

TERM SHEET

TERM SHEET ISSUE DETAILS	
Nature of instrument	<ul style="list-style-type: none"> Compulsorily Convertible Debentures (“CCD”s)
Issuer	<ul style="list-style-type: none"> Nuvoco Vistas Corporation Limited (“NVCL”)
Type of instrument	<ul style="list-style-type: none"> 5,00,00,000 CCDs of the face value of Rs.100/- aggregating to Rs. 500 crores
Security	<ul style="list-style-type: none"> Un-Secured
Seniority	<ul style="list-style-type: none"> Subordinate
Mode of Issue	<ul style="list-style-type: none"> Preferential Allotment
Investor	<ul style="list-style-type: none"> Kotak Special Situations Fund (“KSSF”)
Listing	<ul style="list-style-type: none"> Unlisted
Rating	<ul style="list-style-type: none"> Unrated
Issue Size	<ul style="list-style-type: none"> Rs.500 crores
Objects of the Issue	<ul style="list-style-type: none"> For the purposes of providing funds to the Issuer to undertake the acquisition of the entire share capital of Emami Cements Limited (“ECL”)
Details of the utilisation of the proceeds	<ul style="list-style-type: none"> The proceeds of the Issue will be utilized to fund the acquisition of the entire share capital of ECL by the Issuer
Interest Rate	<ul style="list-style-type: none"> 0.001% p.a.
Interest Payment Frequency	<ul style="list-style-type: none"> Annual
Interest Payment Dates	<ul style="list-style-type: none"> Annually on the anniversary of the date of the allotment
Interest Type	<ul style="list-style-type: none"> Fixed (Simple)
Interest Reset Process (including rates, spread, effective date, interest rate cap and floor, etc).	<ul style="list-style-type: none"> Not applicable
Conversion Details	<ul style="list-style-type: none"> “EBITDA” means Earnings Before Interest, Taxes, Depreciation, and Amortization, calculated based on consolidated audited accounts excluding any income/expense from non-recurring activities not in Ordinary Course of Business. <p>Notwithstanding anything to the contrary, any income under following heads will</p>

not be part of the EBITDA:

1. Profit on sale of mutual fund units or any investments;
2. Dividend / interest from mutual fund units or any investments;
3. Interest income on cash and cash equivalents / others; and
4. Profit from sale or revaluation of plant and machinery or any assets;

It is further clarified that all the income/expenses of the Issuer in the Ordinary Course of Business would be added/deducted (as applicable) to compute EBITDA regardless of the classification;

- **“Entry Reference EBITDA”** shall be the EBITDA generated during the period commencing on July 1, 2020 and expiring on June 30, 2021. Provided however that in the event the date of any Red Herring Prospectus (“**RHP**”) date for the initial public offering/offer for sale of the equity shares of the Company (“**IPO/OFS**”) is a date falling:
 - (i) during the period between April 1, 2021 and June 30, 2021 then the EBITDA generated for the 9 (nine) month period commencing on July 1, 2020 and expiring on March 31, 2021 shall be annualized and used as the Entry Reference EBITDA. The annualized EBITDA shall be such amount as calculated using the following formula:
[aggregate of the EBITDA for the 9 (nine) month period commencing on July 1, 2020 and expiring on March 31, 2021] X [12/9].
The resulting amount shall then be the “Entry Reference EBITDA”;
 - (ii) during the period between January 1, 2021 and March 31, 2021 then the EBITDA generated for the 6 (six) month period commencing on July 1, 2020 and expiring on December 31, 2020 shall be annualized and used as the Entry Reference EBITDA. The annualized EBITDA shall be such amount as calculated using the following formula:
[aggregate of the EBDITA for the 6 (six) month period commencing on July 1, 2020 and expiring on December 31, 2020] X [12/6].
The resulting amount shall then be the “Entry Reference EBITDA”;
 - (iii) during the period between October 1, 2020 and December 31, 2020 then the EBITDA generated for the 3 (three) month period commencing on July 1, 2020 and expiring on September 30, 2020 shall be annualized and used as the Entry Reference EBITDA. The annualized EBITDA shall be such amount as calculated using the following formula:
[aggregate of the EBDITA for the 3 (three) month period commencing on July 1, 2020 and expiring on September 30, 2020] X [12/3].
The resulting amount shall then be the “Entry Reference EBITDA”;

Normative adjustments: If the gross receivable days at the end of June 30, 2021 are higher than the cut-offs mentioned below, then the respective division / business EBITDA for the reference period would be pro rata reduced to account for the margin on the additional receivables;

Applicable Cut-offs:

- The Issuer L+ ECL cement business: 21 days
- RMX business: 70 days

Note: Gross receivable days would be computed without adjusting for any outstanding customer advances

Provided however that the number of days mentioned above may be amended or varied with the prior written consent of the Parties (which consent shall not be unreasonably withheld) in the event of market eventualities;

- For the purpose of conversion price of the CCDs the enterprise value of the Issuer post completion of the issuance of the CCDs (“**Entry Enterprise Value**”) will be computed using a multiple of 10.0x on the Entry Reference EBITDA on a consolidated basis for the Company and ECL. The Entry Enterprise Value shall not exceed Rs. 18,000 crores (assuming that the equity purchase consideration paid for acquiring ECL shares shall not be less than Rs. 2200 crores) and shall not be less than the Rs 14,000 crores (assuming that the equity purchase consideration paid for acquiring ECL shares shall not be less than Rs. 2200 crores);
- “**Entry Net Debt**” means as of the date (“**Reference Date**”) which shall be the later of: (a) the date falling 1 (one) day after the completion of the acquisition of ECL by the Issuer; or (ii) the completion of the issuance of the CCDs, the sum of the following:
 1. Consolidated long term debt and short term debt of the Issuer (including any interest accrued and any debt provided by Restricted Entities); plus
 2. Any outstanding amounts payable to capital creditors; plus
 3. Any outstanding GST payables required to be paid by the Issuer on sales made upto the end of the calendar month immediately prior to the calendar month in which the allotment of the CCDs shall take place; minus
 4. all cash and cash equivalents of the Issuer (on standalone basis).
- “**Entry Post Money Equity Valuation**” means the valuation of the Issuer in Rupees computed using the following formula:

Entry Post Money Equity Valuation = Entry Enterprise Value – Entry Net Debt;
- The CCD Conversion Price shall be computed using the following formula: “**CCD Conversion Price**” = [Entry Post Money Equity Valuation – Issue Size]/[Number of issued and fully paid equity shares of the Issuer on a fully diluted basis in existence on the Allotment Date]

The CCDs will be converted into equity shares at the end of a period of 10 years from the Allotment Date. The number of fresh equity shares to be issued and allotted to the CCD holders shall be calculated in accordance with the following: the lower of (a) the CCD Conversion Price and (b) the Lower Price.

In the event that the Company shall undertake an IPO/OFS within a period of 48 (forty eight) months from the Allotment Date then the CCDs shall be converted into equity shares on the last possible date prior to filing of the RHP. For the abovementioned purpose the price per equity share as detailed in the RHP to be filed by the Issuer for the listing of its equity shares shall be used (“**RHP Price**”). In the event that a price band per Equity Share is proposed to be disclosed in the RHP, then the lower end of such price band would be deemed to be the RHP Price. In the event that the RHP Price shall be lower than either the CCD Conversion Price or the Lower Price (if applicable), then the CCDs shall be converted into equity shares using the

	<p>following formula:</p> $\text{Aggregate number of equity shares} = [\text{Rs. 500 crores}] / [\text{RHP Price}]$
Anti-Dilution Rights	<ul style="list-style-type: none"> • The CCD holder shall have anti-dilution protection in relation to any issuance of equity shares by the Issuer (including for this purpose where any equity shares are being issued as a result of the conversion of any equity linked instruments or the exercise of any rights to receive equity shares) that are issued by the Issuer after the Allotment Date. In the event the Issuer shall at any time after the Allotment Date either issue: <ul style="list-style-type: none"> ○ any equity shares at a price per equity share which shall be less than the CCD Conversion Price; and/or ○ any instruments convertible into equity Shares at a price per equity Share that shall be less than the CCD Conversion Price; <p>(such lesser price being the “Lower Price”), then the number of equity shares to be issued and allotted by the Issuer to the CCD holders upon conversion of the CCDs, shall be such number of Equity Shares as shall be calculated using the following formula:</p> $\text{Aggregate number of equity shares} = [\text{Issue Size}] / [\text{Lower Price}]$
Tenure of CCDs	<ul style="list-style-type: none"> • 10 years from the Allotment Date
Allotment Date	<ul style="list-style-type: none"> • July 13, 2020
Allotment Quantity	<ul style="list-style-type: none"> • 5,00,00,000 CCDs
Conversion Date	<ul style="list-style-type: none"> • July 12, 2030 provided that the CCDs shall be converted prior to such date in the event that the Issue shall list its equity shares by way of the IPO/OFS any time between the Allotment Date and the expiry of a period of 48 months from the Allotment Date
Issue Price	<ul style="list-style-type: none"> • Rs. 100/- per Debenture
Discount at which security is issued and the effective yield as a result of such discount	<ul style="list-style-type: none"> • The CCDs will be issued at par
Put Option	<ul style="list-style-type: none"> • Not Applicable
Put Date	<ul style="list-style-type: none"> • Not Applicable
Put Price	<ul style="list-style-type: none"> • Not Applicable
Call Option	<ul style="list-style-type: none"> • Not Applicable
Call Date	<ul style="list-style-type: none"> • Not Applicable
Call Price	<ul style="list-style-type: none"> • Not Applicable

Put Notification Time	<ul style="list-style-type: none"> • Not Applicable
Call Notification Time	<ul style="list-style-type: none"> • Not Applicable
Other Rights	<ul style="list-style-type: none"> • As shall be mutually agreed in writing under any debenture subscription agreement and/or debenture holders and shareholders agreement that may be entered into in relation to the subscription of the CCDs.
Face Value	<ul style="list-style-type: none"> • Rs. 100/- per Debenture
Issuance mode of Debentures	<ul style="list-style-type: none"> • The Issuer will issue the CCDs in dematerialised form
Depositories	<ul style="list-style-type: none"> • NSDL and/or CDSL