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AK CAPITAL FINANCE LTD

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Sowcarpet, Chennai - 79.
LNo. 222/87/97

THIS STAMP PAPER PART AND PARCEL OF THE
DEBENTURE TRUSTEE DEED EXECUTED BY AND BETWEEN
A.K. CAPITAL FINANCE LIMITED AND CATALYST
TRUSTEESHIP LIMITED DATED 28-MAY-2021

Handwritten signature



DATED MAY 28, 2021

DEBENTURE TRUST DEED

FOR 20000 (Twenty Thousand) SECURED, LISTED REDEEMABLE NON-CONVERTIBLE DEBENTURES

A K CAPITAL FINANCE LIMITED
as the Company

AND

CATALYST TRUSTEESHIP LIMITED
as the Debenture Trustee

DEBENTURE TRUST DEED

This **DEBENTURE TRUST DEED** (hereinafter referred to as the “**Deed**”) is made at Chennai on this 28th day of May Two Thousand and Twenty, by and between:

A K CAPITAL FINANCE LIMITED, a company registered under the Companies Act, 2013 with CIN U51900MH2006PIC214277 and registered as a non-banking financial company with the Reserve Bank of India, having its registered office at 30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point – Mumbai-400021, India, (hereinafter referred to as the “**Company**”/ “**Issuer**”, which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors and permitted assigns) of the **ONE PART**;

AND

CATALYST TRUSTEESHIP LIMITED, a company registered under the Companies Act, 2013 and having its registered office at GDA House, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune - 411 038 and branch office at No.3/360, Ground Floor, Rajeswari Avenue, Madhanandapuram, Chennai 600116 (hereinafter referred to as the “**Debenture Trustee**”, which expression shall, unless it be repugnant to the subject or context thereof, be deemed to mean and include its successors in office and permitted assigns) of the **OTHER PART**.

The Company and the Debenture Trustee shall be individually referred to as a “**Party**” and collectively as the “**Parties**”.

WHEREAS:

- A. The Company has issued 20000 (Twenty Thousand) Secured, Rated, Listed, Redeemable, Non-Convertible Debentures denominated in Indian Rupees (“**INR**”) each having a face value of INR 1,00,000/- (Indian Rupees One Lakh) (“**Debentures**” or “**NCDs**”) aggregating upto INR 200,00,00,000/- (Indian Rupees Two Hundred Crores) for cash at par, in dematerialized form on a private placement basis, (as hereinafter defined) (“**Issue**”) through disclosure document dated May 24, 2021 (“**Disclosure Document**”) and the Term Sheets (as hereinafter defined) which have been issued/ may be issued and pursuant to terms and conditions contained in this Deed.
- B. The Company being duly empowered by its Memorandum of Association and Articles of Association, has issued and allotted the Debentures pursuant to the authority granted by the resolution of the shareholders of the Company in the annual general meeting held on September 05, 2018 passed under Section 180 (1)(a) and Section 180(1)(c) of the Act and the resolution of the Board of Directors of the Company passed at its meeting held on May 15, 2021 passed under Section 42 and Section 71 of the Act .
- C. The Debentures have been issued in dematerialised form and are subject to the provisions of the Depositories Act, 1996 and rules notified by the Central Depository Services (India) Limited (“**CDSL**”) and the National Securities Depository Limited (“**NSDL**”) from time to time. The Company has entered into an agreement with CDSL and NSDL respectively, for issuing the Debentures in dematerialised form.
- D. The Company has obtained credit rating for the Debentures from the Rating Agency (as hereinafter defined), which has provided a rating of “BWR AA-” (Pronounced BWR Double A Minus) to the Debentures *vide* its rating rational letters dated December 01, 2020
- E. The Debentures are listed/ proposed to be listed on the wholesale debt market segment of the BSE (as hereinafter defined) or any other recognized stock exchange in India.
- F. The Debenture Trustee is registered with the Securities and Exchange Board of India (“**SEBI**”) as a debenture trustee under the SEBI (Debenture Trustee) Regulations, 1993 and pursuant to the consent letter dated May 24, 2021 has agreed to act as a debenture trustee, in trust for the benefit of the Debenture Holders. The Debenture Trustee and the Company have entered into a debenture trustee agreement dated May 24, 2021, as amended from time to time (“**Debenture Trustee Agreement**”) whereby the Company has appointed the Debenture Trustee and the Debenture Trustee has agreed to be appointed as debenture trustee for the benefit of the Debenture Holder(s) and for purposes related thereto, including for holding the security to be created by the Company in favour of the Debenture Trustee to secure to discharge Secured Obligations (as hereinafter defined) of the Company in respect of the Debentures. Under the Debenture Trustee Agreement, the Parties have also agreed to execute a debenture trust deed in compliance with the provisions of the Act.

- G. Accordingly, the Debenture Trustee has called upon the Company to execute this Deed being these presents, pursuant to which the Debentures are being issued, and accordingly, these presents shall record the various terms, conditions and stipulations as well as the Company's obligation in respect of the Debentures including Redemption of the Debentures, payment of interest, remuneration of the Trustee and all costs, charges, expenses and other monies in accordance with the terms of the issue, conditions of appointment of Debenture Trustee, creation, maintenance and enforcement of Security, and the Company has agreed to do so in the manner set out hereinafter.
- H. This Deed is divided into the following sections: (i) Part A which sets out the terms of Debentures, which are standard in nature or are terms stipulated pursuant to statutory or regulatory requirements; and (ii) Part B which sets out the terms of the Debentures which are specific to this issuance.

NOW THIS DEED WITNESSETH AND IT IS HEREBY MUTUALLY AGREED AND DECLARED BY AND BETWEEN THE PARTIES HERETO AS UNDER:

1. DEFINITIONS AND CONSTRUCTION

1.1 Definitions

In these presents unless there is anything in the subject or context inconsistent therewith, the expressions listed below shall have the following meanings:

- (a) **"Act"** shall mean the Companies Act, 2013 (to the extent notified and effective) or Companies Act, 1956 (to the extent applicable), as may be amended from time to time and shall include any statutory amendment or re-enactment thereof from time to time including but not limited to the rules, circulars or orders issued thereunder.
- (b) **"Account Bank"** shall have the meaning ascribed to the term in Clause 3.2.2 of this Deed.
- (c) **"Applicable Law"** shall mean all applicable statutes, enactments or acts of any legislative body in India, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Governmental Authority and any modifications or re-enactments thereof;
- (d) **"Beneficial Owner(s)"** shall mean the Debenture Holder(s) of the Debentures in dematerialised form whose name is recorded as such with the Depository;
- (e) **"Board"** shall mean the board of directors of the Company for the time being and from time to time
- (1) **"Business Assets"** shall mean:
- the Receivables arising out of loans and advances and
 - Receivables arising out of its investments; and
 - Other current assets.
- (f) **"Business Day"** shall mean any day of the week (excluding Saturdays, Sundays and any other day which is a public holiday in Mumbai for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881)) on which the money market is functioning in Mumbai and **"Business Days"** shall be construed accordingly;
- (g) **"BSE"** shall mean Bombay Stock Exchange (BSE) Limited;
- (h) **"CDSL"** shall have the meaning assigned to the term in Recital C above;
- (i) **"Control"** means the term 'control' as defined under the Act. **"Controlling"** and **"Controlled"** shall be construed accordingly;
- (j) **"Coupon"** shall mean the coupon payable on the Debentures on their Coupon Payment Date(s), at their Coupon Rate;
- (k) **"Coupon Payment Date/s"** shall mean the dates described under the Term Sheet and more specifically as mentioned in Clause 18 (Details of the Instrument) of this Deed
- (l) **"Coupon Rate"** shall mean the interest/ coupon rate on the Debentures allotted to the Debenture Holders which shall be more particularly described under the Term Sheet and as specified in Clause 18 (Details of the Instrument) of this Deed;
- (m) **"Debenture Trustee Agreement"** shall have the meaning ascribed to the term in Recital F;

- (n) **"Debentures"** shall have the meaning assigned to such term in Recital A above;
- (o) **"Debenture Holder(s)"** shall mean initially the persons who are the subscribers to the Debentures and for the time being holders of the Debentures and thereafter the subsequent Debenture Holder(s), each of whom fulfils the following requirements:
- (i) Persons who are registered as such as the Beneficial Owners; and
 - (ii) Persons who are registered as debenture holder(s) in the Register of Debenture Holder(s);
(and shall include registered transferees of the Debentures from time to time with the Company and the Depository) and in the event of any inconsistency between sub paragraph (i) and (ii) above, sub paragraph (i) shall prevail;
- (p) **"Deed"** shall mean this debenture trust deed as may be amended, modified, or supplemented from time to time;
- (q) **"Deed of Hypothecation"** shall mean the deed of hypothecation executed on or about the date hereof by the Company in favour of the Debenture Trustee for creation of a first ranking exclusive charge by the Company in favour of the Debenture Trustee for the benefit of the Debenture Holder(s) over the Hypothecated Assets;
- (r) **"Deemed Date of Allotment"** shall mean the date on which the Debentures are deemed to have been allotted to the Debenture Holder(s) more specifically as mentioned in Clause 18 (Details of the Instrument) of this Deed;
- (s) **"Default Interest"** shall have the meaning assigned in Clause 25 (Default Interest) of this Deed;
- (t) **"Depository"** shall mean the depository(ies) with whom the Company has made arrangements for dematerialising the Debentures, being CDSL and NSDL;
- (u) **"Disclosure Document(s)"**, the Disclosure Document and the Private Placement Offer Letter, individually or collectively, as the context may require;
- (v) **"Dispute"** shall have the meaning assigned to the term in Clause 16.11 (Disputes and Governing Law) below;
- (w) **"Due Date(s)"** shall mean any date on which the Debenture Holder(s)/ Debenture Trustee are entitled to any Payments in relation to the Debentures, including, without limitation, in respect of Principal or towards Coupon including, without limitation, on the Principal Redemption Dates, and the Coupon Payment Dates;
- (x) **"Eligibility Criteria"** shall mean the following criteria required to be met by the Business Assets:
- (i) The Business Assets are 'standard assets';
 - (ii) The Business Assets are existing at the time of selection, and have not been terminated or prepaid;
 - (iii) The Business Assets should not have been restructure;
 - (iv) The Business Assets shall be free from all Encumbrances and are not subject to any Encumbrance (including, without limitation, any lien or charge);
- (y) **"Encumbrance"** shall mean, in relation to any relevant property: (a) any mortgage, pledge, hypothecation, charge, assignment, deposit arrangement, non-disposal undertaking, encumbrance, lien (statutory or other), lock-in provisions, preference, priority, escrow or any agreement/ right in the nature of/ for the purpose of securing any obligation of any person; (b) any agreement/ document which creates/ grants/ confers or purports to create/grant/confer any right or interest to/ in favour of/ to the use or order of any Person to deal with or restrict the use or transfer of the relevant property; (c) any agreement of any kind or nature whatsoever which grants any right to any Person in respect of the relevant property, including, without limitation, any conditional sale or other title retention agreement, any financing or similar statement or notice filed under any recording or notice statute or any lease or license arrangement; (d) any type of preferential arrangement (including, without limitation, title transfer, option or right of pre-emption, entitlement to beneficial ownership) having a similar effect; (e) any other agreement having substantially the same effect as any of the foregoing or any agreement, conditional or otherwise, to create any of the foregoing;
- (z) **"Events of Default"** shall have the meaning assigned to such term in Clause 7 (Events of Default) below;
- (aa) **"Financial Indebtedness"** shall mean, without double counting, any indebtedness for or in respect of:
- (i) any moneys borrowed;
 - (ii) any amount raised by acceptance under any acceptance credit, bill acceptance or bill endorsement facility or dematerialized equivalent;
 - (iii) any amount raised pursuant to any note purchase facility or the issue of bonds, notes, debentures, loan stock or any similar instrument;
 - (iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with Ind AS, be treated as a finance or capital lease;

- (v) receivables sold or discounted (other than any receivables to the extent they are sold on a non-recourse basis);
- (vi) any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;
- (vii) any derivative transaction entered into in connection with protection against or benefit from fluctuation in any rate or price (and, when calculating the value of any derivative transaction, only the marked to market value if payable by a borrower under each such transaction shall be taken into account);
- (viii) shares which are expressed to be redeemable or any shares or instruments convertible into shares which are the subject of a put option or any form of buyback guarantee granted by the Company issuing such shares or convertible instruments;
- (ix) any obligation under any put option including any form of guarantee, letter of comfort, short fall undertaking, keep-fit letter or indemnity in respect of any shares or instruments convertible into shares issued by another entity;
- (x) any counter-indemnity obligation in respect of a guarantee, indemnity, bond, standby or documentary letter of credit or any other instrument issued by a bank or financial institution;
- (xi) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (i) to (x) above, and

includes all Financial Indebtedness in respect of any of the items referred to in paragraphs (i) to (xi) above which the relevant person has irrevocably committed to incur (whether by way of issue of an irrevocable drawdown notice (or equivalent), guarantee of any such Financial Indebtedness which has been similarly committed to be incurred or otherwise), notwithstanding that no actual liability or debt exists at the time of such consideration;

- (bb) **"Final Settlement Date"** shall mean the date on which all Payments have been irrevocably discharged in full and all the Debentures have been redeemed by the Company in full in accordance with the terms of the Transaction Documents and the Debenture Holders have provided a written confirmation of the same to the Company (with a copy marked to the Debenture Trustee);
- (cc) **"Financial Year"** shall mean the financial year of the Company used for the purposes of accounting;
- (dd) **"Financial Covenants and Conditions"** shall mean the covenants and conditions on the part of the Company to be observed and performed as set out in Part B hereunder written and as the same may from time to time, be modified in accordance with these presents
- (ee) **"Governmental Authority"** shall mean the President of India, the Government of India, the Governor and the Government of any State in India, any ministry or department of the same, any municipal or local government authority, any authority or private body exercising powers conferred by Applicable Law and any court, tribunal or other judicial or quasi-judicial body, and shall include, without limitation, a stock exchange and any regulatory body;
- (ff) **"Hypothecated Assets"** shall have the meaning assigned to such term in the Deed of Hypothecation;
- (gg) **"IBC"** shall mean the Insolvency and Bankruptcy Code, 2016 and the rules and regulations issued in respect thereof, as the same may be amended, modified and supplemented from time to time;
- (hh) **"INR" or "Rs." or "Rupees"** shall mean Indian National Rupees, the lawful currency of India;
- (ii) **"Inter Creditor Agreement" or "ICA"** shall mean an agreement entered under the directions issued by RBI described as the RBI (Prudential Framework for Resolution of Stressed Assets) Directions, 2019 providing a framework for early recognition, reporting and time bound resolution of stressed assets on June 7, 2019 as amended from time to time read with the SEBI circular no. SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020 prescribing the procedure to be followed by debenture trustees in case of 'Default' by issuers of listed debt securities including seeking consent from the Debenture Holder(s) for enforcement of security and/or entering into an inter-creditor agreement, as amended from time to time
- (jj) **"Issue"** shall have the meaning assigned to the term in Recital A above;
- (kk) **"Majority Debenture Holder(s)"** shall at any time mean such number of Debenture Holder(s)/Beneficial Owner(s) holding more than 75% of the then outstanding Debentures. For sake of clarity, it is herein clarified that the 'majority' shall be determined as majority of debenture holders under each respective International Securities Identification Number ("**ISIN**").
- (ll) **"Material Adverse Effect"** shall mean, with respect to any entity, the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination: (i) on the rights or remedies of the Debenture Holders hereunder or under any other Transaction Documents; (ii) the ability of the

Company to perform its obligations under the Transaction Documents; or (iii) the legality, validity or enforceability of any of the Transaction Documents;

- (mm) **“Minimum Security Cover”** shall mean a Security Cover of 1.10 (One Decimal Point One Zero) times;
- (nn) **“Nominee Director”** shall have the meaning assigned in Clause 31 (Nominee);
- (oo) **“NSDL”** shall have the meaning assigned to the term in Recital C above;
- (pp) **“Part A”** shall mean all the text, clauses, sub-clauses which have been included in the Part A of this Deed. The Part A are statutory clauses, sub-clauses /standard information pertaining to the Debentures
- (qq) **“Part B”** shall mean all the text, clauses, sub-clauses which have been included in the Part B of this Deed containing details specific to the Debentures, as amended from time to time.
- (rr) **“Payments”** shall mean all payments to be made by the Company including, without limitation, payment of Coupon, Redemption Amount(s), Default Interest (if any), remuneration of the Debenture Trustee, and all fees, costs, charges, expenses and other monies payable by the Company under the Transaction Documents;
- (ss) **“Permitted Security Interest”** shall mean [any exclusive security interest created for the benefit of certain governmental, regulatory or statutory authorities, or any entity incorporated by a statute and treatment to such security interest during the regular course of business of the company.
- (tt) **“Principal Amount”** shall mean on any particular date, the nominal value of the outstanding Debentures on such date;
- (uu) **“Principal Redemption Date/s”** shall mean the date(s) of the Principal Amount (or any portion thereof) are scheduled to be paid by the Company, and more specifically as mentioned in Clause 18 (Details of the Instrument) of this Deed;
- (vv) **“Private Placement Offer Letter”** shall mean the private placement offer cum application letter prepared in compliance with Section 42 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014;
- (ww) **“Proceedings”** shall have the meaning assigned to the term in Clause 16.13 (Disputes and Governing Law) below;
- (xx) **“Purpose”** shall mean the purpose for which the Company is entitled to utilize the proceeds of the Debentures being the meeting of funding requirements of the Company for on-lending purposes and other Regular Business Activities of the Company issue;
- (yy) **“Quarter”** shall mean the period of three months commencing on the first day of January, April, July or October of a calendar year.
- (zz) **“RBI”** shall mean the Reserve Bank of India;
- (aaa) **“Rating Agency”** shall mean Brickworks Ratings (India) Private Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its head office at 502, Business Square, 151, Andheri Kurla Road, Opposite: Apple Heritage Building, Chakala, Andheri (East), Mumbai - 400 093;
- (bbb) **“Real Estate Business”** shall have the meaning assigned to such term in the Foreign Exchange Management (Non-Debt Instruments) Rules, 2019, as amended from time to time;
- (a) **“Record Date”** shall mean in relation to any Due Date, the day falling 7 (Seven) Calendar days prior to such Due Date;
- (ccc) **“Recovery Expense Fund”** shall mean fund contributed by the Company towards creation of a recovery expense fund as required to be created in terms of the SEBI REF Circular.
- (ddd) **“Redemption Amount(s)”** shall mean, the amount to be paid by the Company to the Debenture Holder(s) at the time of the redemption of the Debentures, and shall include, without limitation, the outstanding Principal Amount(s), Coupon, Default Interest, (if any) and any other amounts, if any, payable on each of the Due Date(s);

- (eee) **“Register of Debenture Holder(s)”** shall mean the register maintained by the Company containing the name(s) of the Debenture Holder(s), which register shall be maintained at the registered office of the Company;
- (fff) **“Regular Business Activities”** shall mean all activities which the Company is permitted to undertake in its capacity as a Systemically Important Non-Banking Financial Company and which can be undertaken using the proceeds of the issuance of Debentures, which activities shall include without limitation meeting the expenditure incurred in relation to the issuance, for the financing and investment activities of the Company including for on-lending to its customers and making investments in the ordinary course of business, to repay existing borrowings of the Company and for other business operations of the Company such as for capital expenditure and working capital requirements;
- (ggg) **“Repay”** shall include **“Redemption”** and vice-versa and **“repaid”**, **“repayable”**, **“repayment”**, **“redeemed”**, **“redeemable”** and **“redemption”** shall be construed accordingly;
- (hhh) **“SEBI”** shall have the meaning ascribed to such term in Recital F.
- (iii) **“SEBI Defaults (Procedure) Circular”** shall mean the SEBI circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203 dated October 13, 2020, as amended from time to time.
- (jjj) **“SEBI Operational Framework Circular”** shall mean the SEBI circular bearing reference number SEBI/HO/DDHS/CIR/P/103/2020 dated June 23, 2020, as amended from time to time.
- (kkk) **“SEBI REF Circular”** shall mean the circular bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/207 dated October 22, 2020 on “Contribution by Issuers of listed or proposed to be listed debt securities towards creation of “Recovery Expense Fund”” issued by SEBI, as amended from time to time.
- (lll) **“Secured Obligations”** shall mean all obligations at any time due, owing or incurred by the Company to the Debenture Trustee or the Debenture Holders, as the case may be, in respect of the Debentures and shall include (i) the obligation to redeem the Debentures in terms thereof including payment of coupon/interest, default interest, penal interest, any outstanding remuneration of the Debenture Trustee and all fees, costs, charges and expenses payable to the Debenture Trustee/Debenture Holder(s) and other monies payable by the Company in respect of the Debentures under the Transaction Documents; (ii) any and all sums advanced by the Debenture Trustee in order to preserve the Security created / to be created by the Company in relation to the Debentures; (iii) in the event of any proceedings for the collection and/or enforcement of the obligations of the Company in respect of the Debentures, after an Event of Default shall have occurred, the expenses of retaking, holding, preparing for sale, selling or otherwise disposing of or realizing the Security or any part thereof, created / to be created by the Company, and/ or of any exercise of the Debenture Trustee of its rights under the relevant Transaction Documents, together with legal fees and court costs in relation thereto;
- (mmm) **“Security”** shall mean the security created in favour of the Debenture Trustee to secure this Issue, details of which are provided in Clause 23 (Security) hereto;
- (nnn) **“Security Cover”** shall mean the ratio of: (a) the value of the Hypothecated Assets and (b) the aggregate Principal Amount in respect of the Debentures, which is currently outstanding;
- (ooo) **“Security Documents”** shall mean the Deed of Hypothecation and all such other documents as may be required for creating and perfecting the Security in favour of the Debenture Trustee for the benefit of the Debenture Holder(s) (and their successors and assigns from time to time);
- (ppp) **“Special Majority”** shall at any time mean such number of Debenture Holder(s)/Beneficial Owner(s) holding more than 85% of the then outstanding Debentures. For sake of clarity, it is herein clarified that the ‘majority’ shall be determined as majority of debenture holders under each respective International Securities Identification Number (“ISIN”).
- (qqq) **“Special Resolution”** shall have the meaning set forth in paragraph 24 of **Schedule II** hereto;
- (rrr) **“Successor Trustee”** shall have the meaning assigned to the term in Clause **Error! Reference source not found.** (Retirement and Removal of Trustee) below;
- (sss) **“Taxes”** or **“Tax”** shall mean any and all present or future, direct or indirect, claims for tax, levy, impost, duty, cess, statutory due or other charge of a similar nature (including, without limitation, any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same) including on gross receipts, sales, turnover, value addition, use, consumption, property, goods and service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes (including, without limitation, goods and

services tax), duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Governmental Authority, but shall not include tax on the income of any Party;

- (ttt) “**TDS**” shall have the meaning assigned to the term in Clause **Error! Reference source not found.2** (Change of Tax Deducted at Source) below;
- (uuu) “**Term Sheet**” shall mean a document issued/to be issued in respect of the Debentures which mentions key terms of the Debentures including inter alia, interest rate, allotment date, maturity date, credit rating, security description, covenants if any and shall include amendments made thereto from time to time;
- (vvv) “**Transaction Documents**” shall mean, the Disclosure Document(s), the Debenture Trustee Agreement, the Deed of Hypothecation, this Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document.

1.2 Construction

- (a) Words denoting singular number only shall include plural number and vice-versa;
- (b) Words denoting one gender only shall include the other gender;
- (c) Words and expressions defined in the Financial Terms and Conditions shall, where used in these presents, have the same meanings save where such meaning would render the same inconsistent with the definitions in this Clause;
- (d) Headings and bold typeface are inserted/ used for convenience only and shall not affect the construction of this Deed;
- (e) References to the word “include” or “including” shall be construed without limitation;
- (f) Unless the context otherwise requires, all references in this Deed, to the Debenture Trustee shall be deemed to refer to the Debenture Trustee (acting on behalf of, for the benefit of and in trust for the Debenture Holder(s));
- (g) All references in this Deed to any provision of any statute shall be deemed also to refer to any modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment;
- (h) All references in this Deed to Schedules, Clauses, Sub-Clauses, Paragraphs or Sub-paragraphs shall be construed as reference respectively to the Schedules, Clauses, Sub-clauses, Paragraphs and Sub-paragraphs of these presents;
- (i) The term “person” shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Governmental Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual, shall include his/her respective legal representative, administrators, executors and heirs and in case of a trust, shall include the trustee(s) for the time being and from time to time. The term “persons” or words denoting persons shall be construed accordingly;
- (j) This Deed shall be read in conjunction with the Disclosure Documents. In the event of any repugnancy or inconsistency between: (i) this Deed, and (ii) the Disclosure Documents, with respect to the terms applicable to the Debentures, the provisions set out in the relevant Disclosure Documents will prevail for all purposes and to all intents to the extent of such repugnancy or inconsistency;

PART A - GENERAL AND STATUTORY TERMS

2. APPOINTMENT, RETIREMENT, RIGHTS, AND DUTIES OF THE TRUSTEE

2.1 Appointment of Trustee

The Company has appointed the Debenture Trustee as trustee for the Debenture Holder(s) pursuant to the Debenture Trustee Agreement and has also submitted the consents/documents as elaborated in Annexure I of the Debenture Trustee Agreement. The Company appoints Catalyst Trusteeship Limited as the Trustee, and the Trustee agrees to act as trustee for the benefit of the Debenture Holder(s)/Beneficial Owners(s) and their successors, transferees and assigns under the trust HEREUNDER created pursuant to Clause 2.2 below and in such trust capacity, the Trustee agrees and is authorised:

- (a) to execute and deliver this Deed, all other Transaction Documents and all other documents, deeds, instruments, certificates and agreements, contemplated by this Deed or the other Transaction Documents which are to be

executed and delivered by the Trustee or as the Trustee shall deem advisable and in the best interests of the Debenture Holder(s)/Beneficial Owners (s);

- (b) to take whatever action as shall be required to be taken by the Trustee in accordance with the Transaction Documents, and subject to the terms and provisions of this Deed and any other Transaction Documents, to exercise its rights and perform its duties and obligations under each of the documents, deeds, agreements, instruments and certificates referred to in this clause (a) above in such documents, agreements, instruments and certificates; and
- (c) subject to the terms and provisions of this Deed and the other Transaction Documents, to take such other action in connection with the foregoing as the Debenture Holder(s) may from time to time direct;

PROVIDED that before initiating any action or exercising any right or performing any duty under this Deed or any Transaction Documents, the Trustee shall only upon receipt of Majority Debenture Holder(s) instructions/approval initiate any action or exercise its rights and perform its duties and obligations under each of the documents, agreements, instruments and certificates referred in these presents.

2.2 Declaration of Trust by the Trustee

2.2.1 The Company hereby settles in trust with the Debenture Trustee, a sum of Rs. 1,000/- (Rupees One Thousand only). The Trustee hereby declares and confirms that it has, accepted the above sum of Rs. 1,000/- (Rupees One Thousand only) in trust declared and settled and kept apart the sum being the initial corpus (hereinafter referred to as the “**Initial Contribution**”) of the trust created in terms of this Deed, to have and hold the same for the benefit of the Debenture Holders on such terms as set out herein, together with all additions or accretions thereto including the investments representing the same, subject to the powers, provisions, agreements and declarations herein contained.

2.2.2 The Trustee hereby declares that in relation to the Debenture Holder(s), it shall, as the case may be hold:

- (a) the Initial Contribution;
- (b) the Security created hereunder and under the other Transaction Documents;
- (c) all sums received by it under this Deed (save for any sums received solely for its own account); and
- (d) all monies received by it out of, whether prior to or as a result of enforcement of the Security created hereunder or the exercise of rights and remedies under this Deed,

upon trust and for the benefit of the Debenture Holder(s)/Beneficial Owner(s) and subject to the powers and provisions hereinafter declared and contained and concerning the same, for due payment and discharge of the Secured Obligations.

2.2.3 The Trustee declares that save and except as contemplated under this Deed, it shall not revoke the trust hereby declared till whole of the Secured Obligations is irrevocably discharged and paid in full by the Company to the Debenture Holder/Beneficial Owner and the Trustee under the Transaction Documents.

2.3 Trustee Remuneration

2.3.1 The Company shall pay to the Trustee remuneration as mentioned in the offer letter dated [], as may be amended or supplemented from time to time, for their services to act as Debenture Trustee in addition to all legal, travelling and other costs, charges and expenses which the Debenture Trustee or their officers, employees or agents may incur in relation to execution of the trust hereof and all other documents pertaining to Debentures and the remuneration shall continue to be payable until the Debenture Trustee hereof shall be finally discharged and whether or not a receiver or a manager shall have been appointed or the trust hereof shall be in course of administration by or under the direction of the court. The Company shall promptly pay, and in any event before any interest or penalty becomes payable, the fees, duty, Taxes and charges of any nature whatsoever payable in connection with the entry into, registration, performance, enforcement or admissibility in evidence of this Deed and/or any such amendment, supplement or waiver.

2.3.2 The Company shall in case of default in payment of stipulated remuneration as detailed hereinabove pay to the Trustee, penalty at the rate as applicable under the Micro, Small and Medium Enterprises Development Act, 2006, as amended from time to time, until the actual date of payment.

2.3.3 The Company shall provide upfront to the Trustee all legal, travelling, conveyance and other costs, charges and expenses to be incurred by them, their officers, employees, advisors, experts, consultants or their agents in connection with execution of these presents including costs, charges, expenses of and incidental to the approval and execution of these presents and all other documents affecting the Security herein and the Company hereby agrees to indemnify the Trustee against all actions, proceedings, costs, charges, expenses, claims and demands whatsoever which may be brought or made against or incurred by

them in respect of any matter or thing done or omitted to be done without their wilful default in respect of or in relation to the Hypothecated Assets and the Transaction Documents.

2.3.4 The Company shall reimburse all sums paid or expenses incurred by the Trustee or any receiver, attorney, agent or other person appointed by the Trustee for all or any of the purposes mentioned in these presents immediately on receipt of a notice of demand from them in this behalf and all such sums shall carry interest at the rate of interest payable on the Debentures from the date, when the same shall have been paid and until such reimbursement, all such sums shall be a charge upon the Hypothecated Assets in priority to the charge securing the Debentures.

2.4 Retirement and Removal of Trustee

2.4.1 The Trustee hereof may, at any time without assigning any reason and without being responsible for any loss or costs occasioned thereof, resign/retire as the trustee, provided that the Trustee shall give at least 30 (thirty) days previous notice in writing to the Company.

2.4.2 The Company shall, upon receipt of notice of resignation issued by the Debenture Trustee, take prompt steps to appoint another entity competent to act as trustee for the Debenture Holders in place of the Debenture Trustee with the written consent of the Debenture Holders/Beneficial Owners by a Special Majority. The Trustee shall continue to act as Debenture Trustee until a successor trustee is appointed.

2.4.3 The Company shall appoint an entity registered as a debenture trustee with SEBI under the SEBI (Debenture Trustees) Regulations, 1993 as the debenture trustee. Whenever there shall be more than two Trustees hereof the majority of such Trustee shall be entitled to exercise the powers, authorities and discretions hereby vested in the Trustee.

2.4.4 The Trustee hereof may be removed by the Debenture-holder(s)/Beneficial Owner(s) by a Special Resolution duly passed at a meeting of the Debenture Holder(s)/ Beneficial Owner(s) convened in accordance with the provisions 24 of **Schedule II** hereunder written. The Company shall appoint such person or persons as may be nominated by such resolution as new Trustee for the purpose hereof.

2.4.5 Upon appointment of the successor trustee pursuant to the preceding Clauses 2.4.2 or 2.4.4 above, all references in this Deed to the Debenture Trustee shall, unless repugnant to the context, mean and refer to the successor trustee and the successor trustee shall without any further act or deed succeed to all the powers and authorities and be subject to all duties, liabilities and responsibilities of the Debenture Trustee as if it had been originally appointed as the trustee hereunder.

2.5 **Role and Responsibility of the Debenture Trustee**

In addition to the other powers conferred on the Debenture Trustee and provisions for their protection and not by way of limitation or derogation of anything contained in these presents or of any statute limiting the liability of the Debenture Trustee, IT IS EXPRESSLY DECLARED as follows:

- i. The Debenture Trustee shall hold and accept the Security for and on behalf of the Debenture Holder(s);
- ii. The Debenture Trustee shall perform all such acts and duties as are set out in the other Transaction Documents;
- iii. The Debenture Trustee shall monitor the Security Cover on the basis of the quarterly reports certified by the chartered accountant, submitted by the Company;
- iv. The Debenture Trustee shall enter into any agreements with the Company or any other entity identified by the Company (and consented to by the Debenture Trustee) for the creation, perfection of the Security or any other agreements for and on behalf of and for the benefit of the Debenture Holder(s);
- v. The Debenture Trustee may, in relation to these presents, act on the opinion or advice of or any information obtained from any solicitor, counsel, advocate, valuer, surveyor, broker, auctioneer, qualified accountant or other expert whether obtained by the Company or by the Debenture Trustee or otherwise. Any such advice, opinion or information and any communication passing between the Debenture Trustee and their representative or attorney or a receiver appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message;
- vi. The Debenture Trustee shall act only on the instructions of the Debenture Holder(s) and in accordance with this Deed and the other Transaction Documents;

- vii. The Debenture Trustee shall be at liberty to accept a certificate signed by any one of the directors of the Company as to any act or matter *prima facie* within the knowledge of the Company as sufficient evidence thereof;
- viii. The Debenture Trustee may accept, without inspection, inquiry or requisition, such title as the Company may have to the Hypothecated Assets;
- ix. Nothing contained in the Transaction Documents shall prejudice the rights available to the Debenture Trustee under Applicable Law including, without limitation, under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002;
- x. The Debenture Trustee shall comply with all requirements in relation to due diligence, monitoring and disclosures, as set out in the SEBI circular dated November 12, 2020 bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 (including any amendments or restatements thereof);
- xi. The Debenture Trustee shall be at liberty to keep these presents and all deeds and other documents of title relating to the Hypothecated Assets charged/to be charged to the Debenture Trustee at their registered office or elsewhere or if the Debenture Trustee so decides with any banker or a company whose business includes undertaking the safe custody of documents or with an advocate or firm of solicitors and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;
- xii. Other than as expressly set out in the Transaction Documents, the Debenture Trustee shall not be bound to take any steps to ascertain whether any Event of Default has happened upon the happening of which the rights in respect of the Debentures becomes enforceable;
- xiii. The Debenture Trustee shall have full power, in consultation with the Debenture Holder(s), to determine all questions and doubts arising in relation to any of the provisions of these presents and every such determination *bona fide* made (whether or not the same shall relate wholly or partially to the acts or proceedings of the Debenture Trustee) shall be conclusive and binding upon all persons interested under these presents;
- xiv. The Debenture Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts expressed in these presents or contained or in enforcing the covenants contained therein or in giving notice to any person or persons of the execution thereof or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the Majority Debenture Holder(s) or by a Special Resolution duly passed at a meeting of the Debenture Holder(s).
- xv. The Debenture Trustee does not make any representation and warranty as to the adequacy of the Security for the Debentures.
- xvi. PROVIDED NEVERTHELESS that nothing contained in this Clause shall exempt the Debenture Trustee from or indemnify it against any liability for negligence, breach of trust or wilful default as determined by a court of competent jurisdiction nor any liability which by virtue of any rule or law would otherwise attach to it in respect of any negligence, wilful default or breach of trust which they may be guilty in relation to their duties thereunder.
- xvii. Debenture Trustee shall ensure the implementation of the conditions regarding creation of security for the debentures, if any, debenture redemption reserve and recovery expenses fund.
- xviii. The debenture trustee shall perform all other duties as mentioned in SEBI Debenture Trustee Regulations, 1993 and other applicable laws, rules, circulars and notifications as amended from time to time.

2.6 Duties of Debenture Trustee

2.6.1 In performing its obligations in relation to the Debentures, the Debenture Trustee shall:

- (a) perform its duties and obligations, and exercise its rights and discretions, in keeping with the trust reposed in the Trustee by the Debenture Holder(s), and shall further conduct itself, and comply with the provisions of all Applicable Law;
- (b) carry out its duties and perform its functions as required to discharge its obligations under the terms of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, SEBI (Debenture Trustees) Regulations, 1993, SEBI Defaults (Procedure) Circular, the SEBI REF Circular the Debenture Trustee Agreement, SEBI Operational Framework Circular, the [Disclosure Documents/ Offer Letter/ Prospectus] and all other related Transaction Documents, with due care, diligence;

- (c) call for and obtain periodic status/ performance reports / valuation reports / utilization reports or any other documents from the Company, as may be required by the Debenture Trustee to comply with its obligations under the Applicable Laws including for monitoring of the Security Coverage Ratio and the creation and maintenance of Security, Recovery Expense Fund and Debenture Redemption Reserve in relation to the Debentures;
- (d) issue letters / confirmations / no objection certificate, or any other communication as requested by the Company in accordance with the Transaction Documents;
- (e) ascertain and:
 - i. exercise due diligence to the extent required under Applicable Law, to ensure compliance by the Company, with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirement), Regulations, 2015, SEBI (Debenture Trustees) Regulations, 1993 this Deed or any other regulations issued by SEBI in the issue and allotment of the Debentures and credit of the Debentures in the demat accounts of the Debenture Holder(s);
 - ii. [satisfy itself that interest due on the Debentures have been paid to the Debenture Holder(s) on or before the due dates];
 - iii. satisfy itself that Debenture Holder(s) have been paid the monies due to them on the date of Redemption of the Debentures.
- (f) exercise independent due diligence as required under Applicable Law, to ensure that Security to be created is free from any encumbrance or that Company has obtained the necessary consent from other charge-holders if the Security has an existing charge, prior to creation of the Security pursuant to this Deed;
- (g) communicate promptly to the Debenture Holder(s) defaults, if any, with regard to payment of interest or Redemption of Debentures or occurrence of any other Event of Default which is known to the Trustee along-with all information relating to cure periods (if any) and action taken or proposed to be taken by the Trustee therefor;
- (h) carry out all its obligations, duties and functions as the Debenture Trustee in accordance with the terms set out in the Transaction Documents and where the same is silent or contrary to any other provision of the Transaction Documents, on the instructions of the Majority Debenture Holder(s);
- (i) not do any act, deed or thing which is prejudicial or detrimental to the interest of the Debenture Holders and at all times act in the best interest of the Debenture Holder(s);
- (j) shall not relinquish its assignment unless and until another debenture trustee has been appointed in its place;
- (k) take possession of Secured Assets in accordance with the provisions of this Deed, the Transaction Documents and Applicable Law;
- (l) inform SEBI immediately of any breach of this Deed or provision of any Applicable Law, which comes to its knowledge, if required under Applicable Laws;
- (m) keep all customary books and records relating to the receipt and distribution of all moneys which it may receive or be entitled to hereunder or under any Transaction Documents;
- (n) convene a meeting of the Debenture Holder(s) in accordance with Applicable Laws;
- (o) seek the status of payment from the Company and/or conduct independent assessment (viz., from the Account Bank, Debenture Holders, rating agencies etc.) to determine if the Company fails to intimate the status of payment of the Debentures within 1(one) working day of the Redemption Date. Based on such assessment, the Debenture Trustee shall intimate stock exchange(s) and Depository the status of payment within 9 (nine) working days of the Redemption Date or within such other revised timelines as may be prescribed under Applicable Law. Further, for continuous assessment of default status, the Debenture Trustee shall conduct independent assessment as given above and intimate the status of payment to the stock exchange(s) and Depository within 7th working day of April of each financial year, if the Company fails to provide the updated status of the payment of the Debentures within the 2nd working day of April of the relevant financial year;

- (p) subject to the approval of the Debenture Holder(s) and the conditions as may be specified by SEBI from time to time, enter into inter-creditor agreements provided under the framework specified by the RBI on behalf of the Debenture Holders;
- (q) issue a 'No Objection Certificate (NOC)' to the designated stock exchange for refund of balance in the Recovery Expense Fund to the Company on repayment of Secured Obligations in full to the satisfaction of the Debenture Holders. The Debenture Trustee shall satisfy that there is no 'default' on any other listed debt securities of the Company before issuing such NOC;
- (r) keep the information (pertaining to the details of bank account(s)) provided to it pursuant to the SEBI Operational Framework Circular as confidential and shall use the same only to the extent as required under the SEBI Operational Framework Circular; and
- (s) perform such acts as may be necessary for the protection of the interest of the Debenture Holder(s) and do all other acts as may be necessary in order to resolve the grievances of the Debenture Holder(s).

2.7 Representation and Warranties of the Debenture Trustee

The Debenture Trustee hereby represents, warrants and covenants in favour of the Company and the Debenture Holder(s) that as on the date hereof:

- (a) The Debenture Trustee is a company duly incorporated and validly existing under Applicable Law and the Debenture Trustee is duly qualified and authorised to enter into the Transaction Documents;
- (b) This Deed has been duly and validly executed and delivered by the Debenture Trustee and constitutes a legal and binding obligation of the Debenture Trustee enforceable against the Debenture Trustee in accordance with its terms;
- (c) The execution, delivery and performance by the Debenture Trustee of this Deed does not and will not, with or without the giving of notice or lapse of time or both, violate, conflict with, require any consent or result in a breach of or default under:
 - i. any Applicable Law to which the Debenture Trustee is subject; or
 - ii. any order, judgment or decree applicable to the Debenture Trustee; or
 - iii. any term, condition, covenant, undertaking, agreement or other instrument to which the Debenture Trustee is a party or by which the Debenture Trustee is bound.
- (d) The Debenture Trustee is in a position to observe, comply with and carry out all its obligations hereunder to be performed and complied with by it;
- (e) The Debenture Trustee is registered as a debenture trustee with the Securities and Exchange Board of India under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993;
- (f) The Debenture Trustee shall not have, claim or exercise any right of deduction, lien or set-off on, over or in respect of any of the amounts, writings or things held by it or continued to be held by it or coming within its power or possession pursuant to or in connection with these presents;
- (g) All information set forth in this Deed or under any Disclosure Document(s), and all information furnished and/or to be furnished by the Debenture Trustee to the Debenture Holder(s) is true and correct and was/is not misleading whether by reason of omission to state a material fact or otherwise;
- (h) The Debenture Trustee is eligible to act as a debenture trustee for the Issue under the Act and the rules made thereunder including without limitation under the Companies (Share Capital and Debenture) Rules, 2014; and

The Debenture Trustee is neither a principal debtor nor a guarantor in respect of the Debentures and has not made any representations, warranties or provided any investment advice or recommendation to subscribe to the Debentures to the Debenture Holder(s) who have subscribed to the Debentures of their own accord and after obtaining separate independent advice

2.8 Power of the Debenture Trustee to Invest Unclaimed Amount

After provision for the payment and satisfaction of the Debentures is made by the deposit in a scheduled commercial bank as aforesaid, the Debenture Trustee may invest the same in any of the investments herein authorised.

2.9 Authorised Investments

Any monies, which under the trust or powers herein contained ought to be invested by the Debenture Trustee may be invested in the name of the Debenture Trustee or under the legal control of the Debenture Trustee in any of investments authorised by Applicable Law for the investment of trust moneys with power to vary and transpose such investments and in so far as the same shall not be invested, shall be placed in deposit in the name of the Debenture Trustee in a scheduled commercial bank or banks

2.10 Power of Debenture Trustee to Delegate

The Debenture Trustee hereof being a company may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in it by these presents act by an officer or officers for the time being of the Debenture Trustee and the Debenture Trustee may also, whenever it thinks expedient, delegate by power of attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in it by these presents and any such delegation may be made upon such terms and conditions and subject to such regulations (including power to sub-delegate) as the Debenture Trustee may think fit and the Debenture Trustee shall be bound to supervise the proceedings and shall be responsible for any loss incurred by reason of any misconduct or default or any mistake, oversight, error of judgment, forgetfulness or want of prudence on the part of any such delegate or sub-delegate.

2.11 Power of Debenture Trustee to Employ Agents

The Debenture Trustee may, in carrying out the trust business employ and pay any person or concur in transacting any business and do or concur in doing all acts required to be done by the Debenture Trustee including the receipt and payment of moneys and shall be entitled to charge and be paid all usual professional and other charges for business transacted and acts done by them in connection with the trusts hereof and also their reasonable charges in addition to the expenses incurred by them in connection with matters arising out of or in connection with these presents.

2.12 Debenture Trustee May Contract with Company

Neither the Debenture Trustee nor any agent of the Debenture Trustee shall be precluded from making any contract or entering into any arrangement or transaction with the Company or with itself in the ordinary course of business of the Debenture Trustee or from undertaking any banking, financial or agency services for the Company or for itself or from underwriting or guaranteeing the subscription of or placing or subscribing for or otherwise acquiring, holding or dealing with any of the stocks or shares or Debentures or debenture stocks or any other securities whatsoever of the Company or in which the Company may be interested either with or without a commission or other remuneration or otherwise at any time entering into any contract of loan or deposit or any other contract or arrangement or transaction with the Company or being concerned or interested in any such contract or arrangement or transaction which any other company or person not being the Debenture Trustee of these presents would be entitled to enter into with the Company and they shall not be in any way liable to account either to the Company or to the Debenture Holder(s) for any profits made by them thereby or in connection therewith and the Debenture Trustee or any agent of the Debenture Trustee shall also be allowed to retain for their or his own benefit any customary share of brokerage, fee, commission, interest, discount or other compensation or remuneration allowed to them or him.

2.13 Appointment of Debenture Trustee as Attorneys of the Company

The Company hereby irrevocably appoints the Debenture Trustee to be the attorney of the Company in the name and on behalf of the Company only upon happening of any of the event as mentioned in the Clause 7 (Event of Defaults), in order to execute, sign and do any deeds, documents, assurances, acts and things which shall in the opinion of the Debenture Trustee be necessary or expedient that the Company should execute, sign and do for the purpose of carrying out any of the trusts or obligations declared or imposed upon the Company by these presents or given to the Debenture Holder(s) or to the Debenture Trustee on their behalf the full benefit of any of the provisions of these presents and generally to use the name of the Company in the exercise of all or any of the powers hereby conferred upon the Debenture Trustee or any person appointed by it.

3. AMOUNTS OF DEBENTURES AND COVENANT TO PAY PRINCIPAL AND INTEREST

3.1 Amount of Debentures:

The Company has issued and allotted 20000 Secured, Rated, Listed, Redeemable, Non-Convertible Debentures of the face value of INR 1,00,000 (Indian Rupees One Lakh) each aggregating to INR 200,00,00,000 (Indian Rupees Two Hundred Crores) on the terms and conditions contained in Disclosure Document and set out in this Deed, for cash, at par in dematerialised form on a private placement basis to certain identified investors. The Debentures shall be secured by a first ranking exclusive charge over the Hypothecated Assets in favour of the Debenture Trustee and for the sole benefit of the Debenture Holders as more particularly described under the Deed of Hypothecation.

3.2 **Covenant to Pay Principal and Interest:**

3.2.1 The Company covenants with the Trustee that it shall pay to the Debenture Holder(s)/Beneficial Owner(s) the principal amount of the Debentures together with redemption premium, if any, on the Redemption Dates and shall also pay interest (inclusive of penal interest where applicable) on the Debentures in accordance with Clause 19 (Details of the Instrument) of this Deed and the Disclosure Document.

Provided that if so called upon by the Trustee, the Company shall make payments as aforesaid to or to the order of or for the account of the Trustee and such payment shall be deemed to be in satisfaction of the aforesaid covenant of the Company to make such payments to the Debenture Holder(s)/Beneficial Owner(s). Such payments shall be passed on to the Debenture Holder(s)/Beneficial Owner(s), subject to the appropriation in the order of preference mentioned in Clause 26 of this Deed.

3.2.2 In terms of the Securities and Exchange Board of India's circular dated June 23, 2020 bearing reference number SEBI/HO/DDHS/CIR/P/103/2020, the Company shall, at all times until the Secured Obligations have been duly discharged, maintain a bank account no. 0061002101613337 with Punjab National Bank, Branch ILACO House Fort ("**Account Bank**") from which it proposes to pay the redemption amount. The Company agrees and acknowledges that they shall also inform the Debenture Trustee within 5 (five) working days of any change in the Account Bank details.

3.2.3 The Company further acknowledges, agrees, that the Debenture Trustee is authorised to seek redemption payment related details and information from the Account Bank in terms of the extant SEBI regulations. Further, in case of change of Account bank, the Debenture Trustee shall accept such change only upon submission of the duly acknowledged and accepted pre-authorisation letter and duly accepted consent letter from the successor /new account bank

3.2.4 The Company covenants with the Debenture Trustee that it shall comply with all its obligations under this Deed and pay and repay all the monies payable by the Company (including any applicable default interest, fees and costs and expenses) to the Debenture Trustee and the Debenture Holder(s) pursuant to the terms of this Deed.

3.3 **INTEREST**

3.3.1 The Debenture Holder(s)/Beneficial Owners(s) shall be paid interest in accordance with the provisions under Clause 19 (Details of the Instrument) of this Deed and the Disclosure Documents

3.3.2 Interest and all other charges shall accrue from day to day and shall be computed on the basis of actual number of days elapsed, in a year of 365 days year or 366 days (in case of leap year), as the case may be. The interest for the last broken period shall be payable at the time of Redemption of said Debentures.

3.3.3 Any payments to be made to the Debenture Holder(s)/Beneficial Owner(s), including payment of interest, payment upon Redemption, shall be made by the Company using the services of electronic clearing services (ECS), real time gross settlement (RTGS), direct credit or national electronic fund transfer (NEFT) or any other permitted electronic method as offered by Debenture Holder(s) / Beneficial Owner(s) into such bank account of a Debenture Holder/Beneficial Owner as may be notified to the Company by such Debenture Holder/Beneficial Owner or the Trustee at the time of applying to the Debentures or as may be notified to the Trustee, subsequently through a valid communication channel.

3.4 **Form of the Debentures**

3.5.1 The Debentures are to be issued in a dematerialised form, which are subject to the provisions of the Depositories Act, 1996 and the rules notified by the Depository from time to time, the Company and the Debenture Holder(s) are required to observe and follow the procedure laid down in **Schedule I** hereto. Further, the guidelines issued by the Depository shall be followed by the Company, the Debenture Holder(s) and the Debenture Trustee

3.5.2 The principal amount of the Debentures, together with redemption premium, interest due, if any, (inclusive of penal interest where applicable) and all other monies hereby secured shall, as between the holders of the Debentures, **inter se rank pari passu** without any preference or priority whatsoever on account of date of issue or allotment or otherwise.

3.5.3 The Debenture Holder(s)/Beneficial Owner(s) will be entitled to their Debentures free from equities or cross claims by the Company against the original or any intermediate holders thereof.

3.5.4 The Company has entered into depository arrangements with the Depository for the issue of the Debentures in dematerialized form. The Debenture Holder(s) who hold the Debentures in dematerialized form will deal with the same as per the provisions of the Depositories Act, 1996, the regulations thereunder and the rules and bye-laws of the Depository.

3.5 **Transfer of Debentures**

The Debentures shall be transferable and transmittable in the same manner and to the same extent and be subject to the same restrictions and limitations as in the case of the equity shares of the Company.

The provisions relating to Transfer of Debentures in dematerialized form would be in accordance with the rules/procedures as prescribed by the Depository.

3.6 **Surrender of Debentures**

For payment to the Beneficial Owner(s) in full discharge of all principal moneys and interests due upon their Debentures, the Company shall make the payment of principal amount to the Beneficial Owner(s) of Debentures or to any subsequent transferee who are entitled to receive the payment on the due date of Redemption on receipt of the necessary corporate debit action from the Debenture Holder.

3.7 **Debentures Free from Equities**

The Debenture Holder(s) will be entitled to their Debentures free from equities or cross claims by the Company against the original or any intermediate holders thereof.

3.8 **Debenture Holder not entitled to Shareholders' Rights**

The Debenture Holder(s) shall not be entitled to any of the rights and privileges available to the shareholders of the Company including right to receive notices of or to attend and vote at general meetings.

3.9 **Conditions Precedent and Conditions Subsequent**

The conditions precedent and conditions subsequent conditions specified in Schedule III of this Deed, shall be binding on the Company and the Debenture Holder(s) and all persons claiming by, through or under it and shall ensure to the benefit of the Trustee and all persons claiming by, through or under them. The Trustee shall be entitled to enforce the obligations of the Company under or pursuant to the conditions precedent and conditions subsequent specified in Schedule III of this Deed as if the same were set out and contained in these presents

4. **COMPANY'S COVENANTS**

4.1 **Affirmative & Reporting Covenants**

The Company hereby covenants with the Debenture Trustee that the Company shall at all times till the Final Settlement Date:

(a) **Purpose**

The Issue proceeds will be utilized to meet funding requirements of the Issuer for on-lending purposes and for regular business activities.

No part of the proceeds of the NCDs would be utilized by the Issuer directly/indirectly towards equity capital markets or for any speculative purposes. Hence, the subscription to the current NCD issue would not be considered /treated as capital market exposure. Further, the Company undertakes that Issue proceeds from NCDs allotted to banks would not be utilized for any purposes which may be in contravention to any RBI /SEBI regulations

(b) **Validity of Transaction Documents**

Ensure that the Transaction Documents shall be validly executed and delivered and will continue in full force and effect and will constitute valid, enforceable and binding obligations of the Company.

(c) **Further documents and acts**

Execute all such deeds, documents, instruments and assurances and do all such acts and things as the Debenture Trustee may require for exercising the rights under this Deed and the Debentures and for perfecting charge created

in terms of the Deed of Hypothecation or for effectuating and completing the Security intended to be hereby created and shall from time to time and at all times after the Security hereby constituted shall become enforceable, execute and do all such deeds, documents, assurance, acts, and things as the Debenture Trustee may require for facilitating realisation of the Hypothecated Assets.

(d) **Make the Relevant filings with the Registrar of Companies/SEBI**

Pursuant to the Act and the relevant rules thereunder, the Company undertakes to make the necessary filings of the documents mandated therein.

The Company shall inform the Debenture Trustee of any significant change in the board of directors of the Company.

(e) **Compliance with laws**

The Company shall comply with:

- i. all Applicable Law (including, without limitation, the Act) as applicable in respect to the Issue, and obtain such regulatory approvals as may be required in relation to the Issue from time to time, including but not limited, in relation to the following (i) the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, as may be in force from time to time during the currency of the Debentures; (ii) the provisions of the listing agreement entered into by the Company with the stock exchange in relation to the Debentures including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), and (iii) the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the other rules under the Act; and
 - ii. comply with all the provisions as mentioned in the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, the Act and/or any other notification, circular, press release issued by the SEBI/RBI, from time to time which is applicable to the Issue.
- (f) The Company shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Debentures, the Hypothecated Assets and the business of the Company and the Company will ensure that the same shall at times be open for inspection and to take copies by the Debenture Trustee and such person or persons, as the Debenture Trustee shall, from time to time, in writing for that purpose appoint.
- (g) The Company shall permit the Debenture Trustee and such person, as the Debenture Trustee shall from time to time for that purpose appoint, to enter into or upon and to view and inspect and to take copies of (i) the books of records, documents and accounts maintained by the Company in respect of the Hypothecated Assets, and (ii) the state and condition of all the Hypothecated Assets, together with all records and registers relating to the Security, in each case as and when required by the Debenture Trustee.
- (h) The company shall furnish information required by the debenture trustee for the effective discharge of its duties and obligations, including copies of reports, balance sheets, profit and loss account etc.
- (i) The Company shall keep the Hypothecated Assets adequately insured (if insurable in nature) and in proper condition and promptly pay and discharge all taxes, cesses, insurance premium (if applicable), which may become due and payable in respect of the Hypothecated Assets within the time period prescribed under Applicable Law.
- (j) The Company shall comply with any directions/ guidelines issued by any Governmental Authority, in relation to the Issue.
- (k) The Company shall submit/ notify/furnish to the Debenture Trustee all information/ documents as may be required by the Trustee as per the Applicable Laws.
- (l) The Company shall promptly (a) notify the Debenture Trustee of any change in the nature and conduct of business of the Company, (b) notify the Debenture Trustee of any amalgamation, merger or reconstruction scheme proposed by the company, (c) notify the Debenture Trustee of all orders, directions, notices, of court/tribunal affecting or likely to affect the Hypothecated Assets, and (d) submit a quarterly compliance within 45 days of the respective quarter or within 7 days of the relevant Board meeting¹ whichever is earlier, submit to the Debenture Trustee a report confirming /certificate confirming the following:

¹ As per SEBI (DT) Regulations and ILDS Regulations

- (i) Updated list of names and address of all Debenture Holder(s);
 - (ii) Details of interest due but unpaid and reasons for the same;
 - (iii) The number and nature of grievances received from the Debenture-holder(s) and (a) resolved by the Company; (b) unresolved by the Company and the reasons for the same;
 - (iv) statement that the assets of the Company available as security are sufficient to discharge the principal and interest amounts due and payable in respect of the Debentures.
 - (v) any significant changes in the composition of its Board of Directors.
- (m) The Company shall submit to the Debenture Trustee and to the Debenture Holder(s), within 30 (Thirty) calendar days from the end of each half year, a certificate from the statutory auditor of the Company giving the value of receivables/book debts including compliance with the covenants of the Disclosure Document/Information Memorandum/Term Sheet/Addendums in the manner as may be specified by the Board from time and in any other applicable laws and regulations, circulars etc. (as amended from time to time).
- (n) **Preserve Corporate Status**
- The Company shall diligently preserve its corporate existence and status and obtain, comply with and maintain all its licenses and/ or authorisations required including, without limitation, the license to conduct business as a non-banking financial company and any other rights, licenses and franchises necessary for its obligations under the Debentures and the Transaction Documents and continue to be a validly existing organization in good standing and at all times act and proceed in relation to its affairs and business in compliance with Applicable Law.
- (o) **Filings**
- The Company shall cooperate with the Debenture Trustee/ Debenture Holders in connection with any assistance the Debenture Trustee/ Debenture Holders may require for the purpose of submitting information in relation to the Debentures and the Transaction Documents to any relevant information utility in accordance with the IBC, and to confirm or authenticate all filings and information sought to be uploaded, and update or modify or rectify any errors in such financial information submitted.
- (p) **Creation of Recovery Expense Fund**
- The Issuer shall create a 'Recovery Expense Fund' in the manner and upon the terms and conditions set out in the SEBI (Issue and Listing of Debt Securities) Regulations, 2008, which shall be utilised in the manner and for such purposes as required by the SEBI.
- (q) **Financial Covenants and Conditions**
- The Company shall comply with each of the **Financial Covenants and Conditions** and the terms and conditions stipulated under the Term Sheet until the Final Settlement Date.
- (r) The Company shall provide all relevant documents/ information, as may be necessary, to enable the Debenture Trustee to submit the reports/ certification stipulated in the SEBI circular dated November 12, 2020 bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230 (including any amendments or restatements thereof), to stock exchanges within the timelines mentioned therein.
- (s) **Register of Debenture Holder**
- The Company shall, as required by the Act, keep at its registered office, a Register of the Debenture Holder(s) which shall include the addresses of the Debenture Holder(s), record of the subsequent transfers and changes in ownership. For the above purpose, the Company shall request the registrar and transfer agent of the Issue to provide a list of Debenture Holder(s) on the Record Date. The Debenture Trustee and/or the Debenture Holder(s) or any of them or any other person shall, as provided in the Act, be entitled to de the said Register of Debenture Holder(s) and to take copies of or extracts from the same or any part thereof during the usual business hours of the Company. Further, a copy of this Deed shall be forwarded to any Debenture Holder(s) or member of the Company at his request within 2 (Two) days of making such request, on payment of the fees prescribed.
- (t) **Debenture Redemption Reserve**

At present under Applicable Law, a Debenture Redemption Reserve is not required to be created for the issue of privately placed debentures by non-banking financial companies registered with the RBI. Since the Company is a non-banking financial company registered with RBI, no Debenture Redemption Reserve is being created in respect of the Debentures.

- (u) **The company** shall intimate the Debenture Trustee the details of initiation of Forensic Audit.
- (v) The Company shall provide the relevant information set out in the Fourth Schedule hereto, in the manner and within the time period stipulated therein.

4.2 **NEGATIVE COVENANT**

The Company hereby covenants with the Debenture Trustee that the Company shall not without the prior written consent of the Debenture Trustee (acting on the instructions of the Majority Debenture Holder(s)):

- a) Formulate any scheme of amalgamation or reconstitution.
- b) Undertake guarantee obligations on behalf of any other Company / Firm etc., except in the ordinary course of business.
- c) Declare dividends for any year out of profits relating to the year if any of the financial commitments to Debenture Holder have not been duly met.
- d) Sell, assign, mortgage or otherwise dispose off any of the assets charged to Debenture Holder which results in the Security Cover falling below 1.10x.
- e) Issuer shall not amend or modify clauses in its Memorandum of Association and Article of Association, where such amendment would have a Material Adverse Effect as defined earlier, without prior consent of the Debenture Trustee.

5. **BUSINESS DAY CONVENTION**

5.1 If any Due Date (other than the final Principal Redemption Date) falls on a day which is not a Business Day, the payment to be made on such Due Date shall be made on the immediately succeeding Business Day, without affecting the succeeding Due Dates.

5.2 If the final Principal Redemption Date (also being the last Coupon Payment Date) does not fall on a Business Day, the payment to be made on such date shall be made on the immediately preceding Business Day, along with the Coupon accrued on the Debentures.

6. **BREACH OF COVENANT BY THE COMPANY MAY BE WAIVED**

The Debenture Trustee may, at any time, waive such terms and conditions as shall seem expedient to it, any breach by the Company of any of the covenants and provisions in these presents contained without prejudice to the rights of the Debenture Trustee in respect of any subsequent breach thereof. Provided however, that the prior consent of the Majority Debenture Holder(s) shall have been obtained by the Debenture Trustee for any such waiver.

7. **EVENTS OF DEFAULT**

An Event of Default ("**Events of Default**") shall have occurred, upon the happening of any event or circumstances mentioned hereunder;:

- i. The Company does not pay on the Due Date(s) any amount payable in terms of the Transaction Documents (whether at scheduled maturity, or otherwise) applicable to the NCDs at the place at and in the currency in which it is expressed to be payable, unless its failure to pay is caused by technical error and payment is made within 3 (Three) Business days of the relevant Due Date;
- ii. Any breach of any terms, covenants, obligation, representation or warranty of the Issuer and any other obligations of the Issuer under the Transaction Documents applicable to the NCDs and such breach has continued for a period of 60 (Sixty) Business days;
- iii. The Issuer admits in writing its inability to pay its debts as they fall due or suspends making payments on any of its debts or by reason of actual financial difficulties commences negotiations with one or more creditors with a view to rescheduling its indebtedness;
- iv. Any corporate action, legal proceedings or other procedure or step is taken in relation to (which action, proceeding, procedure or step is not vacated or stayed or negated within a period of 60 (Sixty) calendar days):
 - (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Company;
 - (b) the composition, compromise, assignment or arrangement with any creditor of the Company;

- (c) the appointment of a liquidator, receiver or similar other officer in respect of the Company, a composition, compromise, assignment or arrangement with any creditor of the Company;
 - (d) enforcement of any security over any assets of the Company or any analogous procedure or step is taken in any jurisdiction;
 - (e) any other event occurs or proceeding is instituted that under any Applicable Law would have an effect analogous to any of the events listed in clauses (a), (b), (c) and (d) above;
- v. The Disclosure Documents or any other Transaction Document in whole or in part, becomes invalid or ceases to be a legally valid, binding and enforceable obligation of the Company;
 - vi. It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents and/or any obligation or obligations of the Company under any Transaction Document are not or cease to be valid, binding or enforceable;
 - vii. The Company repudiates any of the Transaction Documents, or evidences an intention to repudiate any of the Transaction Documents;
 - viii. Any of the Transaction Documents failing to provide the security interests, rights, title, remedies, powers or privileges intended to be created thereby (including the priority intended to be created thereby), or such security interests failing to have the priority contemplated under the Transaction Documents or the Company creates any Encumbrance over the Hypothecated Assets other than as expressly contemplated under the Transaction Documents, or the security interests becoming unlawful, invalid or unenforceable or in the opinion of the trustees the security over the Hypothecated Assets is in jeopardy, provided that the security created over the Hypothecated Assets shall be deemed to be in jeopardy only in the event that Security Cover falls below the Minimum-Security Cover and the Company fails to reinstate the same within 60 (Sixty) Business days from the date of such fall in the Security Cover;
 - ix. Any Governmental Authority condemns, nationalizes, seizes, expropriates or otherwise assumes custody or control of all or any substantial part of the business, operations, property or other assets (including assets forming part of the Security) of the Company or of its share capital, or takes any action for the dissolution of the Company or any action that would prevent the Company or its officers from carrying on all or a substantial part of its business or operations;
 - x. Surrender, revocation or suspension of the Company's certificate of registration as a non-banking financial company by the Reserve Bank of India;
 - xi. If the Company without the consent of Debenture Holders ceases to carry on its business or gives notice of its intention to do so;
 - xii. The Company fails to list the Debentures or the Debentures cease to be listed or are suspended at any point of time prior to the Final Settlement Date, except if the Debentures are delisted in accordance with the consent of the Majority Debenture Holder(s).

Subject to the approval of the debenture holders and the conditions as may be specified by the SEBI from time to time, the Debenture Trustee, on behalf of the debenture holders, may enter into inter-creditor agreements provided under the framework specified by the Reserve Bank of India. The voting shall be through show of hands or poll or through such other manner as the majority Debenture Holder/s may deem fit.

8. CONSEQUENCES OF AN EVENTS OF DEFAULT

If one or more events specified in Clause 7 (Events of Default) above, the Debenture Trustee may, in its discretion, and, upon request, in writing, of the Majority Debenture Holders or by a Special Resolution duly passed at the meeting of the Debenture Holders held in accordance with the provisions set out in **Schedule II** hereto, by a notice in writing to the Company initiate the following course of action:

- a. declare that all or part of the Secured Obligations be immediately due and payable, whereupon they shall become due and payable within 30 (Thirty) calendar days of the date of receipt of a notice by the Company;
- b. in the event that the Company fails to make payment within the aforesaid timelines, enforce the charge over the Hypothecated Assets in accordance with the terms of the Deed of Hypothecation;
- c. without prejudice to its other rights hereunder or under the IBC or any other Applicable Law, in its sole discretion, exercise all the rights, powers and remedies vested in it for the protection, perfection and enforcement of its rights in respect of the Hypothecated Assets;
- d. exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law, without intervention of the Court and without having to obtain any consent of the Company.

- e. the Debenture Trustee shall, on being informed by the Company of the happening of any of the Event of Default set out in Clause 7 (*Event of Default*) above or upon the happening of any of such Event of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.
- f. Notwithstanding anything to the contrary contained herein the Debenture Trustee shall, on the occurrence of an Event of Default, follow the standard operating procedure for enforcement of Security as may be stipulated by SEBI from time to time (as presently set out in the SEBI circular dated October 13, 2020 bearing reference number SEBI/HO/MIRSD/CRADT/CIR/P/2020/203) ("SOP") and the Security will be enforced either in terms of this Deed or in terms of the SOP (whichever is earlier). Similarly if as a result of occurrence of default any inter-creditor agreement or a resolution plan is proposed in respect of the Issuer the Debenture Trustee shall adhere to the mechanism set out in the SEBI circular, dated October 13, 2020, titled 'Standardisation of procedure to be followed by Debenture Trustee(s) in case of 'Default' by Issuers of listed debt securities'.
- g. The Debenture trustee shall follow directions of the Board/ Debenture holders/its own description for utilization of recovery expense fund in the event of default and refund of recovery expense fund to the company on repayment.

9. REPRESENTATIONS AND WARRANTIES OF THE COMPANY

9.1 The Company makes the representations and warranties set out in this Clause **Error! Reference source not found.** (*Representations and Warranties of the Company*) to the Debenture Trustee for the benefit of the Debenture Holders as on the date of this Deed:

(a) Authority and Capacity

- (i) The Company has been duly incorporated, organised and is validly existing, under Applicable Law;
- (ii) The Company is a non-banking financial company registered with the RBI and such registration is valid and subsisting;
- (iii) The Company has the corporate power, authority and all permits, approvals, authorisations, licenses, registrations, and consents including registrations, to own and operate its assets and to carry on its business in substantially the same manner as it is currently conducted;
- (iv) The Company is in compliance with Applicable Law for the performance of its obligations with respect to this Issue; and
- (v) All consents, and actions of, filings with and notices to any Governmental Authority as may be required to be obtained by the Company in connection with the Issue has been obtained and is in full force and effect.

(b) Corporate Matters

- (i) All the legal and procedural requirements specified in the constitutional documents or required under Applicable Law have been duly complied with in all respects in relation to the Issue.
- (ii) The registers, and minute books (including, without limitation, the minutes of board and shareholders meeting) required to be maintained by the Company under Applicable Law:
 - A. are up-to-date and have been maintained in accordance with Applicable Law;
 - B. comprise complete and accurate records of all information required to be recorded in such books and records; and

(c) Binding Obligations

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

(d) Non-conflict with other obligations

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

- A. any Applicable Law to which the Company is subject including, without limitation, any laws and regulations regarding anti-money laundering/ terrorism financing and similar financial sanctions;
- B. its constitutional documents;
- C. any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the Financial Indebtedness availed of by the Company.

(e) **Power and authority**

It has the power to issue the Debentures and 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.

(f) **Validity and admissibility in evidence**

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

- A. 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;
- B. to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
- C. for it to carry on its business, and which are material, have been obtained or effected and are in full force and effect.

(g) **Accounts and Records**

The books of accounts of the Company have been fairly and properly maintained, the accounts of the Company have been prepared in accordance with Applicable Law and in accordance with the generally accepted accounting principles, so as to give a true and fair view of the business (including the assets, liabilities and state of affairs) of the Company and its subsidiaries. The Company has a proper, efficient and effective book-keeping and accounting system in place as well as adequate professional staff, including maintaining of accounts showing the loan drawings, payments, interest etc.

(h) **Taxation Matters**

- (i) 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.
- (ii) The Company has not received any notice of any Tax disputes or other liabilities of Taxes in respect of which a claim has been made or notice has been issued against the Company other than any claims being contested by the Company in good faith.

(i) **Legal / Litigation Matters**

- (i) There are no claims, investigations or proceedings before any Governmental Authority in progress or pending against or relating to the Company which would have a Material Adverse Effect.
- (ii) There are no unfulfilled or unsatisfied judgments or court orders in respect of the Company.
- (iii) The Company has not taken any action nor has any order been passed for its insolvency, 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, resolution professional, trustee or other similar officer for it or in respect of its assets.

(j) **Compliance with law**

The Company is in compliance in all respects with all Applicable Law including, without limitation, the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008, for the performance of the Company of its obligations with respect to this Issue.

(k) **Pari Passu ranking**

The Company's payment obligations under the Transaction Documents rank at least *pari passu* with the claims of all of its other senior and secured creditors, except for obligations mandatorily preferred by law applying to companies generally.

(l) **No Default**

No Event of Default has occurred and is continuing or would be expected to result from the execution or performance of any Transaction Documents or the issuance of the Debentures. No other event or circumstance is outstanding which constitutes (or which would, with the lapse of time, the giving of notice, the making of any determination under

the relevant document or any combination of the foregoing, constitute) a default or termination event (however described) under any other agreement or instrument which is binding on the Company or any of its assets or which might have a Material Adverse Effect.

(m) **Material Adverse Effect**

There is no Material Adverse Effect existing and that there are no circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect.

(n) **No Immunity**

Neither the Company, nor any of its assets are entitled to immunity from suit, execution, attachment or other legal process in its jurisdiction of incorporation. This Issue (and the documents to be executed in relation thereto) constitutes, and the exercise of its rights and performance of and compliance with its obligations in relation thereto, will constitute, private and commercial acts done and performed for private and commercial purposes.

(o) **Information**

All information provided by the Company is true and accurate in all material respects as on the date it was provided or as on the date at which it was stated.

(p) **Illegality**

It is not illegal or unlawful for the Company to perform any of its obligations under the Transaction Documents

10. TERMS OF SECURITY

10.1. Continuing Security

The Security created/ to be created pursuant to this Deed shall be a continuing security and shall remain in full force and effect until the Secured Obligations are or may become outstanding. The Company hereby undertakes that during the subsistence of the Security created by the Company in favour of the Debenture Trustee, the Company shall not do or suffer to be done or be party or privy to any act, deed, matter or thing which may, in anywise prejudicially affect the Security and the rights created in favour of the Debenture Trustee.

10.2. Additional Security

For the consideration aforesaid, the Company shall within such period as may be permitted by the Trustee, furnish to the Trustee additional security, if the Trustee (acting on the instructions of the Majority Debenture Holders) is of the opinion that during the subsistence of the Debentures, the Security for the Debentures has become inadequate and the Trustee has, accordingly, called upon the Company to furnish such additional security. In such case, the Company shall, at its own costs and expenses, furnish to the Trustee such additional security in form and manner satisfactory to the Trustee as security for the Debentures, and upon creation of such additional security, the same shall vest in the Trustee subject to all the trusts, provisions and covenants contained in these presents.

10.3. Other Security

The Security created/ to be created pursuant to this Deed shall be in addition and without prejudice to any other security, indemnity or other right or remedy which any Debenture Holder/Beneficial Owner or the Trustee may now or hereafter hold or have in connection with the Debentures or part thereof, and shall neither be merged in, or in any way exclude or prejudice, or be affected by any other security, right of recourse or other right whatsoever (or the invalidity thereof) which the Debenture Holder(s) or the Trustee may now or at any time hereafter hold or have (or would apart from this security hold or have) as regards the Company or any other person in respect of the Debentures. The Security may be enforced against the Company without first having recourse to any other rights of the Debenture Holder(s) or the Trustee, subject to the Company's obligation to create additional security in case of reduction in the security cover.

10.4. Inspection

- i. The Company shall permit the Trustee and such person as the Trustee shall, from time to time, in writing for that purpose appoint, to enter into or upon and to view the state and condition of all the Hypothecated Assets and pay reasonable expenses for all travelling, hotel and other expenses of any person whom the Trustee may depute for the purpose of such inspection and

if the Trustee shall, for any reason, decide that it is necessary to employ an expert, to pay the fees and all travelling, hotel and other expenses of such expert.

- ii. The Company shall upon reasonable prior written notice, permit officers and representatives of the Trustee to carry out technical, legal, or financial inspections and visit and inspect during normal business hours, the properties of the Company, including the facilities, works, assets and buildings and to examine, inspect and make copies of the books of record and accounts of the Company and take extracts thereof and discuss the affairs, finances and accounts of the Company with, and be advised as to the same, by its officers. The cost of any such visit shall be borne by the Company and the Company shall at all times afford the Trustee access to its books;
- iii. The Company shall keep proper books of account as required by the Act and make true and proper entries therein of all dealings and transactions of and in relation to the Hypothecated Assets and the business of the Company and keep the said books of account and all other books, registers and other documents relating to the affairs of the Company at its registered office or, where permitted by law, at other place or places where the books of account and documents of a similar nature may be kept and the Company will ensure that all entries in the same relating to the Hypothecated Assets and the business of the Company shall at reasonable times be open for inspection of the Trustee and such person or persons, as the Trustee shall, from time to time, in writing for that purpose appoint;

11. LISTING AND CREDIT RATING

- 11.1.1 The Company shall list the Debentures on the [wholesale debt market segment] of BSE Limited.
- 11.1.2 The Company shall take all steps for making the listing application to the recognized stock exchange and shall receive approval from the stock exchange for the listing of Debentures, within the timelines specified in the extant SEBI regulations read with the circulars, as may be amended from time to time viz., within 4 Business Days of the Issue Closing Date. The Stock Exchange(s) shall list the Debentures only upon receipt of a due diligence certificate as per format specified by SEBI, from Debenture Trustee confirming creation of charge and execution of the Debenture Trust Deed. In case of delay in listing of the Debentures (issued on private placement basis) beyond the timelines specified above, the Company will pay penal interest, to the Debenture Holders, of at least 1.00% p.a. over the Coupon Rate stated in Clause 19 hereof from the Deemed Date of Allotment until the listing of such Debentures on the entire outstanding amount pertaining to the Debentures.
- 11.1.3 The Company undertakes to comply with the SEBI (Listing Obligations and Disclosure Requirements), 2015, the Act and other Applicable Laws on a continuous basis. All expenses, costs, charges, incurred for the purpose of listing of the Debentures, as also for making the offer for sale of the Debentures shall be borne and paid by the Company.
- 11.1.4 The Debentures are rated as:
 - (a) "BWR AA-" by Brickworks Ratings India Private Limited. The rating indicates high degree of safety with regard to timely payment of financial obligations, such instruments carry very low credit risk;
 - (b) The Issuer reserves the right to obtain additional credit rating at any time during the tenure of the Debentures from any SEBI registered Credit Rating Agency for full or part of the issue size, as it may deem fit, which shall be at least equivalent to the prevailing credit rating to the Issue, no prior consent shall be required for the same.
 - (c) Also the Issuer reserves the right to substitute the prevailing Credit Rating to the Issue with no prior consent, with a credit Rating which shall be at least equivalent to the prevailing credit rating to the issue, by an alternative SEBI registered Credit Rating Agency, for full or part of the issue size, subject to the prevailing relevant regulation/rules, etc.
 - (d) The Company agrees that the credit rating shall be reviewed on an annual basis, by a credit rating agency registered by SEBI. Any revision in rating shall be promptly intimated to the Debenture Trustee

12. NOTICES

- i. Any notice, demand, request or other communication (individually, a "**Notice**") to be given or made under this Deed shall be in writing unless otherwise stated. Such Notice shall be deemed to have been duly given or made when it shall be sent by any of the following means (i) delivered personally, (ii) or sent by facsimile transmission, or (iii) sent by registered mail/speed post with acknowledgment due, (postage prepaid) or (ii) sent by e-mail.
- ii. Any Notice or document made or delivered by one person to another under or in connection with this Deed will only be effective: (i) if by way of personal delivery, when delivered; or (ii) if by way of way of facsimile, when the sender receives a

receipt indicating proper transmission; or (iii) if by way of letter 3 (Three) Business Days after it has been deposited in the post (by registered post, with acknowledgment due), postage prepaid in an envelope duly addressed to the addressee; or (iv) if by way of e-mail, when received in legible form and subject to such e-mail being followed up with a written letter / facsimile.

iii. Notwithstanding anything to the contrary contained hereinabove, any communication or document to be made or delivered to the Debenture Trustee will be effective only when actually received by the Debenture Trustee.

(a) **To the Company**

Address at 30-39, Free Press House, Free Press Journal Marg, 215, Nariman Point –
Mumbai-400021, India,
Telephone +91-22-67546500
Attention Compliance Officer
E-mail compliance@akgroup.co.in

(b) **To the Debenture Trustee**

Address GDA House, S. No. 94 & 95, Bhusari Colony (Right), Kothrud, Pune - 411 038
Telephone +91 20 2528 0081
Attention Ms. Pallavi Kulkarni / Mr. Anurag Bende
E-mail dt@ctltrustee.com

iv. Any notice given under or in connection with this Deed must be in English.

v. All other documents provided under or in connection with this Deed must be in English; or if not in English, and if so required by the Debenture Trustee, accompanied by a certified English translation and, in this case, the English translation will prevail unless the document is a constitutional, statutory or other official document.

vi. This Clause 12 (*Notices*) shall survive the termination or expiry of this Deed.

13. **WAIVER**

13.1 No Implied Waiver or Impairment

No delay or omission of the Debenture Trustee in exercising any right, power or remedy accruing of the Debenture Trustee upon any default hereunder shall impair any such right, power or remedy or be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Debenture Trustee in respect of any default or any acquiescence by it in any default affect or impair any right power or remedy of the Debenture Trustee in respect of any other defaults nor shall any single or partial exercise of any such right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy. The rights and remedies of the Debenture Trustee herein provided are cumulative and not exclusive of any rights or remedies provided by law or equity.

13.2 Express Waiver

A waiver or consent granted by the Debenture Trustee under this Deed will be effective only if given in writing and then only in the instance and for the purpose for which it is given.

14. **MISCELLANEOUS PROVISIONS IN RELATION TO THE DEBENTURES**

14.1 Receipt of Debenture Holder

The receipt given by each Debenture Holder or if there be joint holder(s), then the receipt given by any one of such joint Debenture Holder(s) or given by the survivors or survivor of the Debenture Holder(s) of the Redemption Amount(s) payable in respect of each of such Debenture shall be a good discharge to the Debenture Trustee and the Company.

14.2 Trusts of Debentures not Recognised

The Debenture Trustee shall not be affected by any notice, express or implied of the right, title or claim of any person to such monies due in respect of the Debentures, other than the Debenture Holder(s).

14.3 Failure to Surrender the Debentures

In the event of any Debenture Holder (who has re-materialised the Debenture(s) held by it) not surrendering such Debentures, which the Company is ready to pay or satisfy in accordance with the terms of these presents, to the Company, within 30 (Thirty) calendar days after the Due Date for the redemption or payment of the amount secured thereby, the Company shall be at liberty to deposit in a scheduled commercial bank, in the name of the Company for the purpose, an amount equal to the

amount due to any such Debenture Holder(s) in respect of such Debentures and upon such deposit being made subject to the condition that the monies deposited therein shall be withdrawn for settling the future claim of the Debenture Holder(s). The Debentures which the Company is ready to pay or satisfy as aforesaid, shall be deemed to have been paid off or satisfied in accordance with the provisions hereof. The Company agrees to furnish an undertaking from the abovementioned scheduled commercial bank that withdrawals from the no-lien account shall be permitted only to meet the claims of the Debenture Holder(s).

14.4 **Power of the Debenture Trustee to Invest Unclaimed Amount**

After provision for the payment and satisfaction of the Debentures is made by the deposit in a scheduled commercial bank as aforesaid, the Debenture Trustee may invest the same in any of the investments herein authorised.

14.5 **Authorised Investments**

15. Any monies, which under the trust or powers herein contained ought to be invested by the Debenture Trustee may be invested in the name of the Debenture Trustee or under the legal control of the Debenture Trustee in any of investments authorised by Applicable Law for the investment of trust moneys with power to vary and transpose such investments and in so far as the same shall not be invested, shall be placed in deposit in the name of the Debenture Trustee in a scheduled commercial bank or banks

16. **MISCELLANEOUS**

16.1 **Limitation on Rights of Others**

Nothing in this Deed, whether express or implied, shall be construed to give to any Person other than the Debenture Trustee and the Debenture Holder(s) any legal or equitable right, remedy or claim under or in respect of this Deed, except as expressly provided in this Deed, any covenants, conditions or provisions contained herein all of which are, and shall be construed to be, for the sole and exclusive benefit of the Debenture Trustee and the Debenture Holder(s).

16.2 **Other Remedies**

The rights and remedies conferred upon the Debenture Trustee under this Deed:

- (a) shall not prejudice any other rights or remedies to which the Debenture Trustee may, independently of this Deed, whether by statute or otherwise, be entitled and in particular, the Debenture Trustee and/or the Debenture Holder(s) shall retain all rights and remedies available to it under the Transaction Documents and this Deed; and
- (b) shall not be prejudiced by any other rights or remedies to which the Debenture Trustee may, independently of this Deed, be entitled to, or any collateral or other security now or hereinafter held by the Debenture Trustee.

16.3 **Modifications to these Presents**

The Company shall concur with the Debenture Trustee in making any modification(s) in these presents, which in the opinion of the Debenture Trustee shall be expedient to make and which would not affect the interests of any of the Debenture Holders. Any other modification of these presents shall be made by the Debenture Trustee, only on such modification being approved by consent in writing by the Majority Debenture Holder(s) or by a Special Resolution duly passed at a meeting of the Debenture Holder(s), convened in accordance with the provisions set out in **Schedule II** hereto and the Debenture Trustee shall give effect to the same by executing the necessary deed(s) supplemental to these presents.

16.4 **Redressal of Debenture Holders' Grievances**

The Company shall furnish to the Trustee details of all grievances received from the Debenture Holders / beneficial owners and the steps taken by the Company to redress the same. At the request of any Debenture Holder / beneficial owner, the Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance(s) and the company shall after receipt of such notice, shall redress the complaint of Debenture Holder and shall report the same simultaneously to the Debenture Trustee.

16.5 **SEVERABILITY**

Every provision contained in this Deed shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid illegal or unenforceable in any respect under any law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

16.6 **COUNTERPARTS**

This Deed may be executed in any number of counterparts and all counterparts together shall constitute one and the same instrument and each of them shall be an independent agreement.

16.7 COSTS AND EXPENSES

All costs and expenses arising out of the issuance of the Debentures (including but not limited to any amounts payable under Applicable Law as stamp duty on the issuance of the Debentures or any amounts payable to the Rating Agency towards their fees for rating of the Debentures) or creation of the Security (including but not limited to any amounts payable under Applicable Law such as stamp duty and registration charges in relation thereto) as well as all costs and expenses arising out of the negotiation, preparation and execution of this Deed or any other agreement, document or other writings executed pursuant to the provisions of this Deed shall be solely borne by the Company and the Company shall reimburse to the Debenture Trustee (upon a demand being made in this regard) any amounts expended by the Debenture Trustee in this behalf.

16.8 INDEMNITY

The Company hereby agrees to indemnify the Debenture Trustee, the Debenture Holders and their respective officers, representatives and agents against any direct losses or expenses sustained or incurred by them as a result of:

- (a) the Company failing to comply with the provisions of any Applicable Laws and any other law for the time being in force; and/ or
- (b) the occurrence of any Event of Default; and/ or
- (c) levy by any Government Authority of any charge, Tax or penalty in connection with regularising or perfecting any of the Transaction Documents as may be required under Applicable Law and any other law for the time being in force at any time until the Final Settlement Date, or getting any of the Transaction Documents admitted into evidence, or relying on any Transaction Documents for proving any claim; and/ or
- (d) the exercise of any of the rights by the Debenture Trustee/ Debenture Holders under this Deed and any of the Transaction Documents as a result of any breach or non-performance of the Company of any obligations under the Transaction Documents, including any loss or expenses incurred in relation to enforcement of the security interests created in favour of the Debenture Trustee/ Debenture Holders.

16.9 PAYMENTS

Payment of the Redemption Amount will be made on the Due Date(s) to the Debenture Holder(s) as on the Record Date and in case of joint holders of Debentures to the one whose name stands first in the Register of Debenture Holder(s). Such Payments shall be made by demand draft / credit through the NEFT/RTGS system.

16.10 FUTURE BORROWINGS

The Company shall be entitled to avail of any further Financial Indebtedness including without limitation by issuing non-convertible debentures and/or raising term loans or raise further funds, in any manner as deemed fit by the Company, from time to time from any persons/banks/financial institutions/body corporate or any other agency as per the prevailing guidelines/regulations of Reserve Bank of India and other authorities. As long as the Minimum Security Cover does not fall below as stipulated in disclosure document, the Company shall, without the approval of the Trustee, be entitled to, to make further issue(s) of debentures, raise further loans and advances and/or avail further deferred payment guarantees or, provide corporate guarantees/comforts or avail any other financial facilities from time to time from such persons/ banks/ financial institutions or body corporate/ any other agency as it deems fit. However, the company shall not create until the Debentures are fully redeemed, any mortgage or charge on any of the Secured Assets, other than the Permitted Security Interest, without obtaining the prior written approval of the Majority Debenture Holders or as per the prevalent relevant regulations. Subject to as provided here, it is clarified that the company shall be entitled to create charge over any assets of the company other than secured assets without any approval or consent or intimation from debenture holders.

The Company may also issue secured non-convertible debentures under the same ISIN(s) for the current and the future issues in accordance with the SEBI circular No. CIR/IMD/DF-1/67/2017 dated June 30, 2017 on "Specifications related to International Securities Identification Number (ISINs) for debt securities issued under the SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and any further clarification/ amendments/circular issued thereafter.

16.11 GOVERNING LAW AND JURISDICTION

- 16.12 The Deed shall be governed by and shall be construed in accordance with the Applicable Laws of India.
- 16.13 Subject to Clause 16.11 (*Disputes and Governing Law*) below, the Parties agree that any disputes which may arise out of or in connection with the Transaction Documents shall be subject to the exclusive jurisdiction of the courts and tribunals at Mumbai and that accordingly, any suit, action or proceedings (“**Proceedings**”) arising out of or in connection with the Transaction Documents may be brought in such courts or tribunals.
- 16.14 Any dispute arising in connection with the interpretation, performance, termination of this Deed, or otherwise in connection with this Deed (other than any dispute in connection with or arising out of the trust created in terms hereof which shall be settled in terms of Clause 16.11 (Disputes and Governing Law) above) (“**Dispute**”) shall be finally settled by arbitration under the Arbitration and Conciliation Act, 1996. The arbitral tribunal shall be composed of 1 (One) arbitrator appointed by the Debenture Trustee and the Company mutually. The arbitration proceedings shall be conducted in English and the seat and venue of arbitration shall be Mumbai, India. The sole arbitrator may, from time to time, lay down the procedure to be followed in conducting the arbitration proceedings and shall conduct the arbitration proceedings in such manner as it considers appropriate. The arbitration award including any interim awards made by the arbitrator shall be final and binding on the Parties, and enforceable in accordance with its terms. The arbitrator shall state reasons for its findings in writing. The Parties agree to be bound thereby and to act accordingly. The costs of such arbitration shall be borne by the Company.
- 16.15 This Clause 16.11 (Disputes and Governing Law) shall survive the termination of this Deed.

PART B - FINANCIAL COVENANTS AND CONDITIONS

17. DEBENTURES TO RANK PARI PASSU

The Debentures shall rank *pari passu inter se* without any preference or priority of one over the other or others of them

18. DETAILS OF THE INSTRUMENT

Type of instrument	Secured, Rated, Listed, Redeemable, Non-Convertible Debentures (“NCDs” / “Debentures”)
Issue Size	Rs. 400,00,00,000/- (Rupees Four Hundred Crores) including a greenshoe option of Rs. 200,00,00,000/- (Rupees Two Hundred Crores).
Face Value	Rs. 1,00,000 (Rupees One Lakh) per Debenture
Issue Price	Rs. 1,00,000 (Rupees One Lakh) per Debenture
Tenor	36 Months from the Deemed Date of Allotment
Deemed Date of Allotment	May 28, 2021
Coupon Rate	8.00% p.a. (Eight percent per annum)
Coupon Type	Fixed
Coupon Payment Frequency	Annual and on Redemption
Coupon Payment Date (s)	The Coupon shall be payable on an Annual basis from the Deemed Date of Allotment and on the Final Redemption Date (subject to the Business Day convention set out in the row titled ‘Business Day Convention’). The Coupon Payment Dates are specifically set out in Annexure I hereto
Coupon Reset Process	NA
Step Up/Step Down Coupon Rate	In the event that the rating of the NCD is downgraded from its current rating, the applicable coupon rate shall be increased by 0.25% for each notch downgrade. In the event that the rating of the NCD is restored to the rating prior to the downgrade event, the applicable coupon rate shall be reduced by 0.25% for each notch upgrade. The decreased rate of Interest in accordance with this provision cannot, in any case, be lower than the Interest Rate fixed at the time of issuance.
Redemption Date	At the end of 36 months from the Deemed Date of Allotment
Redemption Amount	Rs. 1,00,000/- (Rupees One Lakh only) per Debenture.
Redemption	Bullet, At Par.
Day count basis	Actual / Actual
Put Option	NA

Put Date	NA			
Put Price	NA			
Put Option Notice	NA			
Put Notification Time	NA			
Call Option	The Issuer shall have an option to exercise call in full or in part, at the end of 18 months from the Deemed Date of Allotment and every 6 months thereafter.			
Call Date	The Issuer shall have an option to exercise call in full or in part, at the end of 18 months from the Deemed Date of Allotment and every 6 months thereafter. <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;">November 27, 2022</td> <td style="width: 33%;">November 27, 2023</td> <td style="width: 33%;">May 27, 2023</td> </tr> </table>	November 27, 2022	November 27, 2023	May 27, 2023
November 27, 2022	November 27, 2023	May 27, 2023		
Call Price	At Par			
Call Notification Time	7 (Seven) calendar days prior to respective Call Option Date			
Reissuance	The Company reserves the right to make multiple issuances under the same ISIN with reference to SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017. Issue can be made either by way of creation of fresh ISIN or by way of issuance under the existing ISIN at premium / par / discount as the case may be in line with SEBI circular CIR/IMD/DF-1/67/2017 dated 30th June 2017.			
Issuance & Trading mode of the Instrument	Demat only			

Annexure I

Illustration of Bond Cash Flows	
Issuer	A K Capital Finance Limited
Face Value per NCD	Rs.1,00,000 (Rupees One Lakh only)
Date of Allotment	May 28, 2021
Redemption	Bullet, At Par
Coupon Rate	8.00 % p.a. (Eight per annum)
Frequency of the Coupon	Annual and on Redemption
Day Count Convention	Actual/ Actual

Cashflow on a Per Debenture Basis:

Year	Payment Dates*	Net Cash Flow	Principal	Interest	Principal O/s
0	May 28, 2021	(1,00,000)			1,00,000
1	May 28, 2022	8,000	-	8,000	1,00,000
2	May 28, 2023	8,000	-	8,000	1,00,000
3	May 28, 2024	1,08,000	1,00,000	8,000	-

*Subject to Business Day Convention

19. INTEREST ON APPLICATION MONEY

Interest on application money shall be payable at the Coupon Rate (subject to deduction of tax at source, as applicable) from the date on which the Debenture Holder(s) have made payment of the application monies in respect of the Debentures up to 1 (One) day prior to the Deemed Date of Allotment and the same shall be paid to the relevant investors within 7 (Seven) calendar days from the Deemed Date of Allotment.

20. MINIMUM APPLICATION

The minimum application size for the issue shall be 100 (Hundred) Debentures and in multiples of 10 (Ten) Debenture thereafter

21. COMPUTATION OF COUPON

All Coupon accruing on the Principal Amount shall accrue from day to day and be calculated on an actual/actual day count basis, at the Coupon Rate and rounded to the nearest Rupee.

22. CHANGE OF TAX DEDUCTED AT SOURCE

Tax as applicable under the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof will be deducted at source. For seeking tax deducted at source ("TDS") exemption/lower rate of TDS, relevant certificate/document must be lodged by the Debenture Holder(s) at the office of the R&T Agents of the Company at least 15 (Fifteen) calendar days before the relevant payment becoming due. Tax exemption certificate / declaration of non-deduction of tax at source on interest on application money, should be submitted along with the Application Form. If the applicable rate of TDS is modified and results in a reduction of the net interest received by the Debenture Holders, the Company must give written notice to the Debenture Holders as soon as it becomes aware of such change.

23. SECURITY

23.1 The Secured Obligations shall be secured by an exclusive charge via Deed of Hypothecation dated [.] over the identified Business Assets of the Company which are standard in nature and in the manner ("**Hypothecated Assets**") and upon the terms and conditions which shall be more fully set out in the Deed of Hypothecation, which shall be executed on or about the date hereof.

23.2 The Company undertakes to maintain Minimum Security Cover at all times during the tenor of the Debentures. In case the Security Cover is not atleast equal to the Minimum Security Cover, the Issuer shall create additional security in favour of the Debenture Holder, in the manner and upon the terms and conditions set out in the Deed of Hypothecation. For the purposes of calculation of the Security Cover, the value of the Hypothecated Assets shall be the value set out in the financial statements of the Company. Without prejudice to the generality of the foregoing, the Debenture Trustee shall, on a half yearly basis, within 30 (Thirty) calendar days of the end of each half year, provide a certificate issued by the statutory auditor of the Company, setting out the value of the Hypothecated Property and calculating the Security Cover maintained by the Company at the end of the relevant half year.

Further, the Issuer shall have the right to replace the assets/provide additional assets provided as security for the NCDs, in part or full, with any other specific asset of the Company subject to maintenance of Minimum-Security Cover as stipulated above, on the basis of the valuation as per the latest available FIMMDA Matrix or any other benchmark as may be prescribed for bond valuation. In case of any short fall in the Minimum Security Cover the Issuer shall provide additional security immediately and however, in no case reinstatement of such security cover shall exceed 30 (Thirty) days from the day such cover falls below the required cover

23.3 The Issuer shall also have right for further borrowing or to create charge subject to maintenance of Minimum-Security Cover. Prior consent of the debenture holders / debenture Trustee shall not be required for the same.

23.4 The Company hereby covenants, undertakes and agrees to do all acts, deeds and things as may be necessary including registering and perfecting the security over the Hypothecated Assets as contemplated herein, including without limitation:

- (a) filing the duly completed form CHG-9 with the registrar of companies by no later than 30 (thirty) calendar days from the date of execution of the Deed of Hypothecation; and
- (b) providing any information and all assistance that the Debenture Trustee may require in relation to any filings to be made with the CERSAI (including Form I), and to ensure and procure that the Debenture Trustee makes the required filings to the CERSAI by no later than 30 (thirty) calendar days from the execution of the Deed of Hypothecation.

24. Financial Covenants and Other Covenant

1. Capital adequacy of the company should not fall below 15% during entire tenor of debenture till maturity. In any case, the Company should maintain CRAR above the regulatory required CRAR as per RBI guidelines.
2. The Issuer shall not be in contravention with any guidelines by Reserve Bank of India/ SEBI/Any other Regulatory Authority applicable to NBFCs

25. Default Interest / Additional Interest

If, at any time, a Payment Default occurs, the Company agrees to pay additional interest at the rate of 2% (Two Percent) per annum over and above the applicable Coupon Rate on all amounts outstanding of the Debentures (including the Outstanding Principal Amounts and any accrued but unpaid interest) from the date of occurrence of such a Payment Default until such Payment Default is cured or the Debentures are fully redeemed.

26. Appropriation of payment:

- (a) Payment of the principal amount of each of the Debentures and interest and other monies payable thereon shall be made to the respective Debenture Holder and in case of joint Debenture Holders, to the one whose name stands first in the Register of Debenture Holder(s)/list of Beneficial Owner(s) as the case may be. Such payments shall be made by, real time gross settlement, cheque or warrant drawn by the Company on its bankers.
- (b) Notwithstanding anything to the contrary stated in the Transaction Documents, any payments by the Company under the Transaction Documents shall be appropriated in the following manner, namely:
 - i. Firstly, towards interest payable on the Debentures;
 - ii. Secondly, towards redemption premium, if any; and
 - iii. Thirdly, Lastly, towards redemption of principal amount of the Debentures due and payable by the Company to the Debenture Holder(s)/Beneficial Owner(s).
 - iv. Fourthly, towards meeting any costs, charges and expenses and other monies incurred by the Debenture Trustee as also the remuneration payable by the Company to the Debenture Trustee
 - v. Lastly, towards default interest and compound interest as maybe due and payable under the terms of the Transaction Documents;

If any amount whether redemption or interest, paid to the Debenture Holder(s) in respect of the Debentures is held to be void or set aside on the liquidation or winding up of the Company or otherwise, then for the purpose of this Deed such amount shall not be considered to have been paid

27. Right to Re-purchase and Re-issue the Debenture

The Company, subject to the prevailing guidelines, rules/regulations of RBI, SEBI and other Governmental Authorities, shall have the option from time to time to repurchase a part or all of the Debentures at par from the secondary markets or otherwise, on prior mutual consent(s) from the Debenture Holder(s), at any time prior to the date of maturity.

In the event of a part or all of its Debentures being repurchased as aforesaid or redeemed under any circumstances whatsoever, the Company shall have, and shall be deemed to have had, the power to reissue the Debenture either by reissuing the same Debentures or by issuing other Debenture in their place.

Further the Company, in respect of such repurchased/redeemed Debenture shall have the power exercisable either for a part or all of those Debenture, to cancel, keep alive, appoint nominee(s) to hold or reissue at such price and on such terms and conditions as it may deem fit and as permitted by law.

28. Management Control

In the event of change in Management Control of the Company, the Company shall have an option, but not an obligation, to redeem the Debentures, at an amount equal to outstanding principal amount of Debentures together with any accrued but unpaid interest upto but excluding the date of such payment by the Company.

29. Regulatory Prepayment Event

In the event of (a) Capital adequacy of the Company falling below the applicable minimum as specified by RBI from time to time; or (b) occurrence of any force majeure event whereby it becomes imperative for the Company to redeem the Debentures prior to the maturity date, then Company shall have an option, but not an obligation, to redeem the Debentures, at an amount equal to outstanding principal amount of Debentures together with any accrued but unpaid interest upto but excluding the date of such payment by the Company.

30. Debenture Holder(s)/Beneficial Owner(s) not entitled to shareholders rights

- The Debenture Holder(s)/Beneficial Owner(s) will not be entitled to any of the rights and privileges available to the shareholders including right to receive notices or annual reports or to attend and vote at general meetings of the members of the Company.
- Subject to Applicable Laws, the rights, privileges, terms and conditions attached to the Debentures may be varied, modified or abrogated with Special Resolution: provided that nothing in such consent or resolution shall be operative against the Company where such consent or resolution modifies or varies the terms and conditions governing the Debentures and the same are not acceptable to the Company

31. Nominee Director

The Debenture Trustee shall have a right to appoint a nominee Director on the Board of Directors of the Company (hereinafter referred to as "**the Nominee Director**") in accordance with the provisions of the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 in the event of:

- (i) 2 (Two) consecutive defaults in payment of Coupon to the Debenture Holder(s); or
- (ii) Any default on the part of the Company in redemption of the Debentures; or
- (iii) Any default in the creation of Security.

The Nominee Director so appointed shall not be liable to retire by rotation nor shall be required to hold any qualification shares. The Company shall take steps to amend its Articles of Association for the purpose, if necessary.

SCHEDULE I

DEPOSITORY RELATED PROVISIONS

1. The Company has made depository arrangements with NSDL and CDSL for dematerialisation of the Debentures. Each of the Debenture Holders has to necessarily hold the in dematerialised form and deal with the same as per the provisions of Depositories Act, 1996 (as amended from time to time) (hereinafter "**Depositories Act**"). The normal procedures followed for transfer of securities held in dematerialised form shall be followed for transfer of these Debentures held in electronic form.
2. Debenture certificates will not be issued to the allottees, since the Debentures are being issued in a dematerialised form.
3. The depository account of the Debenture Holder(s) with CDSL and NSDL, will be credited within 2 (Two) Business Days from the relevant Deemed Date of Allotment.
4. The Debentures held in the dematerialised form shall be taken as discharged on payment of the Redemption Amount(s) by the Company to the registered Beneficial Owner(s) on the Record Date. Such payment will be a legal discharge of the liability of the Company towards the Beneficial Owner(s). On such payments being made, the Company will inform NSDL and CDSL and accordingly the account of the Debenture Holder with NSDL and CDSL will be adjusted.
5. A Register of Debenture Holder(s) containing all relevant particulars shall be maintained by the Company at either its registered office or corporate office or at the office of Registrar and Transfer Agent.
6. Transfer of Debentures in dematerialised form would be in accordance with the rules/procedures as prescribed by NSDL and CDSL, and the applicable depository participant.
7. Nothing provided herein shall prejudice any power of the Company to register as Debenture Holder any person to whom the right to any Debentures of the Company has been transmitted by operation of law.
8. The Company shall rematerialise Debentures in accordance with the rules and procedures prescribed by Depositories Act. All costs arising from the request of rematerialisation shall be borne by the person requesting such rematerialisation.

SCHEDULE II

PROVISIONS FOR THE MEETINGS OF THE DEBENTURE HOLDER(S)

The following provisions shall apply to the meetings of the Debenture Holder(s):-

1. The Debenture Trustee shall at (a) the request in writing of the Debenture Holder(s) representing not less than 1/10th (One-Tenth) in value of the nominal amount of the Debentures for the time being outstanding or (b) upon the happening of any event, which constitutes a breach or an Event of Default or which in the opinion of the Debenture Trustee affects the interests of the Debenture Holder(s), convene a meeting of the holders of Debentures.

The meetings of the Debenture Holders referred to hereinabove are hereinafter referred to as the “Meetings”.

Any such Meetings shall be held at such place in the city where the registered office of the Company is situated or at such other place as the Debenture Trustee shall determine.

2. (i) A Meeting of the Debenture Holder(s) may be called by giving not less than 21 (Twenty one) days' notice in writing.
(ii) A meeting may be called after giving shorter notice than that specified in sub-clause (i), if consent is accorded thereto by Debenture Holders representing not less than 95% (Ninety Five per cent) of the Debentures for the time being outstanding.
 3. (i) Every notice of a meeting shall specify the place and day and hour of the meeting and shall contain a statement of the business to be transacted thereat.
(ii) Notice of every meeting shall be given in the manner as authorised by Section 20 of the 2013 Act as pertaining to the service of documents on the members of the Company to the following persons:-
 - (a) every Debenture Holder;
 - (b) the persons entitled to Debentures in consequence of death or insolvency of any of the Debenture Holder(s), by sending it through post in a prepaid letter addressed to them by name or by the title of the representatives of the deceased, or assignees of the insolvent or by any like description at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; and
- the auditor or auditors for the time being of the Company in the manner authorised by Section 20 of the Act read with the Companies (Incorporation) Rules, 2014 in the case of any members of the Company.
4. The accidental omission to give notice to, or the non- receipt of notice by, any Debenture Holder(s) or other person to whom it should be given shall not invalidate the proceedings at the meeting.
 5. (i) There shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business, including in particular the nature of the concern or interest, if any, therein of every director and the manager, if any.
(ii) Where any item of business relates to the approval of any document by the meeting, the time and place where the document can be inspected shall be specified in the statement aforesaid.
 6. (i) 5 (Five) Debenture Holder(s), personally present shall be the quorum for the meeting of the Debenture Holder(s) (provided that in the event that the number of Debenture Holder(s) shall be less than 5 (Five), then the quorum shall comprise of all of such lesser number of Debenture Holder(s) being present).
(ii) If, within half an hour from the time appointed for holding a meeting of the Debenture Holder(s), a quorum is not present, the meeting, if called upon the requisition of the Debenture Holder(s) shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next week, at the same time and place, or to such other day and at such other time and place as the Debenture Trustee may determine and if at the adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting, the Debenture Holder(s) present shall be the quorum.
 7. (i) The Debenture Trustee shall nominate 2 (Two) persons to attend each meeting one of which shall be nominated by the Debenture Trustee to act as the chairman of the meeting and in his absence the Debenture Holder(s) personally present at the meeting shall elect one of themselves to be the chairman thereof on a show of hands.

- (ii) If a poll is demanded on the election of the chairman, it shall be taken forthwith in accordance with the provisions of the Act.
 - (iii) If some other person is elected chairman as a result of the poll, he shall be chairman for the rest of the meeting.
8. The Debenture Trustee and the directors of the Company and their respective representatives may attend any meeting but shall not be entitled as such to vote thereat.
 9. At any meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is demanded in the manner hereinafter mentioned, and unless a poll is so demanded, a declaration by the chairman that on a show of hands the resolution has or has not been carried either unanimously or by a particular majority and an entry to that effect in the books containing the minutes of the proceedings of the meeting, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution.
 10. Before or on the declaration of the result of voting on any resolution on a show of hands, a poll may be ordered to be taken by the chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by Debenture Holder(s) representing not less than 10% (Ten Percent) of those present and voting where the resolution is with respect to all the Debentures; or
 11.
 - (i) A poll demanded on a question of adjournment shall be taken forthwith.
 - (ii) A poll demanded on any other question (not being a question relating to the election of a chairman) shall be taken at such time not being later than 48 (Forty-Eight) hours from the time when the demand was made, as the chairman may direct.
 12. At every such meeting each Debenture Holder(s) shall, on a show of hands, be entitled to 1 (One) vote only, but on a poll, he shall be entitled to 1 (One) vote in respect of every Debenture of which he is a holder in respect of which he is entitled to vote.
 13.
 - (i) Any Debenture Holder(s) entitled to attend and vote at the meeting shall be entitled to appoint another person (whether any of the Debenture Holder(s) or not) as his proxy to attend and vote instead of himself.
 - (ii) In every notice calling the meeting there shall appear with reasonable prominence a statement that any of the Debenture Holder(s) entitled to attend and vote is entitled to appoint one or more proxies, to attend and vote instead of himself, and that a proxy need not be one such Debenture Holder(s).
 - (iii) The instrument appointing a proxy and the power of attorney (if any) under which it is signed or a notarially certified copy of the power of attorney shall be deposited at the registered office of the Company not less than 48 (Forty-Eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote or in case of a poll, not less than 24 (Twenty-Four) hours before the time appointed for the taking of the poll and in default, the instrument of proxy shall not be treated as valid.
 - (iv) The instrument appointing a proxy shall:-
 - (a) be in writing; and
 - (b) be signed by the appointer or his attorney duly authorised in writing, or if the appointer is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it.
 - (v) The instrument appointing a proxy shall be in Form No. MGT 11 of the Companies (Management and Administration) Rules, 2014 and shall not be questioned on the ground that it fails to comply with any special requirements specified for such instruments by the Articles of Association of the Company.
 - (vi) All Debenture Holder(s) are entitled to vote at a meeting of the Debenture Holder(s) of the Company on any resolution to be moved thereat shall be entitled during the period beginning 24 (Twenty Four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 (Three) days' notice in writing of the intention so to inspect is given to the Company.
 14. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed or the transfer of the Debentures in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at the registered office before the commencement of the meeting or adjourned meeting at which the proxy is used.

15. On a poll taken at any meeting of the Debenture Holder(s), any of the Debenture Holder(s) entitled to more than 1 (One) vote or his proxy or other person entitled to vote for him, as the case may be, need not if he votes, use all his votes or cast in the same way all the votes he uses.
16.
 - (i) When a poll is to be taken, the chairman of the meeting shall appoint 2 (Two) scrutineers to scrutinise the votes given on the poll and to report thereon to him.
 - (ii) The chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineer arising from such removal or from any other cause.
 - (iii) Of the 2 (Two) scrutineers appointed under this Clause, one shall always be a Debenture Holder (not being an officer or employee of the Company) present at the meeting, provided such a Debenture Holder is available and willing to be appointed.
17.
 - (i) Subject to the provisions of the said Act, the Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken.
 - (ii) The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
18. In the case of joint Debenture Holder(s), the vote of the person whose name appears first in the Register of Debenture Holder(s) shall be accepted to the exclusion of the other joint-holder or holders.
19. The chairman of a meeting of the Debenture Holder(s) may, with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
20. In the case of equality of votes, whether on a show of hands, or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded, shall be entitled to a second or casting vote in addition to the vote or votes to which he may be entitled to as a Debenture Holder(s).
21. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.
22. The chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The chairman present at the taking of a poll shall be the sole judge of the validity of every vote tendered at such poll.
23. A meeting of the Debenture Holder(s) shall, *inter alia*, have the following powers exercisable in the manner hereinafter specified in Clause 23 hereof:
 - (i) Power to sanction any compromise or arrangement proposed to be made between the Company and the Debenture Holder(s).
 - (ii) Power to sanction any modification, alteration or abrogation of any of the rights of the Debenture Holder(s) against the Company.
 - (iii) Power to assent to any modification of the provisions contained in the Transaction Documents and to authorise the Debenture Trustee to concur in and execute any supplemental deed embodying any such modification.
 - (iv) Power to remove the existing Debenture Trustee and to appoint new Debenture Trustee.
 - (v) Power to give any direction, sanction, request or approval which under any provision of the Deed is required to be given by a Special Resolution.
24. The powers set out in Clause 23 hereof shall be exercisable by a special resolution passed at a meeting of the Debenture Holder(s) duly convened and held in accordance with provisions herein contained and carried by the Majority Debenture Holder(s); provided that the power to remove the Debenture Trustee as set out in paragraph 23(iv) of this **Schedule IV** shall be exercisable only by the holders of not less than three fourth in value of the Debentures. Such a resolution is hereinafter referred to as a "**Special Resolution**".
25. A resolution, passed at a general meeting of the Debenture Holder(s) duly convened and held in accordance with these presents shall be binding upon all of the Debenture Holder(s), whether present or not at such meeting, and each of the Debenture Holder(s) shall be bound to give effect thereto accordingly, and the passing of any such resolutions shall be conclusive evidence that the circumstances justify the passing thereof, the intention being that it shall rest with the meeting to determine without appeal whether or not the circumstances justify the passing of such resolution.
26. Minutes of all resolutions and proceedings at every such meeting as aforesaid shall be made and duly entered into books from

time to time provided for the purpose by the Debenture Trustee at the expenses of the Company and any such minutes as aforesaid, if purported to be signed by the chairman of the meeting at which such resolutions were passed or proceeding held or by the chairman of the adjourned meeting shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat or proceedings taken, to have been duly passed and taken. In the event that the chairman shall expire or otherwise be unable to sign the minutes in accordance with the above, the second nominee of the Debenture Trustee shall sign the minutes on behalf of the chairman and such signed minutes shall be conclusive evidence of the matters therein contained and until the contrary is proved every such meeting in respect of the proceedings of which minutes have been made.

27. Notwithstanding anything herein contained, it shall be competent to all the Debenture Holder(s) to exercise the rights, powers and authorities of the Debenture Holder(s) under the Deed by a letter or letters signed by or on behalf of the Debenture Holder(s) without convening a meeting of the Debenture Holder(s) as if such letter or letters constituted a resolution or a Special Resolution, as the case may be, passed at a meeting duly convened and held as aforesaid and shall have effect accordingly.

SCHEDULE III: CONDITIONS PRECEDENT & CONDITIONS SUBSEQUENT

Conditions Precedent

- i. Execution of Disclosure Document,
- ii. Credit Rating Letter & Rationale
- iii. Trustee Consent Letter – wherein Debenture Trustee consents to act as the debenture trustee for the Debenture holders,
- iv. Resolution of the Company's board of directors authorizing the issuance of Debentures;
- v. Resolution of the shareholders of the Company under Section 180(1)(c) of the Companies Act, 2013,
- vi. Resolution of the shareholders of the Company under Section 180(1)(a) of the Companies Act, 2013,
- vii. Execution of the Debenture Trustee Agreement
- viii. Any other document as set out in the Transaction Documents

Conditions Subsequent

- i. The Issuer shall ensure that the Debentures are credited into the demat account(s) of the Debenture Holders within 2 (two) Business Days from the Deemed Date of Allotment;
- ii. the Company will ensure listing of Debentures on 'Wholesale Debt Market Segment' of BSE Limited within stipulated timelines as per the Issue Addendum;
- iii. the Company shall, inter alia, file a copy of Form PAS-3 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 with the ROC within 15 (fifteen) days of the allotment of Debentures along with a list of the Debenture Holders and PAS 5;
- iv. Filing CHG-9 Form with ROC within stipulated timelines as permitted under law;
- v. Execution of any other documents as customary for transaction of a similar nature and size.
- vi. Execution of Deed of Hypothecation & Debenture Trust Deed on or prior to the Listing of the Debentures in compliance with SEBI regulations.
- vii. The Issuer shall ensure compliance with SEBI / Companies Act, 2013 (as applicable) for issuance of NCDs

SCHEDULE IV: INFORMATION COVENANTS

1. The Company shall promptly submit to the Debenture Trustee any information, as required by the Debenture Trustee including but not limited to the following:
 - i. at the end of each year from the Deemed Date of Allotment, a certificate from the statutory auditors of the Company with respect to the use of the proceeds raised through the issue of Debentures². Such certificate shall be provided at the end of each year until the funds are fully utilized;
 - ii. by no later than 30 (thirty) days from the Deemed Date of Allotment or within such timelines as prescribed under Applicable Law, a certificate signed by an authorised officer of the Company confirming credit of dematerialized Debentures into the depository accounts of the Debenture Holder(s) within the timelines prescribed under the Applicable Laws³;
 - iii. upon there being any change in the credit rating assigned to the Debentures, as soon as reasonably practicable thereafter, a letter notifying the Trustee of such change in the credit rating of the Debentures, and further also inform the Debenture Trustee promptly in case there is any default in timely payment of interest or Redemption amount or both, or there is a failure to create charge on the Secured Assets, or there is a breach of any covenants⁴, terms or conditions by the Company in relation to the Debentures under any Transaction Documents;
 - iv. a copy of all notices, resolutions and circulars relating to:
 - (i) new issue of non-convertible debt securities at the same time as they are sent to shareholders/holders of non-convertible debt securities;
 - (ii) the meetings of holders of non-convertible debt securities at the same time as they are sent to the holders of non-convertible debt securities or advertised in the media including those relating to proceedings of the meetings⁵;
 - v. at the time of requesting the Trustee for ceding *pari passu* charge over the Secured Assets in favour of the lenders from whom the Company avails borrowings, a certificate from an authorised officer of the Company, with necessary supporting documents if required, confirming the following:⁶
 - (iii) that the security / fixed assets cover stipulated hereunder will continue to be maintained even after sharing of the charge over the Secured Assets; and
 - (iv) that no Event of Default has occurred or is continuing in terms of the Transaction Documents.
 - vi. intimation to the Debenture Trustee (alongwith the stock exchange) if any of the following proposals being placed before the Board, at least 11 (eleven) Business Days in advance⁷:
 - (v) any alteration in the form or nature or rights or privileges of the Debentures;
 - (vi) any alteration in the due dates on which interest on the Debentures or the Redemption amount is payable; and / or

² Required as per the SEBI DT Reg 15(1a)(c), SEBI (LODR) Regulations 2015 and Companies Act

³ Required as per the Regulation 15(q)(ii) of SEBI (DT) Regulations, 1993

⁴ Regulation 56 of SEBI (LODR) Regulations, 2015

⁵ Regulation 56 of SEBI (LODR) Regulations, 2015

⁶ Can be modified as per the terms of the IM

⁷ Regulation 29 of SEBI (LODR) Regulations, 2015. Applicable to Companies which has listed its specified securities i.e equity shares and convertible equity shares but as it also pertains to information about debentures, should be retained

- (vii) any other matter affecting the rights and interests of the Debenture Holder(s) is proposed to be considered.
2. The Company shall promptly inform the Debenture Trustee of any disclosures made to the stock exchange in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and which may have a bearing on the Debenture issue⁸;
 3. The Company shall promptly inform the stock exchange(s) and the Debenture Trustee all information having bearing on the performance/operation of the Company, any price sensitive information or any action that may affect the payment of interest or Redemption of the Debentures in terms of Regulation 51(2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015⁹.
 4. The Company shall give prior intimation to the stock exchange(s) with a copy to the Debenture Trustee at least eleven Business Days before the date on and from which the interest on Debentures, and the Redemption amount of Debentures becomes payable or within such timelines as prescribed under Applicable Law¹⁰.
 5. The Company shall promptly inform the Debenture Trustee the status of payment (whether in part or full) of Debentures within 1 (one) working day of the payment / Redemption. While intimating the Debenture Trustee, the Company shall also confirm whether they have informed the status of payment or otherwise to the stock exchange(s) and Depository¹¹.
 6. Promptly within 2 (two) days of the interest or principal or both becoming due, the Company shall submit a certificate to the stock exchange(s) alongwith the Debenture Trustee, that it has made timely payment of interests or principal obligations or both in respect of the Debentures and also upload the information on its website.
 7. If default in payment of Debentures is continuing, the Company shall inform the Debenture Trustee the updated status of payment latest by the 2nd working day of April of each financial year, alongwith the intimation on the updated status of payment to the stock exchange(s) and the Depository. Further, the Company shall also intimate the development, if any, that impacts the status of default of the Debentures (including restructuring, insolvency proceedings, repayment, etc.) to the stock exchange(s), Depository and Debenture Trustee within 1 (one) working day of such development. The aforementioned intimations shall be submitted until the Secured Obligations are fully discharged or satisfied. The Company shall provide an undertaking to the Stock Exchange(s) on annual basis that all documents and intimations required to be submitted to Debenture Trustees in terms of Trust Deed and SEBI (Issue and listing of Debt securities) Regulations have been complied with and furnish a copy of such undertaking to the Debenture Trustee for records.
 8. The Company shall promptly inform the Debenture Trustee the following details (if any):
 - a) corporate debt restructuring,
 - b) fraud/defaults by promoter or key managerial personnel or by Company or arrest of key managerial personnel or promoter; and / or
 - c) reference to National Company Law Tribunal or insolvency petitions (if any) filed by any creditor of the Company.
 9. The Company shall submit to the stock exchange for dissemination, along with the half yearly/annual financial results, the following information alongwith the Debenture Trustee's letter of noting of the said information¹²:
 - a) Credit rating of the Debentures or change in credit rating;
 - b) Nature, extent of the Security and security cover available for the Debentures;
 - c) Debt-equity ratio;
 - d) Previous due date for the payment of interest/principal and whether the same has been paid or not;

⁸ As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 Applicable to Companies which has listed its specified securities i.e equity shares and convertible equity shares

⁹ As per SEBI (LODR) Regulations, 2015

¹⁰ Regulation 50 of SEBI (LODR) Regulations, 2015

¹¹ SEBI Circular no. SEBI/HO/DDHS/CIR/P/103/2020 dt. June 23, 2020.

¹² As per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, however this requirement is not applicable to unsecured bonds issued by financial entities for meeting their capital requirements

- e) Next due date for the payment of interest/principal;
- f) Debt service coverage ratio¹³;
- g) Interest service coverage ratio¹⁴;
- h) Net worth;
- i) Net profit after tax;
- j) Earnings per share;
- k) A statement indicating material deviations¹⁵, if any in utilisation of the proceeds of the Debentures.

10. The Company shall notify the Trustee of any Event of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence¹⁶.
11. The Company shall furnish to the Trustee details of all grievances received from the Debenture Holder(s)/ Beneficial Owner(s) and the steps taken by the Company to redress the same. At the request of any Debenture Holder(s)/ Beneficial Owner(s), the Trustee shall, by notice to the Company call upon the Company to take appropriate steps to redress such grievance and shall, if necessary, at the request of any Debenture Holder(s)/ Beneficial Owner(s) representing not less than one-tenth in value of the nominal amount of the Debentures for the time being outstanding, call a meeting of the Debenture Holder(s).
12. To provide relevant documents/ information, as applicable, to enable the Debenture Trustee(s) to conduct continuous and periodic due diligence and monitoring of Security created, the Company shall submit the following reports/ certification within the timelines mentioned below:

Reports/Certificates	Timelines for submission requirements by Company to Debenture Trustee	Timeline for submission of reports/ certifications by Debenture Trustee to stock exchange
Asset cover certificate	Quarterly basis within 30 days from end of each quarter or within such timelines as prescribed under Applicable Law	Quarterly basis within 60 days from end of each quarter or within such timelines as prescribed under Applicable Law
A statement of value of pledged securities		
A statement of value for Debt Service Reserve Account or any other form of security offered		
Net worth certificate of guarantor (secured by way of personal guarantee)	Half yearly basis within 30 days from end of each half-year or within such timelines as prescribed under Applicable Law	Half yearly basis within 60 days from end of each half-year or within such timelines as prescribed under Applicable Law.
Financials/value of guarantor prepared on basis of audited financial statement etc. of the guarantor(secured by way of corporate guarantee)	Annual basis within 45 days from end of each financial year or within such timelines as prescribed under Applicable Law.	Annual basis within 75 days from end of each financial year or within such timelines as prescribed under Applicable Law.
Valuation report and title search report for the immovable/movable assets, as applicable		

13. The Company shall promptly inform the Trustee of any major or significant change in composition of its Board, which may amount to change in control as defined in the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

¹³ No requirement of disclosure for Banks and RBI registered NBFCs

¹⁴ No requirement of disclosure for Banks and RBI registered NBFCs

¹⁵ In the format for deviation and variation as per 'Annexure A' to the SEBI circular (SEBI/HO/DDHS/08/2020 dated January 17, 2020.)

¹⁶ Required as per SEBI regulation and Companies Act 2013

14. The Company shall inform the Debenture Trustee, of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company¹⁷.
15. The Company shall promptly supply certified copies to the Trustee of any authorisation required under any law or regulation to enable it to perform its obligations under the Transaction Documents (including, without limitation, in connection with any payment to be made hereunder) and to ensure the legality, validity, enforceability or admissibility in evidence in its jurisdiction of incorporation of the Transaction Documents.
16. The Company shall supply to the Debenture Trustee a copy of annual report at the same time as it is issued along with a copy of certificate from the Company's statutory auditor in respect of utilisation of funds, at the end of each year from the Deemed Date of Allotment, till the time such funds are fully utilized. In case the Debentures are issued for financing working capital or general corporate purposes or for capital raising purposes, copy of the auditor's certificate may be submitted at the end of each financial year till the funds have been fully utilised or the purpose for which these funds were intended has been achieved.
17. The Company shall supply to the Trustee (sufficient copies for all Debenture Holder(s) if the Trustee so requests) quarterly financial results within forty five (45) days of the end of each quarter¹⁸, half yearly financial results within forty five (45) days from the end of the each half year¹⁹, and the audited financial statements for a financial year (including statutory auditors report, directors' annual report, profit and loss accounts and a balance sheet) by no later than 60 (sixty) days from the end of the relevant financial year²⁰.
18. In case of initiation of forensic audit (by whatever name called) in respect of the Company, the Company shall provide following information and make requisite disclosures to the stock exchanges:
 - (i) the fact of initiation of forensic audit along-with name of entity initiating the audit and reasons for the same, if available; and
 - (ii) final forensic audit report (other than for forensic audit initiated by regulatory / enforcement agencies) on receipt by the Company along with comments of the management, if any.
19. The Company shall promptly provide or inform the Debenture Trustee the details of all orders, directions, notices, of any court/Tribunal affecting or likely to affect the Secured Assets²¹.
20. The Company shall submit to the Debenture Trustee/stock exchange and the Debenture Holder(s) correct and adequate information (in the manner and format as requested by them or as required by Applicable Law) and within the time lines and procedures specified in the SEBI Regulations, Act, circulars, directives and/or any other Applicable Law.
21. The Company shall furnish the following to the Debenture Trustee:
 - (a) its duly audited annual accounts, within 180 (One Hundred and Eighty) days from the close of its accounting year;
 - (b) copy of the un-audited or audited financial results on a half yearly basis on the same day the information is submitted to stock exchanges i.e. within 45 (Forty-Five) days from the end of the half year or within such timelines as prescribed under Applicable Law;
 - (c) a one-time certificate from the statutory auditor of the Company with respect to the use of the proceeds raised through the issue of Debentures as and when such proceeds have been completely deployed toward the proposed end-uses;
 - (d) such information in relation to the Business Assets that the Debenture Trustee may reasonably request (in a format which shall be provided by the Debenture Trustee from time to time) for the purpose of quarterly diligence by the Debenture Trustee to monitor the Security Coverage Ratio and shall also

¹⁷ Companies Act 2013

¹⁸ Regulation 33(3) (a) of SEBI LODR Regulations –applicable only if the Company has its equity shares listed of Stock Exchange

¹⁹ Regulation 52 of SEBI LODR Regulations- applicable if the Company has its listed NCDs

²⁰ Regulation 33(3) (d) of SEBI LODR Regulations –applicable only if the Company has its equity shares listed of Stock Exchange

²¹ SH-12 of Companies (Share Capital and Debentures) Rules,2014

submit to the Debenture Trustee a certificate from the director/ managing director of the Company on half-yearly basis, certifying the value of the identified receivables as agreed in the Transaction Documents²²;

- (e) all information/ documents required to be submitted to the Debenture Trustee, to enable it to carry out the due diligence in terms of SEBI circular dated November 3, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/218; and necessary reports / certificates to the stock exchanges / SEBI and make the necessary disclosures on its website, in terms of the SEBI circular dated November 12, 2020 and bearing number SEBI/ HO/ MIRSD/ CRADT/ CIR/ P/ 2020/230.

22. The Company shall:

- a) supply to the Trustee (with sufficient copies for all Debenture Holder(s) if the Trustee so requests) all documents despatched by it to its shareholders (or any class of them) or its creditors generally at the same time as they are despatched;
- b) promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of any event which may have a Material Adverse Effect;
- c) promptly upon becoming aware, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), the details of the existence of any event or condition or claim which permits, or with the passage of time, will permit, the Company to abandon the business;
- d) at the end of every financial year, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), a certificate from a statutory auditor confirming the due maintenance of a Debenture Redemption Reserve as per the provisions of Applicable Law;
- e) promptly, supply to the Trustee (and sufficient copies for all Debenture Holder(s) if the Trustee so requests), notice of any change in its authorised signatories (in connection with the Transaction Documents), signed by one of its directors or its company secretary, whose specimen signature has previously been provided to the Trustee, accompanied (where relevant) by a specimen signature of each new signatory;
- f) forthwith give, notice in writing to the Trustee of commencement of any proceedings directly affecting the Secured Assets.

²² Regulation 15(t) of SEBI (DT) Regulations, 1993

IN WITNESS WHEREOF the Common Seal of the Company has been hereunto affixed and the Debenture Trustee has caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED by the within named A. K. Capital Finance Limited, in its capacity as the Company, by the hand of its authorized officials, Mr. Manish Doshi

Manish Doshi



SIGNED AND DELIVERED by the within named CATALYST TRUSTEESHIP LIMITED, by the hand of its authorized official, Mr.

RAJANISH SEKHAR.T. TONPE

For Catalyst Trusteeship Limited

Rajanish Sekhar.T. Tonpe
Authorised Signatory