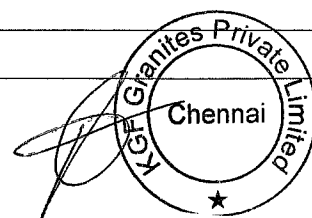
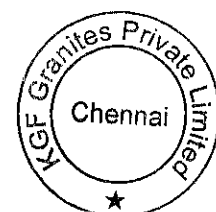


SUMMARY OF TERM SHEET

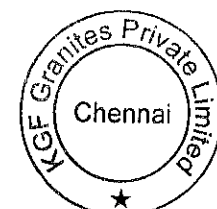
Particulars	Terms & Conditions
Borrower/Issuer	KGF Granites Private Limited
Issue Size	Rs. 30 crores.
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	Refer to section "Who Can Apply"
Listing	The debentures shall be listed upon issuance in accordance with the applicable law
Exchange	Bombay Stock Exchange Limited (BSE)
Type of Instrument	Rated, Listed, Secured, Redeemable non-convertible debentures (NCDs)
Nature of instrument	Secured
Lock-In Period	Period of 18 (eighteen) months commencing from the deemed date of allotment, as per the terms and conditions set out in the Transaction Documents.
Objects of the Issue	Settlement of debt of the group entities of the Borrower
Details of the utilization of the Proceeds	The proceeds from the issue of the debentures shall be utilised by the Borrower for (i) the settlement of debt of Archean Industries Private Limited and its group entities to the extent of INR 16,50,00,000 (Rupees Sixteen Crores Fifty lakhs), and the settlement of debt of GML and its group entities to the extent of INR 13,50,00,000 (Rupees Thirteen Crores and Fifty lakhs only) and (ii) towards costs and expenses related to the Debentures as approved by the Debenture Trustee.
Coupon Rate	14.0% per annum
Step Up/Step Down Coupon Rate	NA
Coupon Payment Frequency	Quarterly
Coupon Payment Dates	As set out in the Debenture Trust Deed
Coupon Type	Fixed
Coupon Reset Process	None
Day Count Basis	Actual/Actual
Interest on Application Money	NA
Default Interest Rate	2.0% per month for a minimum of one month or period of default, whichever is higher
Put Option Date	NA
Put Option Price	NA



Call Option Date	NA
Call Option Price	NA
Put Notification Time	NA
Call Notification Time	NA
Face Value	INR 100
Issue Timing	
1. Issue Opening Date	1. 30/03/2021
2. Issue Closing Date	2. 31/03/2021
3. Pay-in Date	3. 31/03/2021
4. Deemed Date of Allotment	4. 31/03/2021
Depository	National Securities Depository Limited, Central Depository Services (India) Limited and/or such other depository registered with SEBI, with whom the Borrower has entered into an agreement for keeping and dealing with the debentures in a dematerialized form.
Business Day Convention	If any payment date is not a business day, payment shall be made on the immediately preceding business day, with interest up to and including the due date.
Record Date	7 calendar days prior to each Coupon Payment Date/ Redemption Date
Condition Precedent to Disbursement	As defined in Transaction Documents
Condition Subsequent to Disbursement	As defined in Transaction Documents
Events of Default	As defined in Transaction Documents

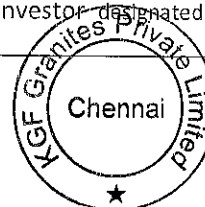


<p>Provisions related to cross default clause</p>	<p>Any payment default by the Borrower in respect of its indebtedness (except trade payables) other than its indebtedness in respect of the debentures;</p> <p>Any obligor or security provider fails in respect of any payment obligations under any agreement or document relating to any of its financial indebtedness when due nor within any originally applicable grace period. Or is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described) or any commitment for any financial indebtedness of an obligor is cancelled or suspended by a creditor of such obligor or security provider as a result of an event of default (however described) or any creditor of such obligor or security provider becomes entitled to declare any financial indebtedness of the obligor or security provider due and payable prior to its specified maturity as a result of an event of default (however described).</p> <p>An event of default, (other than a payment default), howsoever described under any agreement or document relating to any financial indebtedness of any of the obligors, occurs and is declared to be an event of default by any lender of the respective obligor.</p>
<p>Role and Responsibilities of Debenture Trustee</p>	<p>The Debenture Trustee shall act solely upon the instructions received from the majority debenture holders in terms hereof and the parties agree that it shall not act on any instructions which are not authorised or approved by the majority debenture holders and are not delivered to it in accordance with the terms of the Transaction Documents.</p>
<p>Risk factors pertaining to the issue</p>	<p>A. EXTERNAL RISK FACTORS:</p> <ol style="list-style-type: none"> 1. Material changes in Regulations to which the Company is subject could cause the Company's business to suffer. 2. Economy slowdown and infrastructure spending could cause fluctuations in Company's business, which could have a material impact on Company's cash flows, financial condition and result of operations. <p>B. RISKS RELATING TO THE ISSUE</p> <ol style="list-style-type: none"> 1. Trading in debentures are not expected to be available on a sustained basis. Consequently, the price of Debenture may be volatile. 2. Changes in interest rates may affect the prices of the Debentures. 3. Any downgrading in the credit rating of the Debentures may affect the value of Debentures and thus our ability to raise further debts. 4. Any volatility in the exchange rate may lead to a decline in India's foreign exchange reserves and may affect liquidity and interest rates in the Indian economy, which may impact the Issuer.
<p>Tenor</p>	<p>5 years</p>
<p>Redemption Amount</p>	<p>The Borrower may redeem the debentures, in full or in multiples, of Rs. 1,00,00,000/- (Rupees one crore only) along with the debenture amounts due and payable, at any time after the expiry of the Lock – In Period, by giving 15 (fifteen) business days prior notice in writing to the debenture trustee and subject to payment of premium as per the terms and conditions set out in the Transaction Documents.</p>

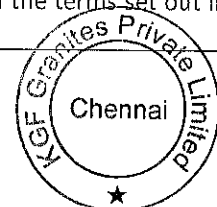


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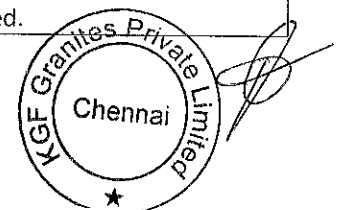
Redemption Premium	As per the Debenture Trust Deed					
Repayment/Redemption	The NCDs shall be repaid within five years from the Effective Date on a quarterly basis as per the table below:					
	Principal	Q1	Q2	Q3	Q4	Total
	FY22	nil	2.0%	8.0%	4.0%	14.0%
	FY23	6.0%	2.0%	8.0%	4.0%	20.0%
	FY24	6.0%	2.0%	8.0%	4.0%	20.0%
	FY25	6.0%	2.0%	8.0%	4.0%	20.0%
FY26	6.0%	5.0%	10.0%	5.0%	26.0%	
Total						100.0%
Description regarding Security (where applicable) including type of security (movable/immovable/tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Offer Document .	<p>The NCDs shall be secured by:</p> <ol style="list-style-type: none"> 1. Exclusive charge / mortgage on the following: <ol style="list-style-type: none"> a. Residential property located at Azure Oceanic, Santhome High Road, R A Puram, Chennai owned by Mr. P. Ranjit b. Residential property bearing door no. 85/4A (new), 13, 46 & 46A (old), located at Frieda Garden, Swedish Settlement Area, Upper Lake Road, Kodaikanal Municipality, Dindigul District, 624101 owned by Mr. P. Ranjit and Mrs. P. Pramila (Promoters); c. Residential properties located at Haveli Apartments, 32-A, North Crescent Road, T. Nagar, Chennai-17 owned by Ravi Complex through its Managing Partner Mr. P. B. Anandam and 32-D, North Crescent Road, T. Nagar, Chennai-17 owned by Mr. P. Ranjit; d. Residential property located at Fourth Floor above the Stilt Floor, "Adroit Origin", C4 and D4, Old Door, Nos.22, 23 and 24 and New Door Nos.28, 26, and 24, Shastri Nagar, 7th Cross Street, Adyar, Chennai-600 020 owned by Mr. P. Ranjit and Mrs. Sita Mahalakshmi; e. ~44.66 acres of land located at Ariyur and Mathiyannallur village, Illupur Taluk, Pudukkottai, Tamil Nadu owned by Archean Industries Private Limited (AIPL); f. Such other collateral as required by the Investor so that the collateral cover provided by assets in Clause 1(a) to 1(e) above is not less than 1.5x in the opinion of the Investor, at all times. 2. Exclusive charge on the processing facilities located as per the following: <ol style="list-style-type: none"> a. Kuppam factory, Andhra Pradesh owned by AIPL; b. Budugur factory, Andhra Pradesh owned by AIPL; c. Mulbagal factory, Karnataka owned by AIPL; and d. Krishnagiri factory, Tamil Nadu owned by Mr. P. Ranjit; 3. Exclusive charge on the entire cash flows of the Borrower and AIPL which shall be deposited in Investor designated escrow accounts; 					



	<p>4 Exclusive hypothecation of the receivables under the agreement between ACIPL and GML to use the Jakhau Jetty:</p> <p>a All future cash flows (in entirety) of GML (i.e. relating to the dues for the period after March 31, 2021) received from ACIPL shall be directly deposited in an investor designated escrow account subject to a minimum of Rs. 6.5 crores per annum;</p> <p>5 Exclusive hypothecation of the employment appointment letter issued to Mr. P Ranjit by ACIPL/ the salaries received by Mr. P. Ranjit from ACIPL shall be deposited in P Ranjit designated escrow account, immediately upon receipt, to the minimum extent of Rs. 1.5 crores per annum;</p> <p>6 Exclusive pledge of 100% of the equity shares in the Company and AIPL, in dematerialized form;</p> <p>7 Corporate guarantee of GML and AIPL;</p> <p>8 Unconditional and irrevocable personal guarantee of Mr. P.B. Anandam, Ms. P. Pramila, Mr. P. Ranjit, Mr. P. Ravi, along with the statement of assets;</p> <p>9 Promissory Notes and Post-Dated Cheques (PDCs) for the entire principal amount as per the <i>repayment</i> schedule & one undated cheque for the entire principal amount;</p> <p>10 Revolving PDCs for an amount equal to coupon due in the next one year; and</p> <p>11 Others, as may be required.</p>
<p>Conditions for breach of covenants (as specified in Debenture Trust Deed)</p>	<p>1.1 On occurrence of breach of covenants, the Debenture Trustee and / or the debenture holders may take any or combination of or all of the following actions:</p> <p>(a) The Debenture Trustee or its nominee may, without any notice and without assigning any reason without prejudice to any other rights and / or remedies of the Debenture Trustee and at the risk and expense of the Borrower and the security providers, and if necessary, as attorney for and in the name of the Borrower and the security providers be entitled to:</p> <p>(i) declare all or any part of the secured obligations (including redemption of the Debentures) to be immediately (or on such dates as the Debenture Trustee may specify) due and payable, whereupon they shall become so due and payable;</p> <p>(ii) notwithstanding anything contained herein, call and cause the Mr. P. Ranjit, Borrower, GML and AIPL to transfer / release all the amounts lying in all the bank accounts of the Borrower</p> <p>(iii) to appoint its nominee directors in terms of Companies Act, 2013 on the Board of Directors of the Borrower, AIPL and GML and the Director so appointed shall not incur any liability and shall be indemnified by Borrower on the terms set out in the Transaction Documents;</p>



- (iv) to depute an observer to attend the meeting of the Board of Directors of the Borrower, AIPL and GML;
- (v) enforce, realize, settle, compromise and deal with any rights or claims relating thereto, without being bound to exercise any of these powers or be liable for any losses in the exercise or non – exercise thereof and without prejudice to the Debenture Trustee's rights and remedies of suit or otherwise;
- (vi) undertake all necessary acts, exercise all rights available to it under Applicable Laws and in equity and under the Transaction Documents, and appoint all such persons as it may deem necessary, to enforce and realise any Security created hereunder or under the Transaction Documents and apply the proceeds thereof in accordance with the terms of this Deed and the Transaction Documents; and/or
- (vii) act upon and enforce, seize, recover, receive, remove, dispatch and / or take charge of the Security created under the Transaction Documents and sell, call in, collect, convert into money or otherwise deal with or dispose of the secured assets or any part thereof on an instalment basis or otherwise and generally in such manner and upon such terms whatsoever as the Debenture Trustee may consider fit in the manner laid down in this Deed and / or other Transaction Documents. The Debenture Trustee shall have right to change and / or takeover the management / possession of the secured assets and change / appoint any contractor, manager etc., to its satisfaction.
- (viii) convert the Debenture Amounts into equity shares of the Borrower.
- (ix) require the Borrower, GML and AIPL to reconstitute its Board with sufficiently qualified or experienced Persons as may be found satisfactory to the debenture holders.
- (x) exercise such other rights as may be available to the Debenture Trustee under the Transaction Documents or under applicable law including filing of any winding up petition against the Borrower if debentures are not redeemed.



1.2 On occurrence of breach of covenants, the Borrower shall be liable to pay the Default Interest.

1.3 Upon the occurrence of breach of covenants which is continuing, the obligors shall undertake all actions necessary to ensure that the Debenture Trustee and/or the debenture holders are able to exercise all their rights under the Transaction Documents and under applicable laws and shall undertake all necessary actions in this regard to give effect to the rights of the debenture holders.

1.4 Without prejudice to the rights of the debenture holders, on the occurrence of breach of covenants, the Borrower may with prior consent and in consultation with the debenture holders, undertake any sale of the business and utilise the proceeds for payment of the debenture amounts. The detailed mechanism for giving effect to such sale and use of proceeds shall be as prescribed by the debenture holders, prior to any such sale or agreement thereof, such that the debenture holders are directly paid their debenture amounts pursuant to such sale.

1.5 Sale/Transfer of assets

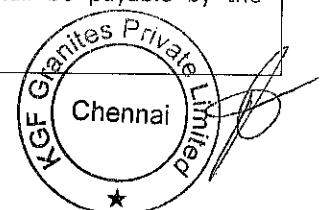
Upon the occurrence of any breach of covenant, the security providers to provide an exit to the debenture holders by sale/transfer of the secured assets or any part thereof to any third party purchaser (including any third party purchaser identified by the debenture holders) such that the debenture holders receive the debenture amounts; and / or (ii) the Promoters to provide an exit to the debenture holders by requiring the Promoters (at their own costs and expense) to purchase the secured asset or any part thereof such that the debenture holders receive the debenture amounts.

1.6 Notice of Default

If any breach of covenant has occurred, the Borrower shall have an obligation to forthwith give notice thereof to the Debenture Trustee in writing, specifying the nature of such breach and the steps, if any, being taken to remedy it.

1.7 Reimbursement of Expenses- All expenses incurred by the Debenture Trustee in connection with:

- (a) preservation of the secured assets (whether then or thereafter existing); and
- (b) enforcement against the Borrower and collection of amounts due under this Deed, shall be payable by the Borrower.



	1.8 Right to Disclose/Publish the Names of the Borrower and their Directors (as applicable) as Defaulters
Definitive Transaction Documents Agreements	<ol style="list-style-type: none"> 1. Debenture Trust Deed; 2. Debenture Trustee Agreement; 3. Mortgage Deed(s); 4. Hypothecation Deed(s); 5. Escrow Agreement(s); 6. Pledge Agreement(s); 7. Corporate Guarantee(s); 8. Personal Guarantee(s); 9. Any other documents / conditions / undertakings as mentioned in this Term Sheet; and <p>All other documents as per the norms and practice of the Investor.</p>
Additional Covenants and arrangement specific to this Issue (including side letters, accelerated payment clause, etc.)	As set out in the Transaction Documents
Disclosure	The Investor shall have customary disclosure rights for disclosure of information to regulatory authorities such as RBI, CIBIL, stock exchanges, information utilities etc., which shall be set out in detail in the definitive agreements.
Governing Law and Jurisdiction	The courts and tribunals in Mumbai and New Delhi shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Transaction Documents and that accordingly any proceedings arising out of or in connection with the Transaction Documents may be brought in such courts or the tribunals and the Parties other than the Debenture Trustee irrevocably submit to and accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of those courts or tribunals.