

**Term Sheet for proposed issuance
of Non-Convertible Debentures by
India Shelter Finance Corporation Limited**

The purpose of this document ("the Indicative Term Sheet") is to outline the terms and conditions of a potential Debenture issuance by the Issuer. This Indicative Term Sheet does not constitute a final offer, is not exhaustive and may be subject to change.

Security Name	8.75% India Shelter Finance Corporation Limited 2026
Issuer	India Shelter Finance Corporation Limited
Type of Instrument	Non-Convertible Debentures
Nature of Instrument	Secured Rated Listed Redeemable Non-Convertible Debentures
Seniority	Secured
Mode of Issue	Private placement
Eligible/Identified Investors	As provided below the table
Listing	<p>The Debentures are proposed to be listed on the WDM of the BSE within a maximum period of 4 (Four) calendar days from the Deemed Date of Allotment.</p> <p>In the event of any delay in listing of the debt securities beyond 20 (Twenty) calendar days from the Deemed Date of Allotment, the Issuer shall make payment to the Debenture Holders of at least 1% (One Percent) p.a. over the Coupon Rate from the expiry of 30 (Thirty) calendar days from the Deemed Date of Allotment till the listing of such Debentures.</p>
Rating of the Instrument	ICRA A with stable outlook.
Issue Size	Rs. 30,00,00,000/- (Rupees Thirty Crores only).
Option to retain oversubscription	N.A.
Objects of the Issue	To raise secured debt to the extent up to Rs. 30,00,00,000/- (Rupees Thirty Crores only).
Details of the utilization of the Proceeds	<p>The proceeds of this issue shall be utilized for repayment or re-financing of existing debt of the Company, to finance the growth of the portfolio of the Company as permitted for bank finance by the Reserve Bank of India and augment long term growth of the Company.</p> <p>The Issuer shall not use the proceeds of the Issue towards:</p> <ul style="list-style-type: none"> (i) any capital market instrument such as equity, debt, debt linked, and equity linked instruments or any other capital market related activities; or (ii) any speculative purposes; or (iii) any activity on the Exclusion List; or (iv) investment in the real estate sector.

	<p>The Issuer undertakes that no part of the proceeds of the Debentures shall be utilised in any manner for onward lending to other non-banking financial companies and/or financial institutions without the prior written permission of the Debenture Holder(s).</p>
Coupon Rate	<p>shall mean the coupon payable on a monthly basis (floating) in respect of the Debentures from the Deemed Date of Allotment on each Coupon Payment Date until the Maturity Date, which shall be the aggregate of:</p> <p class="list-item-l1">(i) Reference Rate (being the Policy REPO rate issued by the Reserve Bank of India) which is presently at 4.00% (“Reference Rate”); and</p> <p class="list-item-l1">(ii) Credit Spread being 4.75% per annum (“Credit Spread”). It is hereby clarified that the Coupon Rate, payable as on date of this Disclosure Document, shall be 8.75%.</p> <p>The Coupon Rate shall be reset subject to the mechanism as set out below and in paragraph 2.3 (<i>Coupon Rate Reset</i>) of Schedule II (<i>Financial Terms and Conditions</i>) of the Debenture Trust Deed.</p>
Step Up/ Step Down Coupon Rate	<p>In the event the credit rating assigned to the Issuer is downgraded by the Rating Agency or any other external credit rating agency, the Coupon Rate shall, without any act, deed or thing, automatically increase by 25 (Twenty Five) basis points for each notch of credit rating downgrade by such credit rating agency. The increase in the Credit Spread shall be applicable on and from the date of the downgrade of credit rating of the Issuer by such credit rating agency. As on the date of this Disclosure Document, the credit rating of the Issuer is “ICRA A”.</p> <p>In the event the credit rating assigned to the Issuer is upgraded by the Rating Agency or any other external credit rating agency, the Coupon Rate shall, without any act, deed or thing, automatically decrease by 25 (Twenty Five) basis points for each notch of credit rating upgrade by such credit rating agency. The decrease in the Credit Spread shall be applicable on and from the date of the upgrade of credit rating of the Issuer by such credit rating agency. As on the date of this Disclosure Document, the credit rating of the Issuer is “ICRA A”.</p>
Early Redemption	<p class="list-item-l1">(a) In the event that the credit rating assigned to the Issuer, by the Rating Agency or any other external credit rating agency, is downgraded below A- i.e. BBB+ or below (“Early Redemption Event”), the Debenture Trustee (acting on the instructions of the Debenture Holder(s)) shall have the option, without being obligated, to require the redemption of the Debentures from the Issuer (in full or in part) prior to its Maturity Date.</p> <p class="list-item-l1">(b) Upon the occurrence of an Early Redemption Event, the Issuer shall forthwith promptly issue a notice to the Debenture Holders and Debenture Trustee, informing such Debenture Holders and Debenture Trustee about the occurrence of such Early Redemption Event (“Early Redemption Notice”). In the event that any Debenture Holder is desirous of exercising the Early Redemption Event, the said Debenture Holder shall issue a notice to the Issuer (with a copy marked to the Debenture Trustee), in writing, within a</p>

	<p>maximum period of 30 (Thirty) Business Days from the receipt of Early Redemption Notice (“Early Redemption Option Exercise Notice”).</p> <p>(c) Within 30 (Thirty) calendar days of receipt of the Early Redemption Option Exercise Notice (the “Early Redemption Date”), the Issuer shall compulsorily redeem the Debentures identified in the Early Redemption Option Exercise Notice by crediting to the beneficiary account of each Debenture Holder on the relevant Record Date available funds an amount that is equal to the Redemption Amount under the Debentures.</p>
Coupon Payment Frequency	Monthly
Coupon Payment Dates	Coupon shall be payable monthly until the Maturity Date
Coupon Type	Floating Coupon rate.
Coupon Reset Date(s)	Annual Frequency of Reset; Shall mean the following dates: August 31, 2022, August 31, 2023, August 31, 2024 and August 31, 2025
Coupon Reset Process	<p>(a) Rating Downgrade:</p> <p>In the event the credit rating assigned to the Issuer is downgraded by the Rating Agency or any other external credit rating agency, the Coupon Rate shall, without any act, deed or thing, automatically increase by 25 (Twenty Five) basis points for each notch of credit rating downgrade by such credit rating agency. The increase in the Credit Spread shall be applicable on and from the date of the downgrade of credit rating of the Issuer by such credit rating agency. As on the date of this Disclosure Document, the credit rating of the Issuer is “CARE A/ICRA A”.</p> <p>(b) Coupon Rate Reset on Coupon Reset Date(s):</p> <p>The Majority Debenture Holder(s) shall have the right to reset the Credit Spread and the Reference Rate in the manner set out below:</p> <p>(i) Reference Rate Reset on the Coupon Reset Date(s)</p> <p>A. Save and except as set out in paragraph 2.3(a) above, the Debenture Trustee, acting on the instructions of Debenture Holders, shall also have the right to change, at its discretion, the Reference Rate on the Coupon Reset Date(s).</p> <p>B. The Debenture Holders shall decide the revised Reference Rate which shall be applicable on and from the relevant Coupon Reset Date. The revised Reference Rate so approved by the Debenture Holders, shall be communicated to the Debenture Trustee, with a copy marked to the Issuer,</p>

	<p>no later than 2 (Two) Business Days prior to the relevant Coupon Reset Date.</p> <p>C. The Debenture Trustee shall communicate the revised Reference Rate to the Issuer, by way of a written notice, no later than 1 (One) Business Day prior to the relevant Coupon Reset Date.</p> <p>D. Upon the notices being issued by the Majority Debenture Holders and the Debenture Trustee in accordance with paragraph B and C above, the revised Reference Rate shall, without any act, deed or thing, be automatically reset and the Issuer shall be obligated to pay the same, on and from the relevant Coupon Reset Date.</p>
Day Count Basis	Actual/Actual
Interest on Application Money	At the Coupon Rate from the credit of subscription monies in respect of the Debentures, until the Deemed Date of Allotment and the same shall be paid to the relevant Investors <u>within 7 (Seven) Business Days from the Deemed Date of Allotment</u> .
Default Interest Rate	<p>(a) In case of failure by the Issuer in the performance of its payment obligations under the Debentures on the relevant Due Dates, the Issuer shall be liable to pay further default interest which shall be calculated at 2% (Two Percent) per annum over and above the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived. The default interest under the terms of this paragraph may be waived by the Majority Debenture Holder(s) in the event the failure by the Issuer in the performance of its payment obligations is for the following technical reasons as set below and does not exceed 2 (Two) Business Days from the date of such failure to pay:</p> <p>(i) The Due Date for such payment falls on a day which is not a Business Day.</p> <p>(ii) Payment infrastructure i.e. RTGS transfers, experiencing any downtime</p> <p>(b) Without prejudice to any other rights and remedies available to the Debenture Trustee pursuant to the terms of Transaction Documents, in case of default by the Issuer in the performance of any other covenants, including Financial Covenants as provided for in the Debenture Trust Deed, the Issuer shall be liable to pay default interest which shall be calculated at 2% (Two Percent) per annum over the Coupon Rate computed on the entire obligations, outstanding on the Debentures, for the period commencing from the date of the default and expiring on the date on which the default ceases or has been remedied or waived.</p> <p>(The default interest payable in terms of this paragraph is hereinafter referred to as the "Default Interest").</p>

Delay Penalty	In case of any delay in execution of the Debenture Trust Deed, the Company will refund the subscription monies with agreed rate of interest or will pay interest of 2% (Two percent) per annum over and above the Coupon Rate till these conditions are complied with at the option of the Debenture Holder.
Tenor	60 (Sixty) months from the Deemed Date of Allotment.
Redemption Date/Maturity Date	August 31, 2026 being 60 (Sixty) months from the Deemed Date of Allotment.
Principal Payment Date(s)	in the manner set out in Annexure VI (Illustration of Bond Cashflows) of this Information Memorandum.
Redemption Amount	The principal amount of the Debenture on the Principal Payment Date(s) plus accrued Coupon along with the Default Interest (if any), and other such costs, charges and expenses if any, payable on the Due Date(s) under the Transaction Documents.
Redemption Premium/Discount	N.A.
Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs only) per Debenture.
Discount at which security is issued and the effective yield as a result of such discount	N.A.
Put Option Date	At the end of 4 years
Put Option Price	At par
Put Option Notification Time	15 calendar days
Call Option Date	At the end of 4 years
Call Option Price	At par
Call Option Notification Time	15 calendar days
Face Value	Rs. 10,00,000/- (Rs. Ten Lakhs only) per Debenture
Minimum Application size and in multiples of 1 thereafter	10 Debentures and in multiples of 1 Debenture thereafter
Issue Timing	Issue Opening Date: August 31, 2021; Issue Closing Date: August 31, 2021; Pay-in Date: August 31, 2021 Deemed Date of Allotment: August 31, 2021.
Issuance mode of the Instrument	Demat only
Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	Cheque(s)/ electronic clearing services (ECS)/credit through RTGS system/funds transfer to the specified bank account of the Debenture Holder.
Depositories	NSDL, CDSL
Business Days	Any day of the week (excluding non-working Saturdays, Sundays, and any day on which banks are closed for business in Mumbai) on which

	banks are open for business in Mumbai, and “Business Days” shall be construed accordingly.
Business Day Convention	If any Coupon Payment Date or the due date for the performance of any event falls on a day that is not a Business Day, the payment shall be made on the immediately succeeding Business Day. If the Redemption Date/Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid on the immediately preceding Business Day.
Record Date	The date which will be used for determining the Debenture Holders who shall be entitled to receive the amounts due on any Due Date, which shall be the date falling 15 (Fifteen) calendar days prior to any Due Date.
Security (Including description, type of security, type of charge, likely date of creation of security, minimum security cover, revaluation, replacement of security)	<p>The Issue shall be secured by a charge created by the Issuer in favour of the Debenture Trustee (for the benefit of the Debenture Holders) being an exclusive first ranking charge by way of hypothecation over specific identified receivables, present and future (as set out more particularly in the Deed of Hypothecation), representing amounts due from the various borrowers of the Company at all times to the extent equal to an amount aggregating to the total outstanding in relation to the Issue (“Hypothecated Assets”) such that the value of security shall be equal to 1.10 (One Decimal Point One Zero) times the aggregate amount of principal amount outstanding of the Debentures (“Asset Cover”). The Issuer undertakes:</p> <ul style="list-style-type: none"> (a) to maintain the value of the Asset Cover at all times till the obligations under the Issue are discharged. (b) to create the security over the Hypothecated Assets by executing a duly stamped deed of hypothecation (“Deed of Hypothecation”) within 30 (Thirty) calendar days from the date of execution of the Debenture Trust Deed. (c) To perfect the security created over the Hypothecated Assets by filing the relevant Form CHG-9 with the Registrar of Companies immediately and no later than 30 (Thirty) calendar days from the date of execution of the Debenture Trust Deed. (d) Upon the execution of the Deed of Hypothecation, in the event of any fall in the Asset Cover, additional Hypothecated Assets shall be taken in the manner as provided for in the Deed of Hypothecation. <p>(e) Upon the execution of the Deed of Hypothecation, to provide a list, on a Quarterly basis, of specific loan receivables / identified book debt to the Debenture Trustee and over Debenture Holders over which charge is created and subsisting by way of hypothecation in favour of the Debenture Trustee (for the benefit of the Debenture Holders) and sufficient to maintain the Asset Cover (“Quarterly Hypothecated Assets Report”).</p>
Transaction Documents	Shall be as set out below.
Conditions Precedent to Deemed Date of Allotment	<ol style="list-style-type: none"> 1. The Issuer shall have obtained all corporate approvals from the Board of Directors authorizing the issue of Debentures as also execution of the necessary documents in that behalf and a certified true copy of the resolution of the shareholders of the Company under section 42 of the Companies Act, 2013 and the execution, delivery

	<p>and performance by the Company of the Transaction Documents in accordance with the Companies Act, 2013, the Companies (Prospectus and Allotment of Securities) Rules, 2014, the Companies (Share Capital and Debentures) Rules, 2014 and other rules prescribed;</p> <ol style="list-style-type: none"> 2. The Issuer shall have issued the governmental and corporate authorizations (including board / committee resolution permitting the issuance of the Debentures and the listing of the Debentures), as applicable. 3. Execution by the Issuer of the Debenture Trustee Agreement and the Debenture Trust Deed, in a form and manner satisfactory to the Debenture Trustee shall have taken place; 4. The Issuer shall have submitted to the Debenture Trustee, the rating letter from the Rating Agency within a minimum credit rating of CARE A/ICRA A; 5. The Issuer shall have obtained the consent letter from the Debenture Trustee; 6. The Issuer shall have submitted to the Debenture Trustee a certified true copy of the constitutional documents of the Company and the Certificate of Incorporation. 7. The Issuer shall have provided a certificate to the Debenture Trustee, (including board resolution permitting issuer for listing of securities), confirming that issuance and allotment of the Debentures would not cause any borrowing, or similar limit binding on the company to be exceeded 8. The Issuer shall provide such other undertaking as may be required by the Debenture Holder(s); and 9. The Issuer shall ensure that all necessary approvals have been obtained for the Issue.
Conditions Subsequent to Deemed Date of Allotment	<ol style="list-style-type: none"> 1. Filing of the relevant documents <i>inter alia</i> Form PAS-3 for return of allotment etc. with the Registrar of Companies within the timelines specified under the rules under the Companies Act, 2013. 2. The Issuer shall make an application to list the Debentures to the Wholesale Debt Market (WDM) segment of the BSE within 15 (Fifteen) calendar days from the Deemed Date of Allotment and within 20 (Twenty) calendar days from the Deemed Date of Allotment, the Company shall obtain the final listing approval from the Bombay Stock Exchange (BSE). 3. Dematerialised credit of the Debentures within 3 (Three) Business Days from the Deemed Date of Allotment. 4. Execution of the Deed of Hypothecation in form and manner satisfactory to the Debenture Trustee shall have taken place; 5. Filing of the relevant forms with the Registrar of Companies for the perfection of charge over the Hypothecated Assets within and no later 30 (Thirty) calendar days from the date of execution of the Debenture Trust Deed; 6. The Issuer shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of Debentures.
Events of Default	As mentioned below.
Provisions related to Cross Default Clause	As mentioned below.

Role and Responsibilities of Debenture Trustee	To oversee and monitor the overall transaction for and on behalf of the Debenture Holders.
Covenants	<ul style="list-style-type: none"> • Gross NPA + Restructuring should not exceed 7% for 9MFY22 and 5% thereafter. • Net NPA should not exceed 2.5% • Tier 1 should not be less than 20% • TOL/NOF should not exceed 4.0x • In case Mr. Anil Mehta steps down from Board of the Company • In case prior permission from the lender is not taken before dilution in the no. of shares held by Mr. Anil Mehta by more than 2 0% from the existing shareholding. • Rating of the debentures is suspended or withdrawn or moved to "issuer not cooperating" category or the long-term rating of the Debentures/Issuer is downgraded to below A- i.e. BBB+ or below or the Issuer is assigned a long-term rating of below A- i.e. BBB+ or below by any rating agency.
Representation and warranties	As mentioned in below.
Illustration of Bond Cashflows	Kindly refer to Annexure VI of this Information Memorandum
Governing Law and Jurisdiction	The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties submit to the exclusive jurisdiction of the courts in New Delhi, India and as more particularly provided for in the Debenture Trust Deed.

SECTION 2: TRANSACTION DOCUMENTS AND KEY TERMS

2.1 Transaction Documents

The following documents shall be executed in relation to the Issue (“**Transaction Documents**”):

- A. Debenture Trustee Agreement, which will confirm the appointment of Beacon Trusteeship Limited as the Debenture Trustee (“**Debenture Trustee Agreement**”);
- B. Debenture Trust Deed, which will set out the terms upon which the Debentures are being issued and shall include the representations and warranties and the covenants to be provided by the Issuer (“**Debenture Trust Deed**”);
- C. Deed of Hypothecation whereby the Issuer will create an exclusive charge by way of hypothecation over the Hypothecated Assets in favour of the Debenture Trustee acting in trust for and on behalf of and for the benefit of the Debenture Holders to secure its obligations in respect of the Debentures (“**Deed of Hypothecation**”); and
- D. Such other documents as agreed between the Issuer and the Debenture Trustee.

The Debenture Trustee Agreement and the Debenture Trust Deed shall be executed on or prior to the Issue Closing Date.

2.2 Representations and Warranties of the Issuer

The Issuer hereby represents and warrants to the Debenture Trustee and the Debenture Holders as follows. The representations and warranties made by the Issuer herein below are (a) made on the date of this Disclosure Document; and (b) unless otherwise specifically provided, shall be deemed to be repeated by the Company on and as on each day up to the Final Settlement Date as if made with respect to the facts and circumstances existing on such dates, except where expressly stated to be made as of a particular date.

(a) STATUS:

- (i) It is a company, duly incorporated, registered and validly existing under the Applicable Law.
- (ii) As on date, the Company is registered with the Reserve Bank of India as a non-banking financial company-asset reconstruction company (NBFC-ARC).
- (iii) It has the power to own its assets and carry on its business in substantially the same manner as it is being conducted.

(b) BINDING OBLIGATIONS:

The obligations expressed to be assumed by it under the Transaction Documents are legal, valid, binding and enforceable obligations.

(c) NON-CONFLICT WITH OTHER OBLIGATIONS:

The entry into, and performance by it of, and the transactions contemplated by the Transaction Documents do not and will not conflict with:

- (i) any Applicable Law; or
- (ii) its constitutional documents; or
- (iii) any agreement or instrument entered into by the Company or binding upon it or any of its assets.

(d) POWER AND AUTHORITY:

It has the power to enter into, perform and deliver, and has taken all necessary action to authorise its entry into, performance and delivery of, the Transaction Documents to which it is a party and the transactions contemplated by those Transaction Documents.

(e) VALIDITY AND ADMISSIBILITY IN EVIDENCE:

All approvals, authorizations, consents, permits (third party, statutory or otherwise) required or desirable:

- (i) to enable it lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
- (ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- (iii) to enable it to carry on its business, trade and ordinary activities;

have been obtained or effected and are in full force and effect.

(f) TRANSACTION DOCUMENTS:

The Company has duly executed / will execute and delivered / will deliver each of the Transaction Documents and each of such Transaction Documents constitute upon execution a legal, valid and binding obligation of the Company enforceable against the Company without any further action being required with respect to such documents.

(g) NO DEFAULT:

- (i) No Event of Default or potential Event of Default has currently occurred and is continuing as of the date hereof or might reasonably be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures.
- (ii) No other event or circumstance is outstanding which constitutes as on the date hereof (or which would, with the lapse of time, the expiry of a grace period, the giving of notice, the making of any determination under the relevant document, the satisfaction of any other condition or any combination of any of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument under which the Company has incurred any Financial Indebtedness or which is binding on the Company or to which any of its assets are subject in respect of which the Company has received a notice or which might have a Material Adverse Effect.

(h) PARI PASSU RANKING:

Its payment obligations under the Transaction Documents rank *pari passu* with the claims of all of its present and future senior secured creditors except for obligations mandatorily preferred by law applying to companies generally.

(i) NO PROCEEDINGS PENDING:

- (i) No litigation, arbitration or administrative proceedings of or before any Governmental Authority (to the best of its knowledge and belief), has been made, are pending, or is threatened, against the Company, which may result in the occurrence of a Material Adverse Effect.
- (ii) There is no unsatisfied judgment or award passed by any court, arbitrator or other body against the Company, currently subsisting (to the best of its knowledge and belief), which has not been satisfied by the Company within the time frame stipulated in such judgment or award.

(j) NO MISLEADING INFORMATION:

All information set out in the financial statements furnished by the Company to the Debenture Trustee and all information provided by the Company to the Debenture Holders for the purposes of this Issue is true and accurate in all respects as at the date it was provided or as at the date (if any) on which it is stated.

(k) COMPLIANCE WITH LAW

It is in compliance in all respects with all Applicable Law for the performance of its obligations with respect to this Issue for them to carry on their business and is not subject to any liability by reason of non-compliance with any Applicable Law.

(l) ASSETS:

Except for the security interests and encumbrances created and recorded with the Ministry of Corporate Affairs (available using CIN U65923RJ1994PLC009051 on the website <http://www.mca.gov.in/MCA21/index.html> under the heading Index of Charges), the Company has, free from any security interest or encumbrance, the absolute legal, marketable and beneficial title to, or valid leases or licenses of, or is otherwise entitled to use (in each case, where relevant, on arm's length terms), all assets necessary or desirable for the conduct of its business as it is being, and is proposed to be, conducted.

(m) FINANCIAL STATEMENTS:

- (i) Its financial statements most recently supplied to the Debenture Trustee were prepared in accordance with GAAP / IND AS consistently applied save to the extent expressly disclosed in such financial statements.
- (ii) Its financial statements most recently supplied to the Debenture Trustee as of March 31, 2021 give a true and fair view and represent its financial condition and operations during the relevant financial year save to the extent expressly disclosed in such financial statements.

(n) **SOLVENCY:**

- (i) The Company is able to, and has not admitted its inability to, pay its debts as they mature and has not suspended making payment on any of its debts and it will not be deemed by a court to be unable to pay its debts within the meaning of Applicable Law, nor in any such case, will it become so in consequence of entering into the Debenture Trust Deed.
- (ii) The Company has not by reason of actual or anticipated financial difficulties, commenced, and neither does it intend to commence, negotiations with one or more of their creditors with a view to rescheduling any of their Financial Indebtedness;
- (iii) The value of the assets of the Company is more than its respective liabilities (taking into account contingent and prospective liabilities) and it has sufficient capital to carry on its business.
- (iv) Except as separately disclosed to the Debenture Holder(s), no moratorium has been, or may, in the reasonable foreseeable future be, declared in respect of any Financial Indebtedness of the Company.
- (v) As on the date hereof, the Company has neither taken any corporate action nor has taken any legal proceedings or other procedure or steps in relation to any bankruptcy proceedings.

(o) **TAXATION MATTERS**

- (i) The Company has duly and punctually paid and discharged all taxes within the time period allowed under Applicable Law.
- (ii) The Company has complied with all the requirements as specified under the respective tax laws as applicable to it in relation to returns, computations, notices and information which are or are required to be made or given by the Company to any tax authority for taxation and for any other tax or duty purposes, have been made and are correct.

(p) **MATERIAL ADVERSE EFFECT**

The Company hereby represents that there is no Material Adverse Effect existing and that there are no event or circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect on the Debentures (or on the Debenture Holder(s)) or on the ability of the Company to make the scheduled Payments in relation to the Debentures. In the event of any disagreement or dispute between any Company and the Debenture Holders regarding the materiality of any matter, the opinion of Debenture Holders in relation to the materiality shall be final and binding on the Company.

(q) INSOLVENCY

The Company has not taken any action, including actions under the IBC, nor (to the best of its knowledge and belief) has any application been made for its winding-up, dissolution or re-organisation or for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

(r) SECURITY

- (i) Save and except the charge created to secure the Debentures (and any other charges disclosed to the Debenture Trustee), the Hypothecated Assets herein before expressed to be granted, conveyed, assigned, transferred and assured unto the Debenture Trustee is the sole and absolute property of the Company and is free from any other mortgage, charge or encumbrance and is not subject to any *lis pendens*, attachment, or other order or process issued by any Governmental Authority and that the Company has a clear and marketable title to the Hypothecated Assets.
- (ii) There are no legal proceedings, suits, appeals or other actions under Applicable Law, whether judicial, fiscal or administrative, pending or threatened in writing, or claims in respect of the Hypothecated Assets, which may result in the occurrence of a Material Adverse Effect.

(s) DEFALTER STATUS

Neither the Company nor any of the directors of the Company appear on the Reserve Bank of India's list of defaulters and Export & Credit Guarantee Corporation's caution list.

2.3 COVENANTS OF THE ISSUER

The covenants of the Issuer shall be in accordance Debenture Trust Deed.

2.4 EVENTS OF DEFAULT

The Events of Default shall be in accordance Debenture Trust Deed.

2.5 CONSEQUENCES OF EVENTS OF DEFAULT

Upon the happening of an Event of Default, the Debenture Trustee shall be entitled to exercise any and all remedies in accordance with the terms contained in the Transaction Documents.

Eligible Investors

The following categories of Investors, who have been specifically approached and have been identified upfront, are eligible to apply for this private placement of Debentures subject to fulfilling their respective investment norms/rules and compliance with laws applicable to them by submitting all the relevant documents along with the Application Form:

- A. Mutual Funds;
- B. Public financial institutions as defined in Section 2(72) of the Companies Act, 2013;
- C. Scheduled banks and Non-banking financial companies;
- D. Insurance companies;
- E. Cooperative banks, regional rural banks and infra-financing companies authorised to invest in debentures;
- F. Provident Funds, Gratuity Funds, Superannuation Funds and Pension Funds;
- G. Corporates;
- H. Banks;
- I. Foreign Portfolio Investors (FPIs) (subject to compliance with the SEBI/ RBI norms);
- J. Foreign Institutional Investors (FIIs) (subject to compliance with the SEBI/ RBI norms);
- K. Qualified Foreign Investors (QFIs);
- L. Insurance Companies;
- M. Investment holding companies of high net worth individuals;
- N. Trusts authorised to invest in debentures;
- O. Statutory corporations/ undertakings established by Central/ State legislature authorized to invest in Debentures; and
- P. Any other person / investor (not being an individual or a group of individuals) eligible to invest in the Debentures as per extant rules and regulations.

All potential Investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of Debentures.

Note: Participation by potential Investors in the Issue may be subject to statutory and/or regulatory requirements applicable to them in connection with subscription to Indian securities by such categories of persons or entities. Applicants are advised to ensure that they comply with all regulatory requirements applicable to them, including exchange controls and other requirements. Applicants ought to seek independent legal and regulatory advice in relation to the laws applicable to them.