

Answer - 2



Axis House  
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Bombay Dyeing Mills Compound,  
PB Marg, Worli, Mumbai - 400025  
Ph: 022-66043299, Fax: 022 -24253800

Date: September 18, 2017

**GMR Aero Technic Ltd**

Off Plot No. 1, GMR Aerospace Park,  
GMR Hyderabad Aviation SEZ Ltd,  
RGI, Shamshabad, Hyderabad - 500409

Kind Attn: Mr. Sandip Ray

Dear Sir,

**Sub: Issuance of Rated, senior, listed, unsecured, redeemable, non-convertible debentures of GMR Aero Technic Ltd for an amount aggregating to Rs. 175 Crores.**

With reference to the captioned subject, we are pleased to provide the terms sheet for proposed NCD issue as under.

**Term Sheet**

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| <b>Security Name</b>        | Rated, senior, listed, unsecured, redeemable, non-convertible debentures of a face value of Rs. 10,00,000 (Rupees Ten Lakhs only).  |
| <b>Issuer/Company</b>       | GMR Aero Technic Ltd ("GATL")   |
| <b>Sponsor</b>              | GMR AeroSpace Engineering Ltd. (GAEL)   |
| <b>Promoter</b>             | GMR Hyderabad International Airport Ltd. (GHIAL)  |
| <b>Subsidiary</b>           | Currently, GMR Aero Technic Ltd (GATL) is the subsidiary of GMR Aero Space Engineering Ltd. (GAEL)  |
| <b>Type of instrument</b>   | Non-Convertible Debentures  |
| <b>Nature of instrument</b> | Rated, Senior, Unsecured, Listed, Redeemable  |
| <b>Seniority</b>            | Senior  |
| <b>Mode of Issue</b>        | Private placement   |
| <b>Eligible Investors</b>   | <ul style="list-style-type: none"><li>• Commercial Banks, Co-operative Banks, Eligible Financial Institutions and Insurance Companies;</li><li>• Companies;</li><li>• Non Banking Finance Companies (NBFCs) and Residuary NBFCs and</li><li>• Mutual Funds</li><li>• Foreign Institutional Investors</li><li>• Provident Funds, Gratuity, Superannuation &amp; Pension Funds,</li></ul> |





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|  | subject to their Investment guidelines  |
|  | Any other investor(s) authorised to invest in these Debentures, subject to the compliance with the relevant regulations/guidelines applicable to them for investing in this Issue.  |
| <b>Legal Counsel</b>                       | Cyril Amarchand Mangaldas<br>Charges to borne by Issuer   |
| <b>Sole Arranger &amp; Firm Commitment</b> | Axis Bank Limited   |
| <b>Escrow Bank</b>                         | Axis Bank Limited   |
| <b>Trustee</b>                             | Axis Trustee Services Limited<br>Charges to be borne by Issuer  |
| <b>Rating of the instrument</b>            | Dual rating of AA (SO) by ICRA and CARE/India Ratings/CRISIL  |
| <b>Issue Size</b>                          | Upto Rs. 175 Crs  |
| <b>Objects of the Issue</b>                | Proceeds of the Issue will be used for refinance of the existing loans and advances provided by GAEL and it shall forthwith be utilized by GAEL for refinancing its existing senior loans   |
| <b>Details of utilization of proceeds</b>  | Same as Objects of the Issue  |
| <b>Coupon</b>                              | Fixed coupon of 8.55% per annum payable semi-annually   |
| <b>Coupon payment frequency</b>            | Semi-annually   |
| <b>Coupon Reset Mechanism</b>              | <p><b>Coupon Reset Date</b> - The Coupon shall be reset at the end of 4 Years from Deemed date of allotment.</p> <p><b>Timeline for deciding revised Coupon rate applicable from Coupon Reset Date –</b><br/>The Issuer and Majority Debenture holders (i.e 75% by value of the outstanding NCDs) shall mutually decide the revised Coupon Rate to be applicable from Coupon Reset Date atleast 90 days prior to the Coupon Reset Date.</p> <p>The revised coupon rate as agreed by the Majority Debenture Holders pursuant to above coupon reset mechanism shall be the applicable Coupon Rate for each debenture holder from Coupon Reset Date. In the event the Majority Debenture Holders does not agree to the revised Coupon Rate, the Issuer shall redeem all the Debentures at par alongwith the accrued interest</p> |





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|                                    | and any other dues on the Coupon Reset Date i.e. at the end of 4th Year from the Deemed Date of Allotment (as applicable). Failure to redeem the debentures as per the stipulated timelines above shall constitute an Event of Default.  |
| <b>Fee</b>                         | 0.40% of the Issue Size (plus applicable taxes)  |
| <b>Day Count Basis</b>             | Actual/Actual on calendar year basis   |
| <b>Tenor</b>                       | 7 years from the Deemed Date of Allotment  |
| <b>Redemption Date</b>             | Bullet for the entire Issue at the end of Tenor  |
| <b>Redemption Amount</b>           | At par   |
| <b>Redemption Premium/Discount</b> | NIL  |
| <b>Face Value</b>                  | Rs.10,00,000 per NCD   |
| <b>Settlement Mode</b>             | Payment of interest and principal will be made by way of credit through RTGS system  |
| <b>Record Date</b>                 | 7 days prior to each Coupon Payment and Redemption Date  |
| <b>Security</b>                    | <p>The Debentures together with interest, additional interest, liquidated damages, premia on pre-payment, cost and charges, expenses and all other monies and all other amounts stipulated and payable to the Debenture Holders shall be secured <i>inter-alia</i> by:</p> <ol style="list-style-type: none"><li>1. Unconditional and irrevocable Corporate Guarantee of the Promoter for meeting the deficit in debt servicing by the Issuer (including but not limited to the event of Accelerated/Early Redemption)</li><li>2. First ranking <i>pari passu</i> charge on all movable assets of Issuer, including but not limited to movable plant and machinery, spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, intangible, goodwill, intellectual property, uncalled capital, present and future, in favour of the Debenture Trustee under this Deed;</li><li>3. First ranking <i>pari passu</i> charge and assignment on:<ol style="list-style-type: none"><li>a) all the rights, title, interest, benefits, claims and demands whatsoever of Issuer in the Project Documents and operation and maintenance related agreements;</li><li>b) all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in the Clearances Approvals pertaining to their operations, both present and future;</li><li>c) all the rights, title, interest, benefits, claims and demands whatsoever of the Issuer in letter of credit, guarantee, performance bond, corporate guarantee, bank guarantee provided by any party to the Project Documents; and the Insurance Proceeds received by the Company in favour of the Debenture Trustee under this Deed;</li></ol></li></ol> |





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|                             | <p>4. First ranking <i>pari passu</i> charge on the Transaction Accounts and all book debts, operating cash flows, current assets, receivables, commissions, revenues of whatsoever nature and wherever arising, of Issuer, present and future, in favour of the Debenture Trustee under this Deed</p> <p><b><u>Security Creation and Perfection timeline –</u></b></p> <p>The Security as mentioned in Pt. 1 to Pt. 5 above shall be created and perfected, in form and manner acceptable to the Debenture Trustee, no later than 90 days from the Deemed Date of Allotment.</p> <p>The above Security may be shared on pari-passu basis with the Working capital lenders provided that the amount of such Working capital facility shall not exceed Rs. 35 Crore.</p>  |
| <b>Promoter Undertaking</b> | <ol style="list-style-type: none"><li>1. Undertake that they shall retain the existing shareholding and management control over the Issuer during the tenor of the Facility;</li><li>2. Any change in the Shareholding pattern of the Issuer shall be allowed only with prior written consent of the Debenture Trustee;</li><li>3. The Promoter shall undertake not to raise any demand against receivables and unsecured loans from the Company during the tenure of the Facility ;</li><li>4. The Promoter shall undertake that all loans and advances in any form provided by it to the Issuer or any affiliates of Promoter to the Company or unpaid dues including trade payables due to Promoter or any affiliates shall be subordinate to the NCDs and shall have no right to call an Event of Default</li><li>5. The Promoter shall undertake not to raise any demand against receivables and unsecured loans from the Company during the tenure of the Facility Except as permitted under the Restricted Payment clause.</li><li>6. Promoter shall ensure that its DSCR shall not fall below 1.1x at any time during the tenor of the Facility. Such DSCR testing shall be done on a semi-annual basis on the basis of trailing 12 months financials.</li></ol> <p>Undertaking to be furnished upfront before disbursement. This undertaking shall be legally binding and to the satisfaction of Investor</p> |
| <b>Rating Action</b>        | <p>Coupon will be reset if the rating is downgraded during the tenure of the Instrument and shall be increased by 25 bps for every notch downgrade from the date of such downgrade.</p> <p>In the event of Credit Rating downgrade to "A (SO)" or lower by any other</p>   |



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|   | <p>rating agency, one of the following options may be exercised:</p> <ol style="list-style-type: none"> <li>1. Debenture Holders can exercise Put Option on the entire outstanding NCDs along with all other monies/ accrued interest due in respect thereof and the Issuer shall be required to redeem the Debentures within 60 days of exercise of such Put option by the Debenture Holders.<br/>In case the outstanding amount is not paid to the Debenture holders within 60 days of exercise of such Put option by the Debenture Holders, the coupon rate shall increase by 50 bps per annum over and above the existing coupon for downgrade to A (SO) and every notch below A (SO) thereafter. Further, an additional interest of 2% per annum payable monthly over and above the applicable coupon rate shall become due and payable for the period of default beyond 60 days.</li> <li>2. In case Debenture Holders do not opt for Put Option, it can opt to increase the coupon by 50 bps per annum over and above the existing coupon for downgrade to A (SO) and every notch below A (SO) thereafter.</li> <li>3. Issuer can exercise Call option on the entire outstanding NCDs.</li> </ol> <p>In case of multiple rating agencies, lowest rating available shall be considered for the above purpose.</p> |
| <p><b>Condition precedent to Disbursement</b></p> | <p>Customary to financing of such transactions, including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Delivery of constitutional documents and corporate authorizations of the Company, Sponsor and the Promoter</li> <li>2. Execution of PAS – 4, Corporate Guarantee Agreement, Debenture Trustee Agreement, Escrow Account Agreement</li> <li>3. Issuer to provide evidence of the corporate power, authority and required corporate action to enter into, and signing authority of the persons executing the Financing documents on behalf of the Issuer, Sponsor and Promoter</li> <li>4. Appointment of Investors' Legal Counsel ("LLC"). The cost for the same will be borne by the Company</li> <li>5. Receipt of legal opinion from the LLC on the validity and enforceability of the documents required to be executed prior to initial disbursement;</li> <li>6. Execution of Promoter Undertakings in the form and manner to the satisfaction of Debenture holders</li> <li>7. Obtaining consent of Debenture Trustee to act as Debenture Trustee</li> <li>8. Obtaining in principle approval for listing from BSE/NSE</li> <li>9. All insurance policies required under the Project and Financing Documents to be in full force and effect</li> </ol>                                |





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10. Submit CA certificate confirming the current outstanding debt of the Company
11. Confirmation from the Company Secretary that Account with Bank is Standard and regular
12. Proof that the Issuer has submitted prepayment notice to the existing lenders. No Dues certificate from security charge holders of the Issuer to be obtained within 30 days from pay in date.
13. Obtaining provisional rating and rating rationale from atleast one Credit Rating Agency.
14. Issuer shall have obtained the insurance coverage required by the terms and conditions of the Transaction Documents (except for insurance coverage that is not required to be obtained or issued until a later stage in operation of the Project) and the Insurance Advisor shall have certified that all such insurance are adequate and is in full force and effect
15. Have confirmed that there is no Event of Default which has happened and has not been cured or waived and all representations and warranties made by the Issuer are true or correct;
16. No breach of any representation or warranty
17. Provide documentary evidence that the Issuer has opened a new Escrow Account with Escrow Bank and has agreed to deposit all the cash inflows of Issuer in the said account. All the cash flows shall be routed through such new Escrow Account;
18. Issuer shall inform the existing Escrow Bank to act solely on the instructions of the Debenture Trustee pursuant to the NCDs transaction. The existing Escrow Account shall be closed within 30 days from the Deemed Date of Allotment and the balance in all the Accounts shall be transferred to the new Escrow Account.
19. Issuer shall make depository arrangements for issue and holding of the NCDs in dematerialized form;
20. Shareholders' resolutions and Board resolutions and other relevant approvals as applicable under the Companies Act 2013;
21. The Issuer to give a declaration / undertaking to the effect that none of its directors, is a director or specified near relation of a director of a Bank;
22. Certificate from a director/Authorised Officer of the Issuer providing ;confirmations, in form and substance satisfactory to the Primary Investor, including but not limited, to the following:
  - a) Non-occurrence of any force majeure event;
  - b) All representations and warranties being true and correct in all material respects on and as of the date of the Drawdown, before and after giving effect to such Drawdown and to the application of the proceeds there from;





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|   | <p>c) No Event of Default or event which, with the giving of notice or passage of time or both, would be an Event of Default, having occurred and continuing, or would result from such drawdown;</p> <p>d) Absence of any Material Adverse Change;</p> <p>23. Issuer shall unwind the Loan Equivalent Risk (LER) facility for cross currency arrangement or any other derivative contract (if any) entered into by the Issuer.</p> <p>24. Any other mutually acceptable condition as may be determined during detailed due diligence.</p>  |
| <b>Condition subsequent to Disbursement</b> | <p>Customary to financing of such transactions, including but not limited to</p> <ol style="list-style-type: none"><li>1. Board resolution for allotment of debentures</li><li>2. Allotment of the Debentures and credit in dematerialized form within 2 (Two) Business Days from the Deemed Date of Allotment.</li><li>3. End use certificate from independent Chartered Accountant to be provided within 30 days of Deemed Date of Allotment</li><li>4. Completing the listing of the Debentures on the NSE and BSE within 15 days from the Deemed Date of Allotment</li><li>5. Creation and perfection of Security within stipulated timeframe</li><li>6. Execution of balance financing documents in relation to the NCDs transaction (including but not limited to Debenture Trust Deed) within a period of 60 days from the Deemed Date of Allotment</li><li>7. Any other condition stipulated by the Debenture Trustee for protecting and perfecting the Security created to secure the obligations under the Debenture Documents</li><li>8. Proof that the Company has repaid the existing lenders within 7 business days from the proceeds of the issuance</li><li>9. No Dues Certificate from existing lenders within 30 days from deemed date of allotment</li><li>10. Obtain final credit rating of AA (SO) from two Credit Rating Agency within 30 days from the Deemed Date of Allotment failing which additional coupon rate of 1% per annum will be levied over and above the applicable coupon rate.</li></ol> <p>The above terms are indicative and shall be defined in detail in the Financing Documents</p> |
| <b>Mechanism of Funding</b>                 | <p><b>Servicing of Coupon/Principal:</b></p> <ul style="list-style-type: none"><li>• Escrow Account shall be funded by the Issuer atleast T-5 business days prior to the Due Date, wherein Due Date is "T" day.</li><li>• Incase there does not exist adequate balance in the Escrow to meet the ensuing debt servicing obligation on T-5 business day, Debenture</li></ul>   |





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|                                      | <p>Trustee will issue the notice to Promoter to fund the debt servicing shortfall by T-3 business day.</p> <ul style="list-style-type: none"><li>• Promoter shall arrange the funds to meet the ensuing debt servicing obligations by T-1 business day.</li><li>• On T day, Trustee to utilize the funds in the Escrow Account to make the scheduled debt servicing obligation.</li></ul> <p><b>Incase of Early Redemption Event:</b></p> <ul style="list-style-type: none"><li>• Debenture Trustee will issue the notice immediately to Issuer and Promoter informing the Outstanding Dues related to the NCD, payable due to occurrence of Event of Default or Accelerated Redemption. Date of such notice shall be termed as "T" day.</li><li>• Issuer shall fund the "Escrow" with Outstanding Dues within T+2 days from the date of such Event of Default.</li><li>• Incase Issuer is unable to fund the Escrow Account within T+2 days, Debenture Trustee will inform the Promoter on T+3 days for bringing the funds equivalent to outstanding amount of NCDs alongwith accrued interest, penalty and other dues by T+5 days.</li><li>• On T+5 days, Debenture Trustee will transfer amounts from to Escrow Account for clearing the Outstanding Dues.</li></ul> <p>For the sake of abundant caution, it is hereby clarified that upon the occurrence of any payment default, all the amounts due and payable in respect of the Debentures shall be required to be paid immediately by the Issuer/Promoter (as the case may be) and the aforesaid time period of 5 days shall not be available for making such payments.</p> |
| <b>Restricted Payment Conditions</b> | <p>Restricted Payments will be permitted on annual basis when all the following conditions ("Restricted Payments Conditions") are fulfilled:</p> <ol style="list-style-type: none"><li>a) Repayment/Redemption of Facility has commenced in terms of Financing Agreements;</li><li>b) Such payment is permitted by law;</li><li>c) No Event of Default (EoD) or Potential EoD has occurred and is continuing;</li><li>d) There is no breach under the Promoter Undertaking.</li><li>e) An amount equivalent to the ensuing coupon servicing obligation has been set aside in the Escrow account.</li></ol> <p>Restricted Payments means all dividends, repayment/payment of loans, advances, investments, unpaid dues (including trade payables) from</p>   |





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|                               | Shareholders or associate/group companies of Shareholders (including but not limited to funds infused towards meeting the default in the debt servicing obligations of the Issuer).  |
| <b>Early Redemption Event</b> | Each of the following events, upon the occurrence of which the Debentures shall be required to be redeemed prior to their maturity date:<br>(i) As per Rating Action Clause;<br>(ii) As per Coupon Reset Mechanism Clause<br>(iii) Upon occurrence of 'Accelerated Redemption' as consequence to Event of Default  |
| <b>Events of Defaults</b>     | Including but not limited to<br>1. Failure to pay the interest and/or principal amounts due under the NCDs on the due dates.<br>2. Misleading representation and warranties or Breach of any covenant, if not remedied within 60 days<br>3. Winding up, Bankruptcy and Dissolution of the GAEL & GATL<br>4. Insolvency proceedings admitted and not stayed / quashed within 60 days of notice<br>5. Judgments, not challenged within 60 days and creditors process<br>6. A receiver being appointed in respect of the whole or any part of the property of the Issuer<br>7. Security creation/ perfection exceeding stipulated timelines<br>8. Moratorium<br>9. Expropriation<br>10. Unlawfulness<br>11. Repudiation, not remedied within 30 days<br>12. Breach of any material covenant<br>13. Cessation of business<br>14. Abandonment of the Project on grounds other than Force Majeure<br>15. Suspension of the operation of the Project (other than due to occurrence of a Force Majeure Event) leading to a Termination event<br>16. Insurance not in full force and effect, and not renewed or revalidated within 60 days<br>17. Failure to maintain authorisations and having material adverse effect<br>18. Material adverse effect, not remedied within 60 days<br>19. Material litigation not stayed / quashed within 60 days<br>20. Delisting of the Debentures<br>21. Loss of Project<br>22. Termination notice in respect of any material project contract<br>23. Cross Default by GAEL & GATL on any of their financial indebtedness towards loans / debentures due to any Bank/Financial Institutions/Mutual Funds/FIIs/etc |





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|   | <p>24. any of the existing lenders (or their agents/trustee) initiate an enforcement action against the Issuer and/or the Sponsor and/or the Promoter</p> <p>25. Promoter does not comply with its obligations under the Transaction Documents including payment of any amount payable by it</p> <p>26. Default by Promoter under any Debenture Documents, to which it is a party.</p> <p>27. Failure to top-up the DRR account in the event of any shortfall for maintaining the required amount within 30 days</p> <p>28. Security ceasing to be valid first ranking security;</p> <p>The above terms are indicative and shall be defined in detail in the Financing Documents including consequence &amp; Remedies of Event of Default.</p> <p>Debenture Trustee shall have the right to appoint Nominee Director on the Board of Directors of the Issuer in case of occurrence of Event of Default.</p>  |
| <b>Consequence of an Event of Default</b> | <p>Including but not limited to</p> <ol style="list-style-type: none"><li>Applying all cash proceeds arising from the operations of the Project in the Transaction Accounts towards repayment obligations to the Debenture holders</li><li>Acceleration for immediate payment for any Event of Default (post cure period)</li><li>Enforcement of Security and any rights available under Debenture documents</li><li>Applying the amounts standing to the credit of the Transaction Accounts and the Permitted Investments towards payment of dues under the Debentures</li><li>Exercise any and all substitution rights as specified in the Transmission Service Agreement</li><li>Exercise all or any rights or remedies of the Issuer under one or more Project Documents against any parties to such Project Documents; and</li><li>Exercise such other remedies as permitted under applicable law</li></ol> <p>The above terms are indicative and shall be defined in detail in the Financing Documents</p> |
| <b>Penal Interest</b>                     | <p>In case of any default in meeting the debt servicing obligation towards the NCDs, additional interest of 2% per annum payable monthly ("Penal Interest Rate") over and above the Coupon Rate shall become due and payable for the period of default (the "Penal Interest").</p>   |
| <b>Default interest rate</b>              | <ul style="list-style-type: none"><li>In case of delay in execution of the Debenture Trust Deed or other</li></ul>   |



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|  | <p>Financing Documents or the Security is not created and perfected within 90 (ninety) days from the Deemed Date of Allotment, Issuer will pay penal interest of 2% p.a over the coupon rate till these conditions are complied with.</p> <ul style="list-style-type: none"> <li>• In case of an Event of Default, additional interest of 1(one)% p.a over the coupon rate will be payable by the company for the defaulting period</li> <li>• In case of delay in listing of debt securities beyond 15 (fifteen) days from Deemed Date of Allotment, the Issuer will pay penal interest of 1(one)% p.a over the coupon rate from expiry of 15 (fifteen) days from the Deemed Date of Allotment till the listing of such debt securities to the Investor</li> </ul> <p><i>*The interest rates mentioned in above cases are the minimum interest rates payable by the Company and are independent of each other.</i></p>   |
| <p><b>Provisions related to Cross Default Clause</b></p> | <ul style="list-style-type: none"> <li>i. Any Financial Indebtedness of the GAEL / GATL is not paid when due or within any applicable grace period;</li> <li>ii. GAEL / GATL indebtedness is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default (however described).</li> <li>iii. Any commitment for any Financial Indebtedness of the GAEL / GATL is cancelled or suspended by a creditor of the Issuer as a result of an event of default explicitly mentioned (however described).</li> <li>iv. GAEL / GATL is unable or has admitted in writing its inability to pay any of its Financial Indebtedness as they mature or when due;</li> <li>v. An event of default, howsoever described, occurs and is subsisting under any agreement or document relating to any Financial Indebtedness of the GAEL / GATL ;</li> <li>vi. Any creditor of the GAEL / GATL becomes entitled to declare any Financial Indebtedness of GAEL / GATL due and payable prior to its specified maturity as a result of any actual or potential default, event of default, credit review event or similar event (however described); or</li> <li>vii. Any creditor of the GAEL / Promoter / GATL initiates any Enforcement Action against GAEL / Promoter / GATL in relation to its Financial Indebtedness, other than any action initiated against the Company under the RBI's strategic debt restructuring route.</li> </ul> |
| <p><b>Transaction Documents</b></p>                      | <p>All documents entered into in relation to the issuance of the Debentures and/or the creation of any Security Interest and/or other rights and privileges of the Investors and the Debenture Trustee including but not limited to (i) Debenture Trustee Appointment Agreement,</p>  |





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|   | (ii) Debenture Trust Deed,<br>(iii) Corporate Guarantee<br>(iv) Project Documents  |
| <b>Role &amp; Responsibility of Debenture Trustee</b> | As detailed in the Debenture Trust Deed/Debenture Trustee Agreement  |
| <b>Governing Law and Jurisdiction</b>                 | The transaction documents shall be governed by Indian Laws and subject to exclusive jurisdiction of the courts in Hyderabad, India.  |
| <b>Business Day Convention</b>                        | 'Business Day' shall be any day other than Saturday, Sunday and on which commercial banks are closed for business in the city of Mumbai. If any coupon payment date and/or redemption date falls on a day which is not a business day, payment of interest shall be made on succeeding day and payment of principal shall be made on preceding day.  |
| <b>Effect of Holiday</b>                              | <p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day. However, the calculation of interest payable would be done upto and excluding the original interest payment date (holiday).</p> <p>If the Redemption Date (also being the last Coupon Payment Date) of the Bonds falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Bonds until but excluding the date of such payment. In the event the Record Date falls on a day which is not a Business Day, the immediately succeeding Business Day will be considered as the Record Date.</p> <p>Business day means a day on which Schedule Commercial Banks are in open for Business in the city of Mumbai and Hyderabad.</p> |
| <b>Force Majeure</b>                                  | The Issuer understands that this term sheet is contingent on the assumption that from the date of the provision of this term sheet to the Deemed Date of Allotment, there is no material adverse change in the financial conditions of the Issuer and Indian debt markets which in the reasonable opinion of the Investor would make it inadvisable to proceed with the issue. In case of such material adverse change, the terms may be renegotiated to the mutual satisfaction of the Investor and the Issuer.   |
| <b>Computation of Interest</b>                        | Interest payable on the Debentures shall be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.  |
| <b>Cost &amp; Expenses</b>                            | All costs and expenses (including legal fees) reasonably incurred in connection with the preparation, negotiation, printing, execution the related financing documents and any other document referred to in it and the related documentation including but not limited to fees of third party service providers   |





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8<sup>th</sup> Floor, Debt Capital Markets,  
Bombay Dyeing Mills Compound,  
PB Marg, Worli, Mumbai – 400025  
Ph: 022-66043299, Fax: 022 -24253800

|  |   |
|--|---|
|  | such as Agent, Account Bank and Security Agent, shall be paid by the Borrower on demand whether or not the Facility Agreement is signed.  |
| <b>Other Terms &amp; Conditions to be detailed</b> | <p>1. GAEL shall hold 100% equity shareholding in GATL at all times during the tenor of the Facility. Provided that, the Debenture holders may permit merger of GATL and GAEL subject to compliance with extant laws and regulations for the time being in force and the Promoter shall hold 100% equity shareholding in the combined entity for the balance tenor of the NCDs and any change in the shareholding pattern of the combined entity shall be allowed only with prior written consent of the Debenture Trustee</p> <p>The borrower shall also have to comply with customary covenants such as Financial Covenants, Representation and Warranties from the Borrower, Conditions Precedent to the effectiveness of the loan and condition precedents to each disbursement, Affirmative covenants by Borrower, Negative covenants, Additional Covenants, Information Covenants, Events of Defaults by the borrower and the consequences of the Event of Default, RBI disclosure norms, as applicable etc. All other standard terms and conditions of the Lending Bank(s) will also be applicable</p> |

Thanking You,

Yours faithfully,

Vikas Shinde  
Senior Vice President, Debt Capital Markets  
Axis Bank Limited



**GMR Aero Technic Ltd agrees to the terms and conditions set out in the above letter**  
For GMR Aero Technic Ltd

By:   
Name: **K. VENKATA RAMANA**  
Designation: **CFo**  
Date: **20/9/18**

