

ANNEXURE IV: TERM SHEET

S. No	HEADS OF TERMS	PARTICULARS
1.	Company	Coffee Day Enterprises Limited
2.	Promoter Group	Mr. V.G.Siddhartha ("VGS") and family
3.	Debenture Trustee	IDBI Trusteeship Services Limited
4.	Issue Size	Upto Rs.60,00,00,000/- (Rupees Sixty Crores Only).
5.	Debentures / NCDs	<p>Upto 600 Rated Redeemable Non Convertible Debentures having face value of Rs. 10,00,000/- each which will be issued in a single series, aggregating upto Rs.60,00,00,000/- (Rupees Sixty Crores Only)</p> <p>All the monies raised by the Company upon issuance of the Debentures are hereinafter referred to as the "Issue Proceeds".</p> <p>RTGS Details: Company Name: Coffee Day Enterprises Ltd Bank Name: Corporation Bank M G Road Bangalore – 560 001 Account No: 034101601000132 IFSC Code: CORP0000341</p>
6.	Rating Agency	Brickwork Ratings Indian Private Limited.
7.	Target Rating	'AA-(SO)'
8.	Debenture Holder(s)	Schemes of mutual fund managed by ICICI Prudential Asset Management Company Limited



9.	Mode of Placement	Private Placement
10.	Form of Issue	<p>Dematerialised form by credit to the account of the Debenture Holders with National Securities Depositories Limited and / or Central Depository Services Limited (together the "Depositories").</p> <p>The Debentures shall be credited to the dematerialised account of the Debenture Holders with the Depositories within 15 (Fifteen) days from the relevant Allotment Date.</p>
11.	Issue Opening Date, Issue Closing Date & Allotment Date	<p>April 19, 2017</p> <p>April 19, 2017</p> <p>April 19, 2017</p>
12.	End Use	General Corporate Purposes
13.	Maturity Date	The date on which the Debentures shall be fully redeemed is referred to as the Maturity Date, whether on account of scheduled redemption or early redemption or payment consequent to the occurrence of an Event of Default. The scheduled Maturity Date shall be the expiry of 24 (Twenty four) months from the Allotment Date.
14.	Term	The Term for the Debentures shall be the period commencing from the Allotment Date and ending on the expiry of 24 (Twenty four) months from the Allotment Date.
15.	Principal Repayment	<p>The principal amount of the Debentures shall, subject to any early payment, be repaid, by way of a bullet repayment, on the expiry of the Term of the Debentures.</p> <p>The Company shall, at least 3 (Three) calendar days prior to the scheduled Maturity Date (hereinafter the "Maturity Prefunding Date"), deposit such amounts in a designated account as is required to meet the payments due to the</p>



		<p>Debenture Holders on the scheduled Maturity Date. The sample repayment schedule has been more particularly set out in Annexure IX.</p>
16.	Security	<p>The security to be provided in relation to the Debentures shall comprise of:</p> <ol style="list-style-type: none"> 1. Share Pledge 1; 2. Share Pledge 2; 3. Personal guarantee of VGS; 4. Charge over the designated account (where the Cash Top-up Amounts and the Minimum Reserve is maintained) and amounts lying to the credit thereof from time to time, as well any permitted investments made using the monies available in the designated account. <p>The security referred to hereinabove shall be created in favour of the Debenture Trustee for the benefit of the holders of the Debentures.</p>
17.	Security Providers	The Company, VGS and Coffee Day Trading Limited.
18.	Unpaid Principal Amount	Shall mean such of the principal amount of the Debentures, which have not been repaid.
19.	Benchmark Amount	Shall mean the amount on the basis of which the security cover provided by the Share Pledge 1 and the Share Pledge 2 and the Cash Top-up Amounts, shall be tested, which shall on any day be the Unpaid Principal Amount as on the said date.
20.	Share Pledge 1	<p>The relevant Security Providers shall create a pledge over such number of shares of Mindtree Limited ("Mindtree") held by the said Security Provider, wherein, the aggregate of which shares is at least equal to 1 time the Principal Amount of the Debentures. The pledge is to be created within 30 (Thirty) calendar days from Allotment Date.</p> <p>The shares pledged in terms of the Share Pledge 1 are referred to as the "Pledged Shares 1".</p>



The expected security cover ("**Stipulated Mindtree Security Cover**") in relation to the Pledged Shares 1, is 1.0 (One Decimal Point Zero) time of the Benchmark Amount, as reduced by the Mindtree Cash Top-up Amounts;

The Mindtree Share Price shall be on any trading day, be the closing price of the Mindtree shares as quoted on the NSE on the said day, and if such quotes are not available, the closing price of the shares of Mindtree quoted on the NSE on the immediately preceding trading day ("**Mindtree Share Price**").

The Mindtree Cash Top-up Amounts shall be the amounts, if any, provided / made available, from time to time, by way of cash top-up for restoration of the Stipulated Mindtree Security Cover ("**Mindtree Cash Top-up Amounts**").

The initial Mindtree Share Price shall be the Mindtree Share Price on the day preceding the day on which the Share Pledge 1 is created ("**Initial Mindtree Share Price**").

The sum of the Pledged Shares 1 multiplied by the Mindtree Share Price on any day shall be the Mindtree Collateral Value on the said day ("**Mindtree Collateral Value**").

Top-up:

Whether any additional shares held by the relevant Security Providers in Mindtree are required to be pledged in favour of the Debenture Trustee for the purposes of meeting the Stipulated Mindtree Security Cover shall be tested on each trading day and in the event that on any trading day the Mindtree Collateral Value is lesser than 90% the Stipulated Mindtree Security Cover, within a maximum period of 7 (Seven) calendar days from the occurrence of the aforesaid event, pledge such additional shares held by it in Mindtree so as to ensure that the Stipulated Mindtree Security Cover is maintained. In the alternative, the Company may also deposit cash in the designated account to ensure that the Stipulated Mindtree Security Cover is being maintained.



		<p>Release:</p> <p>Whether any of the shares held by the Company in Mindtree which are subject to the Share Pledge 1 are to be released by the Debenture Trustee on account of the fact that the value of the Pledged Shares 1, is in excess of the shares required to meet the Stipulated Mindtree Security Cover, shall be tested on each trading day and in the event that on any trading day, the Mindtree Collateral Value is equal to or greater than 1.10 times the Benchmark Amount, less any Mindtree Cash Top-up Amounts, the relevant Security Providers shall be entitled to obtain a release of such part of the Pledged Shares 1 (or the Mindtree Cash Top-up Amounts) which are in excess of the collateral required to ensure that the Stipulated Mindtree Security Cover is being maintained; provided however that the Mindtree Cash Top-up Amounts shall be released only if the Mindtree Share Price is at least equal to 60% of the Initial Mindtree Share Price.</p> <p>Cash Top-up:</p> <p>In the event that on any trading day, the Mindtree Share Price is equal to or lesser than 40% of the Initial Mindtree Share Price, notwithstanding anything to the contrary contained hereinabove, the Company will have to compulsorily provide a cash top-up so as to ensure that the Stipulated Mindtree Security Cover is maintained, within a maximum period of 3 (Three) Business Days from the day on which the Mindtree Share Price has fallen as aforesaid.</p>
21.	Share Pledge 2	<p>The Company shall create a pledge over such number of shares of Coffee Day Global Limited ("CDGL") held by the Company, the aggregate of which shares is at least equal to 1.5 times the Principal Amount of the Debentures.</p> <p>The shares pledged in terms of the Share Pledge 2 are referred to as the "Pledged Shares 2".</p> <p>The expected security cover ("Stipulated Unlisted Security Cover") in relation to the Pledged Shares 2, is 1.5 (One Decimal Point Five) times of the Benchmark Amount. This should be atleast 2.5x (Two Decimal Point Five) times of the Benchmark Amount till Share Pledge 1 is created.</p>



For determining the value of the shares of CDGL the price per share shall be determined on the basis of an equity valuation of CDGL at Rs. 4,000,00,00,000/- (Rupees Four Thousand Crore only).

Top-up:

In the event that the shares of CDGL are dealt with by any of the shareholders of CDGL on the basis of the equity valuation lower than aforementioned equity valuation or CDGL issues additional shares on the basis of an equity valuation which is lower than the aforementioned equity valuation, the said lower equity valuation shall form the basis of the determining the price per share of CDGL and accordingly, the Company shall, within a maximum period of 7 (Seven) calendar days from the date on which the shares of CDGL has been dealt with at a lower equity valuation as aforesaid, pledge such additional shares held by it in CDGL to ensure that the Stipulated Unlisted Security Cover is maintained.

The Company and CDGL shall immediately inform the Debenture Trustee of the occurrence of any act which would trigger the top – up of the shares pledged pursuant to the Share Pledge 2.

It is clarified that there would no release of any shares which are subject of the Share Pledge 2 until the Debentures are redeemed in full in accordance with the terms of the Debentures.

In the event that CDGL is proposing to make an initial public offering (“IPO”) of its securities (as evidenced by a board resolution passed in this regard) and either: (i) the security providers want to procure release of the shares of CDGL from the Share Pledge 2; or (ii) the Debenture Holders are of the view that as a consequence of the IPO, the Pledged Shares 2 may become subject to any encumbrance, including a lock-in, the Debenture Holders and the Promoter Group shall be entitled to initiate discussions to replace the security provided by the Pledged Shares 2, by releasing the Pledged Shares 2 from the Share Pledge 2, and creating such alternate security for the benefit of the Debenture Holders as mutually agreed between the Debenture Holders and the Promoter Group.

It is the intention that all Pledged Shares 2 are free from

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		any encumbrances and therefore, and an IPO of the CDGL securities occur and neither the Company or the Debenture Holders have chosen to exit as aforesaid and have agreed to continue with the existing security mechanism, the promoters of CDGL, including the Company, shall ensure that none of the Pledged Shares 2 form part of the locked-in shares as understood in terms of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (" ICDR Regulations "). Provided further that upon completion of the IPO, the Pledged Shares 2 shall be monitored on a daily basis, in a fashion similar to the monitoring of the Pledged Shares 1 and all provisions applicable in relation thereto, including top-up, cash top-up and release, shall apply to the Pledged Shares 2.
22.	Minimum Reserve	Shall mean the minimum amount required to be maintained by the Company in the Designated Account at all times which shall be equal to 5.50% (Five Decimal Point Five Zero Percent) of the Unpaid Principal Amount. Cash Top-up Amounts deposited into the Designated Account however shall not be counted towards the Minimum Reserve.
23.	Voluntary Prepayment	<p>The Company shall be entitled to make a prepayment in relation to the Debentures in the following circumstances (hereinafter referred to as the "Prepayment Option"): </p> <ol style="list-style-type: none"> 1. On the Maturity Prefunding Date and at any time thereafter until the scheduled Maturity Date, the Company shall be entitled to redeem the Debentures in full by making payment of all amounts due thereon, including the Unpaid Principal Amount, accrued Cash Coupon and any other charges and fees payable (hereinafter the "Prepayment Option"). If the Company wishes to exercise the Prepayment Option, the Company shall provide a written notice to the Debenture Trustee (with a copy marked to the Debenture Holders) ("Prepayment Notice") confirming that the Company proposes to redeem the Debentures, which Prepayment Notice shall be issued at least 1 (One) Business Day prior to the date on which the Company proposes to redeem the Debentures pursuant to the exercise of the Prepayment Option.



		<p>For the sake of abundant caution it is clarified that:</p> <ol style="list-style-type: none"> 1. The issuance of a prepayment notice shall not in any manner relieve the relevant Security Providers from its obligation to maintain the Stipulated Mindtree Security Cover for so long as the Debentures are not redeemed in full; 2. In the event the Company proposes to redeem the Debentures in part pursuant to exercise of the Prepayment Option, the Company shall make equal payments in respect to each outstanding Debenture and thereby partly redeem all the Debentures under all the Series. 3. For prepayment in respect of the Debentures pursuant to the exercise of any prepayment option identified above, the Company shall not be liable to make payment of any prepayment penalty or prepayment premium.
24.	Cash Coupon	<p>The Debentures shall carry cash coupon at the rate of 11% (Eleven Percent) per annum.</p> <p>The Company shall pay the Cash Coupon to the Debenture Holders, on each of the Coupon Payment Dates.</p>
25.	Default Interest	<p>In case of default in payment of any monies accruing due on the respective due dates, the defaulted amount thereof shall carry Default Interest, which shall be a rate of 2% (Two percent) per annum over and above the rate of the Cash Coupon in respect of any amounts which have not been paid on the respective due dates.</p>
26.	Coupon Payment Dates	<p>The last date of each Coupon Period</p> <p>“Coupon Period” shall mean every period of 6 (Six) months, with the first Coupon Period commencing from the Allotment Date and ending on day falling on the expiry of 6 (Six) months therefrom (both days inclusive) and the last Coupon Period expiring on the Maturity Date.</p>
27.	Put Option	<p>Put Option shall mean the option available to the Debenture Holders to require the Company to redeem the Debentures or any part thereof, prior to expiry of their term</p> <p>The Debenture Holders can exercise Put Option and get the Debentures redeemed, or any part thereof, on the expiry of 12 (Twelve) months from the Allotment Date (“Put Option Date”).</p>



		<p>To exercise the Put Option, the Debenture Holders shall provide a written notice of the same ("Put Option Notice") to the Company, at least 15 (Fifteen) Business Days prior to the date on which it wishes to exercise the Put Option and redeem the Debentures ("Put Option Date").</p> <p>Up on exercise of Put Option, the Issuer shall compulsorily redeem all Debentures submitted for redemption by such Debenture Holder by depositing all amounts due in respect thereof (as on the relevant Put Option Date) including but not limited to Principal Amount, Cash Coupon, Default Interest, if any, all fees, costs, charges, expenses and other monies, into the Designated Account on the Put Option Date</p>
28.	Business Day Convention	<p>If any payment is to be made on a day which is not a business day, the said payment shall be made on the immediately preceding business day.</p>
29.	Transaction Documents	<p>Shall mean the documents to be executed in relation to the Debenture and shall mean and include:</p> <ol style="list-style-type: none"> 1. Debenture Trust Deed; 2. Share Pledge Agreement in relation to the Share Pledge 1 and Share Pledge 2; 3. Power of Attorney in relation to the Share Pledge 1 and Share Pledge 2; 4. Personal Guarantee; and <p>Such other documents as are required in connection with the Debentures.</p>
30.	Representations and Warranties	<p>The Transaction Documents shall contain customary representations and warranties), conditions, covenants and indemnities including but not limited representations in connection with:</p> <ol style="list-style-type: none"> 1. Status, binding obligation, power and authority. 2. Non-conflict with other obligations. 3. Insolvency 4. No misleading information. 5. Compliance with the applicable law. 6. Representations in relation to security being provided / caused to be provided.



31.	Covenants and Undertakings	<p>7. Good title to assets.</p> <p>The Company shall provide the covenants and undertakings as mutually agreed between the Company and the Debenture Holders / Debenture Trustee, including but not limited to the following:</p> <p>Information Covenants:</p> <ol style="list-style-type: none"> 1. The Company shall provide to the Debenture Holder or their nominees', annual (audited) financial statements of the Company within 180 (One Hundred and Eighty) calendar days following the closure of the preceding financial year. 2. The Company shall provide to the Debenture Holder or their nominees, on an annual basis, net worth statements of the Personal Guarantor. 3. The Company shall provide to the Debenture Holder or their nominees, quarterly financial information regarding the EBITDA for CDGL in such format as is agreed between the Debenture Holder and the Company) within 30 (Thirty) calendar days from the board meeting of the Company at which such financial information has been considered. <p>Certified Covenants:</p> <p>The Company:</p> <ol style="list-style-type: none"> 1. Shall ensure that the persons comprising the Promoter Group maintain a minimum shareholding of at least 51% of its equity share capital (taken on a fully diluted basis). 2. Shall maintain, either by itself or through its subsidiaries (in which it holds at least 51% (Fifty One Percent) of the equity share capital), a minimum shareholding of at least 51% (Fifty One Percent) of the equity share capital (taken on a fully diluted basis) in each of its direct and indirect subsidiaries, namely Tanglin, CDGL and Coffee Day Trading Limited. 3. Shall ensure that there is no direct or indirect Change in Control of the Company and shall not approve any transaction or take any corporate action which will result in a Change in Control of the Company without the prior written consent of the Debenture Trustee.
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		<p>4. Shall ensure that its aggregate Financial Indebtedness does not exceed Rs. 1150,00,00,000/- (Rupees One Thousand One Hundred and Fifty Crore only); provided however that the compulsorily convertible debentures or preference shares issued / to be issued by the Borrower shall not be construed as Financial Indebtedness of the Borrower and accordingly the amounts received from holders thereof as subscription monies towards such compulsorily convertible instruments shall not be considered for calculating the aggregate Financial Indebtedness of the Borrower.</p> <p>5. Shall ensure that the Debt Equity Ratio of the Company does not exceed 1:1.</p> <p>The definitions for the capitalized terms used herein shall be as set out in Annexure I hereto.</p>
32.	Events of default	The events of default and the consequences thereof shall be as set out in Annexure II herein.
33.	Assignment/ Transfer by the Debenture Holders	The Debenture Holders shall be entitled to transfer and deal with the Debentures without being required to provide any notice to or obtaining the consent of the Company.
34.	Indemnification	The Transaction Documents shall contain indemnities customary in transactions of this nature.
35.	Expenses	The Company shall pay all costs, charges and expenses in any way incurred by in relation to the transactions contemplated under this Termsheet, including the costs and charges to be incurred in relation to the rating and listing of the Debentures, dematerialization of the Debentures, stamp duty, other duties, taxes, charges and penalties if and when the Company is required to pay according to the laws for the time being in force.
36.	Tax	All payments by the Company to the Debenture Holders shall be made free and clear of and without any deduction, except to the extent that the Company is required by law to make payment subject to any taxes applicable in respect of the income of the Debenture Holders.



37.	Governing Law	Indian Law
38.	Arbitration	Any dispute relating to the Debentures or the term sheet shall be resolved by a panel of arbitrators ("Panel"). Both Parties to the dispute (that is the party instituting the arbitration proceeding and the respondent party) shall appoint 1 (One) arbitrator each to the Panel and the 2 (Two) arbitrators so appointed by the parties shall together appoint one more arbitrator to the Panel The arbitration proceedings shall be carried out in accordance with the provisions laid down by the Arbitration and Conciliation Act, 1996 and the place of arbitration shall be Bangalore. The arbitration proceedings shall be conducted in the English language. The Parties shall equally share the costs of the arbitrator's fees, but shall bear the costs of their own legal counsel engaged for the purposes of the arbitration. Arbitration awards rendered shall be final, binding and shall not be subject to any form of appeal.



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