



Date: 24 January, 2020

Indicative Non-Binding Term Sheet

The summary of indicative terms and conditions set out below are proposed to govern the terms and conditions of a finance facility. The terms and conditions outlined herein are indicative and are subject to relevant internal approvals (including credit, legal and compliance approvals) of Deutsche Bank ("DB") and further business, legal, accounting and credit due diligence and do not constitute a commitment (legally binding or otherwise) from DB to provide any financing.

Instrument	<p>800 INR denominated, rated and listed non-convertible bonds with nominal value of INR 10,000,000 each, aggregating to not more than INR 8,000,000,000 (the "Tranche 1 Bonds") disbursed on 28 June 2019</p> <p>650 INR denominated, rated and listed non-convertible bonds with nominal value of INR 10,000,000 each, aggregating to not more than INR 6,500,000,000 divided into 2 tranches of INR 3,250,000,000.00 each (referred as "Tranche 2 Bonds" and "Tranche 3 Bonds" respectively) disbursed on 26 September 2019.</p> <p>Up to 220 INR denominated bonds of nominal value of INR 10,000,000 each to be issued under a subsequent tranche after rating confirmation and completion of conditions precedent ("Tranche 4 Bonds").</p> <p>Tranche 1 Bonds, Tranche 2 Bonds, Tranche 3 Bonds and Tranche 4 Bonds are hereinafter also referred to as the "Bonds".</p> <p>Hypothecation Effective Date has occurred as of 30 December 2019 pursuant to which the Bonds (including Tranche 4 Bonds) have been secured.</p>
Issuer	GMR Airports Limited (" GAL " or " issuer ").
Parent	GMR Infrastructure Limited (" GIL ")
Relevant Group	GAL, DIAL, GHIAL, GADL, DDFS, DAPS, GHRL, GMR Hyderabad Aviation SEZ Ltd. and GMR Hyderabad Aerotropolis Ltd.
Mandated Lead Arranger	Deutsche Bank AG, Mumbai Branch.
Bond Holders	As indicated by Mandated Lead Arranger.
Issue Details	<p>Subscription to Bonds at par.</p> <p>Bonds to be rated and listed in accordance with the applicable FPI regulations.</p>
Investment Amount	INR 800 crores under Tranche 1 Bonds (disbursed on 28 June 2019)

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	<p>INR 325 crores under Tranche 2 Bonds (disbursed on 26 September 2019)</p> <p>INR 325 crores under Tranche 3 Bonds (disbursed on 26 September 2019)</p> <p>Up to INR 220 crores to be disbursed under Tranche 4 Bonds subject to rating confirmation and completion of conditions precedent</p>
Definition	<p>"Deemed Date of Allotment" means the date on which the subscription amount of the Bonds is credited into the relevant account pursuant to the electronic book building mechanism set out in the SEBI circular on 'Electronic book mechanism for issuance of securities on private placement basis' (SEBI/HO/DDHS/CIR/P/2018/05) dated 5 January 2018, as amended from time to time.</p> <p>Each Bond shall have a face value of INR 1,00,00,000.00 (Rupees One Crore only) each.</p> <p>"Fully Accreted Value" means in respect of any Bond, the nominal value of such Bond, all accrued but unpaid Coupon, Default Interest, the make whole amount and all other costs, charges and expenses and other amounts payable by the Issuer under the documents in relation to the Bonds (the "Transaction Documents").</p>
GAL Acquisition	<p>(i) Equity investment of INR 1,000 crores (the "New PE Investment") by Tata Group, GIC and SSG (together, the "New Investors") in GAL; and</p> <p>(ii) payment of an aggregate amount of INR 7,000 crores by the New Investors to GSISL and GIL;</p> <p>for purchase of 44.44% of the shares of the Issuer, at a post-money valuation of INR 18,000 crores (excluding earn-outs) and INR 22,475 crores including earn-outs (the "GAL Acquisition").</p>
Existing PE NCDs	<p>Non-convertible debentures of INR 2,050 crores, less amount repaid by Tranche 1 Bonds, Tranche 2 Bonds and Tranche 3 Bonds, issued by GAL (the "Existing PE NCDs") and held by J.P. Morgan Securities Asia Private Limited, Marina Private Equity (Singapore) Pte. Ltd., J. P. Morgan Securities India Private Limited, Nomura Capital (India) Private Limited (the "Existing PE Investors").</p>
Bond Trustee	<p>Catalyst Trusteeship Limited to be appointed as bond trustee (the "Bond Trustee"). The Issuer shall pay the fees and expenses of Bond Trustee.</p>
Purpose	<p>The proceeds of the Tranche 1 Bonds shall be utilized in the following manner:</p> <p>(i) payment of dues to the Existing PE Investors under the Existing PE NCDs up to an amount not exceeding INR 6,000,000,000;</p>



(ii) payment of all outstanding costs, fees and expenses in relation to the issuance of the Tranche 1 Bonds; and

(iii) general corporate purposes of the Issuer (including investment in equity of joint venture or subsidiary companies) from balance proceeds after payments under sub-clauses (i) and (ii) above.

The proceeds of the Tranche 2 Bonds shall be utilized in the following manner:

(i) payment of all costs, fees, upfront interest and expenses in relation to the entire Tranche 2 Bonds;

After making provision for the amounts in (i) above, proceeds of Tranche 2 Bonds may be utilized for the following:

(ii) *first*, payment of dues to one of the Existing PE Investors under the Existing PE NCDs up to INR 2,500,000,000;

thereafter, towards the following:

(iii) advance of an intercompany loan of up to INR 4,000,000,000 to GIL or its subsidiaries from balance proceeds ("**GIL Interco Loan**") for payment to lenders of GIL or its subsidiaries;

(iv) general corporate purposes of the Issuer (including investment in equity of joint venture or subsidiary companies). For the avoidance of doubt, investment in equity of joint venture or subsidiary companies shall include payment to Malaysia Airports Holding Berhad ("**MAHB**") or any of its affiliates towards acquisition of up to 11% of the issued and paid up share capital of GMR Hyderabad International Airport Limited ("**GHIAL**") by the Issuer from MAHB or such affiliates.

The proceeds of the Tranche 3 Bonds shall be utilized in the following manner:

(i) payment of all costs, fees, upfront interest and expenses in relation to the entire Tranche 3 Bonds;

After making provision for the amounts in (i) above, proceeds of Tranche 3 Bonds may be utilized for the following:

(ii) advances towards GIL Interco Loan;

(iii) general corporate purposes of the Issuer (including investment in equity of joint venture or subsidiary companies). For the avoidance of doubt, investment in equity of joint venture or subsidiary companies shall include payment to Malaysia Airports Holding Berhad ("**MAHB**") or any of its affiliates towards acquisition of up to 11% of the issued and paid up share capital of GMR Hyderabad



	<p>International Airport Limited ("GHIAL") by the Issuer from MAHB or such affiliates.</p> <p>The proceeds of the Tranche 4 Bonds shall be utilized in the following manner:</p> <p>(i) payment of all costs, fees, upfront interest and expenses in relation to the Bonds;</p> <p>After making provision for the amounts in (i) above, proceeds of Tranche 4 Bonds may be utilized for the following:</p> <p>(ii) secondly, for the purposes of funding EUR 26,080,000 towards equity contribution in Heraklion Crete International Airport Societe Anonyme in connection with the development and operation of an airport at Crete, Greece in compliance with the provisions of the Applicable Law,</p> <p>(iii) any amount remaining after funding EUR 26,080,000 towards equity contribution in Heraklion Crete International Airport Societe Anonyme as indicated in paragraph (ii) above, general corporate purposes of the Company, subject to limits, if any, specified in the Bond Trust Deed, in compliance with the provisions of the Applicable Law.</p> <p>In the event that the Company does not receive necessary approvals under Applicable Law required for funding EUR 26,080,000 towards equity contribution in Heraklion Crete International Airport Societe Anonyme as indicated in paragraph (ii) above, by such time as required under the concession agreement for the development and operation of an airport at Crete, Greece, then the Company may utilize the funds raised from the Tranche 4 Bonds for such other purposes as may be approved by the Bond Trustee acting on the instructions of the Majority Bond Holders (as defined in the Bond Trust Deed).</p>
GIL Interco Loan	<p>Upon completion of the GAL Acquisition, GIL shall repay the GIL Interco Loan to GAL, within 5 business days from the completion of GAL Acquisition.</p>
Tenure & Redemption	<p>The tenure of the Tranche 1 Bonds, Tranche 2 Bonds, Tranche 3 Bonds shall expire 18 months from the Deemed Date of Allotment of the Tranche 1 Bonds (the "Final Redemption Date"), which falls on 28 December 2020.</p> <p>Tranche 4 Bonds</p> <p>The Tenure for Bonds shall expire 12 months and 1 day from the Deemed Date of Allotment of the Tranche 4 Bonds.</p>




Mandatory Redemption	<p>On the occurrence of the following events, the Issuer will be required to mandatorily redeem the Bonds in the manner detailed in the Bond Trust Deed:</p> <p>(a) Any primary or secondary equity raise by the Issuer (including IPO), other than New PE Investment (the "Equity Issuance Event");</p> <p>(b) Illegality;</p> <p>(c) The Issuer failing to list the Bonds within 15 days from the respective Deemed Date of Allotment or such other timeline as may be prescribed under applicable laws in connection with FPIs (the "FPI Redemption Event").</p>
Voluntary Redemption	<p>GAL shall be entitled to voluntarily redeem the Bonds at any time, subject to 30 days' prior written notice and payment of Make Whole Amount, together with all other amounts due in relation to the Bonds subject to applicable law (the "Voluntary Redemption").</p>
Make Whole	<p>In case of Voluntary Redemption or an early redemption due to an Equity Issuance Event or FPI Redemption Event, the Issuer will pay a make whole amount equivalent to the coupon that would have accrued during the period starting on the relevant early redemption date until the expiration of 12 months and 1 day from the Deemed Date of Allotment (the "Make Whole Amount").</p>
Fees	<p>Fees as documented separately with each of the Administrative Parties.</p>
Coupon	<p>Tranche 1 Bonds</p> <p>13.45% per annum computed semi-annually (the "Coupon Rate").</p> <p>The coupon shall comprise: (i) cash component of 8% p.a., and (ii) PIK component of 5.45% p.a.</p> <p>Provided, however, if the GAL Acquisition is completed by December 30, 2019, 0.50% p.a. will be reduced from the PIK from the date of completion GAL Acquisition and receipt of funds in full from the New PE Investors accordingly.</p> <p>Tranche 2 Bonds</p> <p>12.95% per annum computed semi-annually (the "Coupon Rate").</p> <p>The coupon shall comprise: (i) cash component of 8% p.a., and (ii) PIK component of 4.95% p.a.</p> <p>Provided, however:</p> <p>(a) if the GAL Acquisition is completed by December 30, 2019, 0.60% p.a. will be reduced from the PIK from the date of completion GAL</p>



	<p>Acquisition and receipt of funds in full from the New PE Investors accordingly.</p> <p>(b) if the GAL Acquisition is not completed by December 30, 2019, PIK shall be increased to 5.45% p.a. with effect from the Deemed Date of Allotment of Tranche 2 Bonds.</p> <p>Tranche 3 Bonds</p> <p>12.95% per annum computed semi-annually (the "Coupon Rate").</p> <p>The coupon shall comprise: (i) cash component of 8% p.a., and (ii) PIK component of 4.95% p.a.</p> <p>Provided, however:</p> <p>(a) if the GAL Acquisition is completed by December 30, 2019, 0.60% p.a. will be reduced from the PIK from the date of completion GAL Acquisition and receipt of funds in full from the New PE Investors accordingly.</p> <p>Tranche 4 Bonds</p> <p>13.45% per annum computed semi-annually (the "Coupon Rate").</p> <p>The coupon shall comprise: (i) cash component of 8% p.a., and (ii) PIK component of 5.45% p.a.</p>											
Coupon Payment Date	<p>Coupon shall be paid on the following dates (each a "Coupon Payment Date"): </p> <table><tr><td></td><td>Tranche 1 Bonds</td><td>Tranche 2 Bonds and Tranche 3 Bonds</td></tr><tr><td>On Pay In Date of Tranche 1 Bonds</td><td>50% of cash coupon of 8% p.a. for the first coupon period</td><td>-</td></tr><tr><td>On Pay In Date of Tranche 2 Bonds</td><td>Amount required to ensure cash coupon of 8% p.a. is paid up to 3 months from Pay In Date of Tranche 2 Bonds</td><td>Cash coupon of 8% p.a. for 3 months from Pay In Date of Tranche 2 Bonds</td></tr></table>				Tranche 1 Bonds	Tranche 2 Bonds and Tranche 3 Bonds	On Pay In Date of Tranche 1 Bonds	50% of cash coupon of 8% p.a. for the first coupon period	-	On Pay In Date of Tranche 2 Bonds	Amount required to ensure cash coupon of 8% p.a. is paid up to 3 months from Pay In Date of Tranche 2 Bonds	Cash coupon of 8% p.a. for 3 months from Pay In Date of Tranche 2 Bonds
	Tranche 1 Bonds	Tranche 2 Bonds and Tranche 3 Bonds										
On Pay In Date of Tranche 1 Bonds	50% of cash coupon of 8% p.a. for the first coupon period	-										
On Pay In Date of Tranche 2 Bonds	Amount required to ensure cash coupon of 8% p.a. is paid up to 3 months from Pay In Date of Tranche 2 Bonds	Cash coupon of 8% p.a. for 3 months from Pay In Date of Tranche 2 Bonds										



	At the end of 6 months from Pay In Date of Tranche 1 Bonds	Cash coupon of 8% p.a. for the first coupon period less cash coupon for the first coupon period that has been paid till date	Cash coupon of 8% p.a. for first coupon period less cash coupon of 8% p.a. for 3 months
	At the end of 12 months from Pay In Date of Tranche 1 Bonds	Cash coupon of 8% p.a. for the second coupon period	Cash coupon of 8% p.a. for the second coupon period
	At the end of 18 months from Pay In Date of Tranche 1 Bonds	- Cash coupon of 8% p.a. for the third coupon period - Accrued PIK amount in full	- Cash coupon of 8% p.a. for the third coupon period - Accrued PIK amount in full
<p>In relation to Tranche 4 Bonds, coupon shall be paid as follows:</p> <p>1) On Pay In Date of Tranche 4 Bonds:</p> <ul style="list-style-type: none"> - Cash coupon of 8% p.a. for 3 months from Pay In Date of Tranche 4 Bonds <p>2) At the end of 6 months from Pay In Date of Tranche 4 Bonds</p> <p>3) Cash coupon of 8% p.a. for the first coupon period less cash coupon for the first coupon period that has been paid till date At the end of 12 months and 1 day from Pay In Date of Tranche 1 Bonds</p> <ul style="list-style-type: none"> - Cash coupon of 8% p.a. for the second coupon period - Accrued PIK amount in full 			
Documentation Fees	<p>The Issuer shall pay actual fees to external counsel and advisors (including any due diligence expenses) plus applicable taxes.</p> <p>In addition to the documentation fee, the Issuer shall pay all fees, costs and expenses incurred by the Bond Trustee and the subscribers to the Bonds (the "Bond Holders") for the Transaction.</p> <p>Aforesaid amounts shall be payable by the Issuer whether or not documentation for the Bonds is signed.</p>		

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Default Interest Rate	<p>(i) For payment and financial covenant default: 4% (Four percent) per annum on the Nominal Value of the outstanding Bonds (over and above the Coupon Rate) for the period of default; and</p> <p>(ii) For any other default: 2% (Two percent) per annum on the Nominal Value of the outstanding Bonds (over and above the Coupon Rate) for the period of default,</p> <p>(together, the "Default Interest")</p> <p>The Default Interest shall be payable on demand.</p>
Valuation of the Issuer	<p>Minimum valuation of GAL shall be at least INR 15,000 crores at all times.</p> <p>The Bond Trustee may any time after 30 November 2019 or on the occurrence of a Trigger Event, whichever is earlier, appoint one of the big four firms specified in the Transaction Documents for conducting an independent valuation of GAL using discounted cash flow.</p> <p>Any costs/ expenses/ fees incurred in conducting such valuation shall be borne by the Issuer.</p>
Permitted Indebtedness	<p>(i) Prior to GAL Acquisition:</p> <p>The aggregate Financial Indebtedness (as defined in the Bond Trust Deed) of GAL (including guarantees, put option, sponsor support undertakings, shortfall undertaking and other structured recourse as on the date of the Bond Trust Deed) shall be subject to the following:</p> <p>The aggregate Financial Indebtedness shall comprise of only:</p> <ul style="list-style-type: none"> (a) the Bonds; (b) the Existing PE NCDs of up to such amount as agreed with DB (outstanding after payment of INR 600 crores from Tranche 1 Bonds and payment of [INR 250] crores from Tranche 2 Bonds); (c) other existing Financial Indebtedness of the Issuer as disclosed in the Bond Trust Deed (including guarantees issued by GAL); (d) Financial Indebtedness up to EUR 65mn (funded or unfunded) for funding equity portion for the development of airport at Crete; (e) Permitted Guarantees; (f) Permitted Inter-corporate Indebtedness; and (g) renewed limits of such existing Financial Indebtedness of the Issuer as permitted under the Transaction Documents. <p>(ii) Post GAL Acquisition:</p> <p>(a) The aggregate Financial Indebtedness shall comprise of such fund-based financial indebtedness which, when aggregated with all other financial indebtedness of the Issuer (including the</p>



	<p>Bonds), does not exceed INR 2,500 crores plus any Permitted Guarantees;</p> <p>(b) existing Financial Indebtedness of the Issuer as disclosed in the Bond Trust Deed (including guarantees issued by GAL);</p> <p>(c) Financial Indebtedness up to EUR 65mn (funded or unfunded) for funding equity portion for the development of airport at Crete ("Crete Equity");</p> <p>(d) Permitted Guarantees;</p> <p>(e) Permitted Inter-corporate Indebtedness; and</p> <p>(f) renewed limits of such existing Financial Indebtedness of the Issuer as permitted under the Transaction Documents.</p>
Permitted Guarantees	<p>(i) Existing guarantees given by GAL;</p> <p>(ii) Guarantee to be given for the purposes of funding availed by GMR Airports International B.V. ("GAIBV") for Crete Equity;</p> <p>(iii) Prior to GAL Acquisition, any sponsor undertaking, bid bonds or performance guarantees provided by the Issuer for development of airports at Goa, Nagpur and Bhogapuram and for the purposes of Clarke joint venture;</p> <p>(iv) After the GAL Acquisition, any sponsor undertaking, bid bonds or performance guarantees provided by the Issuer for development of an airport;</p> <p>(v) After GAL Acquisition, any other guarantee provided by the Issuer for the benefit of a subsidiary or joint venture engaged in development and operation of an airport, subject to an aggregate limit of INR 500 crores.</p>
Permitted Encumbrances	<p>(i) The pledge of 51% and NDU of 24% of the share capital of GMR Goa International Limited ("GGIAL") for the benefit of the lender providing financial indebtedness to GGIAL for the purpose of development and operation of an airport at Goa by GGIAL;</p> <p>(ii) the pledge of 11.92% of share capital of DDFS for the benefit of the lender providing financial indebtedness to GADL; and</p> <p>(iii) the pledge of 6.85% of share capital of DAPS for the benefit of the lender providing financial indebtedness to DAPS;</p> <p>(iv) any encumbrance required to be created on the share capital of any company (except DIAL and GHIAL), which has entered into a concession for development and operation of an airport, for the benefit of the lender providing financial indebtedness to</p>



	<p>such companies for the purpose of development and operation of the respective airports (as documented in the Transaction Documents);</p> <p>(v) any encumbrance on shares of GAL in GAIBV for financing to GAIBV or its subsidiaries (as documented in the Transaction Documents); and</p> <p>(vi) Security for Existing PE NCDs may be created on similar terms as the Security for the Bonds (including collateral cover, valuation, trigger events, creation as well as perfection thereof);</p> <p>(vii) Security for new funded indebtedness incurred by GAL (not exceeding INR 2500 crores, including the Bonds) after the Deemed Date of Allotment of the Bonds which security is on no better terms than Security for the Bonds (including in respect of collateral cover, valuation, trigger events, creation as well as perfection thereof), for debt with a longer tenor than the Bonds and on assets not secured towards the Bonds (unless Bonds are secured on all assets of the Issuer, in which case security for such funded indebtedness shall be on a <i>pari passu</i> basis),</p> <p>(the "Permitted Encumbrance").</p>
Permitted Disposals	<p>(a) Any disposal of assets [other than the shares held by GAL in each entity in the Relevant Group (other than GAL) and all receivables of GAL as detailed in the Transaction Documents] by GAL in the ordinary course of its business;</p> <p>(b) a sale of Shares of DDFS by GAL to DIAL up to 0.02% of the paid-up share capital of DDFS;</p> <p>(c) a sale of shares of Heraklion Crete International Airport Societe Anonyme by GAL to [GAIBV or its subsidiary] up to 21.6% of the paid-up share capital of Heraklion Crete International Airport Societe Anonyme and up to 21.6% of the voting rights and/or economic interest in Heraklion Crete International Airport Societe Anonyme; and</p> <p>(d) any other disposal by any entity in the Relevant Group (other than GAL) of any of its assets which (i) does not result in the valuation of GAL falling below INR 150,000,000,000; and (ii) is on an arm's length basis to a non-related third party,</p> <p>(the "Permitted Disposals").</p>



Negative Lien / Negative Pledge	GAL shall not create or permit to subsist any encumbrance over any of its assets, other than the Security created pursuant to the Bonds and Permitted Encumbrances (as defined above).
Condition Precedent	<p>Customary to the financings of this nature including but not limited to:</p> <ol style="list-style-type: none"> 1. Receipt of approval of the board and shareholders of the Issuer and/or any third parties as may be required after legal diligence; 2. NOC as required from PE NCDs for the Bonds and security for the Bonds as specified in item 5 below of "Conditions Precedent" and upon occurrence of Trigger Events as specified in (o) of "Other Conditions" below; 3. Evidence of compliance with the condition specified in (d) of "Other Conditions" to the effect that no payment towards principal or interest in excess of 4% p.a. of cash coupon (payable semi-annually) shall be due before the Final Redemption Date of the Bonds (except from the proceeds of the Bonds to the extent permissible). For clarity, the Issuer may voluntarily prepay the Existing PE NCDs at any time from the proceeds of GAL Acquisition or from the proceeds of GIL Interco Loan or from proceeds of redemption of optionally convertible debentures (or interest thereon) issued by GAIBV to the Borrower; 4. Execution of all definitive documents for the Bonds; 5. Execution of first ranking security under a hypothecation agreement over all movable assets of the Issuer which will become effective on occurrence of Trigger Events; 6. Execution of pledge agreement for creation of pledge over certain shares owned by the Issuer in its subsidiaries (including DIAL and GHIAL) identified in the Transaction Documents which will become effective on occurrence of Trigger Events; 7. The Issuer shall have entered into arrangement with the depositories for issuing and holding Bonds in demat form; 8. Due diligence to the satisfaction of the Bond Holders (including legal, financial or regulatory approvals, if any) and reliance on DD reports; 9. Compliance with requirements for the issuance of listed Bonds (only if listing required as per FPI regulations); 10. Necessary legal opinions certifying, among other things, the legality, validity and enforceability of each of the transaction documents and regulatory validity of the Transaction to be provided by transaction counsel appointed by the Bond Holders; 11. The Issuer shall have given certificate CERTIFIED TO BE TRUE Company Secretary/Director to the Bond Trustee that neither the Issuer nor any

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Company Secretary



	<p>of its Director (a) have been prohibited from dealing in the Securities; or (b) have been subjected to any enquiry by SEBI; or (c) have been declared as willful defaulter by any bank or financial institution;</p> <p>12. Confirmation that the SHA for GAL Acquisition is in force;</p> <p>13. List of material CPs (including all 3rd party approvals from governmental authorities, lenders and other parties) for GAL Acquisition being submitted to the Bond Trustee;</p> <p>14. Compliance with KYC requirements of the Bond Holders and Mandated Lead Arranger.</p>
Other Conditions	<p>Customary to the financings of this nature, including but not limited to:</p> <p>(a) No other Financial Indebtedness at GAL except Permitted Financial Indebtedness;</p> <p>(b) Borrower shall ensure that from on or before 30 December 2019 till Final Redemption Date, the Bonds issued under the Transaction Documents (in one or more tranches) shall comprise at least 36% of the total funded Financial Indebtedness of the Borrower (including, without limitation, any cash interest/ coupon, capitalized interest and redemption premium);</p> <p>(c) No guarantees to be issued by GAL except for Permitted Guarantees;</p> <p>(d) No payment towards principal or interest under the Existing PE NCDs shall be due before the Final Redemption Date of the Bonds except 4% p.a. of cash coupon (payable semi-annually) and dues amounting to INR [250] crores payable on or before 30 September 2019. For clarity, the Issuer may voluntarily prepay the Existing PE NCDs at any time from the proceeds of GAL Acquisition or from the repayment of GIL Interco Loan or from proceeds of redemption of optionally convertible debentures (or interest thereon) issued by GAIBV to the Borrower;</p> <p>(e) No security/encumbrances by GAL other than Permitted Encumbrances;</p> <p>(f) Limitations on corporate restructuring, investments, acquisitions or disposals of the Relevant Group unless permitted under the Transaction Documents;</p> <p>(g) No lien, encumbrance, sale or disposal of shares of Relevant Group owned by GAL except as agreed under the Transaction Documents;</p> <p>(h) GAL shall maintain the current shareholding and control in DIAL, GHIAL, GADL, DDFS and DAPS until completion of the GAL</p>



	<p>Acquisition and control and 50.1% shareholding in such entities after completion of the GAL Acquisition;</p> <p>(i) Unless the GAL Acquisition has been completed, on non-payment of any amount due in relation to the Bonds on its relevant payment date, the Bond Holders shall have the right to appoint up to one nominee director or an observer (to be determined in the sole discretion of the Bond Holders) on the board of directors of the Issuer;</p> <p>(j) Upstreaming or any other cash outflows from GAL (subject to agreed carve outs) shall not be allowed without the permission of the Bond Holders;</p> <p>(k) The Bond Trustee and the Bond Holders shall have the right to mandate a concurrent accounting, system/internal audit of the Issuer at the cost of the Issuer, upon occurrence and continuation of event of default. The Issuer shall provide end use certificate from a chartered accountant at the end of 30 days and agreed intervals thereafter;</p> <p>(l) MFN clause for the Bonds with any other financing at GAL;</p> <p>(m) Payment of any dividend or any loans / advances / debt by GAL shall require approval of Bond Holders;</p> <p>(n) Security over all movable assets owned by GAL under a hypothecation agreement shall be created on the occurrence of the following events:</p> <p>(i) the GAL Acquisition not being completed by December 30, 2019;</p> <p>(ii) the New PE Investor, the Issuer or the Relevant Group has decided not to proceed with the GAL Acquisition;</p> <p>(iii) if the New Investor, Issuer, GIL and GSISL are not under a binding agreement with respect to GAL Acquisition or if applicable approvals (including regulatory and governmental) has been denied even post reconsideration of, any amended proposals made to, or clarifications sought in respect of the GAL Acquisition, unless the New Investors have confirmed in writing that they will be proceeding to complete the GAL Acquisition with suitable changes (but for valuation, consideration and payment terms) and such acquisition is completed by December 30, 2019;</p> <p>(iv) the occurrence of:</p>
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	<p>(A) an Insolvency Event (as defined under the GHIAL SHA) in respect of GIL or GAL;</p> <p>(B) a Material Breach (as defined under the GHIAL SHA) by GIL or GAL;</p> <p>(C) a Termination Event (as defined under the DIAL SHA) in respect of GIL or GAL;</p> <p>(D) a HIAL Default Event (as defined under the GHIAL Concession Agreement); or</p> <p>(E) a JVC Event of Default (as defined under the DIAL OMDA)</p> <p>(each a "Project Adverse Event"), and the relevant counterparty(ies) issues a notice pursuant to the relevant provision of the GHIAL SHA, DIAL SHA, GHIAL Concession Agreement or DIAL OMDA, as the case may be, and the earlier of the following periods has elapsed: (i) the cure period provided under the GHIAL SHA, DIAL SHA, GHIAL Concession Agreement or DIAL OMDA, as the case may be, to rectify or remedy such Project Adverse Event; and (ii) the period ending 21 days prior to the last day of the cure period provided under the GHIAL SHA, DIAL SHA, GHIAL Concession Agreement or DIAL OMDA, as the case may be, to rectify or remedy such Project Adverse Event.</p> <p>(v) creation of any encumbrance by the Borrower otherwise than as permitted under the Transaction Documents;</p> <p>(vi) any disposals of assets by the Borrower and the Relevant Group otherwise than as permitted under the Transaction Documents;</p> <p>(vii) Application for insolvency under IBC or any analogous law is filed against the Borrower;</p> <p>(viii) Application for insolvency under IBC or any analogous law against DIAL and GHIAL is filed and is not dismissed, vacated or stayed within 7 days);</p> <p>(ix) an application being admitted in relation to GIL before the National Company Law Tribunal seeking the initiation of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 or any analogous law;</p> <p>(x) certain other specified Events of Default (including without limitation, non-payment by the Issuer, cross default related</p>
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Company Secretary

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	<p>events of GAL, DIAL and GHIAL) as detailed in the Transaction Documents,</p> <p>(the "Trigger Events").</p> <p>(o) Pledge over certain shares owned by GAL in its subsidiaries as identified by DB, including DIAL and GHIAL, shall be created on the occurrence of the following events:</p> <p>(xi) the GAL Acquisition not being completed by March 31, 2020;</p> <p>(xii) the New PE Investor, the Issuer or the Relevant Group has decided not to proceed with the GAL Acquisition;</p> <p>(xiii) if the New Investor, Issuer, GIL and GSISL are not under a binding agreement with respect to GAL Acquisition or if applicable approvals (including regulatory and governmental) has been denied even post reconsideration of, any amended proposals made to, or clarifications sought in respect of the GAL Acquisition, unless the New Investors have confirmed in writing that they will be proceeding to complete the GAL Acquisition with suitable changes (but for valuation, consideration and payment terms) and such acquisition is completed by 31 March 2020;</p> <p>(xiv) the occurrence of:</p> <p>(A) an Insolvency Event (as defined under the GHIAL SHA) in respect of GIL or GAL;</p> <p>(B) a Material Breach (as defined under the GHIAL SHA) by GIL or GAL;</p> <p>(C) a Termination Event (as defined under the DIAL SHA) in respect of GIL or GAL;</p> <p>(D) a HIAL Default Event (as defined under the GHIAL Concession Agreement); or</p> <p>(E) a JVC Event of Default (as defined under the DIAL OMDA)</p> <p>(each a "Project Adverse Event"), and the relevant counterparty(ies) issues a notice pursuant to the relevant provision of the GHIAL SHA, DIAL SHA, GHIAL Concession Agreement or DIAL OMDA, as the case may be, and the earlier of the following periods has elapsed: (i) the cure period provided under the GHIAL SHA, DIAL SHA, GHIAL Concession Agreement or DIAL OMDA, as the case may be, to rectify or remedy such Project Adverse Event; and (ii) the period ending 21 days prior to the last day of the cure period</p>
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provided under the GHIAL SHA, DIAL SHA, GHIAL Concession Agreement or DIAL OMDA, as the case may be, to rectify or remedy such Project Adverse Event.

- (xv) creation of any encumbrance by the Borrower otherwise than as permitted under the Transaction Documents;
- (xvi) any disposals of assets by the Borrower and the Relevant Group otherwise than as permitted under the Transaction Documents;
- (xvii) Application for insolvency under IBC or any analogous law is filed against the Borrower;
- (xviii) Application for insolvency under IBC or any analogous law against DIAL and GHIAL is filed and is not dismissed, vacated or stayed within 7 days);
- (xix) an application being admitted in relation to GIL before the National Company Law Tribunal seeking the initiation of an insolvency resolution process under the (Indian) Insolvency and Bankruptcy Code, 2016 or any analogous law;
- (xx) certain other specified Events of Default (including without limitation, non-payment by the Issuer, cross default related events of GAL, DIAL and GHIAL) as detailed in the Transaction Documents,

(the "Trigger Events").

The pledge over shares will be created, perfected and respective forms filed only upon occurrence of Trigger Events. Until Trigger Events have occurred neither the shares will be pledged nor pledge perfected over shares (including filing of forms).

The pledge will be created for a cover of 3.0x based on the valuation of the pledged shares. In the event, the pledge is created after completion of the GAL Acquisition, pledge cover shall be 2.5x. If the GAL Acquisition occurs after creation and perfection of pledge over shares necessary to provide 3.0x cover, such number of shares as are required to reduce the cover to 2.5x shall be released from the pledge. The proportion of pledged shares of DIAL and GHIAL for establishing the pledge cover shall be determined by the Mandated Lead Arranger in its sole discretion.

The valuation of the pledged shares shall be determined on the basis of the valuation of GAL Acquisition attributable to DIAL and GHIAL or



	<p><i>valuation determined by an independent Big 4 valuer, whichever is lower.</i></p> <p>At any time after the occurrence of a Trigger Event or 30 November 2019, whichever is earlier, the Bond Trustee may appoint one of the big four firms specified in the Transaction Documents for conducting an independent valuation of the shares on which the security is to be created in accordance with the valuation methodology agreed upfront between the Issuer and the Subscribers in the Transaction Documents. If the insolvency related proceedings in respect of GAL, DIAL and GHIAL are dismissed, any pledge created under this clause shall be released if the Issuer has executed all such documents and taken all such steps as required by the Bond Trustee to ensure that the security can thereafter be created and perfected in the same manner as set out under the Transaction Documents on the occurrence of any Trigger Event in the future.</p>
Events of Defaults and Consequences	<p>The events of default shall include but not be limited to the following:</p> <ol style="list-style-type: none"> 1. Non-payment of any amounts due under the Transaction Documents (including coupon and principal) or any other payment obligations due under the Transaction Documents; 2. Change of control: <ol style="list-style-type: none"> (a) Prior to the Equity Investment: <ul style="list-style-type: none"> - GIL ceasing to directly own 74.5% in GAL; - GSISL ceasing to directly own 16.92% in GAL; - GIL not controlling or ceasing to control GAL; - any direct or indirect dilution in the shareholding or control of the Issuer in GHIAL, DIAL, GMR Airports Developers Limited, DDFS and Delhi Airport Parking Services Private Limited; - the Issuer ceasing to directly own 51% in GGIAL or ceasing to control GGIAL; (b) After the Equity Investment: <ul style="list-style-type: none"> - GIL not owning or ceasing to beneficially own, directly or indirectly at least 30% in GAL, other than by way of any transfer of the shares of GAL by GIL to the New Investors; - any direct or indirect dilution in the shareholding of the Issuer below 50% or in the control of the Issuer in GHIAL, DIAL, GMR Airports Developers Limited, DDFS and Delhi Airport Parking Services Private Limited; or



	<p>- the Issuer ceasing to directly own 51% in GGIAL or ceasing to control GGIAL.</p> <ol style="list-style-type: none"> 3. Cross default by entities in the Relevant Group as detailed in the Bond Trust Deed; 4. Insolvency or insolvency proceedings or any enforcement proceedings against entities in the Relevant Group including filing of application under Insolvency and Bankruptcy Code, 2016 or other analogous proceedings or governmental/court action in effect resulting in insolvency-type situation subject to agreed grace periods; 5. any Project Adverse Event and the relevant counterparties issues a notice which is not cured within the timeline agreed between the Issuer and the Subscribers in the Transaction Documents; 6. Invalidity, unlawfulness or illegality of any Transaction Documents; 7. Non-compliance with conditions subsequent including creation, effectiveness or perfection of the security; 8. Failure to comply with other material obligations not cured within agreed period set out in the Transaction Documents; 9. Material adverse effect in relation to entities in the Relevant Group as detailed in the Bond Trust Deed; 10. Other event of defaults which are included in the Transaction Documents, <p>(together, the "Events of Default")</p> <p>Materiality and cure period to be discussed during documentation.</p> <p>Upon occurrence of an Event of Default, the Bond Holders shall be entitled to declare the Fully Accreted Value of the Bonds, along with Default Interest, (collectively, the "Accelerated Amount") due and payable by the Issuer and to call for repayment of the Accelerated Amount immediately.</p> <p>In the event that the Issuer is unable to make the repayment of Accelerated Amount to the Bond Holders upon an Event of Default, the Bond Trustee (acting on the instructions of the Bond Holders provided in accordance with the voting thresholds set out in the Bond Trust Deed) shall, <i>inter alia</i>, have the right to –</p> <ol style="list-style-type: none"> (a) enforce the security; (b) take action under the IBC;
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	<p>(c) enforce any other rights as included in the Transaction Documents or under applicable laws</p> <p>Note: The above Events of Default and consequences are not exhaustive and are indicative only.</p>
Information Covenants	<p>The Issuer will provide the following information to the Bond Trustee:</p> <p>(a) Copies of the following:</p> <ul style="list-style-type: none"> (i) Unaudited quarterly accounts of the entities in the Relevant Group within 60 (sixty) days from the close of the relevant period approved by the board of the relevant entities in the Relevant Group; (ii) Audited standalone annual accounts of GAL within 150 days from the close of the financial year; (iii) Audited consolidated annual accounts of GAL within 180 days from the close of the financial year; (iv) Updates in relation to GAL Acquisition CPs upon request; (v) Any other information as required by the Bond Holders. <p>(b) Immediately inform, among other things, the Bond Holders if GAL has received any notice of:</p> <ul style="list-style-type: none"> (i) any application for winding up/insolvency under the Applicable Laws; (ii) any proposal by any governmental authority to acquire compulsorily; (iii) any proposed material changes in nature or scope of the business or operations; (iv) initiation of any material proceeding, enquiry or investigation by any governmental agency/regulator. <p>(c) The Bond Holders may, if required by law, rule, regulation, court order, subpoena or other similar legal process, disclose to banks / RBI / government and statutory authorities information in connection with the Bonds.</p> <p>Such other information and documents as set out in the Bond Trust Deed or as may be required by the Bond Trustee/ Bond Holders from time to time (including but not limited to audited/unaudited quarterly, half yearly and annual management and accounts statements).</p>
Representations & Warranties	<p>GAL shall give customary declarations, covenants, representations, warranties and indemnities to Bond Holders in respect of the Issuer as are usual and customary in transactions of this nature including</p>



	compliance with laws (including anti-bribery, anti-corruption / anti-money laundering, sanctions / anti-terrorism laws).
Taxes	All payments under the Bonds shall be grossed up for taxes for the FPI Bond Holders by an amount equal to 50% of the applicable withholding tax provided, however, if: (i) the Issuer fails to make payment on the relevant payment date when payment is due under the Bonds, or (ii) the GAL Acquisition is not complete on or before 30 December 2019; the Issuer shall be required to gross up all payments under the Bonds in full.
Others	Customary to the transactions of this nature, including but not limited to, covenants and undertakings, laws, conditions subsequent, indemnification, ownership covenants, mandatory redemptions, set-off, illegality, increased costs, customary trustee language, provision of information, material adverse effect, term sheet subject force majeure, break costs (including hedge / swap unwind costs), no restrictions on assignment and transfers by the Bond Holders etc., to the extent applicable and relevant under Indian laws.
Market Conditions	This Term Sheet is subject to, in the opinion of Bond Holders, (A) any material adverse change having occurred in any of the business, condition, financial operations of Issuer or any other entity in the Relevant Group since March 31, 2019, (B) any material adverse change which has or likely to impact the ability of Issuer or any other entity in the Relevant Group to perform their obligations under the documentation (C) any circumstance, change or condition (including the continuation of an existing condition) in the domestic financial or debt capital market, political or economic conditions that, in the opinion of the Bond Holders, has or is likely to have, would materially affect conclusion of the Bonds.
Governing Law	Laws of India
Expenses	The Issuer shall bear the legal, due diligence, and other transaction costs of the Bond Trustee and the Bond Holders in connection with this Transaction and the Issuer shall ensure that the same is paid in accordance with the [respective vendor payment plan] whether or not Bonds documentation is signed.
Exclusivity	In order to induce the Mandated Lead Arranger to go forward with efforts to fulfill the Transaction, after signing this term sheet, GAL undertakes that they shall not for a period of 6 weeks therefrom (unless otherwise extended by both parties), severally or jointly, directly or indirectly, approach other investors or arrangers, solicit any offers, engage in any discussions, or enter into any agreements or commitments with respect to financing similar to the green shoe option of up to INR 200 crores, in each case, with similar use of monies as envisaged in this term sheet or



	any debt financing at or backed by recourse to GAL or directly / directly supported by shares of GAL.
Confidentiality	The terms and conditions of the investment by the Bond Holders, as set out in this Term Sheet (including the terms and existence of this Term sheet and any investment-related documentation) shall be confidential information and shall not be disclosed by the Issuer and GIL to any third parties except their legal and financial advisors, Existing PE Investors, New Investors, rating agencies and statutory authorities, without prior written approval of the Mandated Lead Arranger.
Non-Binding Effect	<p>This Term Sheet is indicative only and does not constitute an offer to finance the Bonds. The terms and conditions of the term sheet remain subject to due diligence, internal approvals, credit committee approval, successful syndication and satisfactory documentation of the Bond Holders.</p> <p>This Term Sheet does not constitute a legally binding offer by the Bond Holders to invest in the Issuer (through any instrument) and does not impose any legal obligation on the Bond Holders, including to negotiate.</p> <p>However, notwithstanding anything to the contrary stated above, the parties agree that the provisions of this section and under "Due Diligence", "Confidentiality", "Expenses", "Documentation Fees", "Governing Law and Dispute Resolution" and "Exclusivity" are binding on the parties.</p>
Validity	This Term Sheet will automatically terminate without prejudice to accrued rights and claims upon execution of the definitive documentation.

For GMR Airports Limited

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 For GMR Airports Limited

 Company Secretary

Authorised Signatory

Deutsche Bank AG, Mumbai Branch

JAY MEHTA
 DIRECTOR
 Authorised Signatory

APOORV MADHUP, DIRECTOR
 Authorised Signatory

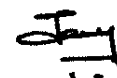
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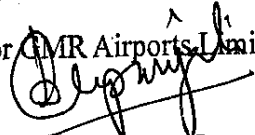
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For QMR Airports Limited


Company Secretary