

Investment Banking

Peninsula Business Park,
4th Floor, Tower B, Senapati Bapat Marg,
Lower Parel, Mumbai – 400 013
Tel.: 022 - 3395 8150 Fax: 022 - 3078 8584
Email: investmentbanking@hdfcbank.com

Date: January 9, 2019
Place: Mumbai

Sterlite Grid 2 Limited
F-1, The Mira Corporate Suites,
1 & 2, Ishwar Nagar,
New Delhi 110065, India

Attn: Anuraag Srivastava – Group CFO / Pooja Aggarwal - CFO, Sterlite Power Grid Ventures Limited

Dear Sir / Madam,

1. HDFC Bank Limited ("HDFC Bank") is pleased to be engaged as the sole arranger to **Sterlite Grid 2 Limited** (the "Company") and **Sterlite Power Grid Ventures Limited** (the "Sponsor"), in connection with the Transaction (as defined herein below). This letter is to confirm our understanding with respect to our engagement and scope of services. Upon agreement of the terms and conditions contained herein by way of execution hereof by both the Parties, this letter shall be deemed to be an agreement and shall take effect on and from the date on which the last party signs/executes this letter in agreement and acknowledgement of the terms and conditions contained herein ("Letter Agreement").

Transaction

2. As used in this Letter Agreement, the term "Transaction" means Issuance of Rated Listed Secured Redeemable Non-Convertible Debentures of Rs. 250 crore for Sterlite Grid 2 Limited.

Role of HDFC Bank

3. HDFC Bank will assist the Company in the proposed Transaction as its sole arranger on the terms and conditions of this Letter Agreement. In this regard, HDFC Bank proposes to undertake certain activities in order to assist the Company, including, but not limited to and if appropriate, the following:
 - (i) act as Sole Arranger for the transaction;
 - (ii) advise & provide market feedback to the issuer on the terms of transaction (e.g. structure, amount, pricing, maturity, time of launch etc);
 - (iii) work with legal counsel and assist the Issuer in preparation of documents for the transaction;
 - (iv) co-ordinate the marketing process for the Transaction;
 - (v) assist the Issuer to co-ordinate with stock exchange, depositories, trustees etc in relation to the transaction;
 - (vi) provide such other assistance as may be mutually agreed with the Company for the purposes of this transaction
4. Further, the advice given by HDFC Bank to the Company:
 - (i) in most instances, may be based on information and data provided to HDFC Bank by the Company and / or its advisors;



CERTIFIED TRUE COPY

For Sterlite Grid 2 Limited



Authorised Signatory

(ii) in many instances, may be based on information provided to it by third parties such as research firms and information services providers and consequently, HDFC Bank assumes that the said information is true, accurate and proper and shall be using the same without any independent investigation or verification.

5. The duties and responsibilities of HDFC Bank under this Letter Agreement shall be limited to those expressly set out herein. In particular, HDFC Bank's responsibilities shall not include giving tax, legal, accountancy, regulatory, actuarial or other technical advice or technical services, on all of which the Company shall seek independent advice from their other advisors.

Company to Procure Approvals

6. The Company shall procure all the necessary approvals for the Transaction, including, but not limited to, shareholder approvals / other corporate approvals for the Transaction.

Appointment of External Agencies

7. The Company acknowledges that HDFC Bank shall not be responsible and does not have any liability or responsibility for the appointment of, or performance of or advice received from, legal counsel, accountants, technical/ tax consultants and valuers as may be required in respect of the Transaction. HDFC Bank may recommend for the consideration of the Company such professionals and it shall be at the discretion of the Company whether to accept such recommendations or not and whether to make such appointments or not. The Company shall bear the cost of appointment of such agencies.

Fees

8. The Company shall pay arranger fee as per fee letter on or before the pay in date. All amounts (including in respect of fees and expenses) payable to HDFC Bank are to be made in Indian Rupees and are exclusive of any applicable taxes. All applicable taxes will be levied and grossed up on such amounts by HDFC Bank in addition to the amounts otherwise payable. However, applicable TDS will be deducted from such payments and GST will be reimbursed only on issuance of Taxable invoice.

Confidentiality and Non-disclosure

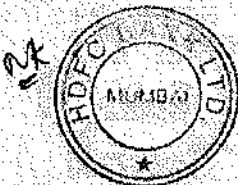
9. The Company expressly acknowledges that, for the purposes of the Transaction, HDFC Bank and/or its employees is/are required to share/disclose the Confidential Information of/received from/relating to the Company to potential investors and the Company hereby expressly authorizes HDFC Bank and its employees to share/disclose such Confidential Information to potential investors.

Indemnity

10. In addition, the Company agrees to indemnify and hold HDFC Bank and its affiliates and its and their respective directors, officers, employees and agents harmless against all losses, claims, damages, liabilities, costs and expenses (including legal fees) arising out of the engagement of HDFC Bank as Sole Arranger in its performance hereunder (or under any documentation relating to the issue of the Debentures), including cost arising out of any disputes whether or not HDFC Bank is a party to such dispute.

Conflict of Interest and Chinese Walls

11. HDFC Bank and its affiliates may be involved in a wide range of commercial and investment banking and other activities (including investment management, sales and trading and securities related activities) out of which conflicting interests or duties may arise and they have adopted practices and procedures (including



those known as Chinese Walls) to restrict the flow of information and assist in the management of such conflicts. Neither HDFC Bank nor any of its affiliates shall have any duty to disclose to the Company or utilise for their benefit (and shall have no liability to the Company in relation to) any information related to or belonging to any other client of HDFC Bank or any of its affiliates.

Additionally, neither HDFC Bank nor any of its affiliates shall be required to restrict any of their other activities conducted in the ordinary course of their respective business. Subject to compliance with duties of confidentiality to the Company in terms of this Letter Agreement, the receipt by HDFC Bank or its affiliates of information under this Letter Agreement will not preclude HDFC Bank and its affiliates from engaging in or working on any other transaction on behalf of itself or its affiliates or from representing any other party at any time and in any engagement or capacity.

Exclusivity

12. The Company shall not approach other market participants (arrangers, investors) for this transaction and HDFC Bank would be the sole arranger for the transaction.

Term and Termination

13. This letter will expire upon the later of (i) the signing of the final documentation for the Transaction, or (ii) the Deemed Date of Allotment. However, at any time, this letter may be terminated by the earliest of (iii) the receipt by HDFC Bank of written notice from the Company terminating this letter, or (iv) the receipt by the Company of written notice.

Miscellaneous

14. Except as otherwise expressly provided herein, all notices and other communications provided at various places in this Letter Agreement shall be in writing at the addresses mentioned below or at such other address as each party shall from time to time have designated by (15) fifteen days' prior written notice to the other party.

For HDFC Bank
Attention: Mr. Manish Kotwani

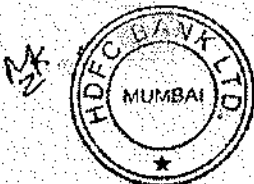
Address:
Investment Banking
Peninsula Business Park,
4th Floor, Tower B, Senapati Bapat Marg,
Lower Parel, Mumbai - 400 013
Fax: 022 - 3078 8584
Tel. No.: 022 - 3395 8150

For Sterlite Grid 2 Limited / Sterlite Power Grid Ventures Limited
Attention: Ms Pooja Aggarwal

Address:
F-1, The Mira Corporate Suites,
1 & 2, Ishwar Nagar,
New Delhi 110085, India

Any such notice or other written communication shall be deemed to have been served:

- (i) if delivered personally, at the time of delivery;
- (ii) If sent by registered letter when the registered letter would, in the ordinary course of post, be delivered whether actually delivered or not;



- (iii) if sent by courier service, (a) one (1) Business Day after deposit with an overnight courier if for inland delivery and (b) 5 (five) Business Days after deposit with an international courier if for overseas delivery;
 - (iv) if sent by telex, when sent (if, at the time of transmission, the correct answer-back appears at the start and at the end of the sender's copy of the notice);
 - (v) if sent by facsimile transmission, at the time of transmission (if sent during business hours) or (if not sent during business hours) at the beginning of business hours next following the time of transmission in the place to which the facsimile was sent (on receipt of a confirmation to the correct facsimile number); and
 - (vi) if sent by e-mail, upon receipt of a confirmed delivery report by the sender.
15. No waiver, amendment or other modification of this Letter Agreement shall be effective unless in writing and signed by each party hereto to be bound thereby.
16. The engagement of HDFC Bank is on a best effort basis and the engagement should, under no circumstances, be viewed as a binding commitment given by HDFC Bank to arrange for investors for the Company.
17. This Letter Agreement shall be governed by, and construed in accordance with, the laws of India and subject to the jurisdiction of the courts and tribunals in Mumbai.
18. Please confirm that the foregoing correctly sets forth our agreement, by signing and returning to HDFC Bank the duplicate copy of this Letter Agreement enclosed herewith.

On Behalf of HDFC Bank


Manish Kotwani
Head Credit Origination
Debt Capital Markets



Accepted and agreed

On behalf of the Company, Sterlite Grid 2 Limited

Name:
Designation

This document contains terms of a prospective transaction. The indicative terms are neither complete nor final and are subject to final investor approvals. This document is for discussion purposes only and does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy. HDFC Bank, its directors or its employees do not accept any responsibility for actions taken by any person based on this document and you are advised to make your own independent judgment in this respect. The terms herein are subject to contractual confirmation, satisfactory documentation and prevailing market condition.

Annexure A
Indicative Terms and Conditions

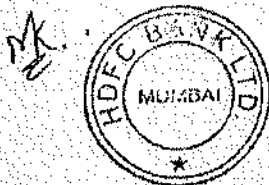
Issuer	Sterlite Grid 2 Limited ("Company" / "Issuer" / "SGL2")
Sponsor	Sterlite Power Grid Ventures Limited (Sponsor / SPGVL)
Subsidiary	NRSS XXIX Transmission Limited ("NRSS")
Arranger	HDFC Bank Limited
Type of Instrument	Rated, Listed, Secured, Redeemable Non-Convertible Debentures ("Debentures" / "NCDs")
Nature of Instrument	Secured
Seniority	Senior
Obligors	Issuer, SPGVL, NRSS
Mode of Issue	Private Placement under electronic book mechanism of BSE under SEBI Circular ref SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018 read with "Operational Guidelines for issuance of Securities on Private Placement basis through an Electronic Book Mechanism" issued by BSE. The Issue will be through open bidding on the EBP platform in line with EBP Guidelines vide SEBI circular SEBI/HO/DDHS/CIR/P/2018/122 dated August 16, 2018
Eligible Investors	(a) Qualified Institutional Buyers (QIBs) defined as per Regulation 2(zd) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. (b) Any non-QIB investor including arranger(s), who/which has been authorized by the issuer, to participate in a particular issue on EBP Platform.
Debenture Holders	means the successful bidders from the Eligible Participants who shall be the holders of the Debentures and includes their transferees and assignees or such other persons whose names shall appear in the Register of Debenture Holders
Stock Exchange(s)	BSE Limited ("BSE")
Listing	To be listed on the Stock Exchange(s). Listing application shall be filed with the Stock Exchange(s) within 15 days from the Deemed Date of Allotment. In principle listing approval to be obtained prior to issuance of the Debentures. In case the Debentures are not listed by the end of a period of 20 (twenty) days from the Deemed Date of Allotment, the Issuer shall pay to the Debenture Holders, a listing default interest of 1% on the Debentures amount, commencing after the expiry of 20 (twenty) days from the Deemed Date of Allotment till the Debentures are actually listed on the Stock Exchange(s).
Rating of the Instrument	A(SO)/Stable by India Ratings and Research Private Limited
Issue Size	Upto Rs. 250 Crore only
Option to Retain Oversubscription	Not Applicable
Objects of the Issue	General Corporate Purpose and onward lending to Sponsor
Details of the utilization of the proceeds	For General Corporate Purpose and onward lending to Sponsor
Coupon Rate	11.00% p.a.
Step Up/Step Down Coupon Rate	In the event of a rating downgrade of the Debentures below A(SO)/Stable by any rating agency having an outstanding rating on the Debentures ("Rating Downgrade Event"), and the Debenture Holders do not exercise their option to demand an accelerated redemption of the Debentures, the Coupon for the Debentures will be increased by 0.25 % p.a. for every notch



	<p>rating downgrade from the date of such downgrade for the entire balance tenure of the Debentures.</p> <p>Upon the occurrence of the Rating Downgrade Event, in the event the Debenture Holders decide to accelerate the Debentures, the Issuer shall pay all outstanding amounts including without limitation any principal, Coupon, fees, costs, accrued interest and such other amounts payable by the Issuer to the Debenture Holders within 30 days of the occurrence of such Rating Downgrade Event.</p>
Coupon Payment Frequency	Annual
Coupon Payment Date	The date falling at the expiry of 365 days from the Deemed Date of Allotment and every 365 th day thereafter, on which the Coupon will be paid
Coupon Type	Fixed
Coupon Reset Process (including rates, spread)	2 years from deemed date of allotment
Day Count Basis	Actual/ Actual Basis Interest payable on the Debentures will be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days (in case of a leap year) as the case may be.)
Interest on Application Money	NIL
Default Interest Rate	<ul style="list-style-type: none"> i) 2% p.a. for delay in creation and perfection of security ii) 2% p.a. for any default (which may or may not be declared as an Event of Default by Debenture Trustee) under Debenture Documents, till the time such default is cured iii) 1% p.a. in case NCDs are not listed within 20 days from Deemed date of allotment, till the time NCDs are listed
Tenor	Door to Door tenor of 3 Years from deemed date of allotment
Redemption Date	the date falling at the end of 3 years from the Deemed Date of Allotment or the Mandatory Redemption Date
Redemption	<p>Scheduled Repayment Rs 125 crore each at the end of 30 months and 36 months</p> <p>Mandatory Redemption Upon the occurrence of a Mandatory Redemption Event, the Debenture Holders shall have a right to accelerate the redemption and require the Issuer to redeem, in whole or in parts, on a pro rata basis amongst all Debenture Holders, prior to the Redemption Date.</p> <p>The Issuer shall 15 days prior to the occurrence of a Mandatory Redemption Event, provide to the Debenture Trustee a written notice (with a copy marked to the Debenture Holders) ("Mandatory Redemption Notice") intimating of the occurrence of a Mandatory Redemption Event, and shall pay to the Debenture Holders all outstanding amounts payable in respect of the Debentures, on the 15th day from the occurrence of the Mandatory Redemption Event ("Mandatory Redemption Date")</p> <p>A "Mandatory Redemption Event" shall mean the occurrence of any of the following:</p> <ul style="list-style-type: none"> (a) Sale of SGL 2 / NRSS to IndiGrid/third party ("Asset Sale Event"); or (b) Any additional debt raised by NRSS; or (c) Any additional indebtedness availed by NER II Transmission Ltd exceeding the existing debt of INR 2200 crore, post commercial operations date; or (d) In the event any surplus cashflows of a minimum of INR 20 crore ("Deposit Amount") from NRSS to the Issuer is deposited into the Escrow Account of the Issuer, the Issuer shall, subject to the expiry of 12 months from the Deemed Date of Allotment, be required to utilize such Deposit Amount to mandatorily redeem the Debentures proportionately. Such mandatory redemption shall be made once every quarter. <p>It is hereby clarified that subject to expiry of the lock-in of 4 months from the Deemed Date of Allotment ("Lock-In Period"), if the Asset Sale Event and/or additional debt is raised by NRSS (each a Mandatory Redemption Event) happens any time within 6 months from the Deemed</p>



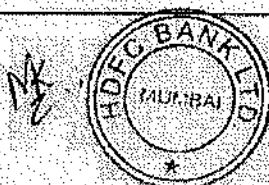
	Date of Allotment, all amounts outstanding and payable to the Debenture Holders shall be paid with a prepayment premium of 0.15% payable on the outstanding amounts. No such premium would be applicable post the expiry of the 6 months for any Mandatory Redemption Event.
Redemption Amount	Rs. 10 Lakhs per Debenture payable on each of the Redemption Date(s) and as specified in the cash flow illustration along with all accrued interest and Default interest.
Redemption Premium /Discount	Not Applicable
Issue Price	Rs. 10 Lakhs per Debenture
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put Date	Not Applicable
Put Price	Not Applicable
Call Date	Not Applicable
Call Price	Not Applicable
Put Notification Time	Not Applicable
Call Notification Time	Not Applicable
Face Value	Rs. 10 lakhs per Debenture
Minimum Bid Size	1 Debenture of Rs. 10 Lakhs each and in multiple of 1 Debenture of Rs. 10 Lakhs each thereafter
Minimum Application and in multiples of thereafter	1 Debenture of Rs. 10 Lakhs each and in multiple of 1 Debenture of Rs. 10 Lakhs each thereafter
Issuance mode of the Instrument	Demat only (for private placement)
Trading mode of the Instrument	Demat only (for private placement)
Settlement mode of the Instrument	Settlement of the Issue will be done through Indian Clearing Corporation Limited (ICCL) The process of pay-in of funds by the identified investors and pay-out to Issuer will be done on T+1 day, where T is the Issue Opening Date
Depository	NSDL/CDSL
Business Day Convention	(i) The Coupon amount shall be made only on the Business Days. Therefore, if the Coupon payment date falls on a day other than a Business Day, the Coupon payment shall be on the next Business Day and calculation of such coupon payment shall be as per original schedule as if such Coupon Payment Date were a Business Day. Further, the future Coupon payment dates shall remain intact and shall not be disturbed because of postponement of such Coupon payment on account of it falling on a non-Business Day; (ii) The Redemption Amount shall be made only on the Business Days. If Redemption Date falls on a day that is not a Business Day, the Redemption Amount shall be paid by the Issuer on the immediately preceding Business day along with interest and Default interest accrued on the Debentures until but excluding the date of such payment. (iii) In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day shall be considered as the Record Date.
Record Date	the date which is 15 (fifteen) days prior to each Coupon Payment Date or Redemption Date, as the case may be for the purposes of actual payment



Accelerated redemption	<p>All Debentures to have accelerated redemption along with accrued interest and default interest, on occurrence of following events:</p> <ol style="list-style-type: none"> 1. Payment default 2. Events of Default, after the expiry of cure period, if any. 3. Mandatory Redemption Events 4. Upon occurrence of Rating Downgrade Event and Debenture Holders demand for accelerated redemption
Shareholding and Management Control	<ol style="list-style-type: none"> 5. Shareholding and Control of Twin Star Overseas Ltd not to fall below 51% in Sterile Power Transmission Limited ("SPTL") 6. The Sponsor to maintain 100% shareholding & Control* in the Issuer (Sponsor to provide an undertaking for the same) 7. SPTL to maintain 51% shareholding & Control in Sponsor. <p>The term 'Control' shall mean as defined in the Companies Act 2013.</p>
Negative Covenants	<p>As customary for financing of this nature including without limitation:</p> <ol style="list-style-type: none"> 1. The Issuer shall not change its memorandum and articles of association without the consent of the Debenture Trustee; 2. Arm's Length Dealings – The Issuer shall not enter into any arrangement or commitment with any related party other than in the ordinary course of business or as permitted under Section 188 of the Companies Act, 2013 or as permitted otherwise in the Transaction Documents; 3. The Issuer shall not incur any additional indebtedness. 4. Further Security – The Issuer to not provide any Corporate Guarantee / Shortfall Undertakings or any other security to its subsidiaries or any other person without prior approval of the Debenture Trustee. 5. Merger, amalgamation and reorganization – No merger / acquisition / amalgamation of the Issuer Company and NRSS without prior approval of the Debenture Trustee. In case of sale of Issuer/NRSS XXIX to India Grid Trust, the Debenture Trustee shall provide an approval subject to proceeds of the sale shall be compulsorily used for redemption of Debentures. 6. Issuer to not incorporate / float further Special Purpose Vehicle (Companies) / Subsidiaries; 7. Winding Up - The Issuer and NRSS shall not wind up, liquidate or dissolve its affairs and corporate insolvency resolution process under Section 10 of Insolvency and Bankruptcy Code, 2016, as amended ("IBC") shall not be commenced and / or initiated nor any voluntary liquidation process; 8. The Company shall not, without the consent of the Debenture Trustee, enter into any additional contracts or enter into any partnership, profit-sharing, that affects the right of the Debenture Holders 9. Shall not be classified as NBFC / CIC during the tenor of the Debentures. 10. Not create any escrow or other similar arrangements over any of its receivables to any Person other than the Secured Parties or misdirect any excess cashflows from NRSS into any other account other than opened for securing these Debentures. <p>"Material Adverse Effect" means any event or circumstance, occurrence, or condition (including any change in Applicable Law), which, as of any date of such determination in the sole and reasonable opinion of the Debenture Trustee, has caused or is likely to cause a material and adverse effect in respect of one or more of the following:</p> <ol style="list-style-type: none"> (a) adversely affect the ability of the Obligors to perform or comply with its obligations under the Transaction Documents; or (b) the businesses, operations or financial condition, properties, assets or prospects and credit standing of any of the Obligors; or (c) validity or enforceability of, or the effectiveness of any Transaction Documents and/or of any Security created pursuant to any Security Documents; or (d) validity or enforceability of, or the effectiveness of the rights or remedies of any Secured Party under any Transaction Document; or



	<p>(e) the ability of the Debenture Trustee to exercise or enforce any right, benefit, privilege or remedy under any Transaction Document; or</p> <p>(f) the ability of the Issuer to comply, in all respects, with the terms or conditions of any authorisations and clearances.</p>
Security	<p>Exclusive Charge on following:</p> <ol style="list-style-type: none"> 1. A first ranking exclusive charge by the Issuer, on (a) the excess cash flows received by the Issuer from NRSS, (b) sale proceeds from Asset Sale Event, which will be deposited in the escrow account to be opened to receive such excess cash flows and such escrow account shall be opened, within 30 days of the Deemed Date of Allotment; 2. A first ranking exclusive charge by the Issuer over (a) all of the Issuer's current assets and all cash flows (excluding the cash flows deposited in the escrow account as per paragraph (1) above), and (b) over the loan receivables in respect of the financing extended by the Issuer to the Sponsor, to be created prior to the Deemed Date of Allotment; 3. A first ranking exclusive pledge on 53% shares of the Issuer held by the Sponsor (excluding the 6 physical shares held by the nominee) to be created within 30 days of the Deemed Date of Allotment and pledge over the 6 shares in physical form once converted to demat; and 4. A first ranking exclusive charge on the remaining 47% shares of the Issuer held by the Sponsor to be pledged by the Sponsor Company within 15 Calendar days of release of the same from the existing lenders of the Sponsor. Such release of 47% of the shares and thereafter the creation of charge shall be completed on or before the expiry of 12 months from the deemed date of allotment; <p>Additional Covenants/Undertakings:</p> <ol style="list-style-type: none"> 8. Undertaking from Sponsor to maintain 100% shareholding & Control* in the Issuer to be executed prior to Deemed Date of Allotment; (The term 'Control' shall mean as defined in the Companies Act 2013) 9. Shortfall undertaking from the Sponsor for meeting any interest & principal payments due within next 30 days, to be executed/provided prior to Deemed Date of Allotment.
Issuer Affirmative Covenants	<p>As customary for financing of this nature including without limitation:</p> <p>Each of the Obligors shall ensure the following:</p> <ol style="list-style-type: none"> 1. All cash-flow from the sales proceeds of NRSS and/or Issuer to be deposited in the escrow account which would be exclusively charged to the Debenture Trustee to secure the obligations under the Debentures; 2. SGL 2 shall undertake to demonstrate availability of funds for interest payments & principal repayments, atleast 15 days before respective due dates 3. No additional debt to be raised by the Issuer. Any further debt raising at Subsidiary shall be compulsorily used towards redemption of debentures 4. All unsecured/secured loans, amounts borrowed by the Issuer or optionally convertible / non-convertible debentures issued by the Issuer, in each case contributed or to be contributed or brought in/ or subscribed to by the and/or the Group and/or Sponsor Company and/or affiliates and/or associate companies and/or group companies and/or strategic investor / other investor (other than the Debenture Holders) shall be subordinated to the obligations under the Debentures and Issuer shall not pay any amounts in respect of such subordinated debt during the tenor of the Debentures in any form other than such amount as agreed upon by the Debenture Trustee on the instructions of the Debenture Holders. Further, no event of default shall be called under such subordinated debt; 5. Maintenance of property, assets and adequate insurance to be taken.



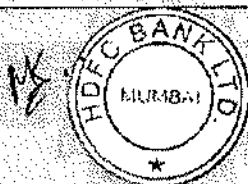
	<ol style="list-style-type: none"> 6. Maintenance of clearances, authorization throughout the tenure of the Debentures. 7. The Issuer performs its obligations in accordance with the provisions of the Transaction Documents (to which it is a party) 8. The Issuer shall permit the Debenture Trustee / Debenture Holders to inspect the properties of the Issuer including all its secured assets with reasonable notice. 9. Maintenance of books and records – Issuer to properly keep such records as are required to be maintained under applicable law and the Transaction Documents and maintain such annual financial statements as are adequate to reflect truly 10. Environmental Compliances - Obtain all necessary authorizations under applicable environment laws and to ensure compliance with applicable law with respect to environment 11. The Issuer shall pay all material taxes and comply with all applicable laws 12. The Issuer shall enter into any necessary additional documents to protect the interest of the Debenture Holders, make all filings, recordings as may be required as per applicable laws. 13. Compliance with sanctions 14. Use of Proceeds in accordance with this Term Sheet and / or the Transaction Documents. 15. Obtaining of annual confirmation of credit rating from the rating agency in accordance with the debt listing agreement.
SPGVL Undertaking	<p>As customary for financing of this nature including without limitation:</p> <p>Each of the Obligors shall ensure the following:</p> <ol style="list-style-type: none"> 1. The Sponsor furnishes a shortfall undertaking for meeting any interest & principal payments due within next 30 days, due prior to the Deemed Date of Allotment 2. SPGVL shall undertake to demonstrate availability of funds for interest payments & principal repayments, atleast 15 days before respective due dates 3. To redeem the Debentures in the event of debt top-up (debt taken over and above permitted indebtedness) post commercial operations date ("COD") of NER II Transmission Ltd. 4. In case of sale of the Issuer by the Sponsor, all sale proceeds from such sale to the extent of principal and interest due in the next preceding date, shall be transferred to the escrow account opened by the Issuer within 1 day from receipt of such sale proceeds by the Sponsor, and all such amounts shall be compulsorily utilized towards prepayment of the Debentures 5. No debentures to be issued/raised by the Sponsor and / or Indian subsidiaries with any options attached to the same, coupon reset or maturity date shorter than the Coupon Reset date of these Debentures. This undertaking shall be effective for a period 06 months from the Deemed Date of Allotment. 6. To create first ranking pledge over 53% shares of the Issuer held by the Sponsor within 30 days of the Deemed Date of Allotment and 47% of the total issued and paid – up equity share capital of the Issuer, within 12 months from the Deemed Date of Allotment.
Information Undertakings	<p>As customary for financing of this nature including without limitation:</p> <p>Each of the Obligors (to the extent applicable) shall ensure the following:</p> <ol style="list-style-type: none"> 1. Provide financial statements (audited) within 90 Calendar days from end of each Financial Year and half yearly statements within 60 Calendar days end of the half year 2. Submit quarterly report certified by statutory auditors: <ul style="list-style-type: none"> • Updated list of names and addresses of all Debenture Holders • Details of any due or unpaid • Nature and grievances • Confirmation on maintenance of 100% security cover over the assets charged 3. Certificate from independent chartered accountant confirming the end use of proceeds within [60] Calendar days of deemed date of allotment 4. Provide an updated list of names, addresses and account details of the Debenture Holders on each Record Date 5. Keep the Debenture Trustee informed of all orders, directions, and notices of court/tribunal affecting or likely to affect the secured assets



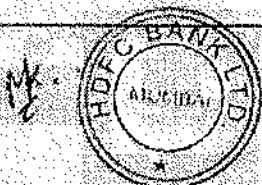
	<p>6. To the extent required under provisions of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 ("SEBI LODR Regulations") furnish inter-alia the following:</p> <ul style="list-style-type: none"> • Credit rating of the Debentures or change in the same • Nature, extent of security charged • Maintenance of asset cover ratio • Debt equity ratio • Previous due date for the payment of principal/Coupon and whether same has been paid • Debt service coverage ratio • Debenture redemption reserve • Net worth • net profit after tax of the Issuer, • earnings per share; <p>7. Certificate within [30] Calendar days from Date of Allotment from statutory auditor confirming that it is not a NBFC or CIC</p> <p>8. promptly inform the Debenture Trustee of any disclosures made to the stock exchange in terms of Regulation 30 of the SEBI LODR Regulations and which may have a bearing on the Issue or the Debentures</p> <p>9. Promptly inform the Stock Exchange and the Debenture Trustee of any and all information that may having bearing on the performance/operation of the Issuer, any price sensitive information or any action that may affect the payment of interest or redemption of the Debentures in terms of Regulation 51(2) of the SEBI LODR Regulations</p> <p>10. A statement indicating material deviations, if any in utilisation of the issue proceeds</p> <p>11. Promptly upon receipt of a notice of payment default from any of the financial creditor (as defined in the Insolvency and Bankruptcy Code, 2016 ("IBC") for the Obligors, or if an application is filed by the Obligors or any 'financial creditor' (as defined in the IBC) or an 'operational creditor' (as defined in the IBC) before the relevant authority under the IBC</p> <p>12. Other miscellaneous information that are standard for financing transactions to be listed down specifically in the Debenture Trust Deed</p>
Transaction Documents	<p>To be executed as conditions precedent to the funding prior to Deemed Date of Allotment:</p> <ol style="list-style-type: none"> 1. Debenture Trustee Agreement for appointment of the Debenture Trustee 2. Debenture Trust Deed 3. Deed of Hypothecation and power of attorney from the Issuer in respect of the security mentioned in paragraph (2) under section titled 'Security'. 4. Undertakings from Sponsor under "SPGVL Undertaking" clause <p>To be executed as conditions subsequent to the Deemed Date of Allotment</p> <ol style="list-style-type: none"> 5. Pledge Agreement to be executed by the Sponsor within 30 days of the Deemed Date of Allotment 6. Powers of attorney for the creation of pledge over the pledged shares as per this Term Sheet. 7. Escrow Agreement (for the escrow account whose sole authorized signatory shall be the debenture trustee) to be executed within 30 days of the Deemed Date of Allotment. 8. Deed of Hypothecation and power of attorney from the Issuer in respect of the security mentioned in paragraph (1) under section titled 'Security' to be executed within 30 days of the Deemed Date of Allotment.
Events of Default	<p>Customary to the transaction of this nature including without limitation:</p> <p>Subject to any applicable cure periods, each of the Obligors and NER II Transmission Ltd agree and undertake that the following shall constitute an Event of Default.</p> <p>(The cure periods, if any, with respect to the events stated below shall be discussed and closed at a later stage)</p>



	<ol style="list-style-type: none"> 1. Payment Default 2. Beach of Covenant, Representations, Third Party material contracts under any of the Transaction Documents. 3. Breach of any Conditions Subsequent 4. Insolvency, Winding up and Bankruptcy 5. Insolvency Proceedings 6. Judgement/Creditors Process 7. Jeopardy of security 8. Failure to create and perfect security within stipulated timelines 9. Repudiation of Contracts 10. Cross Default – under any indebtedness of any of the Obligors for borrowed monies i.e. indebtedness for and in respect of monies borrowed or raised. 11. Illegality 12. Material Adverse Effect 13. Failure to obtain, renew, maintain, or comply in all respects with any Clearances 14. Declaration as a 'wilful defaulter' 15. Misrepresentation 16. Material litigation or arbitration or proceedings 17. Material audit qualification 18. Breach under any project documents or transaction documents of NRSS 19. Issuer incurring financial indebtedness other than as permitted under the Transaction Documents 20. Delisting of Debentures 21. Failure by Issuer to maintain DRR 22. Breach of any applicable environmental laws 23. Any non – redemption of the Debentures upon the occurrence of any Mandatory Prepayment Event as per this Term Sheet and / or the Transaction Documents 24. Any non – deposit of the cashflows of the Issuer and / or NRSS in the designated escrow account(s) as per the terms and conditions of this Term Sheet and / or the Transaction Documents 25. Any fall in the credit rating of the Issuer below the specified credit rating threshold under this Term Sheet.
Materiality Determination	<p>Any determination with respect to the materiality or reasonability of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made or given by the Debenture Trustee (as per the Instructions of the Majority Debenture Holders), which decision / determination shall be final and binding on the Issuer.</p>
Representation & Warranty	<p>Customary to the transaction of this nature including without limitation:</p> <p>Each of the Obligors, represent as follows:</p> <ol style="list-style-type: none"> 1. Status 2. Valid and Binding Obligation 3. Non-conflict with other obligations 4. Power and Authority 5. Shareholding 6. Validity and Admissibility in Evidence 7. Tax 8. No filing or stamp tax 9. No Default 10. Disclosure of Information 11. No misleading information 12. Financial Statements 13. Pari Passu Ranking 14. Litigation 15. No violations 16. Tax Returns and Payments



	<ol style="list-style-type: none"> 17. Compliance with laws 18. Use of Proceeds 19. Security Interest 20. Insurance 21. Non occurrence of a Material Adverse Effect 22. Solvency and Winding Up 23. Authorized Officer 24. Transaction Documents 25. Shareholder Approval and Third-Party Consents 26. No Immunity 27. FATCA 28. Sanctions 29. Indebtedness 30. Willful Defaulter 31. Anti-bribery and anti-corruption 32. Environmental law compliances
<p>Conditions Precedent and Conditions Subsequent</p>	<p>Customary to the transaction of this nature including without limitation (to the satisfaction of the Debenture Trustee):</p> <p><u>Resolutions of the Obligors (other than NRSS) (as indicated):</u></p> <ul style="list-style-type: none"> • Certified true copy of resolutions of the shareholders of the Issuer under Sections 180 (1) (a) of the Companies Act, 2013. • Certified true copy of the resolution of the shareholders of the Issuer under Section 180(1)(c) of the Companies Act, 2013 • Certified true copy of a shareholder's resolution of the Issuer under Section 42 of the Act, approving the issuance of the Debentures, appointment of intermediaries, creation of Security and the execution and delivery of the Transaction Documents, in compliance with the Companies Act, 2013 along with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed therein. • Certified true copy of the resolution of the Board of Directors of the Issuer under Section 179(3)(c) approve the raising of funds by way of this issue • Certified true copy of the resolutions of each Obligor (other than NRSS) under Section 179 (3) of the Companies Act, inter alia, approving and authorising the terms of the issue, the documents entered into by it and the authorized personnel who shall sign, negotiate and transact on behalf of it. • Certified true copies of the resolutions of the shareholders of the Obligors (other than NRSS) under Section 180(1)(a) of the Companies Act, approving creation of security. • Certified true copy of the resolution of the any duly constituted committee of the Board under Section 179 (3) of the Companies Act, inter alia, approving the specific terms of the issue, to execute all documents and do all such acts, deeds, matters and things in relation to the issue of Debentures, including the execution of the Transaction Documents, affixation of common seal, and authorising specified Persons for the filing of the forms, issuing the certificates and undertaking all actions in connection with the issuance of the Debentures. ("COD Resolution 1") • Certified true copy of the resolution of the any duly constituted committee of the Board under Section 179 (3) of the Companies Act, inter alia, approving the identified investors from successful bidders to whom the Private Placement Offer Cum Application Letter ("PPOAL") will be issued to ("COD Resolution 2") • Certified true copy of the resolution of the any duly constituted committee of the Board under Section 179 (3) of the Companies Act, inter alia, approving the allotment of the Debentures and recording the names of the identified investors to whom allotment is made ("COD Resolution 3") • Provide the copies of the MOA, Certificate of Incorporation and AOA of all corporate persons. <p><u>Consents / Intimations/ Third Party Agreements</u></p> <ul style="list-style-type: none"> • Execution and receipt of the simplified debt listing agreement between the Issuer and the



- Stock Exchange.
- Confirmation of On Boarding of Issuer in the the electronic book mechanism platform of Stock Exchange.
- Receipt of consents from any third parties (including lenders, if any).
- Receipt of consent from the Registrar to act as the registrar and transfer agent for the issue of Debentures along with tripartite agreements entered into between the registrar, Issuer and the depository
- Appointment of Debenture Trustee and submission of consent letter of the Debenture Trustee to act as the trustee for the Issue.
- Execution and receipt of the Debenture Trustee Agreement.
- Copy of the Provisional Credit Rating from the Rating Agency together with the rating rationale.
- Receipt of the Tripartite Agreements.
- Certified true copy of the in-principle approval of the Stock Exchange for listing of the Debentures.
- Execution of Transaction Documents to be completed prior to deemed date of allotment

Certificates

- Certified true copy of the signature certificate provided by each Obligor (other than NRSS) setting out the specimen signatures of each person authorized by the resolutions passed by the Board.
- Submission of a certificate issued by an independent chartered accountant for each Obligor (other than NRSS) confirming inter-alia that the present Issue and entering into the security (provided by each Obligor) is within the overall borrowing limit and there are no pending income tax proceedings against each Obligor under Section 281 of the Income Tax Act, 1961
- Application to the Income Tax authorities for approval under Section 281
- Certificate(s) regarding compliance with specified limits by the issuer and / or the Obligors (other than NRSS) under Section 180 and Section 186 of the Companies Act, 2013 by independent chartered accountant(s) / statutory auditor(s).
- Certificate from practicing company secretary regarding compliance with Section 185 of the Companies Act, 2013.
- Certificate(s) of a director/authorized signatory as mentioned in the resolution/s of the issuer and SPQVL, with the company seal and on the letterhead of the Company, providing, confirming and / or certifying the following:
 - (a) the specimen signatures of each Person authorized under the resolutions referred to above;
 - (b) that all consents, waivers, approvals, permissions and authorizations from any government authorities, lenders and other third parties which are required in connection with the execution and delivery of the Transaction Documents, and the consummation of the transactions / obligations contemplated therein have been duly obtained;
 - (c) except as disclosed to the Debenture Trustee prior to the execution date of the Debenture Trust Deed, there is no other proceedings against the Issuer or the Obligors or any of the other parties to the Transaction Documents, initiated or pending or threatened by any Person;
 - (d) that the representations and warranties of the Issuer in the Transaction Documents are true, accurate and correct and shall continue to be true, accurate and correct on each day till the date of repayment of all outstanding amounts, to the satisfaction of the Debenture Trustee;
 - (e) that no potential event of default or an event of default, has occurred or is continuing or shall result from the execution of the Debenture Trust Deed and the issuance of the Debentures;
 - (f) that there is no Material Adverse Effect or any circumstance, change or condition (including the continuation of any existing condition) that would materially and adversely impact the issuance of the Debentures or any of the rights of the Debenture Holders;
 - (g) that the Debenture Holder's subscription to the Debentures (a) is permitted in



- accordance with applicable laws; and, (b) does not violate any Applicable Laws; and,
- (h) that the borrowing or guaranteeing, as appropriate, the commitments under the Transaction Documents would not cause any borrowing, guaranteeing or similar limit binding on the Issuer to be exceeded.

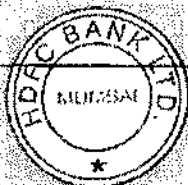
Others

- The list of shareholders and directors of the Issuer shall be provided.
- Execution and receipt of the Consolidated Debenture Certificate and payment of the requisite stamp duty.
- Uploading the Information Memorandum on the EBP Bond Platform.
- Submission of the signed PPOAL and delivered to each identified investor (serially numbered and addressed specifically to each identified investor) under the Companies Act 2013.
- Completion of all requisite "know your customer" procedures of the such other related information as may be required by the Debenture Trustee and the Debentureholders in respect of the Obligors, to its satisfaction.
- Receipt of a group structure chart in relation to the Obligors, in a form and manner satisfactory to the Debenture Trustee.
- Filing of a return of allotment of securities under Form PAS-3 under Section 42 of the Companies Act, 2013 read with Rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC along with a list of the Debenture holders and with the prescribed fee.
- Certified true copies of the updated and amended Constitutional Documents of the Obligors.
- Confirmation that the Issuer has paid all fees due and payable under the Transaction Documents.
- Other documents required by legal counsel/Debenture Trustee
- Confirmation of receipt of an ISIN Number from CDSL/NSDL in relation to the issuance of the Debentures in dematerialised form.

CONDITIONS SUBSEQUENT

As customary for financing of this nature including without limitation:

- Resolution of the Board for allotment of the relevant Debentures to the successful investors from the Eligible Participants.
- Credit into the demat accounts of the Debenture holders of the Debentures within 2 Business Days from the deemed date of allotment.
- Execution of all remaining Transaction Documents within the timelines stipulated in the Transaction Documents;
- Opening and operationalization of the escrow account(s) with the Debenture Trustee as the sole authorized signatory of such account(s) and obtaining of the consent from the escrow bank / agent within 30 days from the Deemed Date of Allotment
- Submission of a certificate from statutory auditors or a practicing-chartered accountant evidencing the end use of the Debentures, to be furnished to Debenture Trustee within 30 (thirty) days from the deemed date of allotment.
- Creation and perfection of the Security contemplated under the Debenture Trust Deed including filings under CERSAI and with the RoCs, within 30 (thirty) days of execution of the security document.
- Within 15 (fifteen) days of the deemed date of allotment, provide confirmation of listing of the Debentures on the WDM segment of the Stock Exchange.
- Confirmation that the Issuer has complied with all SEBI Guidelines for issue of Debentures.
- Maintaining a copy of Form PAS-5 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 in respect of the issue of the Debentures with the prescribed fee within 30 (thirty) days from the date of the PPOAL;
- Filing of annexure W/Pledgor Form 28 for recording the pledge over the 53% shares within 30 days from the Deemed Date of Allotment.
- Filing of annexure W/Pledgor Form 28 for recording the pledge over the 47% shares within





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	<p>a period of 12 (twelve) months from the Deemed Date of Allotment.</p> <ul style="list-style-type: none">• Any other condition as may be stipulated by the Debenture Trustee.• Obtain permission under Section 281(1)(ii) of the Income Tax Act for creation of the security by the Issuer and the security providers and submit the same to the Debenture Trustee within within 1 (one) day from receipt of the certificate. .• Copy of the Final Credit Rating from the Rating Agency together with the rating rationale.
Other Terms and Conditions	Customary for facility of this nature including but not limited to Events of Default, Representation & warranties, Due Diligence, Conditions Precedent, Condition Subsequent, Financial Covenants, Information covenants etc. as set out in the Transaction documents for the issue.
Jurisdiction and Governing Law	Non-exclusive jurisdiction of the Courts of Delhi, India and Indian Law
Role and Responsibility of the Debenture Trustee	The Issuer has appointed Axis Trustee Services Limited registered with SEBI, as Debenture Trustee for the benefit of Debenture Holders (hereinafter referred to as "Debenture Trustee"). The responsibilities of the Debenture Trustee shall be in accordance with provisions of the Debenture Trust Deed, the SEBI (Debenture Trustees) Regulations, 1993, ad amended

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CERTIFIED TRUE COPY
For Sterlite Grid 2 Limited

Authorised Signatory