

TERMS AND CONDITIONS OF UNSECURED OPTIONALLY CONVERTIBLE DEBENTURES

The issue of Unsecured Optionally Convertible Debentures of the face value of Rs.10/- (Rupees Ten only) each ("Debentures") of the aggregate principal amount of Rs. 3,00,00,000/- (Three Crore Rupees Only) optionally convertible into equity shares of 30,00,000 of Rs. 10/- each of the GRG Global Textiles Limited (hereinafter referred to as "the Company") is subject to following terms and conditions:

1. GENERAL TERMS AND CONDITIONS

1.1 Status

The debentures constitute direct, unconditional, unsubordinated, and unsecured obligations of the Company and shall at all times rank *pari-passu* and without any preference or priority among themselves and shall at all times rank equal with all other present and future direct, unconditional, unsubordinated and senior unsecured obligations of the Company (save for such exceptions as may be provided by mandatory provisions as per the applicable laws). The debentures are issued free of all encumbrances, together with all the rights now or hereafter attaching thereto.

1.2 Debenture Coupons

The Debentures shall not carry any interest/coupon rate.

1.4 Register of Debentures

- I. Subject to any applicable requirements and procedures of the clearing systems and/or depositories, so long as any debenture remains outstanding, the Company shall establish and maintain a register of debentures ("Register").
- II. The Register shall be located at the office of the Company and shall contain particulars of the Debentures from time to time in issue. The Company shall enter the particulars of the issue of the Debentures and of the relevant Subscribers on the Register.

1.5 Tenure

10 years from the date of allotment.

1.6 Variation of rights of the debentures

The rights, privileges and conditions attached to the debentures cannot be varied, modified, or abrogated without the written consent of the debentureholders and the Company.

2. CONVERSION / REDEMPTION OF DEBENTURES

2.1 Redemption

Each debenture including partly redemption shall be redeemable at the option of the debentureholder at any time before the expiry of the tenure as mentioned above.

The redemption price of the debentures shall be *higher* of the following:

1. Face value of the debentures plus redemption premium equal to 5% per annum internal rate of return on the redemption amount from the date of allotment till the date of redemption.
2. Face value of the debentures plus redemption premium which shall be equal to such percentage less 5% of profits of the Company as it would have been entitled to hold the debenture holder opted for full conversion of debentures into equity shares of the Company.

2.2 Conversion

Each debenture shall be convertible, at the option of the holder at any time after 15 days but within 10 years from the date of allotment into equity shares of Rs. 10/- (Rupees Ten only) each of the Company.

The conversion ratio shall be based on the current valuation (as on the date of signing of the term sheet) of the Company.

If the option of redemption and/ or conversion is not exercised or tenure extended by the debenture holder as mentioned above until the expiry of the tenure, the debentures shall be compulsorily converted into equity shares after the expiry of the tenure period.

3. Compliance with laws

The Company shall ensure that the issue, allotment, conversion, and redemption of the debentures are in accordance with all applicable laws, including but not limited to the provisions of the Companies Act, 2013. The Company shall obtain / file all relevant authorizations that may be required for the conversion of the debentures into equity shares.

For GRG Global Textiles Limited
Limited



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