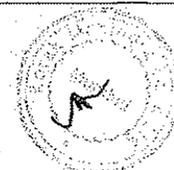


Indicative Terms & Conditions

Security Name	7.00% Torrent Pharmaceuticals Limited 2018
Issuer/Company/Borrower	Torrent Pharmaceuticals Limited
Sole Arranger	Kotak Mahindra Bank Limited
Investor	Debenture Holders of NCDs issuer under the Facility
Promoters	Entities as declared to the NSE/BSE as on Sep 30, 2017 under "Promoter & Promoter Group"
Issue Size	Rs. 500 crore
Instrument	Rated Listed Redeemable Non-Convertible Debentures (hereinafter referred to as "NCDs" or "Debentures")
Purpose	For General Corporate Purpose The issuer undertakes that the proceeds of this Issue shall not be used for any purpose, which may be in contravention of the Government/RBI/SEBI/other regulatory guidelines.
Credit Rating	IND A1+ (Ind A Plus) by India Ratings and Research Pvt. Ltd.
Face Value	Rs. 1,000,000/- (Rs Ten Lacs only) per NCD
Issue Price	At face value of Rs. 1,000,000/- (Rupees Ten Lacs) per Debenture.
Minimum Application	10 Debentures (Rs. 1.00 crore) and in multiples of 1 Debenture (Rs. 10 Lacs) thereafter
Put & Call Option	At the end of every 3 months from the Deemed Date of Allotment
Tenor	360 days
Redemption	Bullet at the end of the Tenor or on exercise of Put/Call Option, whichever is earlier
Redemption Amount	NCDs will be redeemed at par
Coupon Rate	7.00% p.a.
Coupon Payment Frequency	Annually or at Redemption
Coupon Type	Fixed
Mode of Placement	Private placement to eligible investors
Mode of issuance	Demat
Trading Mode	Demat
Seniority	Senior
Discount at which security is issued and the effective yield as a result of such discount.	Not Applicable
Put Date	6 th March, 2018 4 th June, 2018 4 th September, 2018
Put Price	At par along with accrued interest
Call Date	6 th March, 2018 4 th June, 2018 4 th September, 2018
Call Price	At par along with accrued interest
Put Notification Time	Latest by 5 pm on the date falling 15 days prior to the applicable Put Date
Call Notification Time	Latest by 5 pm on the date falling 15 days prior to the applicable Call Date
Step Up/ Step down	Not Applicable
Coupon Payment Date	29 th November, 2018



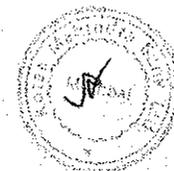


Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable
Issue Opens On	4 th December, 2017
Issue Closes On	4 th December, 2017
Pay-in Date	4 th December, 2017
Deemed Date of Allotment	4 th December, 2017
Maturity Date	29 th November, 2018
Settlement Mode	By way of cheque(s)/ warrant(s)/ demand draft(s), direct credit through Electronic Clearing Service ("ECS")/ Real Time Gross Settlement ("RTGS") mechanism or any other approved mode
Listing	The Debentures shall be listed on the Wholesale Debt Market ("WDM") segment of the National Stock Exchange of India Limited ("NSE")
Delay in Listing	The Issuer shall file listing application with NSE and complete all the formalities within 15 days from the Deemed Date of Allotment and seek listing permission from NSE within 20 days from the Deemed Date of Allotment. In the event of delay in listing of Debentures beyond 20 days from the Deemed Date of Allotment, the Issuer shall pay a penal amount of 1.00% p.a. over the Coupon Rate from the expiry of 30 days from the Deemed Date of Allotment till the listing of Debentures to the Holders of Debentures.
Issue of Debentures	The Issuer will issue the Debentures / Letters of Allotment in dematerialized form within two business days from the Deemed Date of Allotment
Event of Default	If the Issuer commits a default in making payment of any installment of Interest/ Coupon or Redemption of principal amount of the Debentures on their respective due date(s), the same shall constitute an "Event of Default" by the Issuer. The complete list of Events of Default, customary to the nature of the transaction(s), shall be specified in the Debenture Trust Deed and/or other security document(s).
Default Interest Rate	In the event of delay in payment of Interest/ Coupon and/or Redemption amount on their respective due date(s), the Company shall pay additional interest of 1% p.a. over the respective Coupon Rate payable on the Debentures, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.
Day Count Basis	"Actual/ Actual" basis Interest will be computed on an "actual/actual basis". Where the period for which such amounts are to be calculated (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis.
Interest on Application Money	Interest at the respective Coupon Rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the Debentures, for the period starting from and including the date of realization of application money in Issuer's bank account upto one day prior to the Deemed Date of Allotment.
Depositories	National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL")
Registrar	[KARVY Computershare Pvt Ltd]
Debenture Trustee	[IDBI Trusteeship Services Ltd]
Record Date	15 days prior to each Coupon/ Interest Payment Date and/ or principal Redemption Date





Management Control	<p>Torrent Group to have Management Control of the Borrower.</p> <p>“Management Control” means the power (whether by way of ownership of shares of not less than 26% (twenty six per cent), proxy, acting in concert, contract or otherwise) to:</p> <p>(a) appoint or remove the manager or managing director of the Borrower with substantial powers of management; and</p> <p>(b) appoint or remove the majority of the directors excluding governmental nominees and Lender's nominees on the board of the Borrower,</p> <p>OR</p> <p>(a) appoint or remove the manager or managing director of the Borrower with substantial powers of management; and</p> <p>(b) give directions with respect to the operating and financial policies* of the Borrower in the interest of the Borrower and good corporate governance which the majority of directors on the board of the Borrower (excluding independent directors, government nominees and lenders' nominees) are obliged to comply with.</p>
Other Terms and Conditions	<p>Customary for facility of this nature including but not limited to Events of Default, Representation & Warranties, Due Diligence, Condition Precedent, Condition Subsequent, Financial Covenants etc. as set out in the Transaction documents for the issue.</p>
Business Days/ Working Days / Holiday Convention	<p>Business Days/ Working Days shall be all days (excluding Saturday, Sunday and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881(26 of 1881)) or a Bank holiday) on which commercial banks are open for business in the city of Mumbai and Ahmedabad except with reference to issue period and Record Date, where Business Days/ Working Days shall mean all days, excluding Saturdays, Sundays and public holidays in Mumbai or at any other payment centre notified in terms of the Negotiable Instruments Act, 1881.</p>
Business Day Convention	<p>If any Coupon/ Interest Payment Date falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon/ Interest Payment Date.</p> <p>If the Redemption Date of any of the Debenture series falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment.</p> <p>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>
Force Majeure	<p>The terms are based on the assumption that from the date of the offer / mandate to the Deemed Date of Allotment, there are no material adverse changes in either the financial conditions of the Issuer or in the conditions of the Indian / global debt capital / financial markets or political or economic conditions, which in our reasonable opinion would make it inadvisable to proceed with the deal. In the case of such material adverse changes the terms of this term sheet / mandate may need to be renegotiated to the mutual satisfaction of the Sole Arranger and the Issuer.</p>
Derivative Transactions	<p>Bank will have the right of first refusal to provide any derivative transaction if Issuer transacts any derivatives / swaps for the purpose of risk management on</p>





	these NCD's
Documentation	Issuer shall ensure that all documentation customary for facility of this nature, consent(s) and resolution(s) required to issue such Debentures including but not limited to Information Memorandum, Board Resolution, Credit Rating Letter, Appointment of Debenture Trustees etc. are in place and are made available to the Sole Arranger at least one day prior to the Issue.
Conditions Precedent	<p>Customary to facilities of this nature, including but not limited to:</p> <ul style="list-style-type: none"> • Compliance with all the regulatory guidelines. • All necessary approvals (internal & external) have been obtained for the purpose of captioned NCD Issue. • Provision of latest financials as required by the Arranger • Execution of transaction documents in form and manner mutually acceptable to Arranger & Issuer • Signing of Information Memorandum • Rating Letter dated not more than one month old at the time of disbursement and detailed credit perspective from rating agency • Consent of the Trustee • No Event of Default has occurred and is continuing • No material adverse effect and no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect. • The Issuer duly complied with all 'know-your-customer' requirements as required under Indian Law, to the satisfaction of the Debenture Holder
Conditions Subsequent	<ul style="list-style-type: none"> • Issue of Letter of Allotment within 2 Days of the Deemed Date of Allotment • Listing within 15 days from the Deemed Date of Allotment • Issue of Debentures in Dematerialized form • End use certificate within 30 days from the Deemed date of Allotment
Representation & Warranties	<p>The Issuer will make representations customary for a facility of this nature including</p> <ul style="list-style-type: none"> • Corporate existence, capacity and authority; • Legal, valid and binding nature of the Transaction Documents; • Corporate and / or governmental authorizations and consents (including those from central and state government, local authorities), no contravention of existing agreements and constitutional documents, or any document which is binding; • No outstanding default, material litigation, violation of law or material agreements; • Completeness and accuracy of financial statements and other information shared with investors/ arranger
Information Covenant	The Issuer undertakes to provide information pertinent to a credit assessment of the company by the Sole Arranger/potential investors in a timely fashion. This information will include, but not be limited to, latest financial information, rating letter and rating rationale, copies of the resolutions authorizing the borrowing and the latest corporate presentation
Taxes, duties, cost and expenses	<p>Relevant taxes, duties and levies are to be borne by the Issuer.</p> <p>All charges / fees and any amounts payable under this Instrument by the Issuer to the Investor/Arranger as mentioned herein do not include any applicable taxes, levies including service tax etc. and all such impositions shall be borne by the Issuer additionally.</p>
Publicity and Communication	The Sole Arranger cannot issue publicity materials such as tombstones, advertisements etc. without prior written consent from the Issuer.





Kotak Mahindra Bank



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Governing Law	The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof shall be subject to the jurisdiction of the city of Ahmedabad and Mumbai
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For Kotak Mahindra Bank Ltd.

Avinash Welekar
Senior Vice President



For Torrent Pharmaceuticals Limited



Authorized Signatory
Name: _____