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12/08/2021

**Indicative Term sheet for the issue of Unlisted, Secured, Unrated, Redeemable, Non-Convertible
Debenture ("NCDs") of Suraj Finvest Private Limited**

This summary of indicative terms and conditions ("Term Sheet") set out below are proposed to govern the terms and conditions of the proposed issuance of Unlisted, Secured, Rated, Redeemable NCDs issued by the Issuer, as defined below. The terms and conditions outlined herein are indicative and are intended only to outline certain basic commercial points around which the NCDs could be structured, and are subject to various condition precedents and relevant internal approvals (including but not limited to credit, legal and compliance approvals) of DBS or any of its group entities / partners and should not be construed as a commitment from DBS or any of its group entities / partners, to arrange the transaction.

Issuer / Company	Suraj Finvest Private Limited ('SFPL')
Instrument	Unlisted, Unrated, Redeemable, Non-Convertible Debenture ("NCDs")
Security Status	Exclusive Pledge on Emami Limited ("EL") shares with a minimum cover of 1.5x Security / pledge to be created prior to disbursement Corporate Guarantee issued by Sneha Enclave Private Limited
Seniority	Pari-passu with all existing and future senior secured indebtedness of the company
Mode of Placement	Private Placement
End use of proceeds	The NCD proceeds would be utilized for cost optimization / pre-payment of existing promoter debt raised in Suraj Finvest and / or other Hold Cos. / Op Cos. <i>(End use should not include Real Estate activity, purchase of land and any capital market transaction)</i>
Sole Arranger	DBS Bank India Ltd.
Legal Counsel	Juris Corp
Sole Investor	DBS Bank Ltd. through the FPI VRR route
Size	INR 250 crore
Tenor	Door to door tenure of 3 years with INR 75 crore, INR 75 crore and INR 100 crore each redeemable / repayable at the end of 1, 2 and 3 years, respectively
Put / Call Option	Not Applicable
Redemption	Door to door tenure of 3 years with INR 75 crore, INR 75 crore and INR 100 crore each redeemable / repayable at the end of 1, 2, and 3 years respectively
Indicative Coupon	8.50 % p.a. (inclusive of withholding tax)
Coupon Payment Frequency	Semi-annual, subject to deduction of Tax at source, as applicable
Day Count Basis	Actual / Actual
Issue Price	At Par
Redemption Price	At Par
Face Value	INR 10,00,000 per NCD
Rating	The Debentures are unrated
Issuance Mode	In Demat only

Incorporated in India
CIN no: U65999DL2018FLC329236

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Trading Mode	In Demat only
Record Date	15 days prior to each coupon payment date and/or redemption date
Default Interest Rate	In case of default in payment of interest and/or Redemption Amount on due dates, additional interest @ 2% p.a. over the Coupon Rate will be payable by the Company for the period under default.
Arranger Structuring Fee	INR 2,500,000 (Twenty Five Lacs) plus applicable taxes
Business Convention	<p>'Business Day' shall be any day other than Saturday, Sunday and on which commercial banks are closed for business in the city of Kolkata, Mumbai and Singapore.</p> <p>If any of the Coupon Payment Date(s) (other than on Repayment Date) falls on a day which is not a Business Day, the payment due on such date may be made on the immediately succeeding Business Day.</p> <p>It is further clarified that the amount of interest payable on each such Coupon Payment Date will be calculated as if Coupon Payment Date remained as per the schedule originally stipulated at the time of issuing the Debentures.</p> <p>If the Redemption Date falls on a day which is not a Business Day, payment in respect of Redemption Amount (along with interest accrued on the Debentures until but excluding the date of such payment) shall be made one Business Day prior to the Redemption Date.</p>
Financial Covenants	<p>The Issuer shall ensure that the following covenants are maintained during the currency of the debentures.</p> <ul style="list-style-type: none">• SFPL's shareholding in EL not to fall below 20%• Promoter holding in EL not to fall below 50% <p>('Promoter' shall mean Suraj Finvest Private Limited, Sneha Enclave Private Limited, TMT Viniyogan Limited, Emami Paper Mills Limited, Emami Capital Markets Limited, Emami Frank Ross Limited and other individuals of Goenka Family and Agarwal Family)</p> <ul style="list-style-type: none">• SFPL to remain the Goenka Family's wholly owned investment company• SFPL to undertake a 'Non-Disposal undertaking' with regards to its holding of EL shares, not to fall below 20%• SFPL's external debt not to exceed INR 5 B• LTV coverage of 1.5x to be maintained. A drop in the cover to < 1.35x should be made good by pledge of additional shares within a week of the breach, so that the coverage is reinstated to 1.5x. In case the cover increases to > 1.65x, the subscriber may consider to release some pledge on client's request to reinstate the same to 1.5x.

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	<ul style="list-style-type: none">• LTV cover of DBS Bank to be pari-passu with any new external lender(s) of SFPL. In the event a better coverage is offered to any new lender, then DBS Bank shall also be offered the same• In the event of invocation of any Corporate Guarantee issued by SFPL, and if the same is not cured within 7 working days, the same shall constitute an EOD• If the overall promoter pledge in Emami Limited increases > 55% during the tenor of our loan, DBS Bank shall have the right to recall / revisit our exposure.
Reporting Covenant	<p>Customary to financings of this nature, Issuer shall provide to the trustee the following documents Including but not limited to:</p> <ul style="list-style-type: none">• Audited consolidated Financial statements of the Issuer within 180 days from the end of financial year and unaudited financial statements of Issuer within 90 days from the end of first half of Financial Year• Issuer to provide *end-use certificate within 30 days of Deemed Date of Allotment confirming that no part of the Issue has been used for activities like investment in capital markets, real estate, acquisition or purchase of land or for refinancing of debt which was used for the said purposes, along with the heads under which funds have been actually utilized in accordance with Transaction Documents• The Issuer shall submit such financial statements as may be required by the debenture holder(s) from time to time, apart from the set of such statements to be furnished by the Issuer to the Debenture holder(s) as on date of publication of the Issuer's annual accounts;• Issuer shall inform of the happening of any event that has a material adverse effect on the operations, sales and profits of the Issuer together the remedial steps proposed to be taken by the Issuer.• Others as required by the Debenture Trustee in the Transaction Documents
Transaction Documents	<p>The Company has executed/shall execute the documents including but not limited to the following in connection with the issue:</p> <ul style="list-style-type: none">(a) Certified true copy of the Board Resolution(b) Consent Letter from the Debenture Trustee to act as Trustee for the Issue.(c) Trusteeship Agreement/Debenture Trust Deed(d) Share Pledge Agreement(e) Power of Attorney(f) Tripartite Agreement between the Company, the Registrar and NSDL / CDSL for offering Depository option to the investors, if required

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	<p>(g) PAS-4 as per Companies Act, 2013 (h) Corporate Guarantee from Sneha Enclave Pvt Ltd (i) Non disposal undertaking</p>
Pre-disbursement Conditions	<p>(i) Consent Letter from the Debenture Trustee to act as Debenture Trustee for the Issue (ii) PAS-4 as per Companies Act, 2013 (iii) Certified Board and Shareholders Resolutions (iv) Executed Debenture Trust Deed (v) Executed share pledge agreement & Power of Attorney (vi) Filing of Annexure W with the Depository and obtaining pledge master report (vii) Executed Corporate Guarantee from Sneha Enclave Pvt Ltd. (viii) Non disposal undertaking</p>
Conditions Subsequent	<ol style="list-style-type: none">1. Credit the Debentures in demat form to the respective account of Debenture-holders within 2 days of deemed date of allotment2. Provide evidence that form PAS-5 is being maintained within 15 days of deemed date of allotment.3. Filing a return of allotment of NCDs with complete list of all Debenture holders in Form PAS-3 under section 42 of the Companies Act, 2013, with the Registrar of Companies, Kolkata within 15 days of the Deemed Date of Allotment along with the fee as provided in the Companies (Registration Offices and Fees) Rules, 2014;4. Issuer to provide end-use certificate within 30 days of Deemed Date of Allotment confirming that no part of the Issue has been used for activities like investment in capital markets, real estate, acquisition or purchase of land or for refinancing of debt which was used for the said purposes, along with the heads under which funds have been actually utilized in accordance with Transaction Documents.5. Any other Conditions Subsequent as advised by the legal counsel. Besides, the Issuer shall perform all activities, whether mandatory or otherwise, as mentioned elsewhere in the Private Placement Offer Letter6. Filings for the purpose of IBC7. ROC & CERSAI filing to be done within 30 days from the Deemed Date of Allotment8. LTV coverage of 1.5x to be monitored on a weekly basis. A drop in the cover to < 1.35x should be made good by pledge of additional shares within a week of the breach, so that the coverage is reinstated to 1.5x. In case the cover increases to > 1.65x, the subscriber may consider releasing some pledge on client's request to reinstate the same to 1.5x. For release, the price calculation shall be arrived / stipulated at last two months' average price or current price whichever is lower.

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	9. All necessary filings to be done as per SEBI regulations with respect to pledge creation
Valuation for Initial Pledge of Shares	For the initial creation of pledge at the time of disbursement, the market value of the pledged shares shall be calculated on the basis of the lower of the two: a) Average closing price of the securities on the National Stock Exchange ("NSE") and Bombay Stock Exchange ("BSE") for the immediate preceding 2 months, and b) The last closing price of the shares on the NSE / BSE on the trading day immediately preceding the day of disbursement
Event of Default	Each of the following events shall be an Event of Default subject to agreed thresholds or cure periods: a) Non-payment of the Redemption Amount and/or Coupon due and payable, by the Issuer by the relevant Payment Date. b) the Issuer does not perform or comply with one or more of its other obligations in relation to the NCD or the Debenture Trust Deed which default is incapable of remedy or, if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 30 days after written notice of such default shall have been given to the Issuer by the Debenture Trustee; c) the Issuer or EL is deemed by law or a court to be insolvent or bankrupt or unable to pay a material part of its debts, or stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer. The materiality thresholds in this regard shall be agreed upon and set out in the Transaction Documents; d) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer or EL and provided that the same is not discharged or stayed within 60 days; e) Initiation of insolvency proceedings against the Issuer or Emami Limited

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	<p>f) an order is made for the winding-up or dissolution, judicial management or administration of the Issuer or EL, or the Issuer or EL ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;</p> <p>g) an administrative or other receiver or an administrator is appointed of the whole or substantial part of the property, assets or revenues of the Issuer or EL (as the case may be) and is not discharged within 60 days;</p> <p>h) the Issuer or EL commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for all or a substantial part of its property or take any action towards its liquidation or dissolution;</p> <p>i) It is unlawful for the Issuer to perform or comply with its obligations under any of the NCD or the Debenture Trust Deed, provided such unlawfulness continues for a period of more than 90 days from the date of occurrence thereof;</p> <p>j) Any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalization of all or a material part of the assets of the Issuer;</p> <p>k) Any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.</p> <p>l) Breach of representation, warranty or undertaking: Any representation, warranty or undertaking (including the pledge top up requirements) provided by the Issuer in any Facility Document or in any document delivered thereunder is not complied with, or is or proves to have been incorrect in any respect when made or the Issuer does not perform or comply with any of the provisions under any Facility Document to which it is a party.</p>
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	<p>m) If the shares of Emami Limited get delisted from NSE / BSE anytime during the tenor of the Debentures</p> <p>n) If the security is in jeopardy</p> <p>If any Event of Default has happened, the Issuer shall, forthwith give notice thereof to the Debenture Trustee in writing specifying the nature of such event of default or of such event.</p>
Penal Interest/Liquidated Damages	In the case of any Event of Default in the regular payment of the NCD on the due dates as stated above, additional interest of 2% per Annum payable monthly shall become due and payable over the monies due for the period of default.
Governing Law and Jurisdiction	The Transaction Documents shall be governed by and construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of courts at Kolkata in India
Pricing Date	14 September 2021
Deemed Date of Allotment	20 September 2021
Maturity Date	Redeemable / repayable as below: 20 - September - 2022 – INR 750 M 20 - September - 2023 – INR 750 M 20 - September - 2024 – INR 1000 M
Other Conditions	<p>Issuer is aware that DBS Bank Ltd. will be executing a currency swap transaction with other parties before investing in the NCD for the purpose of hedging the currency and interest rate risks, exchange rate risks and/or any other liabilities in respect of, or in connection with the investment in the NCDs</p> <p>Issuer undertakes to bear the amount of direct losses, expenses and costs directly related to the currency swap transaction to DBS Bank Ltd. of unwinding, terminating, liquidating, adjusting, obtaining, replacing or re-establishing any underlying or related currency hedging arrangements (including, but not limited to, the purchase or sale of any options or swaps, or selling or otherwise realising any instruments of any type whatsoever which DBS Bank Ltd. may hold as part of such hedging arrangements), all as calculated by DBS Bank Ltd. in good faith acting in a commercially reasonable manner, caused by</p> <p>(j) the failure of the Issuer to issue the NCDs on the agreed issue date; or</p> <p>(i) the Issuer issuing the NCDs on a different issue date from the agreed effective date of the currency swap transaction; or</p> <p>(ii) the issuance of the NCDs on terms which do not match or hedge the terms of the currency swap transaction, unless such failure to issue NCDs is directly caused by DBS Bank Ltd; or</p>

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	<p>(iii) due to any buy back in full or in part, prepayment or repayment by the Issuer; or</p> <p>(iv) due to any Event of default committed by the Issuer</p> <p>Issuer confirms that the above undertaking is legally binding on the Issuer, its successors in title and permitted assigns and shall be valid till all outstanding amounts under the NCDs have been repaid in full to the Sole Investor</p>
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