

## Term Sheet

### Terms & Conditions for the proposed NCD issuance

<b>Issuer</b>	Sunbeam Lightweighting Solutions Private Limited													
<b>Sponsor/Promoter</b>	Kedaara Capital Fund II LLP													
<b>Type of Instrument</b>	Unlisted, Rated, Secured, Redeemable & Taxable Non-Convertible Debentures to be issued in form of Separately Transferable Redeemable Principal Parts/series in 5 series (Series A, Series B Series C, Series D and Series E) ("NCDs" or "Debentures")													
<b>Mode of placement</b>	On private placement basis to Eligible Investors													
<b>Issue Size</b>	Rs. 275 Crore													
<b>Objects of the Issue</b>	<p>Issue proceeds shall be utilized by the Issuer:</p> <ol style="list-style-type: none"> <li>1. firstly for refinancing of debt and for any expenses related to such refinancing, and</li> <li>2. subsequently for its general corporate purposes.</li> </ol>													
<b>Credit Rating</b>	CRISIL AA- (Outlook stable)													
<b>Tenure</b>	<ol style="list-style-type: none"> <li>1. Door-to-door tenor of 5 years</li> <li>2. Repayment Schedule as mentioned below</li> </ol>													
<b>NCDs (Tenure Quantum)/Repayment Schedule</b>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Tenor</th> <th style="text-align: center;">Quantum (in Rs. Crores)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">5 April 2020</td> <td style="text-align: center;">14.00</td> </tr> <tr> <td style="text-align: center;">5 April 2021</td> <td style="text-align: center;">41.00</td> </tr> <tr> <td style="text-align: center;">5 April 2022</td> <td style="text-align: center;">69.00</td> </tr> <tr> <td style="text-align: center;">5 April 2023</td> <td style="text-align: center;">69.00</td> </tr> <tr> <td style="text-align: center;">5 April 2024</td> <td style="text-align: center;">82.00</td> </tr> </tbody> </table>		Tenor	Quantum (in Rs. Crores)	5 April 2020	14.00	5 April 2021	41.00	5 April 2022	69.00	5 April 2023	69.00	5 April 2024	82.00
Tenor	Quantum (in Rs. Crores)													
5 April 2020	14.00													
5 April 2021	41.00													
5 April 2022	69.00													
5 April 2023	69.00													
5 April 2024	82.00													
<b>Face value</b>	Rs. 10,00,000 per NCD													
<b>Early Redemption date for scheduled re payments and funding of Designated Account</b>	<ul style="list-style-type: none"> <li>• Issuer shall have the right to voluntarily redeem the debentures in full with respect to a series (to the extent set out in the redemption schedule) within the Early Redemption Period, if the Issuer funds the Designated Account, with an amount equal to the Principal and Accrued interest in respect of the relevant series of Debentures up to such date (without payment of any prepayment premium/ penalty).</li> <li>• Early Redemption Period for scheduled re-payments – Anytime between 26- 16 days prior to the Scheduled Repayment Date (i.e between 10 March to 20 March) for the relevant Series. The date within the Early Redemption Period on which such early redemption is actually made shall be the Early Redemption Date.</li> <li>• Designated Account - Amounts due under the relevant series of NCDs to be deposited into the Designated Account anytime within 15 days prior to the Early Redemption Date in accordance with the Issue Documentation.</li> </ul> <p>If the Issuer is unable or does not redeem the Debentures within the Early Redemption Period, then the Issuer shall pay Default Interest commencing from the expiry of 20 March until the relevant Debentures are redeemed, however, the debenture holders would have the right to trigger an EOD and accelerate</p>													

2h

1

	outstanding payments only after the expiry of 5 April if the scheduled payments are not made.
<b>Market Lot</b>	Minimum of 10 Debentures and in multiples of 1 Debenture thereafter
<b>Issue Price</b>	At par i.e. Rs. 10,00,000 per NCD
<b>Day count basis</b>	Actual/Actual. It is clarified that in case of Interest payment in a leap year, the same shall be calculated taking the number of days as 366 (three hundred and sixty-six) days (per the SEBI Circular dated November 11, 2016 bearing reference CIR/IMD/DF-1/122/2016).
<b>Record Date</b>	7 (seven) calendar days prior to each Scheduled Redemption Date/ Early Redemption Date (if exercised), the Call Option Payment Date (if exercised), Voluntary Redemption Date (if exercised) and Coupon Payment Date, or such other earlier date as may be agreed between the Issuer and the Debenture Trustee.
<b>Business day convention</b>	In the event that any of the Coupon, Principal or Additional interest payment date is not a Business Day, the immediately preceding Business Day shall be considered as the effective date(s) for that payment.
<b>Coupon Frequency</b>	Half yearly commencing from 15 September 2019
<b>Coupon Rate</b>	10.20% per annum payable semi-annually (10.46% XIRR on annualized basis)
<b>Day Count Basis</b>	Actual/Actual
<b>Pay-in date/ Deemed Date of Allotment</b>	As mutually determined by Issuer and Debenture Holders
<b>Put/ Call Option Notice Date</b>	<u>Put Option Notice Date for Debenture Trustee / relevant Debenture Holder(s)</u> - 5 April 2022 in respect of whole or part of the Series D and/or Series E Debentures; and  <u>Call Option Notice Date for Issuer</u> – 1 (one) business day after 5 April 2022 in respect of whole or part of the Series D and/or Series E Debentures.
<b>Put/ Call Option</b>	The Issuer shall make payment of the Secured Obligations pursuant to the Put/ Call option, anytime between 5 April 2022 and 5 June 2022 (both dates included) (“ <b>Option Period</b> ”) by giving a 7 (seven) days prior written notice to the Debenture Trustee indicating the date within the Option Period on which the Issuer desires to redeem the relevant Debentures (“ <b>Option Payment Date</b> ”), provided however that the Issuer shall not be liable to pay any Prepayment Premium in case of exercise of such Put/ Call Option.  On the Option Payment Date, the Issuer shall (a) If only put option has been exercised, redeem all the Series D Debentures and the Series E Debentures who have exercised the put option by paying the amount of the outstanding Secured Obligations payable to such Debenture Holders; or (b) if only the call option has been exercised, redeem the relevant Series D Debentures and Series E Debentures on a <i>pro-rata</i> basis by paying the amount of the Secured Obligations mentioned in the call option notice; or (c) if both the put option and the call option has been exercised, first redeem all the Series D Debentures and the Series E

	<p>Debentures as stipulated in #(a) above and subsequently redeem the relevant Series D Debentures and Series E Debentures as per #(b) above.</p> <p>Put/call option shall not be considered as a contingent liability for calculating any financial covenants</p>
<b>Mandatory Redemption Event</b>	<p>Upon (a) the Promoter executing binding definitive documentation to transfer/ sell 51% or more of its shareholding in the Issuer and/or to transfer its Management Control; or (b) the Issuer communicating to the Debenture Trustee (in writing), the Promoter's desire to reduce its shareholding in the Issuer below 51% and/or transferring its Management Control, in any other manner, all outstanding Secured Obligations in respect of the NCDs shall be automatically accelerated and the Issuer shall be required to redeem the entire outstanding under all series of NCDs unless otherwise decided by the Issuer and the Debenture Trustee (acting upon the Majority Debenture Holders instructions) and communicated to the Issuer in 10 Business Days days of receiving information of such event. Any payment pursuant to a Mandatory Redemption Event will be made within 60 days of the expiry of the aforementioned 10 Business days period or atleast 1 (one) day before the date of transfer of shares of the Issuer by the Promoter and/or before the transfer of the Management Control of the Issuer by the Promoter, whichever is earlier.</p> <p>The automatic release mechanism of the NDU shares pursuant to a mandatory redemption event, to be agreed between the Parties in the Definitive Documents.</p> <p>Issuer shall not be liable to pay any Prepayment Premium in case of a mandatory redemption event.</p>
<b>Account Bank</b>	To be mutually agreed between the Debenture Holders and the Issuer
<b>Debenture Collection and Payment Account</b>	The Issuer shall open a separate no-lien bank account with the Account Bank for subscription and repayment of funds to the Debenture holders on the respective dates, as required under Section 42(6) of the Companies Act, 2013.
<b>Legal Counsel</b>	To be jointly determined by Issuer and Debenture Holders
<b>Debenture Trustee</b>	Catalyst Trusteeship Limited
<b>Financial Covenants</b>	<p>1. DSCR during the currency of the NCDs would not fall below 1.2 times;</p> <p>It is clarified that for the purpose of computation of DSCR the calculation shall be based on the Repayment Schedule and would not include any Put Call option exercise eventuality.</p> <p>2. Total Debt/EBIDTA shall not exceed (a) 3.75 times for the financial year 2019-20, (b) 3.50 times for the financial year 2020-21; and (c) 3.25 times thereafter;</p> <p>3. Total Debt/Total net worth (TNW) shall not exceed 1.25 times; and</p> <p>4. Fixed Asset Security Cover shall not fall below 1 times basis book value.</p>

*PK*

**“Relevant Period”** means:

- A. Each period of 12 months commencing from April 1 and ending on March 31 of the subsequent year.
- B. Each period of 12 months commencing from October 1 and ending on September 30 of the subsequent year.

Testing date for the Financial Covenants semi-annually (except Fixed Asset Security Cover) on:

- June 30 every year based on audited financials of the Issuer for the Relevant Period ended prior to the testing date; and
- Nov 30 every year based on the unaudited financials of the Issuer for the Relevant Period ended prior to the testing date.
- The first testing will be done on June 30, 2020.

Total Debt shall include contingent liabilities of the Issuer. Put/call option shall not be considered as a contingent liability for calculating any financial covenants

Notwithstanding the above the Fixed Asset Security Cover shall be first calculated (a) first at the time of completion of creation of mortgage/security interest on all immovable properties of the Issuer; (b) subsequently on June 30, 2020; and (c) thereafter every year on June 30.

In this regard, the Issuer shall provide a covenant compliance certificate, certified by an independent chartered accountant/valuer setting out the Fixed Asset Security Cover as at 31 March of the immediately preceding financial year within 15 days of the said testing date. If the Issuer cures any breach of the Financial Covenants during the period between the Testing date and date on which the aforesaid covenant compliance certificate is to be submitted by the Issuer, the same shall then not be an Event of Default.

In the event of a breach of any financial covenant, the Issuer shall be entitled to cure such a breach, within 45 days of testing date i.e. June 30 and Nov 30, the occurrence of such breach, by exercising its right of equity cure (i.e by infusion of shareholder funds in the form of equity, subordinated debt or such other manner as is permissible by applicable laws). After the infusion of the equity cure, the financial covenants will be calculated afresh such that the amount of the principal outstanding in respect of the indebtedness to the extent of the equity cure of the Issuer shall stand reduced by the amount of equity cure infused i.e. the Company will use this money to retire the financial indebtedness.

The Debenture Trustee shall have the right to declare an Event of Default only after the expiry of the abovementioned cure period of 45 days provided that such breach is not cured.

*Re*

	<p>Further, a Default interest of 1% p.a. will be applicable during the period of such breach starting from the date such breach has occurred (i.e. 31 March or 30 September, as the case maybe).</p>		
<b>Voluntary Prepayment</b>	<p>The Issuer shall be entitled to voluntarily prepay, in full or part, any NCDs anytime between 10 March to 20 March annually. The date on which the payment is actually made is referred to as Voluntary Redemption Date.</p> <p>Any voluntary prepayment by the Issuer shall be made pro-rata to all the Debenture Holders across all the Series (thereby proportionately reducing the face value of the Debentures held by such Debenture Holders) save and except to Debenture Holders of such Series of Debentures which are due for redemption on the Scheduled Redemption Date/ Early Redemption Date (if exercised) on or about the Voluntary Redemption Date on which the said voluntary prepayment is made by the Issuer</p> <p>The Issuer shall pay prepayment premium set out below calculated on the amount being prepaid ("Prepayment Premium"):</p> <ol style="list-style-type: none"> <li>1. <u>If prepayment is through sources (i.e sources including internal accruals and/or equity infusion) other than financing:</u> <ul style="list-style-type: none"> <li>Subject to the para below, Rs. 30 crore in a financial year, 0.25% of the amount prepaid with a prepayment notice served at least 30 days prior to the date on which the Issuer desires to voluntary prepay.</li> <li>Any amount not utilised for voluntary prepayment in any financial year, shall be cumulated and carried forward to the next financial year, throughout the tenor of the Debentures (on a rolling basis).</li> <li>Partial payment through sources other than financing is allowed even when the outstanding under NCDs is INR100 cr or below.</li> <li>In case of voluntary redemption by internal accruals, the Issuer shall submit the following (i) a confirmation in the prepayment notice stipulating that the voluntary prepayment is proposed to be made through internal accruals, (ii) a certificate from a chartered accountant on June 30 immediately following the Voluntary Redemption Date confirming that voluntary redemption of the Debentures is through the Internal Accruals of the Issuer.</li> </ul> </li> <li>2. <u>if such prepayment is made pursuant to refinancing (i.e to the extent not resulting from internal accruals and/or equity infusion):</u> <ul style="list-style-type: none"> <li>Prepayment premium:</li> </ul> <table border="1"> <tr> <td>between 10 March 2021 to 20 March 2021</td> <td>1% of the amount being prepaid</td> </tr> </table> </li> </ol>	between 10 March 2021 to 20 March 2021	1% of the amount being prepaid
between 10 March 2021 to 20 March 2021	1% of the amount being prepaid		

flc

	<table border="1"> <tr> <td>between 10 March 2022 to 20 March 2022</td><td>Nil</td></tr> <tr> <td>between 10 March 2023 to 20 March 2023</td><td>1% of the amount being prepaid</td></tr> </table>	between 10 March 2022 to 20 March 2022	Nil	between 10 March 2023 to 20 March 2023	1% of the amount being prepaid				
between 10 March 2022 to 20 March 2022	Nil								
between 10 March 2023 to 20 March 2023	1% of the amount being prepaid								
	<ul style="list-style-type: none"> <li>For the sake of clarity, voluntary prepayment through refinancing is not allowed between 10 March 2020 to 20 March 2020.</li> <li>Partial prepayment through financing to be allowed such that outstanding NCDs amount after financing doesn't fall below INR 100 cr post such prepayment.</li> </ul>								
<b>Rating Downgrade Covenant</b>	<p>In the event of rating downgrade of the NCDs i.e. the credit rating falls, the coupon shall be increased incrementally as per following table and the enhanced coupon shall be payable effective from the date of rating downgrade. The coupon shall be restored to original rate as soon as the rating comes back to AA- or above.</p> <table border="1"> <tr> <td>A+</td><td>25 bps i.e. 10.45%</td></tr> <tr> <td>A</td><td>25 bps i.e 10.70%</td></tr> <tr> <td>A-</td><td>50 bps i.e. 11.20%</td></tr> <tr> <td>BBB+</td><td>30 bps i.e 11.50%</td></tr> </table> <p>Issuer has an option to prepay the entire outstanding amount without any prepayment premium (but including increased coupon) within 60 calendar days of its downgrade to A- (and by giving 30 days' notice) if the NCDs are downgraded to A-.</p> <p>In case, the rating of the company and/or NCDs falls to or below BBB+, the Debenture Trustee shall have the right to accelerate in full/part of the outstanding NCDs, provided however that such acceleration shall not be subject to any Prepayment Premium. The Issuer shall make the payment within 60 calendar days from the date of exercise of acceleration option by the Debenture Trustee.</p> <p>In case of multiple ratings of the Issuer/instrument, lowest of all ratings of the Company / instruments will be considered for this clause.</p> <p>In case, the rating of the company and/or NCDs is withdrawn or suspended for any reason, the Debenture Trustee shall have the right to declare an Event of Default and as a result thereto accelerate in full/part of the outstanding NCDs.</p>	A+	25 bps i.e. 10.45%	A	25 bps i.e 10.70%	A-	50 bps i.e. 11.20%	BBB+	30 bps i.e 11.50%
A+	25 bps i.e. 10.45%								
A	25 bps i.e 10.70%								
A-	50 bps i.e. 11.20%								
BBB+	30 bps i.e 11.50%								
<b>DSRA</b>	Throughout the tenor of the Debentures, DSRA with respect to <ul style="list-style-type: none"> <li>the Coupon will be funded atleast 3 months prior to the Coupon Payment Date for the amount payable on such date; and</li> <li>the Redemption Amount will be funded atleast 3 months prior to the Scheduled Redemption Date for the amount payable on such date ("DSRA Maintenance Period").</li> </ul>								

16

	<p>The Issuer will have the right, during the tenor of the NCDs, to establish and maintain the DSRA in the form of a bank account and/or furnish a bank guarantee for an amount equal to the DSRA in place of cash. Provided that the DSRA bank guarantee provider shall have no recourse to the assets of the Issuer. Bank account or bank guarantee from a bank rated AA+ minimum.</p>
<b>Security</b>	<p>The Debentures shall be secured by the following:</p> <ol style="list-style-type: none"> <li>1. A first ranking pari passu charge over the movable and immovable fixed assets of the Issuer, both present and future;</li> <li>2. A second ranking pari-passu charge over the current assets of the Issuer, both present and future; and</li> <li>3. First exclusive charge over the DSRA and Designated Account.</li> </ol> <p>The Issuer shall create the above-mentioned security on (a) fixed movable assets and current assets, upfront; and (b) fixed immovable assets, within 90 days from the Deemed Date of Allotment.</p> <p>Perfection of security including NOC from existing lenders for creation of security to be done within 30 days of the creation of the respective security.</p> <p>Further, a Default interest of 2% p.a. will be applicable during the period of such breach starting from the date such breach has occurred.</p> <p>Any fixed asset acquired/setup in the future other than from internal accruals will not be part of Security to the extent such asset is required to be pledged with any lender for the purpose of raising fresh debt.</p>
<b>Undertakings</b>	<ol style="list-style-type: none"> <li>1. Sponsor debt, if any, to the Issuer, shall be subordinate to the proposed Issue. Further, such Sponsor debt shall not have right to trigger event of default</li> <li>2. Non-Disposal Undertaking (without a power of attorney) from the Sponsor in respect of 51% equity share capital of the Issuer. The automatic release mechanism of the NDU shares to be agreed between the Parties in the Definitive Documents. The filings to create non-disposal undertaking to be done within 1 day of the date on which the debenture holders being refinanced pursuant to this Issue have provided their no-dues certificate and release in full the shares which are subject to the non-disposal undertaking created in favour of such debenture holders/ debenture trustee.</li> </ol>
<b>Subordinate Debt</b>	<p>Financial Indebtedness availed by the Issuer that:</p> <ol style="list-style-type: none"> <li>(a) is availed from the Promoter and/or Affiliates of the Promoter;</li> <li>(b) is subordinated both in terms of ranking as well as payments, to the Debentures such that the Issuer may service such Subordinate Debt, so long as no Event of Default has occurred and is continuing;</li> <li>(c) is unsecured; and</li> </ol>

*fk*

	<p>(d) does not provide the Promoter and/or Affiliates of such Promoter the right to call an event of default under the terms of such Subordinate Debt or accelerate the payment of such Subordinate Debt.</p>
<b>Permitted Indebtedness</b>	<p>(a) any working capital facilities to be availed by the Issuer;</p> <p>(b) facilities upto INR 50,00,00,000 per Financial Year (“<b>Capex Limit</b>”) to be availed by the Issuer for capital expenditure. Provided however that, (i) in the event the Issuer does not utilize the available Capex Limit in a Financial Year, the unutilized amount of such Capex Limit shall be carried forward and added to the Capex Limit of the following Financial Year such that the available Capex Limit for that following Financial Year shall be the sum of the Capex Limit of that Financial Year and the unutilized Capex Limit amount of the previous Financial Year; and that (ii) the total fresh borrowings of the Issuer for the purpose of capital expenditure shall not exceed INR 1,25,00,00,000 in any one Financial Year after taking into account any unutilized limits which have been carried forward. For the sake of express clarity, the carry forward of the unutilized amounts of the Capex Limit shall be made at the end of every Financial Year until the Final Settlement Date and for the Financial 2019-2020, the Capex Limit shall be available to the Issuer on and from the date of execution of the DTD;</p> <p>(c) Financial Indebtedness of the Issuer existing as at the date of execution of the DTD and facilities availed by the Issuer for the purposes of refinancing the Financial Indebtedness of the Issuer; and</p> <p>(d) the term loan of INR 30,00,00,000 to be availed by the Issuer from Federal Bank Limited on or about the Deemed Date of Allotment. For the avoidance of doubt, the amount of the said term loan shall be in addition to the Capex Limit available to the Issuer pursuant to #b above.</p> <p>subject to:</p> <p>(i) the Issuer meeting the Financial Covenants and the Issuer providing evidence of meeting such Financial Covenants, if required by the Debenture Trustee, within a period of 7 Business Days of the Debenture Trustee making such request; and</p> <p>(ii) the aggregate Financial Indebtedness of the Issuer not exceeding Rs. 5,60,00,00,000 (including the Debentures).</p>
<b>Permitted Encumbrances”</b>	<p>(a) any Security Interest created on any assets of the Issuer (including Secured Assets) as on the execution date of the DTD; and</p> <p>(b) any Security Interest created or to be created on any assets of the Issuer pursuant to the Permitted Indebtedness availed/ to be availed.</p>
<b>Permitted Investments</b>	Investments in liquid mutual fund debt schemes with a minimum rating of AAA / A1+ from CRISIL/ICRA/India Ratings/CARE or fixed deposits with a bank with a minimum rating of AAA

*See*

	/A1+ from CRISIL/ICRA/India Ratings/CARE or any other investments approved by the Debenture Trustee.
<b>Shareholding &amp; Management Control Covenants</b>	<p>Sponsor shall retain 51% shareholding &amp; right to appoint majority BOD &amp; direct the management and Control in the Issuer. Sponsor shall have the right to appoint majority Board of Directors of the Issuer till the time the NCDs are outstanding.</p> <p>For this clause, definition of Control, is as defined in the Companies Act, 2013.</p> <p>It is clarified that hiring of new employees (including CXO level and above) will not require consent of the Debenture Trustee.</p>
<b>Event of Default ("EOD")</b>	<p>As customary for issues of this nature and as may be agreed mutually between the Issuer, the investors, and the Debenture Trustee, and to include without limitation the following:</p> <ul style="list-style-type: none"> <li>• failure to meet payment obligations including coupon, principal repayment as and when due;</li> <li>• cross default above INR 1 crore with any indebtedness of the Issuer which is not cured within 5 Business Days of such default under such indebtedness;</li> <li>• appointment of administrator/receiver which is not discharged within a period of 7 days;</li> <li>• any insolvency, liquidation, reorganization, dissolution petition filed against the Issuer but not dismissed or withdrawn within a period of 7 days;</li> <li>• non-creation/ perfection of security within agreed timelines;</li> <li>• distress, attachment, execution or other legal process against any material part of the property, assets or revenues of the Issuer which could impact the Issuer's ability to redeem the Debentures and is not discharged or stayed within 30 days;</li> <li>• Breach of identified representations and covenants mutually agreed between the parties in the documentation;</li> <li>• Third breach of identified information covenants mutually agreed between the parties in the documentation;</li> <li>• Failure to perform condition subsequent within agreed timelines;</li> <li>• Breach of financial covenants if not cured within 45 days;</li> <li>• Material adverse change which is not cured in 45 days;</li> <li>• Nationalization or expropriation of any of a substantial part of the secured assets by governmental entity if not cured within 30 days;</li> <li>• Following will be EOD's in respect of NDU – (i) Creation of encumbrance on NDU shares by Promoters (ii) fall/reduction in shareholding of the Promoter in the Issuer below 51% default, breach by Promoter of its subordinate debt obligation under the NDU, without the approval of the Debenture Trustee; and</li> <li>• repudiation of the Transaction Documents by the Issuer.</li> <li>• withdrawal of credit rating of instrument</li> </ul>

	Further, no cure period will be provided in case of payment related default. Any cure periods /thresholds for any EOD to be agreed between the parties at the time of documentation.
<b>Consequence of Event of Default</b>	<p>An Event of default shall result in automatic acceleration unless otherwise agreed by majority debenture holders.</p> <p>Additionally, as customary for issues of this nature and as may be agreed mutually in the DTD, on and after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by the Majority Debenture Holder(s) have the right, including without limitation to the following:</p> <ul style="list-style-type: none"> <li>• part acceleration of the NCDs.</li> <li>• ability to enforce security in accordance with the terms of the Transaction Documents.</li> <li>• any other rights available as per the Transaction Documents or under law or equity.</li> <li>• Appointment of nominee director as per applicable law.</li> </ul>
<b>Restricted Payments</b>	In case of such an Event of Default, Issuer shall not pay any dividends or make any distributions in respect of equity, make any payment towards Sponsor debt till such time the Event of Default is subsisting.
<b>Default Interest Rate</b>	In case of any payment related Event of Default, Default Interest of 2% p.a. payable on the defaulted amount, and in case of all other Events of Defaults, Default Interest of 1% p.a. over and above the Coupon Rate shall be payable on the outstanding amount ("Default Interest") from the date of occurrence of Event of Default irrespective of the same being declared by the Investor(s) till such overdue amounts are paid/ default is cured. Such Default Interest shall become payable on demand or in the absence of any such demand, on the next Coupon Payment Date falling after the date of Event of Default.
<b>Transaction Documents</b>	<p>The Issuer has executed/ shall execute the documents including but not limited to the following in connection with the Issue as per Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> <li>1. Private Placement Offer Letter (Disclosure Document)</li> <li>2. Security documents i.e. deed of hypothecation and mortgage deed/memorandum of entry and declaration (as applicable);</li> <li>3. Letter appointing Debenture Trustee;</li> <li>4. Debenture Trusteeship Agreement;</li> <li>5. Debenture Trust Deed;</li> <li>6. Non-disposal undertaking in respect of the shares of the Issuer;</li> <li>7. Any other transaction documents mutually agreed between the Issuer and the Debenture Trustee to be a Transaction Document for the issuance of the NCDs.</li> </ol>
<b>Representation &amp; Warranties</b>	<p>As customary for issues of this nature and as may be agreed mutually between the Issuer, the investors, and the Debenture Trustee, and to include without limitation the following:</p> <ul style="list-style-type: none"> <li>• corporate organisation, existence, power and authorisation;</li> <li>• legality, validity, binding effect and enforceability of the Transaction Documents; and</li> </ul>

*Re*

	<ul style="list-style-type: none"> <li>the execution and delivery of the relevant Transaction Documents does not constitute a breach of its constitutional documents, bylaws, obligations, agreement or undertakings.</li> </ul> <p>Any qualifications/carve outs/disclosures/repetition/ambit of the representation and warranties above to be agreed between the parties at the time of documentation.</p> <p>The representations and warranties provided by the Issuer shall be repeated on the Deemed Date of Allotment, on every Coupon Payment Date and Scheduled Redemption Date except such representations and warranties which are specifically identified in the DTD to repeat on a daily basis. Further, the Issuer shall be entitled to make disclosures upto an aggregate loss cap amount of INR 15 Cr. If the aggregate loss incurred/ suffered by the Issuer exceeds the aforementioned loss cap, then such disclosures shall be subject to the acceptance of the Debenture Trustee (acting on the instructions of the Majority Debenture Holders) and shall not qualify the representations and warranties.</p>
<b>Information Covenants</b>	<p>As customary for issues of this nature and as may be agreed mutually between the Issuer, the investors, and the Debenture Trustee, and to include without limitation the following:</p> <ul style="list-style-type: none"> <li>Annual audited financial statements of the Issuer to be submitted within 180 days from the end of the relevant financial year;</li> <li>Quarterly unaudited financials within 45 days of quarter end</li> <li>The Issuer shall promptly but no later than 5 days notify the Debenture Trustee of the occurrence of any event of default, and the steps, if any, taken to rectify the same; and</li> <li>any other information as may be required by the Debenture Trustee from time to time.</li> </ul> <p>Timelines for providing information to be agreed between the parties at the time of documentation.</p>
<b>Conditions Precedent to disbursement</b>	<p>Customary to transactions of such nature, including but not limited to:</p> <ol style="list-style-type: none"> <li>Final NCLT order for merger of the Sunbeam Auto Private Limited with the Sunbeam Lightweighting Solutions Private Limited and proof of completion of the merger.</li> <li>Submission of certified true copies of constitutional documents, corporate authorizations &amp; authorized signatory list of the Issuer.</li> <li>Execution of all Transaction Documents (save and except for such Transaction Documents which are agreed to be executed as a condition subsequent).</li> <li>The Issuer shall have obtained all necessary board / shareholder resolutions under the provisions of the Companies Act, 2013 as are required in relation to the borrowing pursuant to the issue of the NCDs and the execution of necessary documents in connection therewith.</li> <li>Rating letter and rationale (Rating letter not older than 1 month and rationale not older than 6 months).</li> </ol>

*DR*

	<ol style="list-style-type: none"> <li>6. Consent letter from the Debenture Trustee.</li> <li>7. Tripartite Agreement between the Issuer; Registrar and NSDL/CSDL for issue of NCDs in dematerialized form;</li> <li>8. A certificate of an authorised signatory of the Issuer certifying/confirming that: <ul style="list-style-type: none"> <li>• that issuance of the NCDs together with all other financial indebtedness of the Issuer would not cause any borrowing or similar limit binding on the Issuer to be exceeded;</li> <li>• that each copy document relating to it and provided to the Debenture Trustee as a condition precedent is correct, complete and in full force and effect as at a date it was given;</li> <li>• each of the representations and warranties made by the Issuer under the Transaction Documents (to which it is a party) is true and correct in all material respects;</li> <li>• no event of default has occurred and is continuing under any Transaction Document;</li> <li>• the Issuer has obtained (if applicable) all necessary governmental and other consents required under all applicable laws for the execution of each Transaction Document to which it is a party executed upto to date of the certificate;</li> <li>• the Issuer has no pending tax proceedings or notices issued under the Income-tax Act, 1961 and no tax proceedings have been initiated by the tax authorities against it under the Income-tax Act, 1961 from the date of its incorporation, other than those disputed in good faith and other than as disclosed.</li> </ul> </li> <li>9. No-objection certificates from HDFC Bank Limited (as a term loan lender) and Federal Bank (as a working capital loan lender and as a term loan lender) for the creation and perfection of the Security</li> <li>10. Any other conditions as mutually agreed between the Issuer and the Debenture Trustee under the definitive documents.</li> </ol>
<b>Conditions Subsequent to disbursement</b>	<p>Customary to transactions of such nature, including but not limited to:</p> <ol style="list-style-type: none"> <li>1. Allotment of NCDs and issuance of physical NCD certificates to Investor(s) on the Deemed Date of Allotment (for the purposes of payment of stamp duty). Credit of NCDs in the demat account of the Debenture holders within 2 days of the Deemed Date of Allotment.</li> <li>2. On or before the first DSRA Maintenance Period, the Issuer shall to enter into an account agreement for opening the DSRA bank account to govern the operation of the DSRA Bank Account, in a form acceptable to the Debenture Trustee.</li> <li>3. Within 30 days from the Deemed Date of Allotment, no-objection certificates from HDFC Bank Limited (as a working capital loan lender), Citibank N.A. (as a working capital loan lender) and CTBC Bank (as a working capital loan lender) for the creation and perfection of the Security.</li> </ol>

24

	<p>4. Within 90 days from the Deemed Date of Allotment, the Issuer to procure the no-objection certificate from the Rajasthan State Industrial Development and Investment Corporation for mortgaging the leasehold land situated at Plot No. SP1-D, Riico Industrial Area, Tapukara, Bhiwadi - 301707, Rajasthan in favour of the Debenture Trustee.</p> <p>5. Within 90 days from the Deemed Date of Allotment, provide a copy of the title search reports in relation to all the immovable properties of the Issuer.</p> <p>6. Within 90 days from the Deemed Date of Allotment, RoC filings (as applicable) towards satisfaction of charges on assets secured with respect to the working capital loans (now fully repaid) from SBI Bank (INR 35 crores), Yes Bank (INR 55 crores) and Kotak Mahindra Bank (INR 14 crores).</p> <p>7. RoC filings (as applicable) within 30 days of respective security creation.</p> <p>8. Creation of mortgage within 90 days from the Deemed Date of Allotment.</p> <p>9. Certificate from the chartered accountant of the Issuer confirming that: (a) it has no pending tax proceedings or notices issued under the Income-tax Act, 1961 and (b) no tax proceedings have been initiated by the tax authorities against it under the Income-tax Act, 1961 from the date of its incorporation, other than those disputed in good faith other than as disclosed, within 15 days of the Deemed Date of Allotment.</p> <p>10. Evidence that the proceeds of the Debentures has been utilised by the Issuer to refinance the existing debt within 2 (two) days from the pay-in date.</p> <p>11. All other activities mutually agreed between Issuer and Debenture Trustee.</p> <p>Timelines for conditions subsequent to be agreed between the parties at the time of documentation.</p>
<b>Affirmative Covenants &amp; Negative Covenants</b>	<p>Without the prior consent of the Debenture Trustee, which consent shall not be unreasonably withheld, the Issuer shall not</p> <ol style="list-style-type: none"> <li>1. enter into any merger, demerger, consolidation or amalgamation, except Permitted Acquisitions, Permitted Transactions, permitted indebtedness and as otherwise provided in the DTD;</li> <li>2. sell, transfer or otherwise dispose of any of its Secured Assets where such sale, together with all other such sales in any Financial Year exceeds Rs. 25,00,00,000 save and except Permitted Encumbrances and/or any sale of inventory in the ordinary course of business;</li> <li>3. make any acquisitions or investments in any company except Permitted Investments and Permitted Acquisitions and Permitted Transactions). For this purpose, "<b>Permitted Transactions</b>" shall mean any acquisitions and/or investments in companies other than Permitted Investments and Permitted Acquisitions, which do not result in the Issuer breaching any of the Financial Covenants: (a) in any Financial Year, upto the Transaction Limit, where "<b>Transaction Limit</b>" shall mean (Y) Issuer's EBITDA in the immediately preceding Financial Year, minus (Z) the</li> </ol>

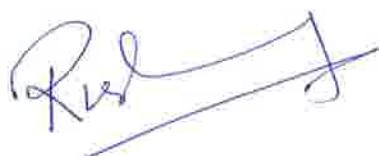
*Ree*

aggregate enterprise value (including contingent liabilities) of all such acquisitions/ investments made by the Issuer after the date of this Deed until the date of the specific acquisition and/or investment in companies being made by the Issuer; and/or (b) any acquisitions and/or investments in companies other than as permitted under the DTD for which the Issuer submits to the Debenture Trustee a proposal along with documents with respect to its proforma profit and loss statement, balance sheet and cash flows ("Proposal") and which Proposal is not objected to (in writing with reasons thereto) within 15 (fifteen) days from the date of receipt of the Proposal by the Debenture Trustee. The Debenture Trustee shall notify the Issuer (in writing) of its approval (which shall not be unreasonably withheld) or its objections within the aforesaid period. If no objection is received by the Issuer from the Debenture Trustee on the Proposal, the Debenture Trustee shall be deemed to have given its approval for the Proposal;

4. make any investment in non-industrial and non-automotive business save and except the Permitted Transactions;
5. extend any loans to or guarantees or security on behalf of any person except loans given to employees in the ordinary course of business upto INR 25 crores permitted indebtedness and permitted encumbrance (to be defined in the definitive documents as per mutual agreement between Issuer and Debenture Trustee);
6. Financial indebtedness availed for Capex cannot exceed INR 50 crores in any financial year. Any amount not utilised from such limit, shall be cumulative and carried forward to the next financial year. However, the total borrowings for Capex in any financial year, after taking into account any unutilised limits carried forward, cannot exceed INR 125 crores. It is clarified that the Issuer will be permitted to (a) avail working capital facilities without any further approval subject to the stipulated Debt/Ebitda ratio; and (b) create security on its assets without obtaining any consent from the Debenture Holders for availing the aforesaid capex and/or working capital borrowing;  
Above covenant would be subject to all financial covenants being met and overall debt cap of INR 560 crores;
7. No regular capital expenditures, joint ventures and partnerships to be entered into by the Issuer and/or any asset/ business purchases made by the Issuer is permitted other than those (a) not exceeding INR 50 crores in any Financial Year by way of availing Financial Indebtedness. Any amount not utilised from such limit, shall be cumulative and carried forward to the next financial year. However, the total limit for acquisitions in any financial year, after taking into account any unutilised limits carried forward, cannot exceed INR 125 crores; and (b) through internal accruals, equity infusion in the Issuer or sources other than by way of availing Financial Indebtedness as stipulated in #(a) above. (collectively "**Permitted Acquisitions**"). It is clarified that these thresholds applicable to Permitted Transactions (except breach of financial covenant) shall not apply to Permitted

	<p>Acquisitions.</p> <p>8. Overall debt to not exceed INR 560 crores anytime during the currency of the Facility.</p> <p>Any other qualifications/carve outs/disclosures/repetition/ambit of the covenants above to be agreed between the parties at the time of documentation</p>
<b>Eligible Investors</b>	<p>Any person whose principal business is automotive and/or automotive component manufacturing in India ("<b>Restricted Person</b>") and/or any person which is Controlled by the Restricted Person and/or is Controlling the Restricted Person.</p> <p>The above persons who are not permitted as Eligible Investors shall be considered as Eligible Investors only if the NCDs are transferred to such persons during continuation of an Event of Default.</p> <p>The Debenture Holders shall bear all costs, and expenses including stamp duties in relation to any transfer of the NCDs.</p>
<b>Transferability of Debentures</b>	The NCDs shall be freely transferable to Eligible Investors
<b>Material Adverse Change</b>	<p>Any event or circumstance, occurrence, or condition which results in one or more of the following:</p> <ol style="list-style-type: none"> <li>1. which adversely affects the ability of the Issuer in any material respect to redeem the Debentures (including payment of coupon) as per the terms of the DTD;</li> <li>2. which adversely affects the rights and remedies of the Secured Parties under any documents by which the Security is created and makes the Security unenforceable.</li> <li>3. The EBITDA of Issuer for any quarter falls below Rs. 25 crores, subject to non-occurrence of a force majeure event.</li> </ol>
<b>Other Conditions</b>	Assets of the Issuer to be adequately insured to the satisfaction of the debenture trustee during the tenor of the NCDs.
<b>Governing Laws and Jurisdiction</b>	The Governing law will be the Indian Law and the parties submit to the exclusive jurisdiction of the courts in Delhi.
<b>Issue Expenses</b>	All expenses viz. execution of documentation, stamp duty (at the place of execution), Trustee fee, R&T Agent fee, legal counsel fee related to the transaction will be to the account of the Issuer in terms of the Transaction Documents
<b>Information Provision</b>	The Issuer undertakes to provide information pertinent to the credit assessment of the Issuer by the potential investors as a condition precedent to disbursement. This information will include, latest financial information, rating letter and rating rationale, copies of the resolutions authorizing the borrowing and the latest company profile etc.
<b>Depository</b>	NSDL/ CDSL
<b>Issue Timeline</b>	To be mutually decided by the Issuer and the Debenture Holders

Date: 7 June 2019



15

FOR SUNBEAM LIGHTWEIGHTING SOLUTIONS PVT. LTD.

