



South West Mining Limited

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SUMMARY TERMS FOR THE CCDS

Terms used but not defined herein shall have the meaning ascribed to them in the Definitions and Abbreviations Section of Offer Letter.

Issuer	South-West Mining Limited
Type of Instrument	30,000 compulsorily convertible debentures aggregating up to INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores), consisting of the below 4tranches: i. Tranche [A] – 9,000CCDs aggregating up to INR 900,00,00,000 (Indian Rupees Nine Hundred Crores); ii. Tranche [B] – 9,000CCDs aggregating up to INR 900,00,00,000 (Indian Rupees Nine Hundred Crores); iii. Tranche [C] – 7,000CCDs aggregating up to INR 700,00,00,000 (Indian Rupees Seven Hundred Crores); and iv. Tranche [D] – 5,000CCDs aggregating up to INR 500,00,00,000 (Indian Rupees Five Hundred Crores).
Face Value	INR 10,00,000 (Indian Rupees Ten Lakhs)
Issue Price	CCDs to be issued at a face value of INR 10,00,000 (Indian Rupees Ten Lakhs), in 4tranches, aggregating up to INR30,00,00,00,000 (Indian Rupees Three Thousand Crores).
Issue Size	INR 30,00,00,00,000 (Indian Rupees Three Thousand Crores).
Objects/Purpose of the Issue	The proceeds from the Issue shall be utilized by the Company to: (a) refinance the existing loans of the Issuer; (b) invest in shares / securities of or provide loan to group companies; and (c) financing the other capital expenditures of the Issuer and for general corporate purpose including the cost and fees for this issue.
Maturity Date / Tenure	shall mean a date that is 10 (Ten) years from the date of allotment of the relevant CCDs to the Investor.
Security	The CCDs is unsecured.





Mode of Issue	Private placement.
Interest	<p>(a) The CCDs shall carry a coupon rate of 0.1% p.a. ([Zero point One]per cent per annum simple interest) (“Interest Rate”), which shall accrue at the end of each Financial Year, calculated on the basis of the actual number of days in the relevant year and shall be subject to applicable withholding tax deductions, if any and shall be paid subject to other terms set-forth herein below.</p> <p>(b) The Interest shall accrue only for the period of first 5 (five) years from the date of allotment of the relevant tranche of the CCDs (hereinafter referred to as the relevant “CCD Period”).</p> <p>(c) Provided that in case the Conversion Date (<i>defined below</i>) to convert the relevant tranche of CCDs into Equity Shares, falls on any date after the expiry of 5th anniversary but before the expiry of 6th anniversary from the date of allotment of the relevant tranche of CCDs, then the interest as accrued in terms of clause (a) and (b), shall not be payable by the Company..</p> <p>(d) In case the Conversion Date(<i>defined below</i>) to convert the relevant tranche of CCDs into Equity Shares, falls on any date after the expiry of 6th anniversary from the date of allotment of the relevant tranche of CCDs, then an additional interest of 9.5% (nine point five) percent (‘Additional Interest’), shall be paid one time by the Company.</p> <p>(e) Subject to clause (c) above, the entire accrued interest (including Additional Interest) shall be payable by the Company at the time of conversion of the relevant CCDs to only the CCD Holder holding CCDs at the time of conversion.</p> <p>(f) In case the Conversion Date (<i>defined below</i>) to convert the relevant tranche of CCDs into Equity Shares occurs prior to the expiry of the CCD Period, then Issuer shall accrue interest till such Conversion Date, in accordance with Clause (a) above but shall pay such interest to the holders of the CCDs on the Conversion Date of the CCDs as per the register maintained by the Company, only after the expiry of the CCD Period. Interest is payable to the CCD Holder(s) only for the period that is the shorter of, (i) the relevant CCD Period; or (ii) the period from the allotment date of the relevant tranche of the CCDs to the date of conversion into Equity Shares, if such conversion occurs prior to the expiry of the CCD Period (“Total Interest Period”).</p> <p>(g) The Issuer shall directly pay each CCD holder the accrued interest amount (subject to applicable taxes including withholding tax deductions, already deducted, if any) for the Interest Period, <i>vide</i> normal banking channels, into the bank account of the CCD holder(s) as notified by the CCD holder(s) to the Issuer.</p>





**Conversion
Terms**

Following terms of conversion shall apply to each tranche of the CCDs

(a) Voluntary Conversion

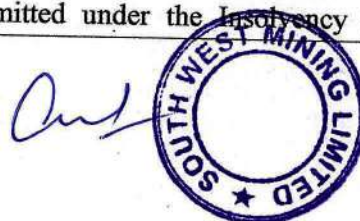
- (i) Unless there is any change in the Applicable Law, no tranche of CCDs shall convert into Equity Shares prior to the expiry of the CCD Period, other than under Automatic Conversion described below. The Investors shall, only upon the expiry of the relevant CCD Period, have the right at any time prior to the Maturity Date, to issue a notice of conversion ("**Notice of Conversion**") to the Issuer, in the format set out in **Annexure I**, requesting the conversion of all or part of the CCDs held by them, on the Voluntary Conversion Date (*defined below*).
- (ii) The date of conversion pursuant to paragraph (a)(i) shall be not less than 7 (seven) Business Days after the date of the Notice of Conversion ("**Voluntary Conversion Date**").
- (iii) Upon the Investor having issued a Notice of Conversion on the expiry of the CCD Period, the Issuer shall immediately and under no circumstances later than the Voluntary Conversion Date, take all steps necessary for the conversion of the relevant CCDs into Equity Shares at a conversion ratio of 1:409 (i.e. every CCD would be converted into 409 fully paid up equity shares of Rs.10 each) ("**Conversion Ratio**"), at a price of INR 2,445 per Equity Share including a share premium of INR 2,435 per Equity Share ("**Conversion Price**"). The Conversion Price has been arrived at on the basis of a valuation methodology conducted by valuers as per Applicable Law as detailed in the Valuation Reports plus a premium of approx. 20% on the value per share as determined under the Valuation Reports, such premium being in accordance with the market and other relevant considerations. The conversion will get *mutatis mutandis* adjusted for any corporate action by the Company in relation to its Share Capital, due to split, bonus issuance, merger or demerger.

(b) Mandatory Conversion

In the event the Investor has not exercised its option to convert the CCDs prior to the Maturity Date in the manner contemplated in paragraph (a) above, then the Issuer shall mandatorily convert all the subsisting CCDs into such number of Equity Shares, at the Conversion Price and Conversion Ratio prescribed in paragraph (a)(iii) above, without any further act by or on behalf of the Investor, and the Issuer shall on the Maturity Date, issue and allot the Equity Shares pursuant to conversion of the CCDs to the Investor.

(c) Automatic Conversion

Notwithstanding anything stated hereinabove, the Issuer hereby acknowledges that if any application or petition for initiation of any corporate insolvency resolution or any similar process against the Issuer is admitted under the Insolvency and





Bankruptcy Code of 2016 (or any analogous law) after the date of allotment of the CCDs to the Investor, the Issuer shall, within 7 (seven) Business Days of such application or petition being filed, automatically convert all the subsisting CCDs at the Conversion Price and Conversion Ratio prescribed in paragraph (a)(iii) above into Equity Shares, without any further act by or on behalf of the Investor.

(d) Conversion Procedure

The CCDs shall be converted into Equity Shares on the earlier of: (i) the Maturity Date; or (ii) the Voluntary Conversion Date or (iii) if permitted by law, under Automatic Conversion, as the case may be, shall be referred to as the "**Conversion Date**". On the Conversion Date, the Issuer shall:

- (i) initiate corporate actions to issue fresh Equity Shares to the Investors' Demat Account in lieu of the CCDs held by the relevant Investor and the Issuer shall issue and allot the fresh Equity Shares pursuant to the conversion of the CCDs at the relevant Conversion Ratio to the Investor; and
- (ii) vide the Issuer's RTA, register the name of the Investor as the legal and beneficial owner of the Equity Shares pursuant to the conversion of the CCDs in the register of members of the Issuer.

The Equity Shares shall, when allotted to the Investor be credited as fully paid-up.

Sale of Securities

(a) On and from the relevant allotment date of the relevant tranche of the CCDs, the Investor shall have the right to sell the CCDs (in whole or in part) (or, if converted into Equity Shares, the Equity Shares (in whole or part), to the JSW GOC (or its nominee(s)) on terms that may be negotiated between the Investor and the JSW GOC (or its nominee(s)) or to any third party of its choice (except to any person engaged in the same business as the Issuer or of its group companies) ("**Third Party Transferee**"), subject to the JSW GOC (or its nominee(s)) having a right of first refusal with respect to the CCDs (or, if converted into Equity Shares, the Equity Shares), in the manner set out below ("**Promoter ROFR**"). Provided that, the Promoter ROFR will not be applicable, in the event the Investor proposes to sell the CCDs (or, if converted into Equity Shares, the Equity Shares) to an Investor Affiliate, subject to the Investor Affiliate (A) being bound by the obligation of the Investor under this Offer Letter (i) to provide the Promoter ROFR; and (ii) to not sell or transfer any CCDs or Equity Shares to any person engaged in the same business as the Issuer or of its group companies, (B) notifying the Company; and (C) executing a deed of adherence as per the format set out at Annexure L. Additionally, in the event the Investor Affiliate to whom any CCDs and / or Equity Shares are transferred by the Investor, ceases to be an Investor Affiliate, then the CCDs and / or Equity Shares so transferred would be required to be transferred back to the Investor.

(b) If the Investor desires to sell the CCDs (or, if converted into Equity Shares, the





Equity Shares), to a Third Party Transferee, the Investor shall send a written notification to the JSW GOC, along with a copy of such notice to the Issuer, regarding the proposed sale of the CCDs (or if converted, the Equity Shares) ("**ROFR Securities**") ("**ROFR Notice**"), in the format set out under **Annexure J**, including the following details: (i) the proposed consideration (including details and a valuation report from a mutually agreed valuer for any non-cash consideration) ("**Offer Price**") and the other material terms and conditions in relation to the proposed sale (together with the Offer Price, the "**Offer Terms**"); and (ii) the name and identity of the Third Party Transferee.

- (c) A JSW GOC (or its nominee(s)) entity may exercise its Promoter ROFR with respect to a proposed sale in an ROFR Notice, within a period of 30 (thirty) days from the date of receipt of the ROFR Notice ("**ROFR Period**") by delivering to the Investor a written notice of exercise ("**ROFR Acceptance Notice**"), with a copy to the Issuer, in the format set out in **Annexure K**.
- (d) Upon receipt of a duly issued ROFR Acceptance Notice from the relevant JSW GOC entity (or its nominee(s)), the Investor shall, within 30 (thirty) days of the date of the ROFR Acceptance Notice, transfer the ROFR Securities to the relevant JSW GOC entity (or its nominee(s)) on the Offer Terms, accompanied by customary representations and warranties regarding: (i) good title to the ROFR Securities; (ii) absence of encumbrance with respect to the ROFR Securities; and (iii) the Investor's power and authority to undertake the proposed transfer of the ROFR Securities.
- (e) In the event that the JSW GOC entities refuse to buy the ROFR Securities and/or do not respond to the ROFR Notice within the ROFR Period, then, the Investor shall be entitled to sell the ROFR Securities at a price not less than the Offer Price and on terms not more favorable than the Offer Terms to the Third Party Transferee, subject to the Third Party Transferee executing a deed of adherence in the format set out at **Annexure L**.
- (f) If the sale by the Investor to either: (i) a JSW GOC entity (or its nominee(s)), pursuant to paragraph (c) above is not completed within 30 (thirty) days of the date of the ROFR Acceptance Notice from such JSW GOC entity; or (ii) the Third Party Transferee, pursuant to paragraph (e) above, is not completed within a period of 90 (ninety) days from the expiry of the ROFR Period, then any proposed sale of the ROFR Securities would once again be subject to the Promoter ROFR, including the requirement to issue a fresh ROFR Notice.

Any transfer or sale of CCDs or Equity Shares upon conversion of the CCDs inconsistent with the terms set out in this Offer Letter shall be considered void.

Investor Rights

- (a) As long as the Investor remains a holder of the CCDs, in respect of the Investor Reserved Matters, no resolution shall be passed including through circulation or decision taken at a meeting of the Board or of any committee of the Issuer or at any general meeting of the Issuer or any action to be taken thereon unless it shall





	<p>be affected as follows:</p> <ul style="list-style-type: none">(i) the approval for such Investor Reserved Matter shall only be affected by way of a written consent from the Investor received prior to or at the meeting of the Board or any committee of the Issuer; and(ii) if the Investor has accorded/granted its consent in writing in relation to an Investor Reserved Matter at the meeting of the Board or any committee of the Issuer, then the Investor shall not have the right to object or disapprove such Investor Reserved Matter at any general meeting of the Issuer.
Information Covenants	<p>With effect from the date of allotment of the CCDs to the Investor, the Investor shall have the right to receive, and the Issuer shall furnish to the Investor, the following:</p> <ul style="list-style-type: none">(a) half yearly financial statements of the Issuer, promptly after finalization of such half yearly unaudited financial statements;(b) a copy of annual audited financial statements of the Issuer;(c) notice, agenda and the minutes of general meetings of the Issuer, promptly upon finalization of the same; and(d) any Material Adverse Effect on the Issuer.

For, South West Mining Limited

(Anil Sood)
Whole Time Director
DIN:00406177

