

**Term Sheet**

1	<b>Issuer</b>	Kanakadurga Finance Limited (Issuer/Company/KFL)
2	<b>Security Name / Type of Instrument</b>	Secured Rated Redeemable Listed Non-Convertible Debentures (NCDs/ Debentures)
3	<b>Nature of the Instrument</b>	Secured
4	<b>Mode of Issue</b>	Private placement
5	<b>Objects &amp; Details of the utilization of the Proceeds</b>	<p>The funds raised by the Issue, after meeting the costs and expenses in respect of the Issue, shall be utilized by the Issuer solely for the following ("<b>Purpose</b>"):</p> <ul style="list-style-type: none"> <li>(a) financing activities and business operations of the Issuer (including on-ward lending);</li> <li>(b) re-payment of the existing Financial Indebtedness of the Issuer; and</li> <li>(c) general corporate purposes of the Issuer.</li> </ul> <ul style="list-style-type: none"> <li>• The Issuer shall not use the proceeds of the Issue towards (i) any capital market instrument such as equity, debt, debt linked and equity linked instruments or any other capital market related activities; (ii) any speculative purposes; (iii) investment in the real estate sector; or (iv) in contravention of Applicable Law (including without limitation, any guidelines, rules or regulations of the Supervisory Authorities) (v) or any usage that are restricted for bank financing.</li> </ul>
6	<b>Rating of Instrument</b>	<p>"CARE BBB" by CARE Limited</p> <p><i>The Issuer/Investor(s) reserves the right to obtain an additional credit rating from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the issue</i></p>
7	<b>Eligible Investors</b>	As mentioned in the Shelf Disclosure Document under captioned "Eligible Investor"
8	<b>Tranche/ Issue Size</b>	Rs. 25,00,00,000/- <b>plus Greenshoe option of upto Rs. 75,00,00,000/- aggregating to Rs. 100,00,00,000/-.</b>
9	<b>Face Value</b>	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture




10	Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
11	Tenor	36 Months from the Deemed Date of Allotment
12	Coupon Type	Fixed
13	Coupon Rate	12.00% p.a.
14	Coupon Payment Frequency	Annual and on Redemption
15	Coupon Payment dates	07 July 2021, 07 July 2022, 07 July 2023
16	Coupon Reset Process	N. A
17	Step Up/Step Down Coupon Rate	N.A.
18	Redemption Date	At the end of 36 months from the Deemed Date of Allotment ie July 07,2023
19	Redemption Amount	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture
20	Redemption	Bullet, At Par
21	Redemption Premium/ Discount	NA
22	Discount at which security is issued and the effective yield as a result of such discount.	N.A.
23	Put Date	N.A.
24	Put Price	N.A.
25	Put Option Notice	N.A.
26	Call Date	N.A.
27	Call Price	N.A.
28	Call Option Notice	N.A.
29	Put Notification Time	N.A.
30	Call Notification Time	N.A.
31	Security & Security Cover	<p>The outstanding debentures amount together with interest, default interest, remuneration of the Trustee, charges, fees, expenses and all other monies dues from the Company shall be secured by exclusive charge via deed of hypothecation on the specific standard asset portfolio of receivables ("Company's Receivables") to be executed between the Company and the Debenture Trustee as described herein.</p> <p>The Issuer undertakes:</p> <ol style="list-style-type: none"> <li>Company's Receivables must be standard</li> <li>Company's Receivables are existing at the time of selection, and have not been terminated or prepaid</li> </ol>



		<p>iii. Company's Receivables should not have been restructured or rescheduled</p> <p>iv. Company's Receivables are free from all Encumbrances and are not subject to any lien or charge;</p> <p>v. All loans hypothecated under the deed of hypothecation should comply with RBI norms and guidelines.</p> <p>vi. The Company's Specific Receivables being charged must comply with all extant 'know your customer' norms specified by RBI;</p> <p>vii. The Company's Receivables generated from lending to Issuer's associate/s &amp; subsidiary/s and/or Related Party shall not be considered for asset cover calculation for this issuance. No drawing power for shall be provided for Company's Specific Receivables generated from the lending to Issuer's associate/s /subsidiary/s/ Related Party.</p> <p>The Company undertakes to maintain Minimum Security Cover of 1.10 times to be maintained on the outstanding NCD amount of the Debentures along with interest thereon at all times during the tenure of the NCDs.</p> <p>Non-Maintenance of minimum-security cover as mentioned above will attract 1% p.a. penalty over and above the coupon rate as specified in the term sheet, for the period of non-maintenance of cover. However, in no case reinstatement of such security cover shall exceed 30 days from the day such cover falls below the required cover.</p> <p>The Company shall have option for providing additional /replacement of security at any time during the tenure of the Debentures to ensure the Minimum-Security Cover as provided hereinabove in consultation with Debenture Trustee.</p> <p>The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation and perfect the same by filing requisite forms with ROC within three months from the Issue Closure Date. If the Issuer fails to execute the Debenture Trust Deed &amp; Deed of Hypothecation, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum above the applicable Interest Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Deemed Date of Allotment until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</p>
32	<b>Material Adverse Effect definition</b>	Means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of



		determination, or could reasonably be expected to cause a material and adverse effect on (a) the financial condition, business or operation of the Company, environmental, social or otherwise or prospects of the Company; (b) the ability of the Company to perform its obligations under the Transaction Documents; or (c) the validity or enforceability of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder); or (d) the rights or remedies of the Debenture Trustee acting for the benefit of the Debenture Holders hereunder or under any other Transaction Document
33	Day Count Basis	Actual / Actual
34	Interest on Application Money	NIL. However, if the Issuer fails to allot the Debentures to the Applicants within 2 (two) calendar days from the date of receipt of the Application Money (" <b>Allotment Period</b> "), it shall repay the Application Money to the Applicants within 15 (Fifteen) calendar days from the expiry of the Allotment Period (" <b>Repayment Period</b> "). If the Issuer fails to repay the Application Money within the Repayment Period, then Issuer shall be liable to repay the Application Money along with interest at the rate of 12% per annum, gross of withholding taxes, from the expiry of the Allotment Period.
35	Listing (including name of Stock Exchange(s) where it will be listed and timeline for listing)	<ul style="list-style-type: none"> <li>Proposed to be listed on the Wholesale Debt Market Segment of BSE Limited within 20 days from the Deemed Date of Allotment.</li> <li>In case of delay in listing of the Debentures beyond 20 days from the Deemed Date of Allotment, the Company will pay penal interest of 1% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of such Debentures to the Debenture Holder.</li> </ul>
36	Representations and Warranties of the Issuer	<p>As mentioned in the caption titled "Representations and Warranties of the Issuer" in the Shelf Disclosure document to the Issue. The Representations and Warranties shall be continuous in nature and shall be deemed to occur on every day till redemption of the Debentures.</p> <ol style="list-style-type: none"> <li>The Company is registered with the RBI as an NBFC.</li> <li>No Event of Default has occurred and is continuing on the date of this transaction.</li> <li>The Debentures under this Issuance shall rank pari passu amongst themselves, and with all other secured creditors.</li> <li>Binding obligation of Transaction Documents.</li> <li>No conflict with other obligations / constitutional documents.</li> <li>No Material Adverse Change in business, condition or operations of the Issuer.</li> </ol>



		<p>7. Company has the power and authority to issue Debentures and such Transactions Documents are valid and admissible in evidence.</p> <p>8. Absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility.</p> <p>And as set out in greater detail in the Debenture Trust Deed</p>
37	<b>Minimum Application size and in multiples Debt Security thereafter</b>	The minimum application size for the Issue shall be 10 Debentures and in multiples of 1 Debenture thereafter.
38	<b>Issuance mode of the Instrument</b>	Demat only
39	<b>Trading mode of the Instrument</b>	Demat only
40	<b>Settlement mode of the Instrument</b>	RTGS/ Any other electronic mode
41	<b>Depositories</b>	NSDL/CDSL
42	<b>Business Day</b>	Any being a day excluding Saturdays, Sundays or public holiday in Mumbai.
43	<b>Business Day Convention</b>	<p>If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, then the succeeding Business Day will be considered as the effective date. The interest for such additional period shall be adjusted and paid in the next coupon cycle. Hence the subsequent coupon payment period remains intact.</p> <p>If the Redemption Date (also being the last Coupon Payment Date) 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, along with coupon/interest accrued on the Debentures until but excluding the date of such payment.</p>
44	<b>Record Date</b>	The date which will be used for determining the Debenture Holder(s) 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.
45	<b>Transaction Documents</b>	<ul style="list-style-type: none"> <li>i. Debenture Trustee Agreement</li> <li>ii. Debenture Trust Deed,</li> <li>iii. Deed of Hypothecation</li> <li>iv. Shelf Disclosure Document and Issue Addendums for each tranche/series;</li> <li>v. PAS-4</li> <li>vi. Undertaking from the Issuer mentioning all the borrowing</li> </ul>



		<p>facilities of the Company are standard in nature.</p> <p>vii. Such other documents as agreed between the Issuer and the Debenture Trustee from time to time.</p> <p>viii. Letter appointing Trustees to the Debenture Holders;</p> <p>ix. Board Resolution authorising this Issuance;</p> <p>x. Applicable Shareholder Resolutions under the Companies Act, 2013;</p> <p>xi. Credit Rating Letter &amp; Rationale from Rating Agency ; and</p> <p>xii. Tripartite Agreements with the Depository(ies) and Registrar &amp; Transfer Agent.</p>
46	<b>Conditions Precedent to Disbursement</b>	<p>The Issuer shall, prior to the Deemed Date of Allotment, fulfil the following conditions precedent, each in a form and manner satisfactory and acceptable to the Debenture Trustee/the Applicants:</p> <p>(a) a copy of the Issuer's Constitutional Documents certified as correct, complete and in full force and effect by the appropriate officer;</p> <p>(b) copies of the authorisations and licenses received by the Issuer from the RBI;</p> <p>(c) a copy of resolution of the debenture allotment committee of the Issuer's board of directors, together with a copy of resolution of the Issuer's board of directors authorising the execution, delivery and performance of the Transaction Documents certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(d) copies of the resolution of the shareholders of the Issuer under Section 42 of the 2013 Act, certified as correct, complete and in full force and effect by an appropriate officer of the Issuer;</p> <p>(e) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(c) of the 2013 Act approving the borrowing contemplated under the Transaction Documents OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(c) of the 2013 Act;</p> <p>(f) a copy of the resolution of the shareholders of the Issuer in accordance with Section 180(1)(a) of the 2013 Act approving the creation of Security over the Hypothecated Assets OR a certificate of an authorised person of the Issuer confirming the non-applicability of Section 180(1)(a) of the 2013 Act;</p>



		<p>(g) a copy of the rating letter and the rating rationale issued by the Rating Agency in relation to the Debentures;</p> <p>(h) a copy of the consent from the Debenture Trustee to act as the debenture trustee for the issue of Debentures;</p> <p>(i) a copy of the consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures;</p> <p>(j) execution, delivery and stamping of the Debenture Trustee Agreement by the Issuer in a form and manner satisfactory to the Debenture Trustee and the Applicants;</p> <p>(k) evidence that all "know your customer" requirements prescribed by the Debenture Trustee and the Applicants have been provided/fulfilled;</p> <p>(l) the audited financial results of the Issuer for the year ended March 31,2020;</p> <p>(m) such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Applicants may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p> <p>(n) Trustee Consent Letter - wherein Debenture Trustee consents to act as the debenture trustee for the Debenture holders,</p>
47	<b>Conditions Subsequent to Disbursement</b>	<p>The Issuer shall fulfil the following conditions subsequent, to the satisfaction of the Debenture Trustee, following the Deemed Date of Allotment:</p> <p>(a) The Issuer shall execute Debenture Trust Deed and Deed of Hypothecation and perfect the charge created by the Debenture Trust Deed and Deed of Hypothecation by filing requisite forms with the Registrar of Companies ("ROC") within 90 days from the Issue Closure Date.</p> <p>(b) the Issuer shall ensure that the Debentures are credited into the demat accounts of the respective Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment;</p> <p>(c) the Issuer shall file a return of allotment of securities under Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within</p>



		<p>15 (fifteen) calendar days of the allotment of the Debentures along with a list of the Debenture Holders or within such other extended time as permissible by the Ministry of Corporate Affairs and with the prescribed fee; along with a list of the Debenture Holders ;</p>
	(d)	<p>the Issuer shall obtain listing of the Debentures within 20 (twenty) calendar days of Deemed Date of Allotment, and deliver evidence in a form and manner satisfactory to the Debenture Holders of the final listing of Debentures within 20 (twenty) days of the Deemed Date of Allotment;</p>
	(e)	<p>the Issuer shall assist the Debenture Trustee in filing Form I with CERSAI within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;</p>
	(f)	<p>within 15 (fifteen) days (or such other time period prescribed by the Debenture Trustee (acting on the instructions of the Debenture Holders)) of the filing of charges pursuant to paragraph (e) above, receipt of certified true copy of the certificate of registration of charge issued by the ROC;</p>
	(g)	<p>within 90 (ninety) calendar days from the date of execution of the Deed of Hypothecation, provide such other documents/comply with such other requirement as may be prescribed by Debenture Trustee for the perfection of the security created under the Deed of Hypothecation; and</p>
	(h)	<p>provide such other information, documents, certificates, opinions and instruments as the Debenture Trustee and the Debenture Holders may request in connection with the transactions contemplated under the DTD and the other Transaction Documents.</p>
	(i)	<p>The Issuer shall ensure compliance with SEBI / Companies Act , 2013(as applicable ) for the issuance of the NCDs.</p>
	(j)	<p>the Issuer shall assist the Debenture Trustee in filing Form I with CERSAI within 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation;</p>
	(k)	<p>Receive final listing approval from the BSE within 20 calendar days from the Deemed Date of Allotment;</p>
	(l)	<p>The Issuer shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of</p>



		NCDs.
48	<b>Default Interest Rate/Additional Interest Rate / Penal Charges</b>	<p>Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents:</p> <ol style="list-style-type: none"> <li>If, at any time, a Payment Default occurs, the Issuer agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the relevant series of Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.</li> <li>If the Issuer fails to execute the Debenture Trust Deed and Deed Of Hypothecation within the stipulated timelines, then the Issuer shall, at the option of the Debenture Holders, either (i) return the subscription amount with the agreed rate of interest or (ii) pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding under the NCDs (including the Outstanding Principal Amounts and any accrued interest) from the Issue Closure Date until such time the deed is executed and the conditions prescribed by Debenture Holders (if any) have been complied with.</li> </ol>
49	<b>Financial covenants</b>	<ol style="list-style-type: none"> <li>The capital adequacy ratio (as defined in RBI NBFC Regulations) shall be equal to 20% or above at all points in time.</li> <li>The cumulative Asset - Liability Mismatch should always be within the limits prescribed by RBI/Company's ALM Policy</li> <li>Asset Quality: Ratio of PAR-90 to Gross Loan Portfolio shall be 5% or lower.</li> </ol> <p>"Gross Loan Portfolio" shall include on balance sheet and off balance sheet portfolio</p> <p>"Off Balance Sheet Portfolio" shall mean principal balance of loans securitized, assigned, originated on behalf of other institutions in respect of which the Issuer has provided credit enhancements in any form or manner whatsoever</p> <p>"PAR-90" shall mean the outstanding principal amount of all</p>



		<p>client loans that have one or more instalments of principal past due for ninety days or more.</p> <p>"Client Loan" means each loan made by the Company as a lender.</p> <p>"Gross NPA" shall have the meaning in accordance with the guidelines issued by the Reserve Bank of India.</p> <p>** _</p> <p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30th June, 30th September and 31st December every year, starting from 31st March 2020 on consolidated and standalone balance sheet till the redemption of the Debentures.</p> <p>The covenants shall be certified by the Company within 60 (Sixty) calendar days from the end of each financial quarter.</p>
50	<b>Additional Covenants</b>	<p>a) Debt equity ratio should be maintained below 6.00 during entire tenor of debenture till maturity.</p> <p>b) If the debentures get delisted during the tenor of the NCD, issuer will bear all expenses for listing it again within 30 days from date of delisting</p>
51	<b>Negative Covenants</b>	<p>The Issuer shall not without the prior written permission of the Indian Bank (Debenture Holder) and Debenture Trustee, do or undertake to do any of the following:</p> <p>a) Effect any change in capital structure so as to result in the shareholding of Promoter reducing below 51%</p> <p>b) Formulate any scheme of amalgamation or reconstitution</p> <p>c) Undertake guarantee obligations on behalf of any other Company / Firm etc., except in the ordinary course of business.</p> <p>d) Declare dividends for any year out of profits relating to the year if any of the financial commitments to Indian Bank have not been duly met</p> <p>e) Withdraw funds from the business out of the profits relating to the year if any of the financial commitments to Indian Bank have not been duly met</p> <p>f) Sell, assign, mortgage or otherwise dispose off any of the assets charged to Indian Bank so as the security cover does not fall below 1.10 x</p> <p>g) Change in promoter, ownership or control (excluding Employee Stock Option).</p> <p>h) Issuer shall not amend or modify clauses in its</p>



		<p>Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee.</p> <p>i) Any sale of assets/business/division that has the effect of exiting the business or re-structuring of the existing business, to be with the prior consent of the debenture holder.</p> <p>j) Acquisition or event of the Business Restructuring of the issuer including but not limited to any scheme of merger demerger amalgamation slump sale of assets arrangement with creditors or lenders compromise or .</p> <p>k) Undertake any new major new business outside financial services or any diversification of its business outside financial services without approval of NCD holders.</p> <ul style="list-style-type: none"> <li>• Illegality, cessation of business of the Issuer;</li> <li>• Security in jeopardy;</li> <li>• Bankruptcy, CDR proceedings filed with respect to the Issuer</li> <li>• Breach of any of the terms of the Transaction Documents by the Issuer;</li> <li>• Breach of any covenants mentioned in the Term sheet;</li> <li>• Breach of any Representations and Warranties;</li> <li>• Nationalization or expropriation of any of a substantial part of the assets of the Issuer;</li> </ul>
52	<b>Rating Covenant</b>	<p>Indian Bank reserves the right to recall the facility should there be any deterioration in the credit ratings of the company by two or more notches below BBB.</p>
53	<b>Rating downgrade/ upgrade event</b>	<p>In the event that the rating of the Issuer is downgraded by one notch from its current rating, the applicable coupon rate shall be increased by 0.25%.</p> <p>The bank shall have a right of early redemption incase the ratings fall by two notches ("Recall Option").</p> <p>The Recall Option will be exercised at PAR and with 15 days notice to Issuer.</p> <p>For the purpose of this clause, if the issue is rated by more than one agency, then the lowest of the ratings shall be considered.</p> <p>[In the event that the rating of the Issuer is restored to the rating prior to the downgrade event, the applicable coupon rate shall be reduced by 0.25%.]</p>
54	<b>Event of Defaults</b>	<p>As mentioned in the Shelf Disclosure Document/ Debenture Trust Deed under captioned "Event of Defaults".</p> <ul style="list-style-type: none"> <li>• Failure to pay amounts due under the Issue on the relevant due date by the Issuer;</li> <li>• Insolvency, reorganization, liquidation, suspension of</li> </ul>

 

		<p>payment of debts, winding up, illegality, cessation of business by the Issuer;</p> <ul style="list-style-type: none"> <li>• Illegality, cessation of business of the Issuer;</li> <li>• Security in jeopardy;</li> <li>• Bankruptcy, CDR proceedings filed with respect to the Issuer</li> <li>• Breach of any of the terms of the Transaction Documents by the Issuer;</li> <li>• Breach of any covenants mentioned in the Term sheet;</li> <li>• Breach of any Representations and Warranties;</li> <li>• Nationalization or expropriation of any of a substantial part of the assets of the Issuer;</li> <li>• Unlawfulness or moratorium</li> </ul>
55	<b>Consequences of Event of Default</b>	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> <li>• Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security;</li> <li>• To transfer assets of the Issuer comprised within the Security created in favour of Debenture Trustee or such other person by way of lease, leave and license, sale or otherwise. Any surplus realized from the transfer of assets after fulfilment of all the obligations of the Issuer under the Issue shall be paid to the Issuer;</li> <li>• Enforce its right under the Transaction Documents;</li> <li>• Appropriate any amount in the Accounts and utilize it for payment/repayment of any amount outstanding under the Issue;</li> <li>• Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the Investor(s) till such date the default subsists;</li> <li>• Any cost incurred on any of the above shall be borne by the Issuer.</li> <li>• The exercise of the Recall Option will be at PAR and with a notice of 15 days to the Issuer.</li> </ul>
56	<b>Role and Responsibilities of Debenture Trustee</b>	<p>As more particularly set out in the Transaction Documents, and to oversee and monitor the overall transaction for and on behalf of the Debenture Holder(s), including:</p> <p>(a) the Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Issuer or by the Debenture Trustee or otherwise and shall not be responsible for any loss occasioned by so acting. PROVIDED THAT, the Debenture Trustee shall at all</p>

 

times act with due care and diligence before relying upon any advice, opinion, information and communication received by it from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert its attorney, representative or receiver;

- (b) subject to the approval of the Debenture Holders by way of Super Majority Resolution passed at a meeting of Debenture Holders held for determining the liability of the Debenture Trustee, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions, have the discretion as to the exercise thereof and to the mode and time of exercise thereof. In the absence of any fraud, gross negligence, willful misconduct or breach of trust the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the aforementioned exercise or non-exercise thereof. The Debenture Trustee shall not be bound to act at the request or direction of the Debenture Holders under any provisions of the Transaction Documents unless sufficient amounts shall have been provided or provision to the satisfaction of the Debenture Trustee has been made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;
- (c) with a view to facilitating any dealing under any provisions of these presents, subject to the Debenture Trustee obtaining the prior written consent of the Super Majority Debenture Holders, the Debenture Trustee shall have the power (i) to consent (where such consent is required) to a specified transaction or class of transactions (with or without specifying additional conditions), (ii) to determine all questions and doubts arising in relation to the interpretation or construction any of the provisions of the DTD, and (iii) to take any action on behalf of the Debenture Holders;
- (d) the Debenture Trustee shall not be responsible for the amounts paid by the Applicants for the Debentures;
- (e) the Debenture Trustee and every receiver, attorney, manager, agent or other person appointed by them shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts thereof; and



		<p>(f) the Debenture Trustee shall forward to the Debenture Holders copies of any information, documents from the Issuer pursuant to the DTD within 2 (two) Business Days of receiving any of the foregoing from the Issuer.</p> <p>PROVIDED THAT nothing contained in this Clause shall exempt the Debenture Trustee, its representatives or any receiver appointed by the Debenture Trustee from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any negligence, default or breach of trust which they may be guilty of in relation to their duties hereunder</p>
57	<b>Indemnification</b>	<p>The Issuer will indemnify, and hold harmless the Debenture Holder, Investment Manager of Debenture Holders, and their respective shareholders, officers, directors, employees, representatives and attorneys from and against any claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this Term Sheet by the Issuer.</p>
58	<b>Arbitration</b>	<p>In the event of any dispute or difference between the Parties to this agreement in respect of or concerning or connected with the interpretation or implementation of this Agreement or arising out of this Agreement, such dispute or difference shall be referred to arbitration by a sole arbitrator, appointed by the Investor in its sole discretion, in accordance with the (Indian) Arbitration and Conciliation Act, 1996, or any modification or amendment thereof. The arbitration shall be held in Mumbai/ Vijayawada. The language of the arbitration proceedings shall be English. The expenses of the arbitration shall be borne by the Issuer. The decision of such arbitration shall be binding and conclusive upon the Parties and may be enforced in any court of competent jurisdiction.</p>
59	<b>Governing Law</b>	<p>The Debentures / and documentation 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 Mumbai / Vijayawada and as more particularly provided for in the Debenture Trust Deed.</p>
60	<b>Transaction Costs</b>	<p>The Issuer shall bear all transaction related costs incurred by the Debenture Holder with respect to legal counsel, valuers and auditors/ consultants. Such costs include:</p> <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• Rating fees</li> <li>• Stamping and registration costs in relation to all Transaction Documents</li> </ul> <p>Any other reasonable transaction related expense incurred by the Debenture Holders</p>
61	<b>Taxes, Duties, Costs</b>	<ul style="list-style-type: none"> <li>• Relevant taxes, duties and levies are to be borne by the</li> </ul>



	<b>and Expenses</b>	<p>Issuer.</p> <ul style="list-style-type: none"> <li>The charges/ fees and any amounts payable under this Debentures by the Issuer as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</li> </ul>
62	<b>Issue Opening Date</b> <b>Issue Pay-In Date</b> <b>Issue Closing Date</b> <b>Deemed Date of Allotment</b>	<p>July 7, 2020</p> <p>July 7, 2020</p> <p>July 7, 2020</p> <p>July 7, 2020</p>

