

## Northern Arc Pooled Bond Issuance XVIII 2018 – Terms of the Transaction

*Subject to internal credit, legal and compliance approvals*

KEY TERMS								
Issuers	Satin Creditcare Network Limited ("SCNL")							
Issuance size	<table><tr><th>Issuer</th><th>Issuance (in INR Cr)</th><th>Title</th></tr><tr><td>SCNL</td><td>30.00</td><td>The "SCNL Debentures"</td></tr></table>		Issuer	Issuance (in INR Cr)	Title	SCNL	30.00	The "SCNL Debentures"
Issuer	Issuance (in INR Cr)	Title						
SCNL	30.00	The "SCNL Debentures"						
Rating	[IND] A- (SO) for each Debenture							
Use of proceeds	<ul style="list-style-type: none"><li>• Proceeds of this issuance shall be applied by the Issuer towards only in accordance with RBI regulations for NBFCs as amended from time to time</li><li>• For avoidance of doubt, no part of the proceeds shall be used for any real estate business or any investing in equity.</li><li>• The Issuer should furnish a CA certificate for end use within a period of 4 weeks from the drawdown date.</li></ul>							
Instrument	Rated, Unlisted, Taxable, Senior, Redeemable, Secured, Transferable INR denominated non-convertible debentures ("Debentures")							
Ranking	Each Debenture issued by an Issuer will constitute direct, secured and senior obligations of the Issuer. The claims of the Investors shall be superior to all the claims of investors / lenders of Tier I & Tier II Capital and shall rank pari passu to all unsubordinated and secured indebtedness of the Issuer and that each of the Debenture Holders shall inter-se rank pari passu in relation to their rights and benefits in relation to the Debentures, without any preference or privilege.							
Investor	Aditya Birla Finance Limited							
Arranger & Structurer	Northern Arc Capital Limited							
Debenture Trustee	Catalyst Trusteeship Limited/ Beacon Trusteeship Limited							
Rating Agency	ICRA Limited / India Ratings							
Tenor	<table><tr><th>Issuer</th><th>Tenor</th></tr><tr><td>SCNL</td><td>36 months</td></tr></table>		Issuer	Tenor	SCNL	36 months		
Issuer	Tenor							
SCNL	36 months							
Face Value	INR 10,00,000							
Issue Price	At par							
Issuance Mode	Dematerialized							
Private/Public Placement	Private Placement							
Yield	10.60% XIRR							
Principal Repayment	Each Issuer will pay principal on a monthly basis (36 equal principal instalments) as captured in Schedule IV of Debenture Trust cum Mortgage Deed.							
Interest Payment	Each Issuer will pay interest on a monthly basis as captured in Schedule III of Debenture Trust cum Mortgage Deed.							
Payment mechanism	<ol style="list-style-type: none"><li>1. Issuer shall make the payments of interest and principal amounts due along with all other obligations (if any) under the transaction documents by 4 PM IST on T-3 Business Days</li><li>2. In the event of failure of the Issuer to comply with (1) above, on T-2 Business Days, the Debenture Trustee shall invoke the guarantee and send a notice of 1 (One) Business Day to the Guarantor(s)</li></ol>							



*This document does not constitute an offer, or an invitation to offer, or a recommendation to enter into any transaction. We have sent you this document in our capacity as a potential counterparty acting at arm's length. We are not acting as your financial adviser or in a fiduciary capacity in respect of this proposed transaction or any other transaction with you unless otherwise expressly agreed by us in writing. Before entering into any transaction you should take steps to ensure that you understand the transaction and have made an independent assessment of the appropriateness of the transaction in the light of your own objectives and circumstances, including the possible risks and benefits of entering into such transaction. You should also consider seeking advice from your own advisers in making this assessment.*

	3. The Guarantor(s) shall make payments on T-1 (i.e. one day prior to the interest or principal due date). The Guarantor(s) will be called upon to pay as per the original amortization schedule of the relevant Debenture
<b>Default Interest</b>	All interest on the Debentures and/or principal redemption shall, in case the same be not paid on the respective due dates, carry further interest at the rate of 2% (two percent) over the Yield per annum computed from the respective due dates and shall become payable from the date of the Event of Default up to earlier of (i) date on which such Event of Default is rectified or (ii) the entire secured obligations in respect of the Debentures have been paid to the Debenture Holders. Any Default Interest payable shall be paid within a maximum period of 2 (Two) Business Days from the date of receipt of a notice from the Debenture Trustee to make payment of such Default Interest.
<b>Business Day</b>	If the date for performance of any event or the due date for any payment including but not limited to the maturity date falls on a day that is not a Business Day, then the date in respect of performance such event or the due date for payment shall be the succeeding Business Day for interest payments and the preceding Business Day for principal payments
<b>Security</b>	<ul style="list-style-type: none"> <li>Each Debenture shall be secured by a pool of loans originated by the relevant Issuer, with a security cover of 1.0x (One) time over the outstanding Debentures.</li> <li>Loans may be added on a monthly basis to meet the security cover.</li> <li>The loans securing the Debenture must meet certain Eligibility Criteria. Loans not meeting the criteria will not be included in computation of security cover.</li> <li>Security cover will be met no later than 30 (Thirty) calendar days from the Deemed Date of Allotment until all outstanding Debentures are redeemed.</li> <li>The Debentures shall be issued pursuant to a mortgage created over the Immovable Property by and under the DTMD (on a second charge basis). The Borrower shall create the mortgage over the Immovable Property in terms of DTMD and register the DTMD with the jurisdictional sub-registrar.</li> </ul>
<b>Security Creation</b>	<ul style="list-style-type: none"> <li>Each Issuer will agree to provide security in relation to the Debentures by way of exclusive charge by way of hypothecation in favour of the Debenture Trustee for the benefit of the Debenture Holders over specified receivables.</li> <li>The Issuer shall replace any loans comprising the Security cover on or before the 15th of any calendar month with other loans satisfying the eligibility criteria, provided that the security cover ratio does not fall below 1.0x. Such replacement shall be effected with the consent of the Debenture Trustee.</li> <li>Report/file such list of assets comprising the Hypothecated Assets with the concerned ROC and the Central Registry of Securitisation Asset Reconstruction and Security Interest of India in relation thereto as soon as practicable and no later than 30 (thirty) days of each instance of creation of security in accordance with the Deed of Hypothecation and provide the same to the Debenture Holders, the Guarantor and the Rating Agency.</li> <li>Issuer shall get the Mortgage cum Debenture Trust Deed registered with the relevant sub-registrar and deliver to the Debenture Trustee a copy of this Deed no later than 90 days from the date of execution of the Deed</li> </ul>
<b>Eligibility criteria for Security</b>	<ul style="list-style-type: none"> <li>Each receivable provided as Security by an Issuer must be a loan provided to a borrower of the Issuer ("Loan")</li> </ul>



	<ul style="list-style-type: none"> <li>Loans must be unencumbered (other than under the Transaction Documentation) and not sold or assigned by the Issuer</li> <li>The hypothecated Loans must only be originated at the branches owned, controlled and operated by the Issuer directly and not through branches operated by its origination partners.</li> <li>The loans should not have been originated from Maharashtra, Eastern Uttar Pradesh and Andhra Pradesh.</li> <li>The hypothecated must have been originated while complying with all the extant 'know your customer' norms specified by the RBI.</li> <li>The hypothecated are current and not in overdue at the time of inclusion in the Security and have not been terminated or prepaid.</li> <li>The hypothecated shall not be overdue for more than 90 (Ninety) days on all Top-up Dates when the Security Cover shall be topped up if necessary to maintain a cover of atleast 1.0x.</li> </ul>
<b>Guarantee</b>	<ul style="list-style-type: none"> <li>The Guarantor shall provide an unconditional, irrevocable, payable on demand guarantee, favouring the Investors that covers <b>[18.25]%</b> of the initial principal value of the debentures of amount INR 105 Cr in aggregate to be issued by Pooled Bond Issuers. The Guarantee shall be enforceable, in tranches, as and when required, and in case the same is enforced, the value of the Guarantee shall be reduced by the amount so enforced.</li> <li>The ratio of the outstanding Guarantee to the aggregate outstanding principal of the PBI Debentures is referred to as the "<b>Guarantee Percentage</b>".</li> <li>When due to the amortisation of the PBI Debentures outstanding, the Initial Guarantee Cap is greater than <b>30.00%</b> of the aggregate outstanding principal of the PBI Debentures, the Guarantee Cap shall be reduced to <b>30.00%</b> of the aggregate outstanding principal of the PBI Debentures, with the prior approval of the Rating Agency ("<b>Revised Guarantee Cap</b>"). Such reduction of the Guarantee Cap will be affirmed by the Rating Agency after the Investor Payout Dates falling on <b>14<sup>th</sup>, 17<sup>th</sup>, 20<sup>th</sup>, 23<sup>rd</sup>, 26<sup>th</sup>, 29<sup>th</sup>, 32<sup>nd</sup> and 35<sup>th</sup></b> but before the Investor Payout Dates falling on <b>15<sup>th</sup>, 18<sup>th</sup>, 21<sup>st</sup>, 24<sup>th</sup>, 27<sup>th</sup>, 30<sup>th</sup>, 33<sup>rd</sup> and 36<sup>th</sup></b> respectively.</li> </ul> <p>However, any reduction in the guarantee obligation of the Guarantor is subject to the rating of the Debentures being maintained at A- (SO) (confirmed by the Rating Agency to the Debenture Trustee prior to such reduction) and as per definition of guarantee revision threshold amount under clause 1.1 (41) and clause 2.35 of the Debenture Trustee Deed. Guarantee and Revision of Guarantee Cap shall be as captured in detail in Debenture Trust Deed,</p> <ul style="list-style-type: none"> <li>All payments of guarantee fees shall be directly made to the relevant accounts of the Guarantor by each Issuer</li> </ul> <p>In this term sheet, following terms will have the following meanings:</p> <p><b>"PBI Debentures"</b> cumulatively means, the debentures issued by the other Pooled Bond Issuers and the Issuer under the Pooled Bond Issuance, and includes the Debentures</p> <p><b>Pooled Bond Issuance</b> means the issuance of rated, unlisted, taxable, unsubordinated, redeemable, non-convertible debentures with an aggregate face value of INR. 105,00,00,000/- (Indian Rupees One Hundred and Five Crore only) by the Pooled Bond Issuers, guaranteed by the Guarantor and to be secured by the Pooled Bond Issuers by way</p>





	<p>of a first ranking exclusive charge on their respective Hypothecated Assets on or before the Effective Date.</p> <p><b>Pooled Bond Issuers</b> cumulatively means, the Issuer and the other issuers who will issue PBI Debentures under the Pooled Bond Issuance</p>
<b>Guarantor</b>	Northern Arc Capital Limited providing up to 100.00% of the Guarantee ("Northern Arc Guarantee Cap")
<b>Transaction Structure</b>	<ul style="list-style-type: none"> <li>The Investor invests in each Debenture issued by the Issuers</li> <li>Each Issuer is an applicant for a joint guarantee from the Guarantor</li> <li>The Guarantor irrevocably and unconditionally guarantees the Investor, the principal and interest payments from each Issuer under the terms of the Transaction Documentation, up to the extent of the Guarantee Cap.</li> <li>The Debenture Trustee and the Guarantor enter into an agreement amongst themselves that states, amongst other provisions: <ul style="list-style-type: none"> <li>That the total amount guaranteed by the Guarantor is capped at <b>[18.25]%</b> of the initial principal value of PBI Debentures ("<b>Initial Guarantee Cap</b>")</li> <li>When due to the amortization of the PBI Debentures outstanding, the Initial Guarantee Cap is greater than <b>30.00%</b> of the aggregate outstanding principal of the PBI Debentures, then the Guarantee Cap shall be reduced to <b>30.00%</b> of the aggregate outstanding principal of the PBI Debentures, with prior approval of the Rating Agency ("<b>Revised Guarantee Cap</b>"). Such reduction of the Guarantee Cap will be affirmed by the Rating Agency after the Investor Payout Dates falling on <b>14<sup>th</sup>, 17<sup>th</sup>, 20<sup>th</sup>, 23<sup>rd</sup>, 26<sup>th</sup>, 29<sup>th</sup>, 32<sup>nd</sup> and 35<sup>th</sup></b> but before the Investor Payout Dates falling on <b>15<sup>th</sup>, 18<sup>th</sup>, 21<sup>st</sup>, 24<sup>th</sup>, 27<sup>th</sup>, 30<sup>th</sup>, 33<sup>rd</sup> and 36<sup>th</sup></b> respectively.</li> <li>However, any reduction in the guarantee obligation of the Guarantor is subject to the rating of the debentures being maintained at A- (SO) (confirmed by the Rating Agency to the Debenture Trustee prior to such reduction) and as per definition of guarantee revision threshold amount under clause 1.1 (41) and clause 2.35 of the Debenture Trustee Deed. Guarantee and Revision of Guarantee Cap shall be as captured in detail in Debenture Trust Deed,</li> <li>The Initial Guarantee Cap and the Revised Guarantee Cap, as the case may be, is referred to as the <b>Guarantee Cap</b>.</li> </ul> </li> <li>Upon the occurrence of a Failure to Pay by an Issuer, the Debenture Trustee will call upon the Guarantor to fund the shortfall amount. However, the Guarantor will be called upon to pay as per the original amortization schedule of the relevant Debenture</li> <li>At no point of time will the total amount funded by the Guarantor exceed the Guarantee Cap, unless the Guarantee is replenished as stated below.</li> <li>After the enforcement of the Guarantee, if the Issuer(s) pays any money to the Guarantor (excluding fee / interest), the Guarantee will be replenished by the amount so paid by the Issuer(s) subject to the overall amount of the Guarantee. The rights of the Guarantor are fully subordinated to the rights of the Investors except as provided in the Transaction Documentation</li> </ul>
<b>Put/Call Option</b>	None.



<b>Depository</b>	NSDL
<b>Listing</b>	Unlisted
<b>Trading Mode</b>	Dematerialized
<b>Issue Schedule</b>	Issue Open Date : [August , 2018] Issue Close Date : [August , 2018] Deemed Date of Allotment : [August , 2018]
<b>Interest on application money</b>	To be paid at the respective coupon of each Debenture, on the first interest payment date
<b>Transferability</b>	The Debentures are freely transferable by the Investor subject to and in accordance with the rules/procedures as prescribed by NSDL / CDSL / Depository Participants of the transferor / transferee.
<b>OTHER TERMS:</b>	
<b>Representations</b>	<p>The Issuer (and where applicable its affiliates) as well as the Guarantor(s) shall make representations customary for issuance of this nature, including but not limited to:</p> <ul style="list-style-type: none"> <li>(a) Corporate existence, power and authority</li> <li>(b) Legal validity and binding nature of the transaction</li> <li>(c) Corporate and governmental authorizations and consents</li> <li>(d) Non-contravention of existing agreements and constitutions documents and binding nature of the same</li> <li>(e) No material outstanding default or material litigation</li> <li>(f) No material violation of law or material agreements</li> <li>(g) No occurrence of a material adverse effect</li> <li>(h) No litigation that may have a material adverse effect on operation of business</li> <li>(i) No insolvency or insolvency proceedings</li> <li>(j) Completeness and accuracy of financial statements</li> <li>(k) Fund proceeds under this transaction shall only be applied in accordance with end use as stated in this agreement</li> </ul> <p>Issuer and the Guarantor are in compliance with all applicable laws including, without limitation, all tax, social and environmental laws.</p>
<b>Financial, operational and other covenants</b>	<p><b>Financial covenants pertaining to each Issuer:</b></p> <ul style="list-style-type: none"> <li>- Capital adequacy ratio as stipulated by RBI (currently at 15.00%)</li> </ul> <p><b>Operational covenants for each Issuer:</b></p> <p><b>a) Satin Creditcare Network Limited ("SCNL")</b></p> <ol style="list-style-type: none"> <li>1. Maximum permissible ratio of the sum of PAR 60 (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) in a financial year to Gross Loan Portfolio &lt;11%</li> <li>2. Maximum permissible ratio of PAR 30 net off Loan Loss Provisions (on the Borrower's entire portfolio including receivables sold or discounted on a non-recourse basis) to Tangible Network &lt; 20%</li> </ol> <p>All covenants would be tested on quarterly basis for the Company, i.e. as on 31st March, 30<sup>th</sup> June, 30<sup>th</sup> Sept and 31<sup>st</sup> December every year, on consolidated and standalone balance sheet till the redemption of the Debentures.</p>



Covenants to be certified by statutory auditor/CA/Management annually for 31 Mar numbers

**Other covenants for each Issuer:**

- Standard covenants on change in nature of business, declaration & payment of dividends, change in control, change in management control, disposal of assets as per Transaction Documentation.
- No change in promoter shareholding or merger/demerger, which results in promoter shareholding below 25%, without prior approval of the Debenture Trustee and Guarantor
- In case of inability to pay from the Issuer's balance sheet, each Issuer must utilise the cash flows from the receivables provided as Security for the payment of interest and principal on the Debentures, to the extent of the repayment obligation
- Reporting requirements on the receivables provided as Security, as per the formats provided
- Shall provide quarterly information sheet providing details of PAR 30/60/90 days, collection efficiencies, CAR, GNPA, NNPA, and write-offs/ provisioning

**Covenants pertaining to Guarantor**

- Capital Adequacy Ratio – minimum of 15.0%
- Minimum long term rating of A-

For the purpose of aforementioned Financial Covenants, following terms shall have the meanings:

**Portfolio at Risk greater than 90 days or PAR > 90** shall mean, in a district or a branch or on the Borrower's entire portfolio at any point of time, as the case may be, the outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 90 days or more and includes restructured loans.

**Portfolio at Risk greater than 30 days or PAR > 30** shall mean, in a district or a branch or on the Borrower's entire portfolio at any point of time, as the case may be, the outstanding principal value of the Borrower's portfolio that has one or more instalments of principal, interest, penalty interest, fee or any other expected payments overdue for 30 days or more and includes restructured loans.

**Tangible Networth** means with respect to any person, the amount paid on such persons issued equity share capital and any amount standing to the credit of its reserves, less goodwill before tax assets or other intangible assets.

**Gross Loan Portfolio** means and includes the outstanding principal amounts of the loans originated by the Borrower on its own books, securitized portfolio as well as loans originated on behalf of other entities by entering into partnership agreements but not included on the Borrower's own book.

**NBFC Master Directions** means the master directions issued by the RBI on Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 or Non-Banking Financial Company – Non-





	<p>Systemically Important Non-Deposit taking Company (Reserve Bank) Directions, 2016 as may be applicable for the Borrower (as amended or modified or restated from time to time).</p> <p><b>Tier I Capital</b> has the meaning ascribed to it in the NBFC Master Directions.</p> <p><b>Tier II Capital</b> has the meaning ascribed to it in the NBFC Master Directions.</p> <p><b>Loan Loss Provision</b> means the outstanding provision in the balance sheet of the Borrower pertaining to on book and securitised book assets to provide for potential losses.</p>
<b>General undertakings</b>	<p>General undertakings from the Issuer and the Guarantor, shall include but not be limited to the following:</p> <ul style="list-style-type: none"> <li>(a) To obtain, comply with and maintain all authorisations;</li> <li>(b) Compliance with applicable laws including environmental and social laws;</li> <li>(c) Restriction on disposals of assets, except in usual course of business (any waiver on this undertaking for an Issuer shall also require the Guarantor's approval);</li> <li>(d) No material adverse effect business</li> </ul>
<b>Events of Non-Compliance</b>	<p>Customary for financings of this nature and others appropriate in the judgment of the Investors upon the occurrence of which the Investor will be entitled to a higher rate of interest of 2% on the outstanding Debentures:</p> <ul style="list-style-type: none"> <li>(a) Breach of covenants</li> <li>(b) Non-maintenance of the requisite security cover</li> <li>(c) Misrepresentation by the Issuer</li> <li>(d) Non-payment of an Issuer</li> <li>(e) Cross default of the Issuer</li> <li>(f) Unlawfulness</li> <li>(g) Repudiation of the Transaction Documentation by an Issuer</li> <li>(h) Material litigation on an Issuer</li> <li>(i) Change of cessation of business of an Issuer</li> <li>(j) Material adverse effect on any Issuer</li> <li>(k) Any of the Transaction Documentation ceases to be in full force and effect or is terminated prior to maturity</li> <li>(l) Failure by an Issuer to meet standards with respect to collection quality, management, governance, internal systems and processes, and data integrity, as may be required by the Debenture Trustee / Investor / Guarantor. The Structurer shall be authorised by the Debenture Trustee / Investor to conduct such discretionary audits on its behalf.</li> </ul>
<b>Consequence of Event of Non-Compliance</b>	<ul style="list-style-type: none"> <li>• The Debenture Trustee's approval and the Guarantor's approval shall be required for the Issuer to declare any dividends, or make any other distributions to the holders of common equity.</li> <li>• Default Interest of 2% over and above the coupon of each respective Debenture</li> <li>• If the Event of Non Compliance has been triggered by an Issuer, the relevant Issuer must make equal weekly principal repayments going forward (such payment schedule to be drawn up by the Debenture Trustee). The schedule shall be drawn up to ensure that the last</li> </ul>



	<p>payment date of an approximate 4-week period (or 5-week period as applicable) shall fall on a Principal Repayment Date</p>
<b>Events of Default</b>	<p>Customary for financings of this nature and others appropriate in the judgment of the Investors, upon the occurrence of which the Investor will be entitled to accelerate redemption, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Non-payment of any dues under this issuance by the Issuer and the Guarantor;</li> <li>• Event of Non Compliance, where the outstanding amount under the Debentures of the affected Issuers exceeds the outstanding Guarantee, and such event is not remedied within 30 days</li> <li>• Downgrade of Guarantor below the covenanted level, and failure by the relevant Guarantor to provide a cash collateral equal to the amount guaranteed by it within 15 (Fifteen) Business Days of such downgrade;</li> <li>• With reference to Guarantor: cross default, misrepresentation, repudiation of any Transaction Documentation, cessation of business, material litigation and revocation of operating licenses.</li> </ul>
<b>Consequences of Event of Default</b>	<p>The consequences will be applicable to the relevant Issuer and not to all the Issuers.</p> <p>Upon the happening of any Event of Default, all outstanding amounts on the NCDs shall stand accelerated and payable forthwith within five Business Days and the Debenture Trustee will give notice to the Issuers to pay the outstanding amount within five Business Days of occurrence of Event of Default.</p> <p>If the relevant Issuer(s) are unable to pay, the Debenture Trustee will serve a notice on the Guarantor to make good the entire outstanding amount within five Business Days.</p>
<b>Pre-disbursement conditions</b>	<ul style="list-style-type: none"> <li>• Credit policy of the issuing companies, Debenture Deeds documents and Agreement with Debenture Trustee.</li> <li>• PBI rating to be obtained which shall be minimum A-(SO).</li> <li>• Compliance of covenants basis FY18 (certification).</li> <li>• All the documents shall be in a format acceptable to ABFL.</li> <li>• NOC from existing lenders to MFIs issuing the NCDs in the event that they hold charge on the receivables.</li> </ul>
<b>Other conditions</b>	<ul style="list-style-type: none"> <li>• ABFL will have right to do receivables and branch audit once in a year at its discretion.</li> </ul>
<b>Conditions precedent from each Issuer and Guarantor as applicable</b>	<p>Conditions precedent customary for offerings of this nature including, but not limited to:</p> <ul style="list-style-type: none"> <li>• The execution and delivery of Transaction Documentation in form and substance satisfactory to the Debenture Trustee including but not limited to (i) legal opinions from the counsel of the Issuer; (ii) board resolutions; and (iii) government authorisations and approvals (if any)</li> <li>• Constitutional documents</li> <li>• Specimen signatures</li> <li>• Borrowing / guaranteeing certificate a certificate from the Issuers / Guarantor confirming that borrowing or guaranteeing the total commitments would not cause any borrowing, guaranteeing or similar limit binding on the Issuer to be exceeded</li> <li>• Financial statements relating to the Issuers / Guarantor</li> </ul>





	<ul style="list-style-type: none"> <li>• All governmental and/or regulatory approvals and other third party consents, including No Objection Certificates (NOC)s (if any) from existing lenders, necessary in connection with the transaction contemplated hereby shall have been obtained and shall be in full force and effect</li> <li>• All representations and warranties are true on and as of the date of the drawdowns, before and after giving effect to such and to the application for the proceeds there from, as though made on and as of such date</li> <li>• No Event of Non Compliance or potential Event of Non Compliance has occurred and is continuing, or would result from such advances</li> <li>• No Event of Default or potential Event of Default has occurred and is continuing, or would result from such advances</li> <li>• No law or regulation shall be applicable in the judgment of the Investors (as supported by satisfactory legal opinions) that restrains, prevents or imposes materially adverse conditions upon the transactions contemplated hereby</li> <li>• Evidence of payment of all fees, costs and expenses then due from the Issuer under the Transaction Documentation and incurred for the purpose of preparation of Transaction Documentation</li> <li>• the absence of any material adverse effect in the business, condition (financial or otherwise), operations, performance or prospects of the Issuer the absence of any pending or threatened litigation, investigation or proceedings that may have a material adverse effect on the business condition (financial or otherwise), operations, performance or prospects of the Issuer or that purports to affect the Facility</li> </ul>
<b>Taxes and yield gross up</b>	All duties and taxes (including without limitation stamp duties, transfer taxes, service tax, but excluding income tax of Investors and capital gains tax of Investors as applicable) relating to the facility shall be borne by the Issuer.
<b>Transaction Documentation</b>	The issuance and subscription of the Debentures will be evidenced by Debenture Trust Deed, Deed of Hypothecation, Deed of Guarantee, Payment Undertakings and other relevant documentation between each Issuer, each Guarantor and the Debenture Trustee.
<b>Majority debenture holders</b>	<p>All references to the consent or discretion or agreement of the Debenture Trustee shall mean the Debenture Trustee acting on the instructions of the Majority Debenture Holders, unless specifically provided otherwise.</p> <p>"Majority Debenture Holders" means such number of Debenture Holders holding not less than seventy five percent (75%) of the nominal value of the Debentures then outstanding.</p>
<b>Governing law</b>	Indian Law
<b>Jurisdiction</b>	Courts of Chennai for all documentation barring the Payment Undertakings for which local jurisdiction will apply.



