

# Term Sheet

<b>Borrower Company/Issuer</b>	TMT Viniyogan Limited ("TMTVL")
<b>Shares of Underlying Company</b>	Emami Limited ("EL"),
<b>Instrument</b>	Rated, Unlisted, Redeemable, Non-Convertible Debentures ("NCDs" or "Debentures" or "Bonds") to be issued in Dematerialized form
<b>Rating</b>	AA-(SO) by BRICKWORKS
<b>Promoter Group / Emami Group</b>	Mr. R.S. Agarwal & Mr. R.S. Goenka and his associates  For the purposes of this definition, the term "associates" of Mr. R.S. Agarwal & Mr. R.S. Goenka shall mean (a) his "relatives" which is defined as lineal ascendants and descendants of Mr. R.S. Agarwal & Mr. R.S. Goenka including the spouse, sons and daughters of Mr. R.S. Agarwal & Mr. R.S. Goenka and, for the avoidance of any doubt, the lineal ascendants and descendants of the spouse, sons and daughters of Mr. R.S. Agarwal & Mr. R.S. Goenka are also included and any company, body corporate, firm or association of persons in which such persons hold, directly or beneficially, more than 50% of voting securities or has the power to direct its management and policies, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise
<b>Share Security Provider (Any of the)</b>	Any promoter (as defined under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers Regulations, 2011) companies of Emami Limited.
<b>Pledgor</b>	TMT Viniyogan Limited ("TMTVL")
<b>Obligor</b>	Issuer & Pledgor
<b>Arranger</b>	Axis Bank Limited
<b>Object(s) of the Issue</b>	General Corporate Purpose
<b>Total Issue Amount</b>	Rs.50,00,00,000/- (Rupees Fifty Crores only)
<b>Pay In Date</b>	February 23, 2017
<b>Maturity Date</b>	February 22, 2019. The issuer shall prefund the designated account by 7 calendar days prior to the Maturity date.
<b>Face Value</b>	Rs. 10,00,000/- (Rupees Ten Lakh Only)
<b>Final Settlement Date</b>	Shall mean the date on which the Debentures have been redeemed in full in accordance with the terms of the Transaction Documents and the Debenture Trustee has provided a written confirmation of the same to the Company (with a copy marked to the Debenture Holders)
<b>Repayment</b>	Bullet on maturity
<b>Eligible Investor(s)/Subscriber(s) Debenture Holders</b>	<ul style="list-style-type: none"> <li>• Companies and Bodies Corporate including Public Sector Undertakings</li> <li>• Scheduled Commercial Banks</li> <li>• Financial Institutions</li> <li>• Insurance Companies</li> <li>• Provident Funds</li> <li>• Mutual Funds</li> <li>• Individual Investors</li> <li>• Foreign Institutional Investors</li> </ul>



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	Any other investor authorised to invest in such NCDs
<b>Mode of Placement</b>	Private placement to eligible investors
<b>Coupon Payment Frequency</b>	Zero Coupon
<b>Redemption Premium</b>	<p>The Debentures shall be redeemable at a premium of such amount which gives the holder of the Debentures an IRR of 9.13% computed using the XIRR function on Microsoft Excel 2010 Edition ("Rate of Return").</p> <p>Redemption Premium on per NCD is redeemed on Deposit Date i.e. 15 February 2019 shall be Rs.1,88,660/- per NCD. It will be adjusted until the Final Settlement Date.</p> <p>Redemption Premium on per NCD, if it is redeemed on Maturity Date i.e. February 22, 2019 per NCD shall be Rs.1,90,650 /-</p>
<b>Redemption Amount</b>	Repayment of principal amount of the Debentures together with Redemption Premium.
<b>Early Redemption Option</b>	Once the Redemption Amount is deposited in Designated Account on or prior to the Deposit Dates, Issuer has right to redeem the Debentures
<b>Redemption Date</b>	The day debentures are redeemed
<b>Issue Opening Date</b>	23 <sup>rd</sup> February 2017
<b>Issue Closing Date</b>	23 <sup>rd</sup> February 2017
<b>Pay-in Date/Deemed Date of Allotment</b>	23 <sup>rd</sup> February 2017
<b>Record Date</b>	The Record Date will be the date falling 7 (seven) Business Days prior to the Coupon Payment Date and the Redemption Date;
<b>Security</b>	<ol style="list-style-type: none"> <li>1. First ranking, exclusive pledge of shares of Emami Ltd ("Emami Shares") by the Pledgors to provide an Initial Share Cover of 1.82x over the Outstanding Amount. Such shares not to be subject to any encumbrance or lock-in on any exchange.</li> <li>2. Exclusive first charge on the Designated Account together with all the amounts lying therein.</li> <li>3. Such other security created by issuer or any other person as may be required by the Majority Debentures Holders in favour of the Debenture Trustee.</li> </ol> <p>All security to be created in favour of the Debenture Trustee.</p>
<b>Valuation Methodology</b>	<p>At the time of creation of Share Pledge initially, on-going monitoring of Security Cover, and at the time of calculation of top-up and top-down requirement, the valuation methodology shall be as follows:</p> <p><b>The lower of:</b></p> <ol style="list-style-type: none"> <li>I. Closing share price on the National Stock Exchange of India Limited ("NSE") on the same day; and</li> <li>II. 60 trading days average closing price on NSE.</li> </ol> <p>Valuation and monitoring of Security Cover will be carried out by the Debenture Trustee on a daily basis. The Debenture Trustee shall be the</p>



	calculation agent and any valuations of the Security Cover and/or the amounts due from the Issuer made by Debenture Trustee shall be final and binding on the Issuer and the Pledgors
<b>Security Margin</b>	Unless specifically provided for in the Debenture Documents, the Share Cover on the Initial Valuation Date shall be <b>1.62</b> (one decimal point six two) times of the Benchmark Amounts (" <b>Initial Share Cover</b> ") and thereafter shall be at least <b>1.6</b> (one decimal point six) times of the Benchmark Amounts at all times till the Final Settlement Date (" <b>Minimum Share Cover</b> "). The Share Cover shall be calculated on a daily basis as per the Valuation Methodology.
<b>Underlying Shares</b>	Fully Paid up Shares of EL of Face Value of Rs 1/- and in Demat Form
<b>Top Up Trigger Event(s)</b>	<p>If at any time before the Final Settlement Date, the Share Cover falls below <b>1.6</b> times (one decimal point six) times of the Benchmark Amounts, the Obligors and/or any of the Share Security Providers shall immediately cause top-ups to be made within 2 (two) Business Days ("<b>Shortfall Cure Period</b>") from the Shortfall Date by way of (i) pledge of additional EL Shares and/or in favour of the Debenture Trustee ("<b>Share Top-up</b>"), and/or (ii) deposit appropriate cash amounts ("<b>Cash Top-up</b>") in the Designated Account such that after the said pledge and/or effecting the said cash deposit, the Initial Share Cover is restored.</p> <p>In relation to such top-up, it is hereby clarified that in the event that between the occurrence of the Top-Up Event and the date of the Share Top-up / Cash Top-up, if the closing share price of the EL Shares falls below the Share Price, as on the date of occurrence of the Top-Up Event, the extent of Share Top-up or Cash Top-up required to restore the Initial Share Cover pursuant to the occurrence of the Top-Up Event will be determined on the basis of such lower share price.</p> <p>Any event that requires the Obligor to make or cause to make any Share Top-up or Cash Top-up shall be referred to as "<b>Top-Up Event</b>".</p>
<b>Top Down Trigger Event(s)</b>	If the Share Cover is <b>1.85</b> (one decimal point eight five) or greater for a period of 7 (seven) consecutive Trading Days, and (i) no potential Event of default and / or no Event of Liquidation exists, and/or (ii) no Event of Default and / or no Event of Liquidation has occurred and is continuing, the Debenture Trustee upon being requested by the Obligor shall be required to immediately release the requisite number of Pledged Shares upon receipt of such request so as to take the Share Cover to Initial Share Cover.
<b>Benchmark Amount</b>	<p>The benchmark amount shall be computed from time to time as follows:</p> <p>Principal Amount plus accrued interest, default interest, other charges if any payable as per transaction document etc less any amounts deposited in the Designated Account pursuant to the cash top-up under the Share Pledge Agreement.</p>
<b>Outstanding Amount</b>	Shall mean all amounts due and outstanding in respect of the Debentures, including principal outstanding, accrued interest, default interest and other charges, if any, payable in accordance with the terms of the transaction documents.



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<b>Mandatory Prepayment Event</b>	<p>The debenture holder will have option to recall their money back on occurrence of either of the following events:</p> <ol style="list-style-type: none"> <li>1. In case the closing price of Emami Shares on any exchange drops by 35% of the Benchmark Price (Benchmark Price is the closing price of the shares of Emami Limited on the NSE on the Trading Day immediately preceding the Deemed Date of Allotment).</li> <li>2. In case the share price of Emami Shares on any exchange reaches the lower circuit for 2 consecutive trading days</li> <li>3. If rating of the NCD get downgraded to A-</li> </ol> <p>On the occurrence of a Prepayment Event, The debenture holders will have a right to accelerate the issue and the entire Outstanding Amount will be due for payment on the "Prepayment Date" which shall be within 15 Days from the date of occurrence of such an event. For avoidance of doubt, such Prepayment Event shall be triggered at the option of the Investor and the requirement of top-up through shares or cash would continue till all amounts due on Prepayment Event are paid in full.</p>
<b>Designated Account Bank</b>	<p>The Designated Account shall be an account opened by the Company with Private Sector Bank for the purpose of pre-funding the amounts payable to the Investors in relation to the Debentures, which account shall be solely operated by the Debenture Trustee. Any amounts deposited in the Designated Account can be invested in (i) fixed deposits placed with the bank with which the Designated Account is maintained; and / or (ii) Investment in liquid schemes of Top 10 fund houses. The Designated Account shall be effectively charged in favour of the Debenture Trustee and the Issuer shall take all such actions and execute all such deeds so as to ensure that for so long as the Debentures are outstanding, no person other than the Debenture Trustee is entitled to operate the Designated Account.</p> <p>Designated Account shall be opened within 20 days from the Deemed Date of Allotment.</p>
<b>Debenture Trustee</b>	Axis Trustee Services Limited
<b>Security Monitoring Agent</b>	Axis Trustee Services Limited
<b>Penal/ Default Interest Rate</b>	2% p.a. (compounded monthly) over and above the rate used for arriving at the Redemption Premium in respect of any amounts which have not been paid on the Maturity Date or when due for the period of default i.e. from the due dates until the date of actual payment, applicable on the overdue amount.
<b>Prepayment Charges</b>	Nil in case of Mandatory Prepayment Event.
<b>Day Count Basis</b>	<p>A/A (Actual by Actual)</p> <p>Interest shall be computed on an "actual/actual basis". Where the interest period (start date to end date) includes February 29, interest shall be computed on 366 days-a-year basis</p>
<b>Interest on Application Money</b>	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 Bonds for the period starting from and including the date of realization of application money in Issuer's Bank Account upto



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	one day prior to 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
<b>Transaction Documents / Debenture 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 latest SEBI guidelines/ Companies Act 2013 for issuance of NCDs through Private Placement:</p> <ol style="list-style-type: none"> <li>1. Pledge Agreement/Pledge Deed</li> <li>2. Power of attorney pursuant to the Pledge Deed</li> <li>3. Letter appointing Trustees to the Debenture holders;</li> <li>4. Debenture Trustee Agreement;</li> <li>5. Debenture Trust Deed;</li> <li>6. Deed of Hypothecation;</li> <li>7. Power of attorney pursuant to deed of hypothecation;</li> <li>8. Letter appointing Registrar and MoU entered into between the Issuer and the Registrar, if required;</li> </ol> <p>Any other as per the requirement of the Debenture Trustee for the issuance of the NCDs</p>
<b>Representation Warranties and for Obligors</b>	<p>The Issuer will make representations customary for a facility of this nature including :-</p> <ol style="list-style-type: none"> <li>(a) Corporate existence, capacity and authority;</li> <li>(b) Status, binding obligation, power and authority</li> <li>(c) Legal, valid and binding nature of the Transaction Documents;</li> <li>(d) Corporate and governmental authorizations and consents (including those from central and state government, local authorities), no contravention of existing agreements and constitutional documents, or any document which is binding;</li> <li>(e) No misleading information</li> <li>(f) No proceedings pending or threatened</li> <li>(g) No material adverse change or event of default</li> <li>(h) Good title to assets</li> <li>(i) Issuer will provide details of outstanding direct/indirect encumbrances of any form of the Security Provider's holdings in the Share Issuer</li> <li>(j) No outstanding default, material litigation, violation of law or material agreements;</li> <li>(k) Completeness and accuracy of financial statements and other information shared with investors/ arranger</li> <li>(l) Any other representations as may be required by the investors including those pursuant to any due diligence in relation to the Issuer.</li> </ol>
<b>General Covenants for Obligors</b>	<ol style="list-style-type: none"> <li>(a) Obligors shall not amend or modify Clause in its Memorandum of Association and Article of Association without prior consent of the</li> </ol>



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Debenture Trustee/Debenture Holders

- (b) Issuer shall not change its financial year-end from 31st March (or such other date as may be approved by Investors) without prior consent of the Debenture Trustee/Debenture Holders
- (c) At least one family member of Agarwal Family and Goenka Family each shall remain on the board of the underlying security company (Emami Ltd.) throughout the tenure of the NCDs
- (d) The Obligor shall undertake that the raising of monies as per this term sheet is not in contravention with any terms and conditions of the existing borrowings or debt of the Issuer and no-objection from the existing lenders / security holders has been taken wherever required.
- (e) All the indebtedness of the Issuer towards the other members of the Group shall be subordinated at all times in all respects to the Facility.
- (f) The Share Security Providers shall at all times maintain adequate number of unencumbered and non-locked Emami Shares to ensure timely top-ups as may be required under the terms of the Issue at all times.
- (g) The Issuer shall ensure maintenance of Security Cover at all times
- (h) The Issuer /Emami / Promoter's/ Promoter Group Company shall maintain its corporate existence and right to carry on its business and operations and comply with all Applicable Laws in all respects, at all times
- (i) The Issuer, Emami, the Promoter and the Promoter Group shall each perform all of their obligations at all times under the terms of the Transaction Documents to which they are a party and maintain in full force and effect each of the Transaction Documents to which they are a party.
- (j) The Issuer / Emami / Promoter's/ Promoter Group Company shall make the required disclosure from time to time with respect to the creation of the pledge on the Emami Shares in accordance with the Applicable Laws including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and SEBI (Prohibition of Insider Trading) Regulations, 1992
- (k) The Issuer / Emami / Promoter's/ Promoter Group Company shall not, without the prior approval of Investors, enter into any transaction of merger, de-merger, consolidation, re-organization, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction; provided however that this restriction shall not apply in the event that the compliance with this restriction would result in the Issuer defaulting in relation to any of its payment obligations in relation to the Debentures.
- (l) The Obligor shall not declare any dividend or make any payments



to its shareholders without the consent of the Investors, provided however that the consent of the Investors would not be required to be obtained if:

- (m) i) such dividend is permitted by Applicable Law; and  
ii) no Event of Default has occurred and is continuing;
- (n) Not undertake any new business or any diversification of any existing business
- (o) Not enter into any agreement which conflicts with the provisions of the Transaction Documents;
- (p) Not wind up, liquidate or dissolve its affairs;
- (q) Not reduce its paid up equity share capital;
- (r) Issuer shall not change the accounting method or policies currently followed without prior consent of the Debenture Trustee/Debenture Holders
- (s) No Change on ownership and control of the Obligor without the permission of the debenture trustee
- (t) Promoter group to have management control over and will legally and beneficially own directly or through its subsidiary at least 51% of the issued share capital of, and voting rights of Emami Ltd
- (u) 'Management Control' means
  - i. the right to appoint majority of the directors and
  - ii. to control the management or policy decisionsexercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. Provided that a director or officer of a target company shall not be considered to be in control over such target company, merely by virtue of holding such position;
- (v) Any sale of asset/business/division or re-structuring of the existing business has to be with the prior consent of the debenture holder
- (w) Financial and other covenants to be decided mutually prior to transaction closing / subject to credit approvals

#### Information Covenants:

The Obligors and the Promoter hereby covenants with the Debenture Trustee that the Obligors shall, and the Promoter shall cause that the Obligors shall, at all times during the term of this Deed, (except as may otherwise be previously agreed in writing by the Debenture Trustee):

- (a) Submit to the Debenture Trustee (and to the Debenture Holders, if so requested), (A) its duly Statutory Auditors' and Directors' Annual Reports, Balance Sheets and Profit & Loss Accounts,



within 180 (One Hundred and Eighty) days from the close of the accounting year and all periodical and special reports of the Company at the same time as they are issued; (B) a copy of all notices, resolutions and circulars relating to new issue of security at the same time as they are sent to shareholders/ holders of debt securities; and (C) a copy of all the notices, call letters, circulars, proceedings, etc. of the meetings of debt security holders at the same time as they are sent to the holders of debt securities or advertised in the media

- (b) Promptly inform the Debenture Trustee if it has notice of any application for winding up having been made or any statutory notice of winding up under the Companies Act, 1956 or otherwise of any suit or other legal process intended to be filed or initiated against the Obligors and/or affecting the Pledged Shares, or if a receiver is appointed of any of its properties or business or undertaking
- (c) Promptly inform the Debenture Trustee about any change in nature and conduct of business by Company before such change
- (d) Promptly inform the Debenture Trustee of any loss or damage which the Obligors has suffered due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc.
- (e) It shall keep the Debenture Trustee informed of all the orders, directions or notices of court or tribunal affecting or likely to affect the Pledged Shares or the Designated Account
- (f) Promptly inform the Debenture Trustee of any major change in composition of its board of directors of the Obligors and/or Emami Ltd. which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
- (g) Promptly notify the Debenture Trustee and the Debenture Holders of any corporate action by Emami Ltd. (as soon as such information is available in the public domain) which may have any dilutive effect on the value of the Security and shall ensure to immediately (and prior to the effective date of the proposed corporate action) take all actions necessary to ensure that there is no reduction in the Security Cover as a result of such proposed corporate action and to otherwise protect and maintain the value of the Security therein

At least 50% of the Promoter's shareholding as of the Deemed Date of Allotment of Emami Ltd shall be maintained unencumbered by the Promoter Group at all times. For this purpose, "encumbrance" shall mean creation of any charge, security, quasi security, non disposal arrangement, claim, option, negative lien, power of sale in favour of a third party, retention of title, right of preemption, right of first refusal, lock-in of any nature including as may be stipulated by the Securities and Exchanges Board of India ("SEBI"), or other third party right or security





	interest or an agreement, arrangement or obligation to create any of the fore-going, whether presently or in the future with respect to the Collateral Shares. Total indebtedness of the Promoter Group availed against encumbrance over Emami shares shall not exceed Rs.3500 Crs
<b>Other Covenants for Obligors</b>	<p>(a) Advice in relation to allotment of the Debentures shall be provided to the Investors on the Deemed Date of Allotment;</p> <p>(b) The Obligors shall not alter or amend any of its constitutional documents or any other similar document without the prior consent of the Debenture Holders impacting the rights of the Debenture Holders.</p> <p>(c) During the tenure of the facility, all the Share Security Provider to continue to hold all shares of EL held at the Deemed Date of Allotment.</p> <p>(d) The existing shareholding of the Obligors as on the Allotment Date (taken on a fully diluted basis) will be maintained throughout the tenure of the NCD</p> <p>(e) Promoter Group shall continue to hold majority shareholding and exercise management control in the Obligors.</p> <p>(f) At least 50% of the Promoter's shareholding as of the Deemed Date of Allotment of Emami Ltd shall be maintained unencumbered by the Promoter Group at all times. For this purpose, "encumbrance" shall mean creation of any charge, security, quasi security, non disposal arrangement, claim, option, negative lien, power of sale in favour of a third party, retention of title, right of preemption, right of first refusal, lock-in of any nature including as may be stipulated by the Securities and Exchanges Board of India ("SEBI"), or other third party right or security interest or an agreement, arrangement or obligation to create any of the fore-going, whether presently or in the future with respect to the Collateral Shares.</p> <p>(g) <b>Total indebtedness of the Promoter Group availed against encumbrance over Emami shares shall not exceed Rs. 3,500 Crs</b></p> <p>(h) After the receipt of the application monies, the Issuer shall immediately issue documentary evidence of the receipt of such application monies and the entitlement of the Investor to be allotted the Debentures.</p>
<b>Conditions Precedent</b>	<p>(a) The Company having duly complied with all 'know-your-customer' requirements as required under Indian Law, to the satisfaction of the Debenture Holder.</p> <p>(b) The Company having submitted certified true copies of the following documents:</p> <p>(i) its constitutional documents;</p> <p>(ii) a resolution of its board of directors accepting the terms of the</p>



	<p>Debentures and approving the allotment of the Debentures and execution, delivery and performance of each Debenture Document to which it is a party and authorising a named Person or Persons to sign, execute and deliver each such document and any documents to be delivered by it pursuant thereto;</p> <p>(iii) specimen signatures of each Person authorised to execute the Debenture Documents;</p> <p>(iv) a resolution of its shareholders under section 42 of the Companies Act 2013 and a certificate from a Chartered Accountant confirming that the limits prescribed in such resolution shall not be breached as a result of the Issue.</p> <p>(c) Evidence of receipt of the letter of rating from the Rating Agency to the satisfaction of the Debenture Trustee.</p> <p>(d) Appointment of the R&amp;T Agency and initiation of the process for obtaining the ISIN.</p> <p>(e) The Debenture and transaction Documents, as required by the Debenture Trustee, having been duly executed and delivered by the Company and the Pledgors that is party to such documents.</p> <p>(f) The Company having appointed the Debenture Trustee and created/ cause to be created the security interests over the Security to the satisfaction of the Debenture Trustee.</p> <p>(g) The NCD issuer having provided a certificate from a reputed Chartered Accountant certifying that no tax proceedings for coercive recovery of tax is pending and that no proceedings under section 281 of The Income Tax Act, 1961 have been initiated or are pending, which may prevent creation of any pledge or any other security interest in favour of the Debenture trustee in accordance with the relevant Debenture Documents. .</p> <p>(h) There being no Material Adverse Effect, Event of Default, or any event, which with the giving of notice or passage of time or both, would be an Event of Default, which has occurred and is continuing, or which would result from such borrowing.</p> <p>(i) There being no Law that, in the opinion of the Debenture Trustee (acting for the benefit of the Debenture Holders), restrains, prevents or imposes materially adverse conditions upon the transactions contemplated by the Debenture Documents.</p> <p>(j) The absence of any material adverse change in the business, condition (financial or otherwise), operations, performance or prospects of the Promoter Group in 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 Promoter Group or that purports to affect the Issue;</p> <p>(k) Completion of all disclosure requirements applicable to listed</p>
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	<p>companies as regards pledge of shares, creation of security including disclosures under the Takeover Code, as applicable</p> <p>(l) The Debenture Holder having received from legal advisors, an opinion in an agreed form certifying that, (a) the Debenture Documents are legally valid and binding on each of the Company, and the Pledgors; (b) each of the Company and the Pledgors is duly authorised to enter into and perform the Debenture Documents to which it is a party; (c) each of the Company and the Pledgors has obtained all necessary approvals to enter into and perform their respective obligations under the Debenture Documents to which it is a party.</p> <p>(m) The Debenture Trustee shall have received a confirmation from the relevant depository participant regarding the creation of the pledge on the Shares.</p> <p>A certificate from each of the authorized signatories of each Obligor confirming that all documents provided to the Debenture Trustee shall be true and valid as of the date of issuance, of the said certificate.</p> <p>(a) Evidence of due execution and authority for all Transaction Documents;</p> <p>(b) Payment of all fees due under the Financing Documents;</p> <p>(c) Undertaking from the Issuer that each of the Representations &amp; Warranties made by the Issuer are true and correct;</p> <p>(d) Creation of Security as per the respective clauses;</p> <p>(e) All corporate and other approvals (including approvals from Board of Directors and shareholders, resolutions required as per New Companies Act 2013 and statutory auditor certificate) ;</p> <p>(f) Compliance with Companies Act 2013 for issuance of NCDs including but not limited to shareholders resolutions of the Issuer as per Companies Act 2013 approving the current borrowing limit of the Issuer</p> <p>(g) Such other conditions/documents required by the Debenture Holder(s) in the Transaction Documents.</p>
<b>Conditions Subsequent</b>	<p>(a) The Company and the Pledgors (as the case may be) shall no later than 30 (thirty) days from the Deemed Date of Allotment, make the necessary filings (including CHG 9/CHG 1 under the Companies Act, 2013) obtain all necessary approvals under applicable Law, for perfection of the security created under the Debenture Documents.</p> <p>(b) The Company shall no later than 30 (thirty) days from the Deemed Date of Allotment provide a Chartered Accountant specifying the end use of the subscription amount.</p> <p>(c) Compliance with SEBI guidelines/Companies Act 2013 for issuance of NCDs including but not limited to shareholders</p>



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	<p>resolutions of the Issuer as per Companies Act 2013 approving the current borrowing limit of the Issuer</p> <p>(d) All corporate and other approvals (including approvals from Board of Directors and shareholders, resolutions required as per New Companies Act 2013 and statutory auditor certificate)</p> <p>(e) The Company shall open the Designated Account with the Account Bank within 20 days from the Deemed Date of Allotment.</p>
<b>Deposit of Amounts</b>	<p>The Company shall ensure that the Redemption Amount shall be deposited in the Designated) 7 calendar days prior to the Redemption Date ("Redemption Deposit Date"). Redemption Deposit Date shall be referred to Deposit Dates.</p>
<b>Mandatory Prepayment Event</b>	<p>(a) The Redemption Amount is not deposited in the Designated Account on the Deposit Date;</p> <p>(b) Failure to comply with Covenants and Conditions;</p> <p>(c) Cross default with existing financial obligations of the Issuer, Share Security Provider, Promoters or any Promoter Group companies (Emami Ltd. etc.);</p> <p>(d) Invalid security or loss of lien on collateral;</p> <p>(e) Unlawfulness or unenforceability of finance or security;</p> <p>(f) Repudiation of any Transaction Document;</p> <p>(g) Illegality for the Issuer or Pledgors to perform any of its obligations under the Transaction Document;</p> <p>(h) Invocation of pledge by any institution on shares of Emami Ltd.;</p> <p>(i) The withdrawal, failure of renewal, or failure to grant any statutory or regulatory approval in any relevant jurisdiction for the Issue or any Security;</p> <p>(j) Delisting of the Collateral Shares or any action by any exchange to delist the Collateral Shares, or issuing an order to cease trading in Collateral Shares or suspension of trading in Collateral Shares for any reason whatsoever or shifting of the Collateral Shares to trade to trade segment by any stock exchange;</p> <p>(k) Any material act of fraud, embezzlement, misstatement, misappropriation or siphoning off of the Issuer/Emami Ltd./Promoter Group funds or revenues or any other act having a similar effect;</p> <p>(l) Representations or Warranties are found to be untrue or misleading when made;</p> <p>(m) Winding up of the Obligors, including initiation of any proceedings for winding up or for attachment;</p> <p>(n) Any material adverse event with respect to Issuer, Emami, Pledgors or Promoter Group, as defined in the Transaction Documents. Change in management control in Emami Ltd;</p> <p>(o) If at any time before the Final Settlement Date, the Share cover falls below 1.25 times (one decimal point two five) times the outstanding amounts on any day</p> <p>(p) Change in control of the Obligors without prior approval</p>




- (q) Any Financial Indebtedness of the Company is in excess of Rs.100,000,000 (Rupees Ten Crore) in aggregate, is not paid when due, or (b) an event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfillment of any other applicable condition or any combination of the foregoing would constitute such an event of default) occurs under any document relating to Financial Indebtedness of the Issuer, or (c) any Financial Indebtedness of the Company becomes prematurely due and payable or is placed on demand as a result of an event of default (howsoever described) under the document relating to that Financial Indebtedness, or (d) any security interest securing any Financial Indebtedness over any asset of the Company becomes enforceable.
- (r) Any expropriation, attachment, sequestration, distress or execution affects any asset of the Obligors and/or Emami Ltd. and/or the Promoter and/or any of the members of the Promoter Group;
- (s) Alteration in the constitution documents of the Obligors and/or the Promoter and/or any of the member of the Promoter Group;
- (t) Substantial Sale of Assets of the Obligors and/or the Promoter and/or any of the member of the Promoter Group;
- (u) Declaration of the Security Provider/Share Issuers/ Promoters as Willful Defaulter by RBI;
- (v) All or a material part of the undertaking, assets, rights or revenues of the Obligors and/or any of the Promoter Group companies and/or Emami Ltd. are condemned, seized, nationalized, expropriated or compulsorily acquired, or shall have assumed custody or control of the business or operations of the Company and/or any of the Promoter Group companies and/or Emami Ltd. , or shall have taken any action for the dissolution of the Company and/or any member of the Promoter Group companies and/or Emami Ltd. , or any action that would prevent the Company and/or Emami Ltd., their member, or their officers from carrying on their business or operations or a substantial part thereof, by or under the authority of any Government or Government Authority without the payment of adequate compensation;
- (w) Bankruptcy, CDR proceedings filed with respect to the Obligors or any of its Group Companies;
- (x) Any event or series of events occurs which, in the opinion of the Investor, might have a Material Adverse Effect;
- (y) Any compulsory acquisition, nationalisation, expropriation, attachment, sequestration, distress or execution affects all or any assets of any of the Obligors;
- (z) It is or becomes unlawful for the any of the Obligors to perform any of its respective obligations under the Debenture Documents, or if the Debenture Documents or any part thereof ceases, for any reason whatsoever, to be valid and binding or in full force and effect;
- (aa) The any of the Obligors repudiates a Debenture Document to



*[Handwritten signature]*



	<p>which it is a party or evidences an intention to repudiate Debenture Documents to which it is a party;</p> <p>(bb) Any failure to remove any director(s) from the Board of Directors of the any of the Obligor who has been declared as a 'defaulter' by the Reserve Bank of India or Credit Information Bureau (India) Limited within 7 (seven) days of notice from the Investor or the Debenture Trustee to the Company requiring such resignation of director(s) or the Company's / any party's knowledge of the same, whichever is earlier;</p> <p>(cc) If at any time before the Final Settlement Date, the Investor determines (in its sole opinion) that any of the above events or proceedings by a Governmental Authority has or is likely to have a Material Adverse Effect, the Investor shall promptly notify the Issuer and the Issuer shall promptly upon receipt of such notice from the Investor, redeem the Debentures in full, together with coupon, costs, expenses and any other sums then payable by the Issuer within 15 days of notice provided by the Investor in terms of the Debenture Documents.</p> <p>(dd) Failure to cause any share or cash top-up within the stipulated time;</p> <p>(ee) If at any time before the Final Settlement Date, the Promoter Group creates encumbrance over their shareholding in Emami Limited to the extent of more than 50% of their shareholding in Emami Limited as of the Deemed Date of Allotment.</p> <p>(ff) For this purpose, "encumbrance" shall mean creation of any charge, security, quasi security, non disposal arrangement, claim, option, negative lien, power of sale in favour of a third party, retention of title, right of preemption, right of first refusal, lock-in of any nature including as may be stipulated by the Securities and Exchanges Board of India ("SEBI"), or other third party right or security interest or an agreement, arrangement or obligation to create any of the fore-going, whether presently or in the future with respect to the Collateral Shares. Quarterly certification from a director of the Issuer for this purpose.</p> <p>(gg) If total Promoter Borrowing against pledge of shares of Emami Limited exceeds INR 3500 crores (three thousand five hundred crores)</p>
<b>Event of Liquidation</b>	<p>In the event of failure of the Company or any other Obligor, as the case may be, to fund the Designated Account on either one of</p> <p>(1) Occurrence of Mandatory Prepayment Event or</p> <p>(2) Deposit Dates ("Event of Liquidation")</p>
<b>Event of Default</b>	<p>In the event of failure of the Company or any other Obligor, as the case may be, to repay any amount when due in accordance with the provisions in the Debenture Documents ("<b>Payment Event of Default</b>").</p> <p>In addition to the other rights upon an Event of Default, all rights available</p>



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		post commencement of liquidation of shares as set out elsewhere shall also be available to the Debenture Trustee / Debenture Holders.
<b>Consequences of occurrence of Mandatory Prepayment Event</b>	<b>of</b>	<p>The consequences of Event of Liquidation will, include but not be limited to the following:</p> <p>If the Event of Liquidation occurs on day 'T' then the consequences of such Event of Liquidation under the Transaction Documents shall be as follows:</p> <ol style="list-style-type: none"> <li>1. T: Event of Liquidation is triggered and Debenture Trustee sends Notice for Liquidation of Shares.</li> <li>2. T+1: Redemption Amount to be credited into the Designated Account by Issuer</li> <li>3. T+2: Liquidation of Shares start, if Redemption Amount has not been credited by Issuer</li> </ol> <p>On and from the day on which the Debenture Trustee start the liquidation of shares, it may:</p> <ol style="list-style-type: none"> <li>(i) invoke the security created pursuant to the Debenture Documents in accordance with the terms of the Debenture Documents;</li> <li>(ii) require the Company not to declare any dividend/make payment of dividend to the Company's shareholders or repay or service any debt obligation owed by the Company to its shareholders or initiate the buy-back of its own securities;</li> <li>(iii) to sell / transfer / alienate / realise the monies out of the Pledged Shares and appropriate the monies available in the Designated Account and apply the proceeds towards settlement of dues;</li> <li>(iv) invoke the Security Interest created over any other assets and properties, as the case may be, as per the terms of relevant Debenture Documents; and</li> <li>(v) take recourse to any other remedy available to it under applicable Law.</li> </ol> <p>the powers under paragraphs (i), (ii) and (iii) shall be referred to as the <b>"Security Enforcement"</b>.</p> <p>In relation to the Security Enforcement, time is of essence.</p> <p>All amounts recovered by the Debenture Trustee on exercise of the Security Enforcement shall be forthwith transferred to the Designated Account.</p> <p>The Debenture Trustee shall apply all funds credited to the Designated Account towards discharge of all the obligations in the manner set out in</p>



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		the Debenture Documents.
		Any cost incurred on any of the above shall be borne by Issuer
<b>Restricted Payments</b>		<p>Issuer shall not:</p> <p>In case of an Event of Default and/or Event of Liquidation, Issuer shall not pay any dividends or make any distributions in respect of equity till such time the Event of Default and/or Event of Liquidation is subsisting</p>
<b>Governing law and Jurisdiction</b>		<p>The validity, interpretation, implementation and resolution of disputes arising out of or in connection with the Transaction Documents shall be governed by the laws of India.</p> <p>Disputes and any legal action or proceedings arising out of the Debenture Documents may be brought in the competent court or tribunal in Kolkata and shall be subject to the jurisdiction of the competent court or tribunal in Kolkata.</p>
<b>General Withholding Indemnity</b>	<b>and Tax</b>	<p>All payments made by the Borrower to the Investor(s) / Arranger will be free and clear of, and without deductions for present or future taxes (included but not limited to service tax and other indirect taxes), duties, imposts, withholdings or other deductions as required by law, failing which in case of any tax deduction at source, the Borrower shall provide the Investor with the original tax withholding certificate within 60 days from the end of respective Quarter for which payment is made.</p> <p>All other costs related to this Issue including but not limited to applicable stamp duties, service tax, legal fees and costs, initial subscriber fee, etc will be borne by the Borrower.</p>

