



Axis House

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11th December, 2018

To,
Tata Projects Limited
Mithona Towers, Prenderghast Road,
Secunderabad -500003, India

Kind Attn: Mr. Mahendra Gottipati, DGM - Corporate Finance

Dear Sir,

Sub: Proposed issue of Rated, unlisted, unsecured, redeemable, non-convertible, taxable debentures of Tata Projects Limited ("Company") for an Issue Size of Rs. 500 Crores (referred to as the "Issue").

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

Term Sheet

Issuer	TATA Projects Limited ("TPL")
Debenture Trustee	SBICAP Trustee Company Limited
Rating Agency	India Ratings & Research
Issuance	Rated, unlisted, unsecured, redeemable, non-convertible, taxable debentures ("NCDs")
Ranking	Each of the Debenture Holders shall <i>inter-se</i> rank <i>pari passu</i> in relation to their rights and benefits pertaining to the NCDs under this issue, without any preference or privilege over one another.
Depository	NSDL and/or CDSL
Issuance mode	Dematerialized, Private Placement
Trading mode	Dematerialized
Settlement mode	ECS, NEFT, RTGS, cheques or such other permissible banking modes of payment
Business Day	Any day on which commercial banks are open for business in Mumbai
Business Convention	<p>(i) If any coupon payment date falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day.</p> <p>(ii) If the redemption date of the NCDs falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.</p> <p>(iii) If the maturity date (also the last coupon payment date) of the NCDs falls on a day that is not a Business Day, the redemption proceeds and coupon payment shall be paid on the immediately preceding Business Day.</p>
Record Date	7 (seven) days prior to each coupon payment date and redemption date. The record date is a cut-off date which company determines which



	debenture holders are eligible for the purposes of payment of coupon and/or the redemption amount as and when due and payable.
End Use	The proceeds of the issuance will be utilized for the following purposes: (i) working capital; (ii) Capital expenditure and/or (iii) General Corporate purposes of the Issuer including issue related expenses and repayment/re-financing of existing debt. No part of the proceeds shall be utilized directly/indirectly towards capital markets (debt and equity), land acquisition or usages that are restricted for bank financing under the RBI guidelines or applicable regulation.
Amount/Issuance Size	INR 500,00,00,000 /- (Indian Rupees Five Hundred Crores Only)
Issue price	At par
Face value per Debenture	INR 10,00,000 (Indian Rupees Ten Lakhs Only)
Issue Price	INR 10,00,000 (Indian Rupees Ten Lakhs Only)
Arranger	Axis Bank Limited
Arranger Amount	INR 250,00,00,000 /- (Indian Rupees Two Hundred and Fifty Crores Only)
Rating	"IND AA/Stable" by India Ratings & Research
Deemed Date of Allotment	The date on which the Board of Directors/ NCD Committee approves the allotment of the NCDs.
Tenor	~41 months from the deemed date of allotment
Maturity Date	April 29, 2022
Interest Rate/Coupon Rate	9.46% per annum
Interest Type	Fixed
Step Up Coupon	For every notch downgrade, coupon rate increases by 0.25%. Such enhanced coupon rate will be applicable from the date of such rating downgrade till the rating is restored.
Optional Accelerated Redemption	In the event that the Credit Rating of the NCDs or any of the similar instruments issued by the Issuer, is revised downwards to "A", or lower by the Rating Agency, each Debenture Holder shall have an option to seek redemption of the Non-Convertible Debentures within a period of 30 (thirty) days from such announcement by the rating agency (hereinafter referred to as the "Optional Accelerated Redemption"). Upon the Debenture Holders exercising their right to an Optional Accelerated Redemption, the Issuer must redeem the Debentures, held by those investors, on or before 60 (sixty) calendar days from the Optional Accelerated Redemption by making payment of all outstanding amounts, whether due or not in respect of the Debentures, including Principal along with the interest accrued and not paid, penal interest, if any. In case of multiple rating agencies, lowest rating available shall be considered for the above purpose.
Day count basis	Actual/ Actual



Interest Frequency	Payment	Annually and/or on Maturity Date
Default Interest Rate	In case of default in payment of interest and/or principal redemption on the due dates, additional interest of 2% (two percent) per annum over the Coupon Rate will be payable by the Issuer for the defaulting period.	
Redemption Amount	The sum of the principal outstanding on the NCDs, accrued Coupon, Default Interest payable (if any) and other charges and fees payable (if any).	
Interest on application money	Interest at the 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 NCDs for the period starting from and including the date of realization of application money in Issuer's bank account up to one day prior to the Deemed Date of Allotment. Such interest shall be payable within 7 (seven) Business Days from the Deemed Date of Allotment. Where pay-in date and deemed date of allotment are the same, no interest on Application money is to be paid.	
Transaction Documents	<p>The Issuer has executed/ shall execute the documents including but not limited to the following, as required, in connection with the issue as per Companies Act 2013 (as applicable) for issuance of NCDs through Private Placement:</p> <ul style="list-style-type: none"> (i) Letter appointing Debenture Trustee(s) to the Debenture Holders; (ii) Debenture trusteeship agreement and Debenture trust deed; (iii) Private placement offer letter (Form PAS 4); (iv) Board resolution authorizing this issuance; (v) Applicable shareholder resolutions under the Companies Act 2013; (vi) Rating letter from the Rating Agency with respect to this Issuance; and (vii) Tripartite agreements with the Depository(ies) and Registrar & Transfer Agent. 	
Issue Schedule	Issue Open Date [TBD] Issue Close Date [TBD] Pay-in Date [TBD] Deemed Date of Allotment [TBD]	
Conditions Precedent	<p>The debenture holders/ investors shall subscribe to the NCDs upon the Issuer fulfilling the following Conditions Precedent to the satisfaction of the Debenture Trustee and the Issuer shall submit Conditions Precedent documentation where applicable to the Debenture Trustee, prior to the pay in date:</p> <ul style="list-style-type: none"> (i) All corporate approvals/ resolutions from the Board of Directors, committees and shareholders of the Issuer (including resolution under section 180(1)(c) of the Companies Act, 2013), if 	



	<p>applicable, shall have been received for the issuance of the NCDs, and the execution, delivery and performance by the Issuer of the necessary Transaction Documents in accordance with the Companies Act, 2013;</p> <p>(ii) Submission of certified copy of consent of Debenture Trustee to act as Debenture Trustee;</p> <p>(iii) Submission of certified copy of consent/ acceptance letter from of Registrar Transfer Agent;</p> <p>(iv) Execution of the debenture trust deed and the debenture trustee appointment agreement;</p> <p>(v) The Issuer shall have submitted to the Debenture Trustee the provisional rating letter;</p> <p>(vi) The Issuer shall have submitted to the Debenture Trustee, all required documents for the purpose of satisfying its respective KYC requirements;</p> <p>(vii) The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Issuer (the memorandum and articles of association and the certificate of incorporation);</p> <p>(viii) The Issuer shall have submitted to the Debenture Trustee its audited account statements for the most recent financial year; and</p> <p>(ix) The Issuer shall have submitted to the Debenture Trustee a certificate from the company secretary of the Issuer confirming that proposed borrowing by way of the issuance of NCDs is within the limits authorised by the shareholders of the Issuer and there is no default subsisting or will occur by way of this borrowing.</p>
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per the time frame stipulated in the Debenture Trust Deed</p> <p>(i) The Issuer shall immediately on receipt of funds, take on all necessary steps to, including making all applicable filings in the Registrar of Companies and obtaining all necessary approvals along with requisite fee within prescribed timelines;</p> <p>(ii) Issue of Letter of Allotment on the Deemed Date of Allotment and a credit of NCDs into the demat account of the allottees; and</p> <p>(iii) Obtain final rating from Rating Agency.</p>
Events of Default	<p>Customary for financings of this nature and others appropriate in the judgment of the Debenture Trustee, including but not limited to:</p> <p>(i) Non-payment of any of the dues under this issuance on the payment day;</p> <p>(ii) Failure to repay all the outstanding amounts within 60 (sixty) days of occurrence of Optional Accelerated Redemption;</p>



	<ul style="list-style-type: none"> (iii) All or any part of the proceeds of the Issue is not being utilized for the End Use purpose; (iv) Failure to credit the NCDs to the dematerialized account of the Debenture Holders with the depositories within 10 (ten) days from the Deemed Date of Allotment; (v) Breach of : <ul style="list-style-type: none"> (a) any of the negative covenant; (b) the Financial Covenants, under the Transaction Documents, unless the same has been cured within the timelines as mutually agreed by the Debenture Trustee and the Issuer; and (c) any other material covenant, unless the same is cured within 30 (thirty) days. (vi) Change in TATA Group holding in the Issuer below 51% (fifty one percent), unless otherwise approved by the Debenture Trustee; (vii) Cross default on any financial indebtedness of more than INR 5 crores (Indian Rupees Five Crores only), subject to the same being classified as event of default by the lender under the respective financing documents; (viii) The Issuer is unable to or admits in writing, its inability to pay its debts, as they fall due, suspends making payments on any of its debts by reason of actual financial difficulties, except for amounts which are not paid by the Issuer, due to such amounts being disputed amongst the Issuer and relevant counter party; (ix) The Issuer has declared a moratorium on payments, unless agreed to by the creditors of the Issuer; (x) The commencement of an insolvency resolution process under the Insolvency and Bankruptcy Code, 2016 ("IBC") in respect of the Issuer. Provided that, such proceedings is not stayed/quashed within 5 (five) Business Days, from the date of receipt of the notice by the Issuer; (xi) Any corporate action, legal proceedings or other procedure or step is taken in relation to: <ul style="list-style-type: none"> (a) the suspension of payments, a moratorium of any indebtedness, winding-up, bankruptcy, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Issuer; (b) a composition, compromise, assignment or arrangement with any creditor of the Issuer; or (c) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of the Issuer or any of its assets.
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	<p>(xii) Repudiation of Transaction Documents;</p> <p>(xiii) Cessation of business;</p> <p>(xiv) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer funds or revenues or any other act having a similar effect being committed by the management or a key managerial personnel of the Issuer;</p> <p>(xv) Material Adverse Effect, unless the same is cured within 30 days;</p> <p>(xvi) The Issuer or its' key managerial personnel are declared as a 'wilful defaulter'. <i>Provided</i>, in the event a key managerial personnel is declared a 'wilful defaulter', the same shall not constitute an event of default, if such key managerial personnel is removed by the Issuer or such classification of as a 'wilful defaulter' is rectified, within 20 (twenty) days from the date of classification of such key managerial personnel as a 'wilful defaulter', by any authorised agency under applicable law;</p> <p>(xvii) Any criminal proceedings or any governmental proceedings by any regulatory authorities including accusations, offences relating to bribery are threatened to be instituted or initiated against any of the directors or key managerial personnel of the Issuer, unless the same is stayed or quashed within 45 (forty five) days;</p> <p>(xviii) Any Transaction Document once executed and delivered, ceases to be in full force or becomes unlawful, invalid and unenforceable; and/or</p> <p>(xix) The Issuer suspends or ceases (or threatens to suspend or cease) to carry on all or a material part of its business.</p>
Consequence of event of default	<p>Upon occurrence and continuance of any of the aforesaid event of default beyond the cure period specified above (as applicable), the Debenture Trustee may require the Issuer to mandatorily redeem the NCDs and forthwith repay the principal amount on the NCDs, along with accrued but unpaid interest, and other costs, charges and expenses incurred under or in connection Transaction Documents.</p>
Material Adverse Effect	<p>A change or consequence in an event, circumstance, occurrence or condition which has caused, as of any date of determination a material adverse effect:</p> <p>(a) on the business, operations, or financial condition of the Issuer;</p> <p>(b) on the ability of the Issuer to perform its obligations under any of the Transaction Documents; and</p> <p>(c) on the legality, validity or enforceability of any Transaction Document.</p>



Financial Covenants	<p>(i) Debt/TNW – 3.0</p> <p>(ii) Debt/EBITDA – 4.5</p> <p>Debt –Borrowings (short term and long term) at a consolidated level including corporate guarantees provided for debt raised by subsidiaries/associates to the extent not included in the borrowings</p> <p>Tangible Net worth (TNW) – Aggregate of share capital and reserves excluding intangible assets</p> <p>EBITDA – Earnings before Interest, Tax, Depreciation & Amortisation, the earnings before subtracting interest expenses, tax, depreciation and amortization and excluding extraordinary items and other income.</p> <p>Financial covenants will be tested annually based on the consolidated annual audited balance sheet</p>
Affirmative Covenants	<p>(i) To utilise the proceeds of this issue in accordance with applicable laws and regulations;</p> <p>(ii) Audited Annual Reports – within 120 (one hundred and twenty) Business Days from the end of each financial year</p> <p>(iii) Obtain, comply with and maintain all applicable licenses / authorizations;</p> <p>(iv) Permit visits and inspection of books of records, documents and accounts to Debenture Trustee with prior written notice of 5 (five) days;</p> <p>(v) Comply with the terms of the Transaction Documents;</p> <p>(vi) Maintain the rating by the Rating Agency;</p> <p>(vii) Comply with any monitoring and/or servicing requests from Debenture Trustee;</p>
Negative Covenants	<p>Issuer shall give a prior written notice of at least 30 (thirty) days' to the Debenture Trustee seeking their approval for undertaking the activities mentioned below. The Debenture Trustee will convey its' approval or rejection within 30 (thirty) days of receipt of notice from the Issuer and in the event the Debenture Trustee does not respond in the given period of 30 (thirty) days, the same shall constitute a deemed approval by the Debenture Trustee (acting on behalf of the Debenture Holders):</p> <p>(i) Change in TATA Group holding in the Issuer below 51% (fifty one percent). For the purposes of this condition the holding shall include Tata Groups direct or indirect holding in the Issuer (for indirect holding, effective interest of Tata Sons will be calculated);</p> <p>(ii) Removal of the term 'Tata' from the name of the Issuer, unless otherwise approved by the Debenture Trustee;</p> <p>(iii) Merger, acquisition, restructuring, amalgamation, demerger;</p>



	<p>(iv) amend or modify clauses in its memorandum of association and article of association, except as required in the ordinary course of business;</p> <p>(v) appoint a Person as a director on its Board who appears in the list of willful defaulters issued by the RBI or TransUnion CIBIL Limited;</p> <p>(vi) No dividend, if an Event of Default has occurred and is subsisting; and/or.</p> <p>(vii) Change in Management Control.</p> <p>“Management Control” for the purposes of this covenant shall mean:</p> <p>(a) the right of a person to appoint majority of directors on the Board of Directors of the Issuer; or</p> <p>(b) the ability to control the management or policy decision of the Issuer, directly or indirectly, including by virtue of their shareholding or management rights or shareholder agreements or voting agreements or in any other manner.</p>
Representations & Warranties	<p>(i) Corporate status.</p> <p>(ii) Compliance with Applicable Law.</p> <p>(iii) No Event of Default has occurred and is continuing on the date of this transaction.</p> <p>(iv) Binding obligation of Transaction Documents.</p> <p>(v) No conflict with other obligations / constitutional documents.</p> <p>(vi) Issuer has the power and authority to issue NCDs and such Transactions Documents are valid and admissible in evidence.</p> <p>(vii) No outstanding material litigation, material violation of law unless disclosed.</p> <p>(viii) No Material Adverse Effect in business, condition or operations of the Issuer.</p> <p>(ix) No filing or stamp tax.</p> <p>(x) No agreements or instruments, which have been executed by the Issuer which have the effect of amending or modifying the Transaction Documents.</p> <p>(xi) Authorised Signatories.</p> <p>(xii) No Immunity.</p> <p>(xiii) Shareholding.</p> <p>(xiv) Illegality.</p>
Indemnification	<p>The Issuer will indemnify, and hold harmless the Debenture Trustee from and against any actual claim, liability, demand, loss, damage, judgment or other obligation or right of action which may arise as a result of breach of this term sheet by the Issuer. Notwithstanding anything to contrary contained herein, the Issuer shall not be liable to indemnify the</p>



	Debenture Trustee for any and all losses, damages and claims arising due to fraud, gross negligence, misconduct and/or willful default on the part of the Debenture Trustee or the debenture holder(s).
Confidentiality	The terms and conditions described in this Term Sheet, including its existence, shall be confidential information and shall not be disclosed to any third party except to each Party's advisors and counsel. Provided however that if any of the Parties is required by law or relevant regulation to disclose information regarding this Term Sheet or to file this Term Sheet with any regulatory body.
Governing Law & Jurisdiction	This Term Sheet shall be governed and construed exclusively in accordance with the laws of India and any disputes arising there from shall be subject to the jurisdiction of appropriate courts and tribunals at Mumbai, India.
Transaction Costs	The Issuer shall bear all transaction related costs incurred by the Debenture Holders with respect to legal counsel, valuers and auditors / consultants. Provided, such appointments shall be done pursuant to the mutual discussion with the Issuer.
Taxes, Duties, Costs and Expenses	(i) Relevant taxes, duties and levies are to be borne by the Issuer. (ii) The charges / fees and any amounts payable under this NCDs by the Issuer as mentioned herein do not include any applicable taxes, levies including, <i>inter alia</i> , service tax and all such impositions shall be borne by the Issuer additionally.
Eligible investors	As permitted under applicable law
No conflict	The Parties hereby agree and undertake that in case of any conflict between the provisions of this information memorandum and Transaction Documents, the provisions of the Transaction Documents shall prevail.
Other Terms and Conditions	Any other favourable conditions provided/agreed to between the Company and other Arranger/Investors(s) shall apply mutatis-mutandis to all the Arranger/ Investors(s)

Taxes and Expenses

All the prevailing taxes and expenses related to the Debenture issuance shall be borne by the Issuer.

Force Majeure

This offer and the mandate would be contingent 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 debt markets due to, but not limited to, unforeseen catastrophic conditions, which in the reasonable opinion of the Arrangers would make it inadvisable to proceed with the deal. In the case of such material adverse changes the terms of this offer/ mandate may need to be renegotiated to the mutual satisfaction of the Arranger and the Issuer.



Validity of the Offer

The offer is valid till the end of business hours on December 13, 2018, the same can be extended with mutual consent after the expiry of said offer period. In case of any material adverse changes either in the financial conditions of the issuer or in the conditions of the Indian debt markets due to, but not limited to, unforeseen catastrophic conditions, which in the reasonable opinion of the Arrangers would make it inadvisable to proceed with the deal, then we may need to revise the rates as mutually agreed between us.

Syndication Assistance

Issuer agrees to have meetings, telephonic calls, assist Arranger in form and manner throughout the tenure of the Debentures and any time after the issuance of Mandate. Issuer agrees to share all the necessary information in form and manner acceptable to current and prospective investors.

Accepted and agreed
For TATA Projects Limited



(Authorised signatory)



Accepted and agreed
For Axis Bank Limited



(Authorised signatory)

