupees Four Lakhs Twenty Nine Thousands and Sixty Four Only per debenture) shall be payable on the Redemption Date.</p> <p>C. Without prejudice to anything mentioned hereinabove, upon the occurrence of an Event of Default and the subsequent acceleration of the Series B Debentures by the Debenture Trustee thereof, the Series B Debentures shall be redeemed at a premium which shall give an internal rate of return to the Debenture Holders holding Series B Debentures, calculated at the rate of 14.75% (Fifteen decimal Fifty Percent) per annum compounded annually on the principal amount of the Series B Debentures.</p>
Issue Price	Rs. 10,00,000/- (Rs. Ten Lakh only) per Debenture
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	First Put Option Date means 23-04-2021; Second Put Option Date means 30-09-2021; Third Put Option Date means 31-03-2022.

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	Upon the exercise of put option by the Debenture Holders, the Issuer shall be liable to redeem the Debentures in full by making payment of the Put Option Price, on the Put Option Date.
Put Option Price	Means the amount equal to the principal amount of the Debentures along with the Redemption Premium, as applicable, Default Interest, and any other amount payable to the Debenture Holders on the relevant Put Option Date in accordance with the terms of the Debenture Trust Deed and any other Transaction Document, required to be paid to settle the Debentures in full.
Put Option Notification Time	30 (Thirty) days prior to the relevant Put Option Date.
Call Option Date	First Call Option Date means 23-04-2021; Second Call Option Date means 30-09-2021; Third Call Option Date means 31-03-2022.  Upon the exercise of a Call Option by the Company, the Company shall have the right to require the Debenture Holders to surrender the Debentures held by the Debenture Holders upon the Issuer paying the Call Option Price to the Debenture Holders, on the Call Option Date.
Call Option Price	Means the amount equal to the principal amount of the Debentures along with the Redemption Premium, as applicable, Default Interest, and any other amount payable to the Debenture Holders on the relevant Call Option Date in accordance with the terms of the Debenture Trust Deed and any other Transaction Document, required to settle the Debentures in full.
Call Option Notification Time	30 (Thirty) days prior to the relevant Call Option Date.
Face Value	Rs 10,00,000/- (Rs. Ten Lakhs only) per Debenture
Minimum Application size and in multiples of 1 thereafter	10 Debentures and in multiples of 1 Debenture thereafter
Issue Timing	Series B Issue/ Bid Opening Date: March 13, 2020 Series B Issue/ Bid Closing Date: March 13, 2020 Series B Deemed Date of Allotment: March 16, 2020
Details for Electronic Book Mechanism	Mode of bidding: Open Bidding Manner of Allotment: Uniform Yield Manner of Settlement: Pay-in of funds to Clearing Corporation Settlement Cycle: T+1; where T refers to the date of bidding/ issue day. Process flow of Settlement: As per Annexure – II
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	NEFT/ RTGS
Depositories	NSDL
Business Days	Any day (other than a Saturday or a Sunday) on which money market

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	institutions and scheduled commercial banks are generally open for business in Bengaluru and Mumbai, India and “ <b>Business Days</b> ” shall be construed accordingly.
Business Day Convention	If the Early Redemption Date, Redemption Date, Prepayment Date, in respect of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	<ol style="list-style-type: none"> <li>1. The Obligors have secured the issuance of the Existing Debentures by the Existing Security.</li> <li>2. The Obligors have secured the issuance of the 135 Crore Debentures by the 135 Crore Security.</li> <li>3. The Obligors shall secure the Secured Obligations in respect of this Issue by: <ol style="list-style-type: none"> <li>i. A first ranking <i>pari passu</i> charge over the assets constituting the Existing Security (except charge by way of hypothecation over the Escrow Account 1 and Escrow Account 2 and Existing Personal Guarantee);</li> <li>ii. A first ranking <i>pari passu</i> charge over the assets constituting the Additional Security for 135 Crore Debentures.</li> <li>iii. A first ranking <i>pari passu</i> mortgage over the Immovable Property to be created pursuant to the Debenture Trust Deed;</li> <li>iv. Personal Guarantee to be provided by the Personal Guarantors pursuant to the deed of personal guarantee as amended and restated on or about the date hereof; and</li> <li>v. Any other security created by the Obligors in relation to the Debentures in favour of the Debenture Trustee.</li> </ol> </li> </ol> <p>Notwithstanding anything mentioned herein or in any of the Transaction Documents executed in relation to the Debentures, the benefit of the Existing Security (except hypothecation over Escrow Account 1 and Escrow Account 2 and Existing Personal Guarantee) and the 135 Crore Debentures Security created/to be created would <i>inter alia</i> be available for the benefit of the Debenture Holders on a <i>pari passu</i> basis until such time that the Existing Debentures have not been redeemed in full. The Company shall ensure that the Existing Debentures to the extent of 1273,00,00,000/- (One Thousand Two Hundred and Seventy Three Crores only) have been redeemed in full to the relevant holders of the Existing Debentures within 180 (One Hundred and Eighty) days from the Deemed Date of Allotment in respect of first tranche of the Debentures or within such time as may be extended by the Debenture Trustee (acting on the instruction of the Majority Debenture Holders).</p>

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Upon the redemption of the 135 Crore Debentures in full, the Existing Security (except charge by way of hypothecation over Escrow Account 1 and Escrow Account 2 and Existing Personal Guarantee) and the 135 Crore Debentures Security would *inter alia* be available for the benefit of the Debenture Holders on a *pari passu* basis with any remaining holders of the Existing Debentures. Upon either of the Debentures or the remaining Existing Debentures being redeemed prior in time to the other, in full to the satisfaction of the Debenture Holders or the remaining holders of the Existing Debentures, as applicable, the Existing Security (except hypothecation over Escrow Account 1 and Escrow Account 2 and Existing Personal Guarantee), and the 135 Crore Debentures Security, would *ipso facto* convert into a first ranking and exclusive charge for the sole benefit of the Debenture Holders or the remaining holders of the Existing Debentures, whichever has not been redeemed.

For the purposes of above, the Company shall execute the Transaction Documents.

It is hereby clarified that, the Security created pursuant to this Issue (except the Personal Guarantee) and as more particularly set out in the Debenture Trust Deed shall also extend to secure the 135 Crore Debentures on a *pari passu* basis.

Any release of the Security or modification to the terms of the Security shall require the prior written consent of the Majority Debenture Holders.

#### **Maintenance of Security Cover**

- (i) The Company shall at all times ensure that the Security Cover is maintained at or above the Minimum Security Cover at all times until the Final Settlement Date.
- (ii) Without prejudice to the generality of Clause (i) above, the Debenture Trustee shall be entitled to request the Company to provide a certificate from an independent chartered accountant/Company's statutory auditor to evidence that the Security Cover is being maintained at or above the Minimum Security Cover level, at any point of time till the Final Settlement Date. In the event the Debenture Trustee makes such aforesaid request, the Company shall be obligated to provide to the Debenture with the said certificate from independent chartered accountant/Company's statutory auditor.
- (iii) If the Debenture Trustee determines, based on (i) the aforesaid independent chartered accountant certificate/statutory auditor certificate received by it from the Company, (ii) upon the valuation of the Security Cover by the Calculation Agent, that:

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- (a) the value of the Security Cover exceeds 1.6x (One Decimal Six Times) but is less than the Minimum Security Cover required under the Transaction Documents, the Company shall upon notification by the Debenture Trustee in this regard take all such steps, including partial redemption of the Debentures and/or providing additional security, in a form and manner satisfactory to the Debenture Trustee, such that the Minimum Security Cover is restored to the satisfaction of the Debenture Trustee within a period of 5 (Five) days from the date of such notification by the Debenture Trustee. Failure by the Company to restore the Security Cover back to the Minimum Security Cover with the timelines mentioned hereinabove shall be construed to be an Event of Default and the consequence thereof shall follow. In the event the Company, upon the notification of the Debenture Trustee in the manner stated hereinabove, is required to make partial redemption of the Debentures, the Company acknowledges and agrees that the same shall be as per the terms and conditions decided by the Majority Debenture Holders at that point of time;
- (b) the value of the Security Cover exceeds 1.4x (One Decimal Four Times) but is at or less than 1.6x (One Decimal Six Times), the Company shall upon notification by the Debenture Trustee in this regard take all such steps, including partial redemption of the Debentures and/or providing additional security, in a form and manner satisfactory to the Debenture Trustee, such that the Minimum Security Cover is restored to the satisfaction of the Debenture Trustee within a period of 3 (Three) days from the date of such notification by the Debenture Trustee. Failure by the Company to restore the Security Cover back to the Minimum Security Cover with the timelines mentioned hereinabove shall be construed to be an Event of Default and the consequence thereof shall follow. In the event the Company, upon the notification of the Debenture Trustee in the manner stated hereinabove, is required to make partial redemption of the Debentures, the Company acknowledges and agrees that the same shall be as per the terms and conditions decided by the Majority Debenture Holders at that point of time;
- (c) the value of the Security Cover is at or less than 1.4x (One Decimal Four Times), then it shall be construed to be an Event of Default and the consequence thereof shall follow.

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	For the purposes of this Clause (iii), Calculation Agent shall mean IIFL Income Opportunities Fund Series II and/or its Affiliates.
Transaction Documents	Pari Passu Letter Shelf Disclosure Document, this Supplemental DD, Debenture Trust Deed, Debenture Trustee Agreement, Deed of Hypothecation 1, Deed of Hypothecation 2, Private Placement Offer cum Application Letter, the Share Pledge Agreement, the Unit Pledge Agreement 1, the Unit Pledge Agreement 2, necessary powers of attorney, Personal Guarantee, Non-Disposal Undertaking, Escrow Agreement 3, Memorandum of Deposit of Title Deeds 1, Declaration 1, Memorandum of Deposit of Title Deeds 2, Declaration 2 and amendments made to all the transaction documents and any other document that may be designated by the Debenture Trustee as a Transaction Document.
Conditions Precedent to Disbursement	<p>(i) The Issuer shall fulfil the following Conditions Precedent to the satisfaction of the Debenture Trustee and submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the Deemed Date of Allotment:</p> <p>(ii) All corporate approvals from the Board of Directors and shareholders of the Issuer, if applicable, shall have been received for the issuance of the Debentures, creation and perfection of security and the execution, delivery and performance by the Issuer of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed and the same shall have been filed with the Registrar of Companies;</p> <p>(iii) BSE Listing in-principle approval;</p> <p>(iv) Execution of the Transaction Documents;</p> <p>(v) Filing of the relevant forms with the ROC for the perfection and registration of charge over the Security including the filing of Annexure W/ Pledge Request Form with the Depository on or prior to the Deemed Date of Allotment.</p> <p>(vi) The Issuer shall have submitted to the Debenture Trustee the rating letter and the rating rationale;</p> <p>(vii) The Issuer shall have submitted to the Debenture Holders / Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(viii) The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company (the Memorandum and Articles of Association and the Certificate of Incorporation).</p>

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	<p>(ix) The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year or audited financial half-year and all other documents required to be submitted in accordance with applicable law.</p> <p>(x) Any other conditions precedent as set out in the respective Transaction Documents.</p>
Conditions Subsequent to Disbursement	<p>(i) Filing of the return of allotment (PAS-3) with the ROC within the timelines specified under the rules under the Companies Act, 2013.</p> <p>(ii) Evidence that the Issuer has, within 30 (Thirty) days of the Deemed Date of Allotment, paid all applicable stamp duty in relation to the Debentures.</p> <p>(iii) Completion of listing of Debentures on BSE within 15 (Fifteen) calendar days from the Deemed Date of Allotment of Series I Debentures.</p> <p>(iv) Execution of any other documents as customary for transaction of a similar nature and size.</p> <p>(v) The Issuer shall, within 30 (Thirty) days from the Deemed Date of Allotment, provide an end use certificate from an independent chartered accountant, certifying the end use of the Issue.</p> <p>(vi) Within 7 (Seven) days from the Deemed Date of Allotment, the Debenture Trustee shall have received the post-dated cheques covering all scheduled principal and premium payments along with a cheque deposit letter from the Issuer to its satisfaction.</p> <p>(vii) Within 3 (Three) months from the Deemed Date of Allotment, the Issuer shall ensure that the NDU Providers create charge on the security as identified under the Non-Disposal Undertaking and provide evidence for creation and perfection of security including but not limited to CHG-9 with the relevant ROC, CERSAI, and registration of the property with the relevant sub-registrar of assurances.</p>
Events of Default	As set out in the Transaction Documents.
Provisions related to Cross Default Clause	As set out in the Transaction Documents.
Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for the benefit of and on behalf of the Debenture Holders and as set out in further detail in the Transaction Documents.
Covenants	As set out in the Transaction Documents.
Representation and warranties	As set out in the Transaction Documents.
Illustration of Bond Cashflows	As set out below.

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Governing Law	The Debentures, the documentation in relation thereto, the interpretation of terms thereunder and any dispute arising in relation thereto will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in Chennai, Tamil Nadu. Provided that the Debenture Trustee, may, however, in its absolute discretion commence any proceedings arising out of the Transaction Documents in any other court and tribunal in India, and the Issuer irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Issuer irrevocably waives any objection it may have now or in the future to the laying of the venue of any proceedings and any claim that any such proceedings have been brought in an inconvenient forum.
Contribution by Promoters or Director either as part of this offer or separately in furtherance of the objects of the Issue	NIL
Justification of the Issue Price, as may be applicable	N/A
Pay In Date	March 16, 2020
Valuation Agency Fees	N/A
Valuation Agency	N/A
Risks factors associated with the issue	As set out in the Transaction Document

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