

**SATTVA HOLDING AND
TRADING PVT. LTD.**

[Formerly known as Isis Holding and Trading Company Private Limited]

27th May 2020

To
BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Fort, Mumbai - 400 001

Scrip Code: 959251

Dear Sir/Madam

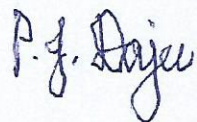
Sub: Submission of Debenture Trust Deed

Pursuant to the requirements under the provisions of SEBI (Issue and Listing Debt Securities) Regulations, 2008 and subsequent to our undertaking filed with the stock exchange at the time of listing of Non Convertible Debenture (NCD), we hereby enclose the Debenture Trust Deed executed between the issuer i.e. the Company and IDBI Trusteeship Services Limited, a Debenture Trustee for your information and records.

We understand the responsibility of filing the same with the stock exchange. However, submission of the same was delayed by reason of lockdown in the country since March 2020 due to COVID-19 pandemic.

You are requested to take the same on your records.

**Thanking you,
For Sattva Holding and Trading Private Limited**



**Percy Dajee
CEO, Company Secretary & Compliance Officer**



सत्यमेव जयते

INDIA NON JUDICIAL

Government of National Capital Territory of Delhi

e-Stamp

Certificate No.

Certificate Issued Date

Account Reference

Unique Doc. Reference

Purchased by

Description of Document

Property Description

Consideration Price (Rs.)

First Party

Second Party

Stamp Duty Paid By

Stamp Duty Amount(Rs.)

: IN-DL18007949951991S
 : 31-Jan-2020 01:23 PM
 : IMPACC (PF)/ dl763913/ DELHI/ DL-DLH
 : SUBIN-DL76391344222674156178S
 : IDBI TRUSTEESHIP SERVICES LIMITED
 : Article 64 Trust
 : Not Applicable
 : 0
 : (Zero)
 : SATTVA HOLDING AND TRADING PRIVATE LIMITED
 : IDBI TRUSTEESHIP SERVICES LIMITED
 : SATTVA HOLDING AND TRADING PRIVATE LIMITED
 : 500
 : (Five Hundred only)



Please write or type below this line

This stamp paper forms an integral part
 of the Debiture Trust Deed dated 23rd
 March, 2020.

For IDBI TRUSTEESHIP SERVICES LTD.

AUTHORISED SIGNATORY

For Sattva Holding And Trading Private Limited

Parey Jal Daja
 Director / Authorised Signatory ✓

Statutory Alert:

- 1 The authenticity of this Stamp Certificate should be verified at 'www.shcilestamp.com' Any discrepancy in the details on this Certificate and as available on the website renders it invalid
- 2 The onus of checking the legitimacy is on the users of the certificate.
- 3 In case of any discrepancy please inform the Competent Authority.

DEBENTURE TRUST DEED

EXECUTED BY

SATTVA HOLDING AND TRADING PRIVATE LIMITED

IN FAVOUR OF

IDBI TRUSTEESHIP SERVICES LIMITED

IN RESPECT OF

**ISSUANCE OF FULLY PAID RATED SECURED LISTED REDEEMABLE
NON-CONVERTIBLE DEBENTURES AGGREGATING TO
Rs. 198,00,00,000/- (RUPEES ONE HUNDRED AND NINETY EIGHT CRORES ONLY)**

DATED AS OF 23rd March, 2020

DEBENTURE TRUST DEED

This **DEBENTURE TRUST DEED** (hereinafter referred to as the "**Deed**") is made at New Delhi on this 23rd day of March, 2020, by and between:

SATTVA HOLDING AND TRADING PRIVATE LIMITED, a company within the meaning of the Companies Act, 1956 (1 of 1956) and having its registered office at Unit No. 205, Welspun House, Kamala City, Lower Parel (West), Mumbai – 400 013 (hereinafter called the "**Company**" / "**Issuer**", which expressions shall include its successors and assigns wherever the context or meaning shall so require or permit) of the **ONE PART**;

AND

IDBI TRUSTEESHIP SERVICES LIMITED, a company established under the Companies Act, 1956 (1 of 1956) and having its registered office at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai – 400 001 (hereinafter called the "**Debenture Trustee**" which expression shall, unless excluded by or repugnant to the context or meaning thereof, include the Debenture Trustee or the Debenture Trustees for the time being and each of their successors and permitted assigns) of the **SECOND PART**.

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

WHEREAS

- I. With a view to raising debt for general corporate purposes of the Company ("**Purpose**"), the Company proposes to issue/ has issued, by way of private placement 198 (One Hundred and Ninety Eight) Secured Rated Redeemable Listed Non-Convertible Debentures of Rs. 1,00,00,000/- (Rupees One Crore only) each, of the aggregate nominal value of Rs. 198,00,00,000/- (Rupees One Hundred and Ninety Eight Crores only), subject to the terms of the **First Schedule** hereto;
- II. The Company has issued an information memorandum dated February 03, 2020 (hereinafter referred to as the "**Information Memorandum**") *inter alia*, setting out the broad terms and conditions on which the Debentures are to be/ have been issued;
- III. The Company has issued private placement offer cum application letter dated February 03, 2020 (hereinafter referred to as the "**Private Placement Offer cum Application Letter**") prepared as per Section 42 of the Companies Act, 2013 read with the Companies (Prospectus and Allotment of Securities) Rules, 2014;
- IV. The Company being duly empowered by its memorandum of association and articles of association is issuing the Debentures (as more particularly defined hereinafter) pursuant to the authority granted by the resolutions of the Board of Directors of the Company passed at its meeting held on January 14, 2020;
- V. The Debentures are rated as CRISIL AA+ (SO) (pronounced as "CRISIL double A Plus rating with Stable outlook"), by the Rating Agency *vide* their letter bearing reference number SVHATP/239741/NCD/240120201 dated January 24, 2020;
- VI. The Debentures are being issued in dematerialised form and are subject to the provisions of the Depositories Act, 1996 and rules notified by the National Securities Depositories Limited ("**NSDL**") from time to time. Therefore, the Company has entered into / shall enter an agreement with NSDL for issuing Debentures in the dematerialised form;
- VII. The Debentures have been listed on BSE Limited ("**BSE**") within a period of 15 (Fifteen) calendar days from the Deemed Date of Allotment (as defined hereinafter);
- VIII. The Debenture Trustee is registered with the Securities Exchange Board of India as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 and pursuant to the consent letter dated January 16, 2020 issued by the Debenture Trustee and accepted by the Company, the Debenture Trustee has agreed to act as trustee in trust and on

behalf of and for the benefit of the Debenture Holder(s) from time to time, and each of their successors and assigns;

- IX. The Debenture Trustee and the Company have entered into a Trustee Agreement (as more particularly defined hereinafter) 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 (as defined hereinafter) to be created by the Company in favour of the Debenture Trustee to secure the payment and other obligations of the Company in respect of the issuance of the Debentures, for the benefit of the Debenture Holder(s);
- X. One of the terms of the issue of the Debentures is that the redemption of the Principal Amount of the Debentures, payment of redemption premium, remuneration of the Debenture Trustee, liquidated damages and all costs, charges, expenses and other monies payable by the Company in respect of the Debentures will *inter alia* be secured by way of: (i) a first ranking exclusive charge over the Secured Property (as defined hereinafter); and (ii) a first *pari passu* charge over the Shares (as defined hereinafter) held by the Company; and
- XI. The Company now proposes to execute a deed being these presents with a view to record the various terms and conditions and stipulations of the Debentures as well as the Company's and Debenture Trustee's obligation in respect of the Debentures including redemption of the Debentures, payment of redemption premium, terms and conditions of the appointment of the Debenture Trustee and all costs, charges, expenses and other monies in accordance with the terms of the issue of the Debentures and creation of Security (as defined hereinafter), and the Company has agreed to do so in the manner agreed by the Debenture Trustee as hereinafter provided.

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**" means the Companies Act, 1956 and to the extent repealed and replaced by the Companies Act, 2013, shall mean the Companies Act, 2013;
- (b) "**Accounting Standards**" shall mean accounting standards and practices required to be followed under Applicable Law;
- (c) "**Additional Pledged Shares**" shall mean the additional Shares, which are un-Encumbered as on the date on when they are to be pledged and pledged by the Company in terms of the Share Pledge Agreement pursuant to the occurrence of a Top-up Trigger Event;
- (d) "**Applicable Law(s)**" includes 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 Government and any modifications or re-enactments thereof;
- (e) "**APL Promoters**" shall mean the promoters of Asian Paints Limited, including but not limited to the following: (i) Mr. Ashwin Dani; (ii) Mr. Jalaj Dani; (iii) Mr. Hasit Dani; and (iv) Mr. Malav Dani and family;
- (f) "**Benchmark Amount**" shall on any day, mean the aggregate of the following: (i) the paid up value the Debentures; (ii) the Redemption Premium due and payable had the Debentures been redeemed on the said day; and (iii) any other amount due and payable by the Company to the Debenture Trustee or the Debenture Holders pursuant to the terms of the Transaction Documents; as reduced by (iv) the Cash Top-up Amounts, if any;

- (g) **"Beneficial Owner(s)"** means the holder(s) of the Debentures in dematerialized form whose name is recorded as such with the Depository;
- (h) **"Business Day"** means any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai) and **"Business Days"** shall be construed accordingly;
- (i) **"Call Option"** shall have the meaning assigned to the term in paragraph 5.2 of the **First Schedule** to this Deed;
- (j) **"Cash Top-up Trigger Event"** shall mean an event where the Share Price falls by 40% (Forty Percent) or more of the closing price of the Shares on NSE as on the Date of Allotment;
- (k) **"CIBIL"** shall mean TransUnion CIBIL Limited;
- (l) **"Collateral Value"** shall on any day mean the product arrived at by multiplying the number of Pledged Shares with the Share Price on the said day;
- (m) **"Conditions Precedent"** means the conditions precedent set out in the **Fourth Schedule** hereto, including such conditions precedent as may be specified in the other Transaction Documents;
- (n) **"Control"** when used in relation to any Person shall mean the ability of another Person(s) to direct the affairs and/or control the composition of the majority of the board of directors of the said Person;
- (o) **"Date of Allotment"** shall mean the date on which the Debentures are deemed to have been allotted to the holders of Debentures, which shall be February 05, 2020;
- (p) **"Debentures"** means the debentures issued by the Company pursuant to this Issue comprising 198 (One Hundred and Ninety Eight) Fully Paid Rated Listed Secured Redeemable Non-Convertible Debentures of Rs. 1,00,00,000/- (Rupees One Crore only) each at par, of the aggregate nominal value of Rs. 198,00,00,000/- (Rupees One Hundred and Ninety Eight Crore only), constituted and issued hereunder, or the amount thereof for the time being outstanding or, as the case may be, a specific number thereof.
- (q) **"Debenture Holder(s)"** means the persons who have subscribed to the Debentures and their successors, transferees and assigns from time to time, all of whom fulfil the following requirements:-
 - i) Persons who are registered as such as 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.
- (r) **"Deed of Hypothecation"** shall mean the unattested deed of hypothecation executed by the Company in favour of the Debenture Trustee, on or about the date hereof, to evidence 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 Secured Property, both present and future;
- (s) **"Default Interest"** shall have the meaning ascribed to such term in paragraph 2.2 of the **First Schedule** of this Deed;
- (t) **"Depository"** means the Depository with whom the Company has made arrangements for dematerialising the Debentures, namely NSDL;

- (u) **"Designated Account"** shall mean the limited purpose un-Encumbered (except in favour of the Debenture Trustee) current account of the Company to be opened pursuant to the terms of this Deed, which account shall be operated by and shall be lien marked in favour of the Debenture Trustee;
- (v) **"Due Date"** means any date on which any Payment in relation to the Debentures becomes due and payable to the Debenture Holders in accordance with the terms of this Deed;
- (w) **"Encumbrance"** shall mean the creation of any charge, lien, security, quasi security, non-disposal arrangement, claim, option, negative lien, power of sale in favour of a third party, retention of title, right of pre-emption, right of first refusal, lock-in of any nature including as may be stipulated by the Securities and Exchange Board of India, or other third party right or security interest or an agreement, arrangement or obligation to create any of the foregoing, whether presently or in the future, and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Law. The term **"Encumber"** or **"Encumbered"** shall be construed accordingly;
- (x) **"Environmental Law"** means all applicable laws and regulations in force at any time relating to environmental matters or the environment;
- (y) **"Exercise Date"** shall have the meaning contained in paragraph 5.1 of the **First Schedule** to this Deed;
- (z) **"Financial Covenants and Conditions"** means covenants and conditions on the part of the Company to be observed and performed as set out in the **First Schedule** hereunder written and as the same may, from time to time, be modified in accordance with these presents;
- (aa) **"Financial Indebtedness"** means any indebtedness for or in respect of:
 - i) moneys borrowed;
 - ii) any amount availed of by acceptance of any credit facility;
 - iii) any amount raised pursuant to the issuance of any notes, bonds, shares (whether redeemable or otherwise), debentures, loan stock or any other similar securities or instruments;
 - iv) the amount of any liability in respect of any lease or hire purchase contract which would, in accordance with generally accepted principles of accounting in India, be treated as a finance or capital lease;
 - v) receivables sold or discounted (other than any receivables to the extent that 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 price (and, when calculating the value of any derivative transaction, only the marked to market value shall be taken into account);
 - viii) 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;
 - ix) the amount of any liability under an advance or deferred purchase agreement if one of the primary reasons behind the entry into such agreement is to raise finance; or
 - x) any put option, guarantees, letter of comfort, etc. by whatever name called, which gives or may give rise to any financial obligation(s);
 - xi) (without double counting) 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.
- (bb) **"Financial Year"** shall mean the accounting period commencing from April 1st of each year till March 31st of the next year;
- (cc) **"Government"** shall include 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, 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;

- (dd) **“Government Approvals”** means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government;
- (ee) **“Issue”** means the issue of Debentures in accordance with the Transaction Documents;
- (ff) **“Majority Debenture Holder(s)”** means Debenture Holder(s) holding an aggregate amount representing not less than 75% (Seventy Five Percent) of the value of the nominal amount of the Debentures for the time being outstanding;
- (gg) **“Material Adverse Effect”** means the effect or consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination, or could cause a material and adverse effect on:
 - i) the business activities, financial condition and credit standing of the Company; or
 - ii) the ability of the Company to perform its obligations under the Transaction Documents;
 - or
 - iii) the validity or enforceability of, or the effectiveness of any of the Transaction Documents (including the ability of any party to enforce any of its remedies thereunder).
- (hh) **“Maturity Date”** means the final date on which the Debentures shall be redeemed, which is 36 (Thirty Six) months from the Date of Allotment, i.e. February 03, 2023 (after taking into account adjustments for the business day convention) subject to exercise of the Put Option or Call Option, or such other date on which the final payment of the principal of the Debentures becomes due and payable as therein or herein provided, whether pursuant to acceleration of Debentures upon occurrence of an Event of Default, or otherwise;
- (ii) **“NSDL”** shall have the meaning assigned to the term in Recital VI;
- (jj) **“NSE”** shall mean the National Stock Exchange of India Limited;
- (kk) **“Payments”** mean all payments to be made by the Company in relation to the Issue and the Debentures including the principal payments, prepayment penalty, default interest, if any, Redemption Premium, remuneration of the Debenture Trustee, liquidated damages, if any, and all fees, costs, charges, expenses and other monies;
- (ll) **“PDCs”** shall mean the post-dated cheques to be issued by the Company for each of (i) the entire principal value of the Debentures being Rs. 198,00,00,000/- (Rupees One Hundred and Ninety Eight Crores only); and (ii) the Redemption Premium, which cheques will be signed by any of the directors of the Company who is an authorised signatory of the Company and will be dated as of the relevant Due Dates;
- (mm) **“Pledged Shares Threshold”** shall mean such number of the equity shares of Asian Paints Limited which comprises 24% (Twenty Four Percent) of the paid up and issued equity share capital of Asian Paints Limited;
- (nn) **“Principal Amount”** shall mean the aggregate face value of the issued and outstanding Debentures;
- (oo) **“Promoters”** shall mean the promoters of the Company, including, but not limited to Mr. Malav Dani and Mrs. Ina Dani;
- (pp) **“Purpose”** means the purpose for which the Company is issuing the Debentures, as specified in **Recital I**;
- (qq) **“Put Option”** shall have the meaning contained in paragraph 5.3 of **First Schedule** to this Deed;

- (rr) **"Rating Agency"** means CRISIL Limited, a company incorporated under the provisions of the Companies Act, 1956 and having its office at CRISIL House, Hiranandani Business Park, Central Avenue, Hiranandani Gardens, Powai, Mumbai – 400 076;
- (ss) **"RBI"** shall mean the Reserve Bank of India;
- (tt) **"Record Date"** shall mean in relation to any Due Date, the day falling 15 (Fifteen) days prior to such date, which date shall be taken for determining the Debenture Holders who are entitled to receive payment on the Due Date.
- (uu) **"Redemption Amount"** shall mean the amount payable by the Company for the purposes of redeeming any Debenture and shall include the Redemption Premium and any other amounts due as per the Transaction documents applicable thereon;
- (vv) **"Redemption Premium"** shall have the meaning assigned to the term in Paragraph 2.1 of the **First Schedule** to this Deed;
- (ww) **"Register of Debenture Holders"** means 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;
- (xx) **"Release Trigger Event"** shall mean the occurrence of an event, where for a continuous period of 10 (Ten) Trading Days, the Collateral Value is equal to or greater than 4.25 (Four Decimal Point Two Five) times the Benchmark Amount;
- (yy) **"Repay"** shall include **"Redemption"** and vice-versa and **"repaid"**, **"repayable"**, **"repayment"**, **"redeemed"**, **"redeemable"** and **"redemption"** shall be construed accordingly;
- (zz) **"Required Security Cover"** shall refer to the security cover to be provided by the Pledged Shares which shall be at least 4 (Four) times of the Benchmark Amount;
- (aaa) **"Rs."** or **"Rupees"** means Indian rupees, the lawful currency of India;
- (bbb) **"Sattva Group"** shall include the following: (i) Mr. Malav Dani; (ii) Mefree LLP; (iii) the Company; (iv) Rayirth Holding and Trading Company Private Limited; and (v) Canes Venatici Trading Private Limited;
- (ccc) **"Secured Obligations"** shall mean all obligations at any time due, owing or incurred by the Company to the Debenture Holders in respect of the Debentures, whether present or future, actual or contingent and shall include the obligation to redeem the Debentures in terms thereof together with the Redemption Premium, remuneration of the Debenture Trustee and all fees, costs, charges, expenses, fees payable to the Debenture Trustee and other monies payable by the Company in respect of the Debentures;
- (ddd) **"SEBI"** means the Securities and Exchange Board of India;
- (eee) **"Secured Property"** shall have the meaning assigned to the term in the Deed of Hypothecation;
- (fff) **"Security"** or **"Security Interest"** shall have the meaning assigned to such term in Clause 7.1 (*Security*) below;
- (ggg) **"Shares"** shall mean the fully paid-up equity shares of Asian Paints Limited, a company incorporated under the Companies Act, 1956 and listed on NSE *vide* ISIN number INE021A01026;
- (hhh) **"Share Pledge Agreement"** shall mean the share pledge agreement executed on February 05, 2020 by and between the Issuer and the Debenture Trustee (acting for and on behalf of and for the benefit of the Debenture Holders), pursuant to which the APL Share Pledge shall be / has been created by the Issuer in favour of the Debenture Trustee;

- (iii) **"Share Price"** in respect of the Pledged Shares on any day shall be the lower of (a) the last closing price of the Pledged Shares on NSE; or (b) the average of the closing prices on NSE for each of the immediately preceding 30 (thirty) calendar days;
- (jjj) **"Special Resolution"** shall have the meaning set forth in paragraph 0 of the **Second Schedule** hereto;
- (kkk) **"Taxes"** or **"Tax"** shall include 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 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, turn-over, value addition, use, consumption, property, service, income, franchise, capital, occupation, license, excise, documents (such as stamp duties) and customs and other taxes, duties, assessments, or fees, however imposed, withheld, levied, or assessed by any Government, but shall not include tax on the income of any Party;
- (lll) **"Top-up Trigger Event"** shall mean the occurrence of an event where the Collateral Value is less than 4 (Four) times of the Benchmark Amount;
- (mmm) **"Trading Day"** means a day (other than a Saturday, Sunday) on which the NSE is open for trading and general business;
- (nnn) **"Transaction Documents"** shall mean the documents executed in relation to the issue of the Debentures and the creation of the Security and shall include this Deed and any other document that may be designated by the Debenture Trustee as a Transaction Document;
- (ooo) **"Trustee Agreement"** means the trustee agreement entered into by and between the Company and the Debenture Trustee, dated February 03, 2020.

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 denoting persons only shall include companies and bodies corporate.
- (d) Words and expressions defined in the Financial Covenants 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.
- (e) All references in this Deed to any provision of any statute shall be deemed also to refer to the statute, modification or re-enactment thereof or any statutory rule, order or regulation made thereunder or under such re-enactment.
- (f) 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.
- (g) The provisions contained in the Schedules hereunder written shall have effect in the manner as if they were specifically herein set forth and in the event of any inconsistency between the provisions contained in the Schedules and the operative part of this Deed, the provisions contained in the Schedules shall prevail.
- (h) "subsidiary" shall have the meaning ascribed under the Act.
- (i) "Person" shall include an individual, natural person, corporation, partnership, joint venture, incorporated or unincorporated body or association, company, Government Authority and in case of a company and a body corporate shall include their respective successors and assigns and in case of any individual his/her respective legal representative, administrators, executors and heirs and in case of trust shall include the trustee(s) for the time being and from time to time. The term "Persons" shall be construed accordingly.

2. APPOINTMENT OF DEBENTURE TRUSTEE

2.1 Settlement of Trust

The Company has appointed the Debenture Trustee as trustee for the Debenture Holders and the Company hereby settles in trust with the Debenture Trustee, a sum of Rs. 1,000/- (Rupees One Thousand only). The Debenture Trustee hereby confirms receipt of and accepts the above amount of Rs. 1,000/- (Rupees One Thousand only) in trust hereby declared and hereby agrees to act in a fiduciary capacity as trustee for the sole and exclusive benefit of the Debenture Holder(s) and its transferees and assignees from time to time, in accordance with the terms and conditions of this Deed. The Debenture Trustee acknowledges that the Debenture Holder(s) have agreed to subscribe to the Debentures *inter alia* on this basis. The Debenture Trustee in such capacity as a trustee agrees:

- (a) to execute and deliver all documents, agreements, instruments and certificates contemplated by this Deed to be executed and delivered by the Debenture Trustee or as the Debenture Trustee shall deem advisable and in the best interest of the Debenture Holder(s);
- (b) to take whatever action shall be required to be taken by the Debenture Trustee by the terms and provisions of this Deed, to exercise its rights and perform its duties and obligations under such documents;
- (c) subject to the terms and provisions of the 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 requiring the performance of any act or omission, under any of the Transaction Documents, or where the consent or satisfaction of the Debenture Trustee is required under any of the Transaction Documents, the Debenture Trustee shall, unless otherwise provided for in the Transaction Documents, seek written instructions from the Debenture Holder(s) and only upon receipt of relevant instructions from the Majority Debenture Holder(s) shall the Debenture Trustee initiate any action or exercise such rights, or indicate such requirement, or provide such consent or indicate such satisfaction. Notwithstanding such requirement for instructions in writing the Debenture Trustee shall never knowingly take any action inconsistent with the best interests of the Debenture Holder(s).

2.2 Resignation

- (a) The Debenture Trustee may, at any time, without assigning any reason and without being responsible for any loss or costs occasioned thereby, resign as the trustee by providing a notice of at least 60 (Sixty) calendar days to the Debenture Holder(s) in this regard; provided however, that it shall continue to act as Debenture Trustee until a successor trustee ("**Successor Trustee**") is appointed by the Company with the consent of the Debenture Holders.
- (b) The Company shall, upon receipt of notice of resignation issued by the Debenture Trustee, within 15 (fifteen) calendar days to appoint another entity competent to act as trustee for the Debenture Holders in place of the Debenture Trustee, with the permission of the Debenture Holders.

2.3 Removal

The Debenture Holders may for any cause but, after giving not less than 21 (Twenty One) calendar days' notice in writing to the Company, remove the Debenture Trustee by passing a Special Resolution to that effect, and by the same resolution nominate an entity competent to act as their trustee and require the Company to appoint such entity as the Successor Trustee. The Company shall within 15 (Fifteen) calendar days of receipt of such resolution passed by the Debenture Holders take all necessary steps to appoint the entity named in the resolution as the Successor Trustee and complete all necessary formalities to give effect to such appointment; provided that the

Debenture Trustee shall continue to act as Debenture Trustee until the Successor Trustee is so appointed by the Company as required by the Debenture Holders.

2.4 **Successor Trustee as the Debenture Trustee**

Upon appointment of the Successor Trustee pursuant to the preceding Clauses 2.2 or 2.3 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, authorities and obligations of the Debenture Trustee as if it had been originally appointed as the trustee.

2.5 **Debenture Trustee Remuneration**

- (a) The remuneration of the Debenture Trustee shall be as per the terms of the Trustee Agreement dated February 03, 2020.
- (b) The Company shall pay to the Debenture Trustee all legal, travelling and other costs, charges and expenses reasonably incurred by it, its officers, employees, agents in connection with execution of these presents and other Transaction Documents including costs, charges and expenses of and incidental to the approval and execution of these presents.

3. **AMOUNT OF DEBENTURES AND COVENANT TO PAY PRINCIPAL AND REDEMPTION PREMIUM**

- 3.1 The Debentures constituted and issued are 198 (One Hundred and Ninety Eight) Debentures of Rs. 1,00,00,000/- (Rupees One Crore only) each, of the aggregate nominal value of Rs. 198,00,00,000/- (Rupees One Hundred and Ninety Eight Crore only), subject to the Financial Covenants and Conditions set out in the **First Schedule** hereto.
- 3.2 The Company covenants with the Debenture Trustee that it shall pay to the Debenture Holder(s) the Principal Amount of the Debentures and the Redemption Premium on the applicable Due Dates mentioned herein or earlier (in case of any default or on the exercise of Put/Call Option) and shall also pay the default interest (if applicable) and liquidated damages (if applicable) on the Debentures as stipulated and in accordance with the Financial Covenants and Conditions. The Company shall make / release all Payments due by the Company in terms of the Transaction Documents to the Debenture Holders in proportion to their dues. The Company acknowledges that the Debenture Trustee shall be entitled to, in addition to any other rights that the Debenture Trustee is entitled to exercise, bank the PDCs on the relevant Due Dates and utilise the proceeds therefrom to satisfy the amounts due to the Debenture Holders on the said Due Date, in the event that the Company has not instructed the Debenture Trustee that alternate arrangements are being made for making the relevant Payments due in respect of the Debentures on the Due Date.
- 3.3 The Company shall make all Payments due by the Company in terms of the Transaction Documents in accordance with the terms of this Deed and in the event that this Deed does not provide for the same, as per the instructions of the Debenture Trustee.
- 3.4 On any such Payment being made, the Company (upon receipt of confirmation from the Debenture Trustee) will inform the Depository and accordingly the account of the Debenture Holders with Depository will be adjusted. The Company's liability to the Debenture Holders in respect of all their rights including for Payment or otherwise shall cease and stand extinguished upon the payment by the Company of the Redemption Amount, in all events. The Company shall inform the Debenture Trustee whenever any payment to the Debenture Holder(s) is made towards the Principal Amount outstanding on the Debentures thereon and / or the Redemption Premium.

4. **MANNER OF ISSUE OF THE DEBENTURES**

- 4.1 The Company has fulfilled the Conditions Precedent to the satisfaction of the Debenture Trustee / Debenture Holders in accordance with the terms of the applicable Transaction Documents on or prior to the Date of Allotment.

- 4.2 The Debentures shall be deemed to be allotted to the subscribers on and from the Date of Allotment and the Company has issued, within a maximum period of 2 (Two) Business Days from the Date of Allotment, a letter of allotment (in dematerialised form, as acceptable to the subscribers) to the said subscribers.

5. FORM OF THE DEBENTURE

- 5.1 As the Debentures are issued in a dematerialised form, which are subject to the provisions of the Depositories Act, 1996 and the rules notified by Depository from time to time, the Company and the Debenture Holder(s) are required to observe and follow the procedure laid down in the **Third Schedule** hereunder written. Further, the guidelines issued by the Depository shall be followed by the Company, the Debenture Holder(s) and the Debenture Trustee.
- 5.2 Without prejudice to the aforesaid, the Company shall in relation to the issue of Debentures, comply with the provisions of the Act, read with the applicable rules and regulations issued in this regard.
- 5.3 The Principal Amount of the Debentures, Redemption Premium, as well as default interest, where applicable, and all other monies payable thereon and secured shall, between the holder(s) of the Debentures, *inter se* rank *pari passu* without any preference or priority whatsoever.
- 5.4 The Financial Covenants and Conditions shall be binding on the Company and all persons claiming by, through or under it and shall ensure for the benefit of the Debenture Trustee and all persons claiming by, through or under it. The Debenture Trustee shall be entitled to enforce the obligations of the Company under or pursuant to the Financial Covenants and Conditions as if the same were set out and contained in this Deed which shall be read and construed as one document.

6. LISTING OF THE DEBENTURES

- 6.1 The Debentures are proposed to be/ have been listed on the wholesale debt market segment of the BSE within 15 (Fifteen) calendar days from the Deemed Date of Allotment. The Company shall at all times comply with all applicable RBI regulations, SEBI regulations and other Applicable Laws in relation to the issuance of the Debentures and the listing of the Debentures on the wholesale debt market segment of the BSE and shall further ensure that all government approvals and resolutions required to issue or list the Debentures are in place. The Company does hereby agree and undertake that it shall (if the same has not already been completed) execute the applicable listing agreements and other agreements, documents and other writings as may be stipulated by the concerned stock exchange for listing of the Debentures on such stock exchange and further agrees and undertakes that it shall furnish all such information and documents as may be required by a stock exchange for the continuous listing of the Debentures. All expenses, costs and charges incurred for the purpose of listing of the Debentures shall be borne and paid by the Company.

7. SECURITY

- 7.1 The Issuer hereby agrees and undertakes that the outstanding amounts in relation to the Debentures shall be secured by creation of the following security interests in favour of the Debenture Trustee (acting in trust for, on behalf of and for the benefit of the Debenture Holders):
- (a) A first ranking exclusive and continuing charge created by way of hypothecation over the Secured Property, both present and future, in favour of the Debenture Trustee, under or pursuant to the Deed of Hypothecation; and
 - (b) A first and exclusive pledge by the Company over such number of fully paid up equity shares of Asian Paints Limited which shall be as more particularly set out in Clause 7.2 ("**Pledged Shares**") in the manner and upon the terms and conditions contained in the Share Pledge Agreement ("**APL Share Pledge**");
- (hereinafter collectively referred to as the "**Security**").

7.2 APL Share Pledge

- (a) The number of Shares which have been pledged in favour of the Debenture Trustee, in terms of the Share Pledge Agreement, so as to ensure that the aggregate Collateral Value of the Pledged Shares is at least equal to 4 (Four) times the Benchmark Amount.
- (b) On and from the date of creation of APL Share Pledge and till all payments due from the Company have been made, the pledge over the Shares will be governed in the following manner:
 - i. The Share Price shall be monitored by the Debenture Trustee on each Trading Day in order to ensure that the Collateral Value is sufficient to maintain the Required Security Cover and pursuant to such review, the Shares which are subject of this pledge may either be topped-up in the circumstances set out in Clause 7.2(c) hereunder or released in the circumstances set out in Clause 7.2(e) hereunder.
 - ii. The Debenture Trustee shall prepare a report on each Trading Day setting out (a) the Collateral Value, (b) the ratio of (i) the Collateral Value, to (ii) the Benchmark Amount (the "**Security Cover Report**"). The Debenture Trustee shall forthwith send the Security Cover Report to the Debenture Holders (with a copy to the Company) by e-mail at the end of every Trading Day.
- (c) **Top-up**
 - i. The Debenture Trustee shall upon the occurrence of a Top-up Trigger Event (whether identified by itself or brought to its notice by any Debenture Holder), forthwith issue a written notice ("**Top-up Notice**") to the Company informing the Company about the occurrence of the Top-up Trigger Event. The Top-up Notice shall be issued in the format set out in the Share Pledge Agreement.
 - ii. Notwithstanding anything stated in Clause 7.2(c)(i) above, upon the occurrence of a Top-up Trigger Event, the Company shall, within a maximum period of 3 (Three) Business Days from the date of occurrence of such Top-up Trigger Event either: (i) pledge the Additional Pledged Shares along with all the rights, title, claims, demand, benefits and interests, and perform all such acts and execute all such documents as required under this Clause 7.2(c)(ii); and/ or (ii) deposit additional monies in the Designated Account, so as to ensure that post such top up, the Collateral Value is sufficient to maintain the Required Security Cover.
 - iii. All Additional Pledged Shares which are pledged by the Company in favour of the Debenture Trustee pursuant to the Share Pledge Agreement shall be deemed to form part of the 'Pledged Shares' from the date on which such pledge is being created and all the provisions of the Share Pledge Agreement and the Transaction Documents as are applicable to the Initial Pledged Shares shall *ipso facto* become applicable to the Additional Pledged Shares and the Company shall be deemed to have repeated the representations and warranties provided by the Company as on the date hereof, with respect to the Additional Pledged Shares with reference to the facts and circumstances existing at the time of the creation of the pledge over the Additional Pledged Shares.
 - iv. Notwithstanding anything to the contrary contained herein, in the event that a Top-up Trigger Event also constitutes a Cash Top-up Trigger Event, the Company shall have to compulsorily provide the incremental collateral top-up in the form of cash by depositing adequate monies in the Designated Account, within 3 (Three) Business Days from the date on which the Cash Top-up Trigger Event occurs, and shall not be entitled to provide such incremental top-up by pledging additional Shares.
- (d) Pledged Shares being in excess of Pledged Shares Threshold
 - i. In the event that, on any day, on account of any reason whatsoever, the aggregate of the Pledged Shares is equal to or exceeds the Pledged Shares Threshold, subject to the conditions set out in the sub-clause (ii) of Clause 7.3(d) being met, the Debenture Trustee (acting on the instructions of the Debenture Holders) shall release such of the

Pledged Shares which are in excess of the Pledged Shares Threshold, as per the directions of the Company.

- ii. The Company shall, upon the occurrence of any event which results in the Pledged Shares being equal to or in excess of the Pledged Shares Threshold, deposit such amounts in the Designated Account so as to ensure that the Collateral Value, provided that the balance Pledged Shares available with the Debenture Trustee post the release of excess Pledged Shares in accordance with Clause 7.3(d)(i) taken together with the Cash Top-up Amounts is sufficient to meet the Required Security Cover.

(e) **Mandatory Prepayment**

Without prejudice to the provisions of Clause 7.3(d), upon the occurrence of either of a Top-up Trigger Event or a Cash Top-up Trigger Event, in the event that the Company fails to comply with their obligations in Clause 7.3(d) above, the same shall constitute an Event of Default and the Company shall, unless otherwise directed by the Debenture Trustee (acting on the instructions of the Debenture Holders), redeem the Debentures by making payment of all the amounts due and payable in respect of the Debentures, including the accrued Redemption Premium, within a maximum period of 1 (One) Business Day of such failure.

(f) **Partial Release of Pledged Shares/ Cash Top-up Amounts**

- i. In the event that a Release Trigger Event occurs, the Company shall be entitled to, at the sole discretion of the Debenture Trustee (acting on the instructions of the Debenture Holder), obtain a release of certain of the Pledged Shares / the Cash Top-up Amounts, subject to the Collateral Value calculated on the basis of the balance Pledged Shares (remaining subject of this pledge after any such release) being sufficient for the maintenance of the Required Security Cover.
- ii. The Company shall upon occurrence of such Release Trigger Event, issue a written notice ("**Release Notice**") to the Debenture Trustee and Debenture Holders informing them about the occurrence of the Release Trigger Event and specifying the number of Pledged Shares and / or the Cash Top-up Amounts which are available to be released pursuant to the occurrence of the Release Trigger Event and requesting the Debenture Trustee to release the said Pledged Shares and/or Cash Top-up Amounts as required by the Company. The Release Notice shall be issued in the format set out in the Share Pledge Agreement.
- iii. Within a maximum period of 2 (Two) Business Days from the date of receipt of the Release Notice and receipt of confirmation from the Debenture Holder, the Debenture Trustee shall release the Pledged Shares and/ or the Cash Top-up Amounts identified in the Release Notice, from the pledge and/or charge created in relation thereto in terms of the Share Pledge Agreement, and the Debenture Trustee shall, at the cost and expense of the Company, do all such acts and deeds as are necessary in this regard.
- iv. Any partial release of Pledged Shares/ release of Cash Top-up Amounts carried out pursuant to this Clause 7.3(f)1.1(f), shall be immediately (and in no event later than 2 (two) Business Days from the date of any such release) intimated by the Debenture Trustee to the Debenture Holders.

7.3 Each of the security interests mentioned in Clause 7.1 (*Security*) above is independent of the other and may be enforced independently at the sole discretion of the Debenture Trustee (acting on the instructions of the Debenture Holders) upon the occurrence of an Event of Default and as per and in accordance with the terms of this Deed and other Transaction Documents. The Issuer shall ensure that no other Encumbrance is created by it over the Secured Property, at all times until the Final Settlement Date.

7.4 The Security shall be continuing security and shall remain in full force and effect until the Final Settlement Date.

- 7.5 The Issuer agrees and undertakes that the Issuer shall do all such acts, deeds and things and execute all such documents and writings as may be required to perfect the Security, including without limitation filing of form CHG-9 with the relevant registrar of companies, within 30 (Thirty) days from the date of creation of charge, or within the timelines prescribed under Applicable Law, whichever is shorter.

8. MISCELLANEOUS PROVISIONS IN RELATION TO THE DEBENTURES

8.1 Receipt of Debenture Holder

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

8.2 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, other than the Debenture Holder(s).

8.3 Receipt of Payment

For payment to the Debenture Holder(s) in full discharge of the Payments accrued thereon, the Company shall make the payment of the amounts due in respect of the Debentures, to the Debenture Holder(s) or to any subsequent transferee(s) who are entitled to receive the payment on the Due Dates, upon the Debenture Holder(s) or the subsequent transferee (as applicable) giving appropriate instructions to transfer the Debentures to such dematerialised securities account as the Company shall specify for this purpose with a copy of such instructions being provided to the Company. Upon receipt of the applicable amounts of principal money due and other Payments accrued thereon, the Debenture Holder(s) or the subsequent transferee(s), as applicable, shall issue appropriate receipts in this regard to the Company.

8.4 Debentures Free from Equities

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

8.5 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 on deposit in the name of the Debenture Trustee in a scheduled commercial bank or banks.

8.6 Register of Debenture Holder

The Company shall, as required by the Act, keep at its Registered Office, a Register of the Debenture Holder(s). For the above purpose the Company shall request the registrar and transfer agent of the Issue to provide a List of Debenture Holder(s) as at the end of day on the day falling 1 (One) Business Day prior to the start of the book closure period. 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 inspect the said Register of Debenture Holder(s) and to take copies of or extracts from the same or any part thereof during usual business hours.

8.7 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 and banking 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. In the event that, at any time until the Final Settlement Date, any guidelines are formulated (or modified or revised) by the Government or any governmental authority under Applicable Law in respect of creation of the debenture redemption reserve, the Issuer shall abide by such guidelines and execute all such supplemental letters, agreements and deeds of modifications as may be required by the Debenture Trustee and/ or the Debenture Holders and shall also cause the same to be registered, where necessary.

9. REPRESENTATIONS AND WARRANTIES

9.1 General Representations and Warranties

The Company and the Debenture Trustee represent and warrant to the other as follows:

- (a) That it is a company duly organised, validly existing and in good standing under the laws of India and has full corporate power and authority to execute and deliver this Deed and to complete the transactions contemplated hereby and that, the signatories to this Deed have the respective power and authority from each party for executing and delivering this Deed.
- (b) To the best of its knowledge and except as provided herein, no filing with, and no permit, authorisation, consent or approval of, any statutory or public body or any other third party is necessary to complete the transactions contemplated by this Deed.
- (c) The execution and delivery of this Deed and completion of the transactions contemplated hereby or compliance by it with any of provisions hereof will not:
 - i) conflict or result in any breach of any provisions of its Memorandum or Articles of Association;
 - ii) result in a violation or breach of, or constitute a default or give rise to any right to termination under, any of the terms, conditions or provisions of any contract or obligation to which it is a party or by which it or any of its properties or assets may be bound; or
 - iii) violate any order, writ, injunction, decree, statute, rule or regulation applicable to it.
- (d) The Parties undertakes that in the event that the transactions contemplated by this Deed require any regulatory or statutory approval, the parties will take all steps to obtain such approval and ensure that the rights of the Debenture Holder(s) herein are protected.

9.2 Company's Representations and Warranties

Each of the Debenture Holder(s) has subscribed to the Debentures in reliance on the representations of the Company set out in this Clause, and the Company warrants to each of the Debenture Holder(s) on the date of this Deed as below:

- (a) **Status**
 - i) It is a corporation, duly incorporated and validly existing under the law of its jurisdiction of incorporation.
 - ii) It has the power to sue and be sued in its own name and to own its assets and carry on its business as that business is being and will be conducted.

- (b) **Good Title**

The Company is the legal and beneficial owner of, and has good and marketable title to, or a valid and enforceable, license in respect of, all of its property, revenues and assets, free and clear of any Encumbrance, except for the Security created pursuant to the Transaction Documents and further confirms that the Security created or expressed to be created over such property and assets by the Transaction Documents is valid and enforceable. All of the properties and assets of the Company are in good working order and condition, with the exception of ordinary wear and tear.

(c) **Binding obligations**

The obligations expressed to be assumed by it in each of the Transaction Documents to which it is a Party are its binding obligations.

(d) **Non-conflict with other obligations**

The entry into and performance by it of the transactions contemplated by the Transaction Documents to which it is a Party do not and will not conflict with:

- i) any law or regulation applicable to it or binding on its assets; or
- ii) its constitutional documents; or
- iii) any agreement or instrument binding upon it or any of its assets, including but not limited to any terms and conditions of the existing Financial Indebtedness of the Company;

and if applicable and required, the Company has obtained the necessary no-objection certificates from its existing lenders and counterparties to any document evidencing the Financial Indebtedness of the Company.

(e) **Power and authority**

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

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

All resolutions, consents and Government approvals (collectively "**Authorisations**") required or desirable:

- i) to enable it to lawfully to enter into, exercise its rights and comply with its obligations in the Transaction Documents to which it is a party;
 - ii) to make the Transaction Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
 - iii) to enable it to carry on its business, trade and ordinary activities,
- have been obtained or effected and are in full force and effect.

(g) **Certified Copies**

Any document provided to any Debenture Holder(s) by or on behalf of the Company which purports to be a certified copy is a true, complete and accurate copy of the original document which has not been amended other than by a document a certified copy of which is attached to it.

(h) **Conditions Precedent**

Each of the Conditions Precedent set out in the **Fourth Schedule** hereto has been completed by the Company and all such supporting deeds, documents and certificates as are required for evidencing the completion of the Conditions Precedent have been submitted by the Company to the Debenture Trustee prior to the Date of Allotment, in accordance with the terms of the Transaction Documents.

(i) **Transaction Documents**

- i) The Company has, duly executed and delivered each of the Transaction Documents to which it is a Party, and each of such Transaction Documents constitutes upon execution, legal, valid and binding obligation of the Company enforceable against the Company without any further action being required with respect to such documents, if required.
- ii) The Debenture Trustee has received a true, complete and correct copy of each of the Transaction Documents in effect or required to be in effect as of the date this representation is made or regarded as made.
- iii) Under the law of its jurisdiction of incorporation it is not necessary that any of the Transaction Documents be filed, recorded or enrolled with any Government.

(j) **Compliance with tax laws**

The Company has complied with all tax laws in all jurisdictions in which it is subject to tax and has paid all taxes due and payable by it and no claims are being asserted against it in respect of taxes except in relation to tax liabilities arising in the ordinary course of its day-to-day trading activities or claims contested in good faith and in respect of which adequate reserves are available.

(k) **No misleading information**

- i) The Company certifies that all information whether in writing, electronic form or otherwise or documents furnished to the Debenture Trustee or the Debenture Holders in connection with the transaction contemplated hereby is true, correct and complete in all respects on the date hereof, and is not false or misleading in any respect nor incomplete by omitting to state any fact necessary to make such information not misleading in any respect. No fact is known to the Company which could be expected to have a Material Adverse Effect which has not been disclosed in writing to the Debenture Trustee prior to the execution of this Deed.
- ii) Nothing has occurred or been omitted to be stated and no information has been given or withheld which should otherwise have been disclosed by the Company in relation to the Issue.

(l) **Financial statements**

- i) The financial statements, which have been provided to the Debenture Holders / Debenture Trustee, being the statements for the Financial Year ending March 31, 2019 and for any period between March 31, 2019 and the date hereof ("**Original Financial Statements**") were prepared in accordance with the applicable Accounting Standards as prescribed by the Institute of Chartered Accountants of India and under the Act, from time to time, and consistently applied by the Company.
- ii) Its Original Financial Statements give a true and fair view of its financial condition and operations as at the end of and for the relevant Financial Year.
- iii) There has been no material adverse change in its business, financial condition, assets or prospects of the date on which the last of the Original Financial Statements, which have been submitted to the Debenture Trustee, have been prepared.

(m) **No proceedings pending or threatened**

No litigation, arbitration or administrative proceedings of or before any Government have (to the best of the Company's knowledge and belief) been started against the Company, nor is there subsisting any unsatisfied judgment or award given against it by any court, arbitrator or other body, in each case which might have a Material Adverse Effect or which relates to the legality, validity, binding effect or enforceability of the Transaction Documents.

(n) **Insolvency**

It has not taken any action nor (to the best of its knowledge and belief) have any steps been taken or legal proceedings been started or threatened against it for its winding-up, dissolution or re-organisation, for the enforcement of any security over its assets or for the appointment of a liquidator, supervisor, receiver, administrator, administrative receiver, compulsory manager, trustee or other similar officer of it or in respect of any of its assets.

(o) **No default**

- i) No Event of Default is continuing or might reasonably be expected to result from the making of this Issue.
- ii) No other event or circumstance is outstanding which constitutes (or would do so with the expiry of a grace period, the giving of notice, the making of any determination, the satisfaction of any other condition or any combination of any of the foregoing) a default or termination event (howsoever described) under any other agreement or instrument which is binding on it or to which its assets are subject.

(p) **Applicable Law**

To the best of the knowledge of the Company, the Company is in compliance with all material Applicable Law and is / are not subject to any present liability by reason of non-compliance with such Applicable Law.

(q) **Environmental**

It has:

- i) at all times complied with all applicable environmental law and is not aware of any environmental matter the existence of which might reasonably be expected to have a Material Adverse Effect;
- ii) obtained and holds every environmental consent required under or pursuant to any environmental law in connection with the conduct of its business and the ownership, use, exploitation or occupation of its assets the absence or lack of which might reasonably be expected to have a Material Adverse Effect;
- iii) at all times complied with the conditions, restrictions and covenants imposed in, or in connection with every environmental consent breach of which might reasonably be expected to have a Material Adverse Effect, and no circumstances have arisen which would entitle any regulatory body to revoke, suspend, amend, vary, withdraw, transfer or refuse to amend any environmental consent or which might give rise to a claim against any the Company which might reasonably be expected to have a Material Adverse Effect;

(r) **No debt / contingent liability other than as disclosed**

The Company has disclosed to the Debenture Trustee all facts relating to its borrowings and has made available to the Debenture Trustee all the details in respect thereof. The Company does not have any liabilities, contingent or otherwise, which have not been disclosed in the financial statements provided to the Debenture Trustee or for which reserves against it have not been set aside in an amount in accordance with the Accounting Standards.

(s) **Security**

- i) The Company is the legal and beneficial owner of each of the assets in respect of which the Security is being created. The said assets (or any part thereof) is not Encumbered in any manner whatsoever, other than as set out under the Transaction Documents;

- ii) Save and except the security created to secure the Debentures, the Pledged Shares and the Secured Property hereinbefore expressed to be granted, conveyed, assigned, transferred and assured are the sole and absolute property of the Company and are free from any other charge or encumbrance and are not subject to any attachment, or other order or process issued by any Government and that the Company has a clear and marketable title to the Pledged Shares and the Secured Property;
- iii) Notwithstanding anything done or executed or omitted to be done or executed or knowingly suffered to the contrary, by the Company, the Company now has power to grant, convey, transfer, assure and assign unto the Debenture Trustee the Pledged Shares and the Secured Property in the manner contemplated by these presents;
- iv) The shares of Asian Paints Limited have been validly issued and are fully paid-up and the shareholders of the Issuer are the sole, absolute legal and beneficial owners of all the shares of the Issuer, free and clear of any Encumbrance;
- v) The Company has not, as on the date hereof, created any security in favour of any third party over any of the assets, whether present of future, other than as specifically disclosed to the Debenture Trustee.

(t) Financial Indebtedness

The aggregate Financial Indebtedness of the Company does not exceed 20% (Twenty Percent) of the market value of the equity shares of Asian Paints Limited, which are held by the Company.

(u) Representations in relation to the APL Promoters

- i) The entry into and performance by the Company of, and the transactions contemplated by, the Transaction Documents to which it is a party do not and will not conflict with any terms and conditions of the existing Financial Indebtedness of any of the Persons comprising the Promoters and/ or the Sattva Group and if applicable and required, the necessary no-objection certificates have been obtained by the Persons comprising the Promoters and/ or the Sattva Group from its existing lenders and counterparties to any document evidencing the Financial Indebtedness of the said Persons forming part of the Promoters and/ or the Sattva Group.
- ii) The Company along with the APL Promoters, jointly, hold in the aggregate, more than 11% (Eleven Percent) of the equity shares of Asian Paints Limited (taken on a fully diluted basis).
- iii) The Company along with the APL Promoters, holds at least 5% (Five Percent) of the equity shares of Asian Paints Limited (taken on a fully diluted basis), which is free from any Encumbrances.
- iv) The Promoters, jointly, hold at least 76% (Seventy Six Percent) shareholding in the Company.
- v) At least 50% (Fifty Percent) of the shareholding of the Company in Asian Paints Limited (taken on a fully diluted basis) is free from any Encumbrances.
- vi) Either Mr. Ashwin Dani or Mr. Malav Dani are on the board of directors of Asian Paints Limited.

The Company along with the Persons comprising the Promoters and the APL Promoters, form a part of the promoter group of Asian Paints Limited in accordance with the Applicable Laws.

(v) Miscellaneous

- i) All transaction, deals and economic activity relating to or in connection with the proposed business of the Company shall be undertaken wholly and exclusively by the

Company or through its subsidiaries.

- ii) The Company is in compliance with all Applicable Law and is / are not subject to any present liability by reason of non-compliance with such Applicable Law.

The Company hereby agrees and confirms that the representations and warranties of the Company contained in this Deed shall continue to be true during the currency of this Deed including on any day on which any additional security / alternate security is to be provided by the Company in terms of the Transaction Documents.

10. COMPANY'S COVENANTS

10.1 Further Assurances

- (a) The Company declares, represents and covenants to the Debenture Trustee that the Company shall execute all such deeds, documents and assurances and do all such acts and things as the Debenture Trustee may reasonably require for exercising the rights under this Deed and the Debentures and for perfecting this Deed and the Security created in favour of the Debenture Trustee for the benefit of the Debenture Holders.
- (b) The Company agrees to accept as conclusive proof, the correctness of any sum claimed to be due from the Company to the Debenture Holder/s under the Transaction Document any statement of account made out in the name of the Debenture Trustee and signed by a duly authorised officer of the Debenture Trustee. The Company hereby further agrees and acknowledges that the Debenture Trustee shall be the calculation agent for the purposes of determining any calculations envisaged under this Deed, and all such calculations made by the Debenture Trustee and shared with the Company shall be binding on the Company and conclusive proof against the Company and the Company hereby waives any rights that it may have to dispute any such calculations.

10.2 Affirmative Covenants

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

- (a) Carry on and conduct its business with due diligence and efficiency and in accordance with sound managerial and financial standards and business practices with qualified and experienced management and personnel;
- (b) Utilise the monies received upon subscription to the Debentures solely towards the Purpose. Upon completion of the Financial Year, the Company shall furnish to the Debenture Trustee a statement showing the manner in which the said monies have been utilised. Further, the Company shall procure and furnish to the Debenture Trustee a certificate from the Company's statutory auditors in respect of the utilisation of funds raised by the Issue of the Debentures for the Purpose.
- (c) Keep proper books of account as required by the Act and therein make true and proper entries of all dealings and transactions of and in relation to the business of the Company including in relation to the Issue and the Pledged Shares and Secured Property 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 Applicable Law, at other place or places where the books of account and documents of a similar nature may be kept. The Company shall ensure that its accounting policies are applied on a consistent basis;
- (d) Insure and keep insured (with a copy of the insurance policies and the renewals thereof being provided to the Debenture Trustee) up to such value and of such type as consistently applied for by the Company and all other assets of the Company and shall duly pay all premia and other sums payable for the purpose. The Company shall keep the insurance policies and renewals thereof either with the Debenture Trustee or any other person as directed by the Debenture Trustee. In the event of failure on the part of the

Company to insure the of the Company adequately in any manner whatsoever, the Debenture Trustee may, but shall not be bound to, get the other assets of the Company insured or pay the insurance premia and other sums referred to above. If any such monies are paid, the same shall be immediately reimbursed by the Company. In addition to the above, the Company is to use all reasonable endeavours to prevent the happening of an act, omission, breach or default which would be reasonably likely to render void or voidable any insurances effected by it;

- (e) To punctually pay all Taxes imposed upon or payable by the Company as and when the same shall become payable;
- (f) Diligently preserve the corporate existence and status and all rights, contracts privileges, franchises and concessions now held or hereafter acquired by the Company in the conduct of the business of the Company and comply with each and every term of the said franchises and concessions and all Applicable Law(s) applicable to the Company or the business and assets or any part thereof, provided, the Company may contest in good faith, the validity of any Applicable Law and pending the determination of such contest may postpone compliance therewith, if the rights enforceable under the Debentures is not thereby materially endangered or impaired. The Company will not do or voluntarily suffer or permit to be done any act or thing whereby the right to transact the business of the Company might or could be terminated or adversely effected or whereby payment of the Payments might or would be hindered or delayed;
- (g) Promptly and expeditiously attend to and redress the grievances, if any, of the Debenture Holders. The Company further undertakes that it shall promptly comply with the suggestions that may be given in this regard, from time to time, by the Debenture Trustee and shall advise the Debenture Trustee periodically of the compliance;
- (h) Bear all such costs and expenses incurred in relation to the rating of the Debentures and shall ensure that the Debentures continue to be rated for the term of the Debentures;
- (i) Perform all the obligations of the Company, as undertaken in terms of any of the Transaction Documents;
- (j) Comply with the conditions stipulated by the Rating Agency in relation to the Debentures;
- (k) Financial Covenants and Conditions

The Company hereby covenants with the Debenture Trustee that the Company will at all times during the term of these presents (except as may otherwise be previously agreed in writing by the Debenture Trustee) comply with each of the Financial Covenants and Conditions.

- (l) Security
 - i) In the event that the Debenture Trustee has permitted the Company to cause the Security or any part thereof to be provided by any other Person in place and stead of the Company, the Company shall ensure that such other Person shall execute all such deeds and forms and provide such representations, undertakings and indemnities, as may be required by the Debenture Trustee for the purposes of such other Person providing such Security in relation to the Issue;
 - ii) The Company shall take all the necessary and requisite actions, including the making of all filings with the relevant authorities, such as the Registrar of Companies, in order to perfect the security over the Secured Property created or modified (by way of addition or substitution or replacement of Receivables, as provided for in the Deed of Hypothecation) by the Company, at least on a semi-annual basis. The Company shall submit the requisite proof of such perfection of security to the Debenture Trustee; and
 - iii) The Company shall not, until the Final Settlement Date, create any further charge or encumbrance over the Secured Property, except as created in favour of the Debenture

Trustee for the benefit of the Debenture Holders, under the terms of this Deed and the Deed of Hypothecation.

- (m) The Company will comply with each condition specified in Part B of the **Fourth Schedule** and provide documentary evidence of satisfaction of such conditions to the Debenture Trustee, as soon as possible after the execution of this Deed and no later than the timelines stipulated for the same under Part B of the **Fourth Schedule**.
- (n) The Company shall ensure that as and when the Insolvency and Bankruptcy Code, 2016 and the rules thereunder becomes operational, co-operate with the Debenture Trustee to make such amendments and modifications as maybe required to be made to the Transaction Documents, in the opinion of the Debenture Trustee (acting on the instructions of the Debenture Holders) for protecting the rights and interests of the Debenture Holders in respect of the Debentures.

10.3 Negative Covenants

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

- (a) Not declare or pay any dividend to the shareholders of the Company during any Financial Year unless it has paid the Payments then due and payable on the Debentures, or has made provisions satisfactory to the Debenture Trustee for making such payment.
- (b) Not undertake any new business or any diversification of any existing business.
- (c) Not wind up, liquidate or dissolve its affairs.
- (d) Not reduce its paid up equity share capital.
- (e) Not amend or modify its Memorandum and Articles of Association which could have any direct or indirect adverse effect on the Debenture Holders, including that which may have any direct or indirect adverse effect on the Security that has been created by the Company.
- (f) Not, without the prior written approval of the Debenture Trustee, acting upon the instructions of the Debenture Holders, enter into any transaction of merger, de-merger, consolidation, re-organisation, scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction;
- (g) Not fail or default in making payment of any of its indebtedness, as they mature or when due.
- (h) Similar arrangement

Not enter into any option or similar arrangement under which a person has a present, future, actual or contingent right to require the Company to acquire any asset which, if exercised by the Company, would breach the terms of any of the Transaction Documents.
- (i) Disposals

Not enter into a single transaction or a series of transactions (whether related or not), whether voluntary or involuntary and whether at the same time or over a period of time, to sell, lease, transfer, loan or otherwise dispose of any asset or enter into an agreement to make any such disposal, other than in the ordinary course of its business.

10.4 Information Covenants

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

- (a) Promptly inform the Debenture Trustee if the Company has knowledge of any application for winding up having been made or any statutory notice of winding up under the Act or otherwise of any suit or other legal process intended to be filed or initiated against the Company and/affecting the title to the Company's properties including the Pledged Shares or if a receiver is appointed of any of its properties or business or undertaking;
- (b) Promptly inform the Debenture Trustee of any loss or damage which the Company may suffer due to any force majeure circumstances or act of God, such as earthquake, flood, tempest or typhoon, etc. against which the Company may not have insured its properties;
- (c) Promptly inform the Debenture Trustee of all orders, directions, notices of governmental authority, which adversely affects or is reasonably likely to adversely affect the title of the Issuer in respect of the Secured Property and/ or the Pledged Shares;
- (d) Furnish quarterly report to the Debenture Trustee containing the following particulars:
 - i) Updated list of the names and addresses of the Debenture Holders;
 - ii) Details of the Payments to be made, but unpaid and reasons thereof;
 - iii) The number and nature of grievances received from the Debenture Holders and resolved by the Company and those grievances not yet solved to the satisfaction of the Debenture Holders;
 - iv) the Company shall provide a certificate on a quarterly basis, addressed to the Debenture Trustee, certifying that it is in compliance with the covenants set out in this Clause 10.4; and
 - v) a statement that the assets of the Company which are available by way of Security are sufficient to discharge the claims of the Debenture Holders as and when they become due;
- (e) Notify the Debenture Trustee in writing of any proposed change in the nature or scope or the business or operations of the Company, prior to the date on which such action is proposed to be given effect;
- (f) Promptly inform the Debenture Trustee in the event of any of the warranties or representations contained in this Deed becoming untrue or incorrect and the Company further guarantees that in case there is any loss or damage caused to the Debenture Holder/s or a loss or damage is threatened such that the making of the Payments are in jeopardy on account of breach of any representation made, irrespective of the fact whether those representations pertain to the Company or to any other person, the Company shall make good such loss or damage as claimed by the Debenture Trustee (acting on the instructions of the Debenture Holders).
- (g) Notify the Debenture Trustee in writing of any default committed by the Company or any Security Provider in relation to its creditors (whether operational or financial) or any security interest being granted or established or becoming enforceable over any of the Company's or any Security Provider's assets.
- (h) Promptly inform the Debenture Trustee of any change in its name or change in the composition of its Board of Directors;
- (i) The Issuer shall, to the extent required under the debt listing agreement entered into between the Issuer and BSE and under the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 submit to BSE, for dissemination, along with the half yearly financial results, a half-yearly communication, counter signed by the Debenture Trustee, containing, *inter alia*, the following information
 - i) credit rating and change in credit rating (if any);
 - ii) asset cover available;
 - iii) debt-equity ratio;
 - iv) debt service coverage ratio;
 - v) interest service coverage ratio;
 - vi) outstanding redeemable preference shares (quantity and value);
 - vii) debenture redemption reserve;

- viii) net worth;
- ix) net profit after tax; and
- x) earnings per share.

- (j) The Company is aware that in terms of Regulation 14 of the SEBI (Debenture Trustees) Regulations, 1993 as amended from time to time, this Deed has to contain the matters specified in Section 71 of the Companies Act, 2013 and Form No. SH.12 specified under the Companies (Share Capital and Debentures) Rules, 2014. The Company hereby agrees to comply with all the clauses of Form No. SH.12 as specified under the Companies (Share Capital and Debentures) Rules, 2014, to the extent that they have not been incorporated in this Deed, if any, as if they are actually and physically incorporated herein in this Deed.

10.5 Certified Covenants

The Company hereby covenants with the Debenture Trustee that the Company shall, at all times during the term of this Deed, (except as may otherwise be previously agreed in writing by the Debenture Trustee, acting on the instructions of the Debenture Holders):

- (g) Ensure that either Mr. Ashwin Dani or Mr. Malav Dani continue to remain on the board of directors of Asian Paints Limited;
- (h) Hold, along with the APL Promoters, at least 11% (Eleven Percent) of the equity shares of Asian Paints Limited (taken on a fully diluted basis);
- (i) Hold, along with the APL Promoters, at least 5% (Five Percent) of the equity shares of Asian Paints Limited (taken on a fully diluted basis), free from any Encumbrances;
- (j) Ensure that the aggregate Financial Indebtedness of the Company shall not exceed 20% (Twenty Percent) of the market value of the equity shares of Asian Paints Limited (taken on a fully diluted basis) held by the Company;
- (k) Ensure that the Promoters shall jointly hold at least 76% (Seventy Six Percent) shareholding in the Company (taken on a fully diluted basis);
- (l) Ensure that it, along with the Persons comprising the Promoters and the APL Promoters, remain a part of the promoter group of Asian Paints Limited in accordance with the Applicable Laws;
- (m) Ensure that at least 50% (Fifty Percent) of its shareholding in Asian Paints Limited (taken on a fully diluted basis) is free from any Encumbrances; and
- (n) Ensure that the Pledged Shares are not subject to any lock-in on any exchange and are not Encumbered.

The Company shall ensure that an independent chartered accountancy firm shall provide a certificate on an annual basis, addressed to the Debenture Trustee, certifying that the Company is in compliance with the covenants set out in this Clause 10.5. In addition to the above, the Company shall provide a certificate on a quarterly basis, addressed to the Debenture Trustee, certifying that it is in compliance with the covenants set out in this Clause 10.5.

11. BREACH OF COVENANT BY THE COMPANY MAY BE WAIVED

The Debenture Trustee may, at any time, waive on such terms and conditions as to them shall seem expedient 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.

12. EVENTS OF DEFAULT

If one or more of the events specified herein (hereinafter each an '**Event of Default**' and collectively, "**Events of Default**") happen(s), the Debenture Trustee shall be entitled to exercise any and all rights hereunder as contained in this Deed:

12.1 Representations and Warranties

Any representation, warranty or statement made or given or deemed to be made or given by the Company in this Deed and the other Transaction Documents or any other document delivered by or on behalf of the Company under or in connection with any transaction is or proves to have been incorrect or misleading in any material respect when made or deemed to be made. For this Event of Default, no cure period is available.

12.2 Payment

The Company does not pay, on the due date, any amount payable pursuant to any of the Transaction Documents at the place at and in the currency in which it is expressed to be payable. For this Event of Default, no cure period is available.

12.3 Transaction Documents

Without prejudice to the provisions of the other Transaction Documents in this regard, the Company does not comply with any provision of the Transaction Documents or any of the Transaction Documents are not (or are claimed by the Company not to be) in full force and effect, unless the failure to comply is, in the opinion of the Debenture Trustee (acting on the instructions of the Debenture Holders), capable of remedy and is remedied within a maximum period of 30 (Thirty) days from the date of occurrence of such event, failing which, it shall become an Event of Default.

12.4 Financial Covenants and Conditions

Without prejudice to the generality of Clause 12.3 above, if the Company commits a breach of any of the Financial Covenants and Conditions, other than a breach of such Financial Covenants and Conditions that also constitutes an Event of Default under any other sub-clause of this Clause 12, including the occurrence of a Material Adverse Effect, the Company shall have a maximum period of 15 (Fifteen) days from the date of occurrence of the breach, to rectify such event to the satisfaction of the Debenture Trustee, failing which, it shall become an Event of Default.

12.5 Purpose

If all or any part of the proceeds of the Issue is not being utilized for the intended Purpose, the Company shall immediately upon the occurrence of such breach, submit a written explanation of such utilisation to the Debenture Trustee. In the event such explanation is not acceptable to the Debenture Trustee (acting on the instructions of the Debenture Holders), the Company shall have a maximum period of 2 (Two) days from the date the Debenture Trustee notifies the Company of a breach in terms of this Clause 12.5, to rectify such event to the satisfaction of the Debenture Trustee, failing which, it shall become an Event of Default.

12.6 Applicable Law

The Company fails to comply with Applicable Law in relation to the Issue. For this Event of Default, no cure period is available.

12.7 Cross default

- (a) Any Financial Indebtedness of any of the Persons comprising the Sattva Group and/ or the Promoters is not paid when due nor within any originally applicable grace period; or
- (b) Any Financial Indebtedness of any of the Persons comprising the Sattva Group and/ or the Promoters is declared or otherwise becomes due and payable before its specified maturity; or

- (c) Any commitment for any Financial Indebtedness of any of the Persons comprising the Sattva Group and/ or the Promoters is cancelled or suspended by a creditor of such Person as a result of an event of default (however described); or
- (d) Any creditor of any of the Persons comprising the Sattva Group and/ or the Promoters becomes entitled to declare any Financial Indebtedness of such Person due and payable before its specified maturity as a result of an event of default (however described); or
- (e) Any of the Persons comprised in the Sattva Group and/ or the Promoters default in relation to any payment obligations in relation to any Financial Indebtedness of the said Person comprising the Sattva Group and/ or the Promoters; or
- (f) Any creditor (whether operational or financial) of the Persons comprising the Sattva Group and/ or the Promoters becomes entitled to file a petition for winding up of the said Persons; or
- (g) Any event occurs which has been described as an event of default under any other Transaction Document.

For an Event of Default in terms of this Clause 12.7, no cure period is available.

12.8 Material Adverse Effect

The occurrence of a Material Adverse Effect as determined by the Debenture Trustee, acting solely on the instructions of the Debenture Holders. For this Event of Default, no cure period is available.

12.9 Fraud by Management

Any material act of fraud, embezzlement, misappropriation or siphoning-off of the Company's funds or revenues, or any other act having a similar effect, being committed by the management or an officer of the Company, as the case may be. For this Event of Default, no cure period is available.

12.10 Insolvency

Either of the Company or Asian Paints Limited:

- (a) is unable or admits inability to pay its debts as they fall due; or
- (b) suspends making payments on any of its debts; by reason of actual or anticipated financial difficulties; or
- (c) a moratorium or other protection from its creditors is declared or imposed in respect of any indebtedness of the Company or Asian Paints Limited.

For any event in terms of this Clause 12.10, the Company shall have a maximum period of 7 (Seven) days from the date of occurrence of such event, to provide evidence to the Debenture Trustee of its solvency and / or measures taken to cure such event, and if, in the opinion of the Debenture Trustee (acting on the instructions of the Debenture Holders, such evidence and / or measures are inadequate, it shall become an Event of Default.

12.11 Insolvency proceedings

Any corporate action, legal proceedings or other procedure or step is taken (including the making of an application, the presentation of a petition, the filing or service of a notice or the passing of a resolution) in relation to:

- (a) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganisation of the Company or Asian Paints Limited with an intention of winding up or liquidating the Company or Asian Paints Limited, as the case may be, (by way of voluntary arrangement, scheme of arrangement or otherwise); or
- (b) a composition, compromise, assignment or arrangement with any creditor of the Company or Asian Paints Limited; or

- (c) the appointment of a liquidator, supervisor, receiver, administrative receiver, administrator, compulsory manager, trustee or other similar officer in respect of the Company or any of its assets or Asian Paints Limited or any of its assets, and such appointment has not been vacated or has not been challenged by the Company or Asian Paints Limited, as the case may be, within a period of 30 (thirty) days; or
- (d) any analogous procedure or step is taken in any jurisdiction.

For an Event of Default in terms of this Clause 12.11, other than under 12.11(c), for which a cure period of 30 (thirty) days has been provided, no cure period is available.

12.12 Creditors' process

Any expropriation, attachment, sequestration, distress or execution affects any asset of the Company or Asian Paints Limited. For this Event of Default, no cure period is available.

12.13 Cessation of business

The Company or Asian Paints Limited suspends, ceases or threatens to suspend or cease to carry on all or a substantial part of its business or gives its intention of doing so. For this Event of Default, no cure period is available.

12.14 Unlawfulness and Invalidity

- (a) The Issue or the Security created in relation thereto becomes unlawful, invalid or unenforceable.
- (b) It is or becomes unlawful for the Company to perform any of its obligations under the Transaction Documents.
- (c) The withdrawal, failure of renewal, or failure to grant any statutory or regulatory approval in any relevant jurisdiction for the Issue or any security created in relation thereto.

For an Event of Default in terms of this Clause 12.14, no cure period is available.

12.15 Repudiation

The Company repudiates any of the Transaction Documents or evidences an intention to repudiate any of the Transaction Documents. For this Event of Default, no cure period is available.

12.16 Rescission of Transaction Documents

The Company rescinds or purports to rescind any of the Transaction Documents in whole or in part. For this Event of Default, no cure period is available.

12.17 Seizure

All or a material part of the undertaking, assets, rights or revenues of the Company or Asian Paints Limited are seized, nationalised, expropriated or compulsorily acquired by or under the authority of any government or government authority without the payment of adequate compensation. For this Event of Default, no cure period is available.

12.18 Security

- (a) the Pledged Shares and/ or the Secured Property or any part thereof is sold, disposed of, charged or encumbered, without the prior express written approval of the Debenture Trustee (which approval shall not be provided by the Debenture Trustee without being instructed by the Debenture Holders (by way of the Special Resolution))or
- (b) an attachment or distraint has been levied on the Pledged Shares and/ or the Secured Property or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Company; or

- (c) any failure of the Company to comply with any of the provisions of the Transaction Documents in relation to the Security including but not limited to the failure of the company to provide any additional or alternate security in accordance with the terms thereof and within the time limit stipulated therein in this regard; or
- (d) delisting of the shares of Asian Paints Limited or any action by any exchange to delist the shares of Asian Paints Limited, or issuing an order to cease trading in the shares of Asian Paints Limited or suspension of trading in the shares of Asian Paints Limited for any reason whatsoever or shifting of the shares of Asian Paints Limited to trade segment by any stock exchange; or
- (e) in the opinion, of the Debenture Holders, the security for the Debentures or any part thereof, is in jeopardy.

For an Event of Default in terms of this Clause 12.18, other than under Clause 12.18(a), for which a cure period of 30 (thirty) days has been provided, no cure period is available.

13. CONSEQUENCES OF AN EVENT OF DEFAULT

13.1 On and at any time after the occurrence of an Event of Default or the occurrence of any event which, after the notice, or lapse of time, or both, would constitute an Event of Default, then, unless such Event of Default at the request of the Company is expressly waived by the Debenture Trustee acting on the instructions of the Debenture Holder(s), (a) upon the expiry of the cure period provided, if any, or (b) if the cure period provided is mutually extended by the Parties hereto upon the expiry of such extended period or (c) where no cure period has been provided or where it is not practical to provide a cure period, then forthwith, or (d) where no cure period has been provided and the parties mutually agree to provide for a cure period, upon the expiry of such mutually agreed to cure period, the Debenture Trustee may, and shall if so directed by the Majority Debenture Holder(s):

- (a) declare that all or part of the Debentures, together with all other amounts accrued or outstanding under the Transaction Documents be immediately due and payable, whereupon they shall become immediately due and payable;
- (b) accelerate the redemption of the Debentures;
- (c) exercise the Power of Sale; and/or
- (d) exercise any other right that the Debenture Trustee and / or Debenture Holder(s) may have under the Transaction Documents or under Indian law.

13.2 In addition to the above, so long as there shall be an Event of Default:

- (a) If the Event of Default is on other than the failure to pay any amounts of principal or other amounts due and payable under the Transaction Documents, the Company shall pay an additional interest of 2% (Two Percent) per annum until such Event(s) of Default is/are rectified, without any prejudice to the remedies available to the Debenture Holder(s) or the consequences of Events of Default.
- (b) If the Event of Default is the failure to pay any amounts of principal or other amounts due and payable under the Transaction Documents, the Company shall pay an additional interest of 2% (Two Percent) per annum over and above the rate used for arriving at the Redemption Premium on the amounts in respect of which such default has occurred, without any prejudice to the remedies available to the Debenture Holder(s) or the consequences of Events of Default.

13.3 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) default in the creation of Security Interest in favour of the Debenture Trustee (for the benefit of the Debenture Holders);
- (ii) 2 (two) consecutive defaults in the payment of any interest to the Debenture Holder(s); or
- (iii) Any default on the part of the Company in redemption of the Debentures.

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.

- 13.4 The Debenture Trustee shall, on being informed by the Company of the happening of any of the Event(s) of Default set out in Clause 12 above or upon the happening of any of such Event(s) of Default coming to its notice, forthwith give written notice to the Debenture Holder(s) of the same.

14. **POWERS OF THE DEBENTURE TRUSTEE**

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

- (a) The Debenture Trustee may in good faith, with due care and with the consent of the Debenture Holders, 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 (appointed in consultation with the Debenture Holders) and shall not be responsible for any loss occasioned by so acting save and except for those arising due to fraud, gross negligence, wilful misconduct or omission or breach of trust committed by the Debenture Trustee, as determined by the court of competent jurisdiction. Any such advice, opinion or information and any communication passing between the Debenture Trustee and its representative or attorney appointed by it may be obtained or sent by letter, telegram, cablegram, telex, or any other electronic means and the Debenture Trustee, their representative or attorney shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telegram, cablegram, telex, or other electronic means although the same may contain some error or may not be authentic save and except for those arising due to fraud, gross negligence, wilful misconduct or omission or breach of trust committed by the Debenture Trustee, as determined by the court of competent jurisdiction;
- (b) The Debenture Trustee may accept a certified copy of a resolution of the board of directors or other governing body of any corporate Person as conclusive evidence that such body has duly adopted such resolutions and the same is in full force and effect;
- (c) The Debenture Trustee shall not be bound to give notice to any Person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Issuer or in any way to interfere with the conduct of the Issuer's business;
- (d) The Debenture Trustee shall be at liberty to keep these presents at their registered office or elsewhere or if the Debenture Trustee so decide with any banker or company whose business includes undertaking the safe custody of documents or with any advocates or firm of solicitors provided however that the Debenture Trustee shall be responsible for any loss incurred in connection with any such deposit and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;
- (e) Save as herein otherwise expressly provided, the Debenture Trustee shall, as regards all trusts, powers, authorities and discretions hereby vested in them, have absolute and uncontrolled discretion as to the exercise thereof and to the mode and time of exercise thereof and in the absence of fraud, gross negligence, wilful misconduct or omission or breach of trust committed by the Debenture Trustee, the Debenture Trustee shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non-exercise thereof and in particular it shall not be bound to act at the request or direction of the Debenture Holders under any provisions of these presents

unless sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liability which may be incurred in complying with such request or direction;

- (f) The Debenture Trustee shall not be responsible for the monies paid by applicants for the Debentures save and except for those arising due to fraud, gross negligence, wilful misconduct or omission or breach of trust committed by the Debenture Trustee as determined by the court of competent jurisdiction;
- (g) The Debenture Trustee shall not be responsible for acting in good faith and with due care upon any resolution purporting to have been passed at any meeting of the Debenture Holders in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holders;
- (h) The Debenture Trustee and every attorney, agent or other Person appointed by it hereunder shall, subject to the provisions of the Act, be entitled to be indemnified by the Issuer in respect of all liabilities and expenses incurred by it or him in the execution or purported execution of the powers and trusts thereof or of any powers, authorities or discretion vested in it or him pursuant to these presents, including liabilities and expenses consequent to any mistake, oversight or error of judgment, on the part of the Debenture Trustee or any such appointee and the Debenture Trustee may retain and pay out of any monies in their hands UPON THE TRUSTS of these presents the amount of any liabilities and expenses necessary to effect such indemnity and also remuneration of the Debenture Trustee as herein provided save and except for those arising due to fraud, gross negligence, wilful misconduct or omission or breach of trust committed by the Debenture Trustee and every attorney, agent or other Person appointed by them hereunder;
- (i) The Debenture Trustee shall in consultation with the Issuer, have full power to determine all questions and doubts arising in relation to any of the provisions hereof 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) in good faith and with due care shall be conclusive and binding upon all Persons interested hereunder;
- (j) The Debenture Trustee shall be entitled to exercise all its powers and rights available to it under the Transaction Documents;
- (k) The Debenture Trustee shall not be liable for any default, omission or delay in performing or exercising any of the powers or trusts herein expressed or contained or any of them or in enforcing the covenants herein contained or any of them or in giving notice to any Person or Persons of the execution hereof or for any loss or injury which may be occasioned by reason thereof unless the Debenture Trustee shall have been previously authorised to do so in terms of the Transaction Documents or requested by notice in writing to perform, exercise or do any of such steps as aforesaid by the Debenture Holders and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same by or on behalf of the Debenture Holders or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee are indemnified to its satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request;

PROVIDED NEVERTHELESS that nothing contained in this Clause 14(k) (*Powers of the Debenture Trustee*) shall exempt the Debenture Trustee from or indemnifying them against any liability for breach of trust nor any liability which by virtue of any rule or law would otherwise attach to them in respect of any fraud, gross negligence, wilful misconduct, omission or breach of trust which it may be guilty of in relation to their duties hereunder

15. POWER OF DEBENTURE TRUSTEE TO DELEGATE

The Debenture Trustee hereof being a Company or a Corporation or any institution in the public sector may, in the execution and exercise of all or any of the trusts, powers, authorities and discretions vested in them by these presents act by an officer or officers for the time being of the Debenture Trustee and the Debenture Trustee may also, whenever they think it expedient, delegate by Power of Attorney or otherwise to any such officer all or any of the trusts, powers, authorities and discretions vested in them 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.

16. 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.

17. POWER AND RIGHT OF DEBENTURE TRUSTEE TO INSPECT

The Debenture Trustee or its authorized representatives may enter the Company's premises and carry out inspections of the Company's office records, registers and books of accounts along with the assets of the Company that have been provided as Security, upon giving a 2 (Two) calendar days' prior notice in writing to the Company, to the extent such inspection is necessary for exercising any of the powers or discharging any of the duties of the Debenture Trustee under this Deed. The cost of inspection, including travelling and other related expenses shall be borne and paid by the Company.

18. 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.

19. 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:

- 19.1 The Debenture Trustee shall hold and accept the Security for and on behalf of the Debenture Holders;

- 19.2 The Debenture Trustee shall perform all such acts and duties as are set out in the other Transaction Documents;
- 19.3 The Debenture Trustee shall monitor the value of the shares of Asian Paints Limited on a daily basis;
- 19.4 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 creation, perfection of the Security or any other agreements for and on behalf of and for the benefit of the Debenture Holders.
- 19.5 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 and shall not be responsible for any loss occasioned by so acting. Any such advice, opinion or information and any communication passing between the Debenture Trustee and their representative or attorney appointed by them may be obtained or sent by letter, telegram, cablegram, telex or telephonic message and the Debenture Trustee, their representative or attorney shall not be liable for acting on any advice, opinion or information purporting to be conveyed by any such letter, telegram, cablegram, telex or telephonic message although the same shall contain some error or shall not be authentic;
- 19.6 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;
- 19.7 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 is sufficient evidence thereof and a like certificate that any property or assets are in the opinion of the director so certifying worth a particular sum or suitable for the Company's purpose or business as sufficient evidence that it is worth that sum or so suitable and a like certificate to the effect that any particular dealing or transaction or step or thing is in the opinion of the director so certifying expedient as sufficient evidence that it is expedient and the Debenture Trustee shall not be bound in any such case to call for further evidence or be responsible for any loss that may be occasioned by their failing to do so;
- 19.8 The Debenture Trustee may accept, without inspection, inquiry or requisition, such title as the Company may have to the assets of the Company being provided as Security and shall not be bound or concerned to examine or inquire into or be liable for any defect in or any insufficiency of these presents or in or of the title to the assets of the Company being provided as Security or any part thereof and they shall not be in anyway be liable for accepting such title as the Company has to the assets of the Company being provided as Security notwithstanding any defects which may exist therein and objection which can be made thereto;
- 19.9 The liability of Debenture Trustee in relation to the Issue shall be limited to:
- (a) Obligations specified under the Act.
 - (b) Fraud, gross negligence and wilful default.
- 19.10 Other than as expressly set out in the Transaction Documents, the Debenture Trustee shall not be bound to give notice to any person of the execution hereof or to see to the performance or observance of any of the obligations hereby imposed on the Company or in any way to interfere with the conduct of the Company's business unless and until the security hereby constituted or the rights under the Debentures shall have become enforceable and the Debenture Trustee shall have determined to enforce the same;
- 19.11 The Debenture Trustee shall be at liberty to keep these presents and all deeds and other documents of title relating to any of the properties charged / to be charged to the Debenture Trustee at their registered office or elsewhere or if the Debenture Trustee so decide with any banker or Company whose business includes undertaking the safe custody of documents or with an advocates or firm of solicitors and the Debenture Trustee shall not be responsible for any loss

incurred in connection with any such deposit and the Debenture Trustee may pay all sums required to be paid on account of or in respect of any such deposit;

- 19.12 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 security for the Debentures or the rights under the Debentures becomes enforceable;
- 19.13 The Debenture Trustee shall, as regards, all trusts, powers, authorities and discretion's, have absolute and uncontrolled discretion, in consultation with the Debenture Holder(s), as to the exercise thereof and to the mode and time of exercise thereof and in the absence of fraud shall not be responsible for any loss, costs, charges, expenses or inconvenience that may result from the exercise or non exercise thereof and in particular they shall not be bound to act at the request or direction of the Debenture Holder(s) under the provisions of these presents unless sufficient monies shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same;
- 19.14 With a view to facilitating any dealing under any provisions of these presents the Debenture Trustee shall have full power to consent (where such consent is required) to a specified transaction or class of transactions conditionally;
- 19.15 The Debenture Trustee shall not be responsible for acting upon any resolution purporting to have been passed at any meeting of the Debenture Holder(s) in respect whereof minutes have been made and signed even though it may subsequently be found that there was some defect in the constitution of the meeting or the passing of the resolution or that for any reason the resolution was not valid or binding upon the Debenture Holder(s);
- 19.16 The Debenture Trustee shall be entitled to assume that each Debenture Holder has made its own independent assessment of its investment in the Debentures and has conducted all appropriate diligence in respect of the Issuer.
- 19.17 Without prejudice to the rights to indemnify by law given to the Debenture Trustee, the Debenture Trustee and every attorney, manager appointed by it shall subject to the provisions of the Act be entitled to be indemnified out of assets of the Company being provided as Security and charged/ to be charged to the Debenture Trustee in respect of all liabilities and expenses incurred by it in the execution or purported execution of the powers and trusts thereof (other than arising on account of the gross negligence or willful default on the part of the Debenture Trustee, attorney, manager) and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted in anywise relating to the properties charged/to be charged to the Debenture Trustee and the Debenture Trustee may retain and pay out of any monies in their hands the amount of any liabilities and expenses necessary to effect such indemnity and also remuneration of the Debenture Trustee as herein provided and the Debenture Trustee shall have a lien on the properties charged/to be charged to the Debenture Trustee for all money payable to them arising out of or in connection with these presents or the issue of the Debentures;
- 19.18 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;
- 19.19 The Debenture Trustee does not make any representation and warranty as to the adequacy of the Security for the Debentures;
- 19.20 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 any of them or in enforcing the covenants contained therein or any of them or in giving notice to any person or persons of the execution thereof or in taking any other steps which may be necessary, expedient or desirable for the purpose of perfecting or enforcing the security for the Debentures 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 holder(s) representing not less than three-fourths of the nominal amount of the

Debentures for the time being outstanding or by a Special Resolution duly passed at a meeting of the Debenture Holder(s) and the Debenture Trustee shall not be bound to perform, exercise or do any such acts, powers or things or to take any such steps unless and until sufficient moneys shall have been provided or provision to the satisfaction of the Debenture Trustee made for providing the same by or on behalf of the Debenture Holder(s) or some of them in order to provide for any costs, charges and expenses which the Debenture Trustee may incur or may have to pay in connection with the same and the Debenture Trustee is indemnified to its satisfaction against all further costs, charges, expenses and liabilities which may be incurred in complying with such request.

- 19.21 Notwithstanding the provisions of this Deed, the Debenture Trustee may refrain from doing anything which might, in its opinion, constitute a breach of any Applicable Law and may do anything which, in its opinion, is necessary or desirable, to comply with any Applicable Law.

PROVIDED NEVERTHELESS that nothing contained in this Clause 19 shall exempt the Debenture Trustee from or indemnify it against any liability for gross negligence, breach of trust or wilful default nor any liability which by virtue of any rule or Applicable Law would otherwise attach to them in respect of any gross negligence, wilful default or breach of trust which they may be guilty of in relation to their duties hereunder.

20. **WHEN DEBENTURE TRUSTEE MAY INTERFERE**

Until the happening of one or more of the events upon the happening of which the Security created pursuant to the Deed of Hypothecation shall become enforceable as provided therein, the Debenture Trustee shall not be in any manner required, bound or concerned to interfere with the management or the affairs of the Company or its business or the custody, care, preservation or repair of the Secured Property or any part thereof.

21. **APPLICATION TO COURT**

The Debenture Trustee may at any time after the Security created pursuant to the Deed of Hypothecation becomes enforceable, apply to the courts for an order that the powers and trusts hereof be exercised and carried into execution under the direction of the court and for the appointment of a receiver and manager of the Secured Property or any of them and for any other order in relation to the execution and administration of the powers and limits hereof as the Debenture Trustee shall deem expedient and they may assent to approve of any application to the court made at the instance of any of the beneficial owner(s) and shall be indemnified by the Company against all costs, charges and expenses incurred for or in relation to any such applications or proceedings.

22. **MODIFICATIONS TO THESE PRESENTS**

The Company shall concur with the Debenture Trustee in making any modifications in these presents which in the opinion of the Debenture Trustee shall be expedient to make provided that once a modification has been approved by a consent in writing of the Majority Debenture Holder(s) for the time being outstanding or by a Special Resolution duly passed at a meeting of the Debenture Holder(s) convened in accordance with the provisions set out in the **Fourth Schedule** hereunder written, the Debenture Trustee shall give effect to the same by executing necessary deed(s) supplemental to these presents, provided however that no modification would be more onerous than contained in these presents.

23. **APPOINTMENT OF DEBENTURE TRUSTEE AS ATTORNEYS OF THE COMPANY**

The Company hereby irrevocably appoints the Debenture Trustee to be the Attorneys of the Company in the name and on behalf of the Company 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 them.

24. TAXES

24.1 Tax gross-up

- (a) The Company shall make all payments to be made by it under the Transaction Documents without any tax deduction, unless a tax deduction is required by law.
- (b) The Company shall promptly upon becoming aware that it has had or will have to make a tax deduction (or that there has been or will be any change in the rate at which or the basis on which any tax deduction has to be made) notify the Debenture Trustee accordingly. Similarly, any of the Debenture Holder(s) shall notify the Debenture Trustee on becoming so aware in respect of a payment payable to that Debenture Holder(s). If the Debenture Trustee receives such a notification from a Debenture Holder(s) it shall notify the Company.
- (c) If a tax deduction is required by law to be made by the Company (other than a tax deduction at source in relation to any income tax payable under Applicable Law), the amount of the payment in respect of which the tax deduction is required to be made shall be increased to the amount which (after the tax deduction) will leave an amount equal to the payment which would have been due if no tax deduction had been required.
- (d) If the Company is required to make a tax deduction, the Company shall make the tax deduction, and any payment required in connection with the tax deduction within the time allowed and in the minimum amount required by law.
- (e) Within the prescribed time limit as provided under the relevant provisions of the Income Tax Act, 1961 for making a tax deduction or a payment required in connection with a tax deduction, the Company shall deliver to the Debenture Trustee for the Debenture Holder(s) in question evidence reasonably satisfactory to those Debenture Holder(s) that the tax deduction or payment has been made.

24.2 Tax indemnity

- (a) If the Debenture Holder is or will be subject to any liability or required to make any payment for or on account of tax in relation to any sum received or receivable (or any sum deemed for tax purposes to be received or receivable) under any of the Transaction Documents, the Company shall within 3 (three) Business Days of demand by the Debenture Trustee pay to that Debenture Holder(s) the amount determined by those Debenture Holder(s) in their absolute discretion to be equal to the loss, liability or cost which will be or has been (directly or indirectly) suffered for or on account of tax by that Debenture Holder(s) as a result of that liability or payment.
- (b) The aforementioned sub-clause (a) shall not apply in relation to any tax assessed on any of the Debenture Holder(s):
 - i) under the law of the jurisdiction in which that Debenture Holder(s) is incorporated or, if different, the jurisdiction (or jurisdictions) in which the Debenture Holder(s) is treated as resident for tax purposes; or
 - ii) under the law of the jurisdiction in which that Debenture Holder(s) facility office is located, in respect of amounts received or receivable in that jurisdiction;
 - iii) if that tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by those Debenture Holder(s); or
 - iv) to the extent that the liability or requirement is compensated for by an increased payment under Clause 24.1.
- (c) Any of the Debenture Holder(s) making, or intending to make, a claim under Clause 24.1(a) above shall promptly notify the Debenture Trustee of the event which will give, or

has given, rise to the claim, following which the Debenture Trustee shall notify the Company accordingly.

- (d) Any of the Debenture Holder(s) shall, on receiving a payment from the Company under this Clause 24.1(a) shall notify the Debenture Trustee.

24.3 Tax Credit

- (a) If the Company makes a tax payment and the relevant Debenture Holder determines in its absolute discretion that it has obtained, utilised and retained a tax credit which is attributable to either:

- i) an increased payment of which that tax payment forms part; or
- ii) that tax payment;

the Debenture Holder in question shall pay to the Company the amount determined by the Debenture Holder in its absolute direction to be the amount which will leave the Debenture Holder (after the payment) in the same after tax position as it would have been in had the tax payment not been required to be made by the Company.

- (b) For the purposes of this clause only;
 - i) **"tax credit"** means a credit against, relief from or remission or repayment of any tax.
 - ii) **"tax payment"** means either an increase in a payment made by the Company to a Debenture Holder under Clause 24.1 or a payment under Clause 0 above.

24.4 Stamp taxes

The Company shall within 3 (three) Business Days of demand, indemnify each of the Debenture Holder(s) against any cost, loss or liability which that Debenture Holder(s) incur in relation to any stamp duty, registration tax or other similar tax which is payable in respect of any of the Transaction Documents.

24.5 Authorisation and Consents

The Company hereby confirms that all actions (including corporate actions), conditions and things required to be taken, fulfilled and done (including the obtaining of any consents (if applicable) by the Company in order (a) to enable it to lawfully enter into, exercise its rights and perform and comply with its obligations under this Deed, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make this Deed admissible in evidence in the courts of India have been taken, fulfilled and done in strict compliance with all Applicable Laws.

24.6 Benefit of this Deed

This Deed shall enure to the benefit of and be binding on the Parties and their respective successors and permitted assigns of each Party

24.7 Costs and Expenses

- (a) All the costs, charges and expenses to be borne in connection with the actions contemplated herein including, but not limited to the preparation, engrossment, stamping and execution of this Deed in original, the legal fees, expenses of attorney, expenses in connection with all suits and/or proceedings of whatsoever nature filed in connection with the Security shall be borne in full, by the Company.
- (b) This Clause 24.7 shall survive the termination or expiry of this Deed.

25. NOTICES

- 25.1 Any notice, demand, communication or other request (individually, a **"Notice"**) to be given or made under this Deed shall be in writing. Such Notice shall be delivered by hand, registered mail

(postage prepaid), recognised overnight courier service, facsimile or electronic mail to the party to which it is addressed at such party's address specified below or at such other address as such party shall from time to time have designated by 5 (five) days' prior written Notice to the Debenture Holder/s.

25.2 All such notices and communications shall be effective: (i) if sent by facsimile, when sent (on receipt of a confirmation to the correct facsimile number); (ii) if sent by Person, when delivered; (iii) if sent by courier one Business Day after deposit with an overnight courier; (iv) if sent by registered letter when the registered letter would, in the ordinary course of post, be delivered whether actually delivered or not; and (v) if by electronic mail, when actually received in readable form. Provided however that any notice or communication to the Debenture Trustee shall be effective only on actual receipt by the officer of the Debenture Trustee for whose attention the notice or communication has been expressly marked.

25.3 For the purposes of the above clauses the addresses for Notices in respect to the Company and the Debenture Trustee shall be as follows

(o) **Company:**
Sattva Holding and Trading Private Limited
Unit no. 205, 2nd Floor, Welspun House,
Kamala City, Senapati Bapat Marg,
Lower Parel, Mumbai - 400013
Attention: Mr Percy Jal Dajee
Phone: 022-40016500
Fax: N/A
Email: sattvaholding@gmail.com

(p) **Debenture Trustee:**
IDBI Trusteeship Services Limited
Asian Building,
Ground Floor,
17, R. Kamani Marg,
Ballard Estate,
Mumbai – 400 001
Attention: Sr. Manager
Phone: 022 – 4080 7000
Fax: 022 – 6631 1776
Email: itsl@idbitrustee.com

25.4 This Clause 25 shall survive the termination or expiry of this Deed.

26. MISCELLANEOUS

26.1 Indemnity

(a) The Company hereby agrees and undertakes to indemnify and keep indemnified the Debenture Holders and their nominee(s) or any of them and each of their affiliates, officers, directors, employees, agents and advisors and every receiver, attorney, manager, agent or other Person appointed by the Debenture Holders (each an "**Indemnified Party**") against any and all losses, expenses, liabilities, obligations, damages, actions, proceedings, claims, demands and judgments (including without limitation legal and other fees on a full indemnity basis) and Taxes imposed other than tax on income, asserted against or incurred by any Indemnified Party in the execution or performance of the terms and conditions hereof or which may be incurred, sustained or which may arise in or on the non-performance or non-observance or inaccuracy of any of the undertakings, covenants, representations and warranties and agreements on the part of the Company herein contained or under any document delivered hereunder or pursuant hereto in respect of any matter or thing done or omitted by the Company relating in any way whatsoever to this Deed or such document or any of the Security or enforcement of any of the terms of or the preservation of any right hereunder or pursuant hereto. All sums necessary to effect the indemnity contained under this Clause 25.1(a) and all sums payable by the Company under Clause 24.7 (*Costs and expenses*) shall form part of the amounts outstanding under the Debentures and shall be secured by this Deed.

- (b) Without prejudice to the provisions of Clause 25.1(a) above, the Debenture Holders or their nominee(s) and every receiver or other Person appointed by any of them shall, be entitled to be indemnified out of the Security in respect of all actions, proceedings, claims, demands, judgments, costs, charges, liabilities and expenses incurred by them in the execution or purported execution of the powers and trusts of the Debenture Holders and against all actions, proceedings, costs, claims and demands in respect of any matter or thing done or omitted to be done in any way relating to the Security.

26.2 Entire Deed

This Deed supersedes all discussions and agreements (whether oral or written, including all correspondence) prior to the date of this Deed among the Parties with respect to the subject matter of this Deed.

26.3 Waiver

Any term or condition of this Deed may be waived at any time by the Party that is entitled to the benefit thereof, provided such term or condition can be waived. No failure or delay on the part of the Debenture Trustee in exercising any power, right or remedy under this Deed shall be construed as a waiver thereof, nor shall any single or partial exercise of any such power, right or remedy preclude any other or further exercise thereof or the exercise of any other power, right or remedy. Such waiver must be in writing and must be executed by an authorised officer of such Party. A waiver on one occasion will not be deemed to be a waiver of the same or either under breach or non-fulfillment on a future occasion. All remedies and benefits, either under this Deed, or by law or otherwise afforded, will be cumulative and not alternative and without prejudice to the other remedy or benefit, as the case may be.

26.4 Assignment

The terms and provisions of this Deed shall be binding upon, and the benefit hereof shall inure to the Parties hereto and their respective successors and assigns; Provided however, that the Company shall not assign this Deed or any of the rights, duties or obligations of the Company hereunder.

26.5 Variation of the Terms

Notwithstanding anything contrary in this Deed, the Debenture Trustee acting for and on behalf of the Debenture Holders may upon the instructions of the Debenture Holders amend, vary, modify, add to or delete from, in whole or in part, any of the terms and conditions of this Deed by notice in writing to the Company if in the reasonable opinion of the Debenture Trustee/ Debenture Holder, such amendment, variation, modification, addition or deletion is necessary or desirable, for any other reason whatsoever, and thereupon such amendment, variation, modification, addition or deletion shall be binding on the Company with effect from such date as may be specified by the Debenture Trustee acting for and on behalf of the Debenture Holders.

26.6 Amendment

This Deed may be modified or amended only by a writing duly executed by or on behalf of each of the Parties.

26.7 Severability

If any provision of this Deed is held to be illegal, invalid, or unenforceable under any present or future law (a) such provision will be fully severable; (b) this Deed will be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and (c) the remaining provisions of this Deed will remain in full force and effect and will not be affected by the illegal, invalid, or unenforceable provision or by its severance herefrom.

26.8 Governing law and Jurisdiction

- (a) This Deed shall be governed by and construed in accordance with the laws of India.

(b) Any and all disputes arising out of or in connection with this Deed or its performance (“**Dispute**”) shall, be resolved and finally settled in, for all matters for which the courts of law would have jurisdiction, the courts of law at Mumbai which shall have non-exclusive jurisdiction.

(c) This Clause 26.8 shall survive the termination of this Deed.

26.9 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.

26.10 Termination

This Deed (other than those indemnities and other provisions which by their terms survive any termination) shall automatically terminate upon full discharge of the Secured Obligations. However, in the event that there are amounts outstanding under this Deed, this Deed shall be terminated only with the consent of the Debenture Holders.

26.11 Further Assurances

The Parties hereby agree to execute and do such further documents, assurances, deeds, acts or things as may be necessary to give full effect to the provisions herein contained.

27. DISCLOSURES TO CREDIT SHARING AGENCIES

27.1 Upon the occurrence of any Event of Default, the Debenture Trustee / Debenture Holders shall have an unqualified right to disclose or publish the details of the default and the name of the Company and of its directors as defaulters as may be required by Applicable Law.

27.2 The Company hereby agrees and gives consent for the disclosure by the Debenture Trustee / Debenture Holders / RBI / CIBIL and/or any other credit sharing agency authorised in this behalf by the RBI, of all information and data relating to the Company or to the Debenture or defaults, if any, as may be mandated by Applicable Law, to CIBIL, or any institution or any other agencies authorized in this behalf by the RBI.

27.3 The Company hereby further agrees that:

- (a) CIBIL, or any institution or any other agency so authorised by the RBI may use, process the said information and data disclosed by the Debenture Trustee / Debenture Holders; and
- (b) CIBIL, or any institution or any other agency may furnish on consideration, the processed information and data or products thereof prepared by them to banks, financial institutions and other credit grantors as may be specified by the RBI in this behalf.

THE FIRST SCHEDULE ABOVE REFERRED TO

FINANCIAL COVENANTS AND CONDITIONS

1. 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.

2. Interest

2.1 Redemption Premium

At the time of redemption of the Debentures, the Company shall make payment of a redemption premium ("**Redemption Premium**") in respect of each Debenture being redeemed so as to ensure that the holder thereof receives an amount, which ensures that the Debentures holders receive in respect of each Debenture a return of 9.50% (Nine Decimal Point Five Zero Percent) per annum, compounded on an annual basis, on the Principal Amount, for the period commencing from the Date of Allotment and expiring on the date on which the Debentures are being redeemed.

2.2 Default interest

All amounts due on the Debentures, including Principal Amounts and/or Redemption Premium payable on the Maturity Date or otherwise shall, in case the same be not paid on the respective Due Dates, carry further interest at the rate of 2% (two percent) over the applicable Redemption Premium, per annum computed from the respective Due Dates and shall become payable for defaulting period until the date on which the said Payments are made.

2.3 Computation of Redemption Premium

All Redemption Premium accruing on the Debentures shall accrue from day to day and be calculated on the basis of the actual number of days elapsed and a year of 365 days (or 366 days in case of a leap year), at the applicable rate of Redemption Premium and rounded off to the nearest Rupee.

3. Discount

The Debentures are being issued at face value and no discount is being offered.

4. Business Day Convention

Any day of the week (excluding Saturdays, Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) in Mumbai) shall be a Business Day for the purpose of this Deed.

If the date for performance of any event or the Due Date for any Payment including but not limited to the Maturity Date falls on a day that is not a Business Day, then the date in respect of performance such event or the Due Date for payment shall be the immediately preceding Business Day. In the event of any Payment falling due on such immediately preceding Business Day, the same shall be paid together with interest accrued up to and including such preceding Business Day.

5. Redemption

The Debentures issued pursuant to this Deed have a fixed Maturity Date, subject to the exercise of the Put Option or Call Option detailed below. The Debentures shall be taken as fully redeemed on payment of the Redemption Amount, Default Interest, if any, and all other costs and expenses incurred by the Debenture Holders / Debenture Trustee. Such payment will be a legal discharge of the liability of the Company towards the Debenture Holders. The Principal Amount for each Debenture shall be equal to the face value of the said Debenture.

The Company shall ensure that at least 10 (Ten) calendar days prior to the scheduled Maturity Date or the Exercise Date, as the case may be, the Company funds the Designated Account, with

the Redemption Amount which is due and payable to the Debenture Holders on the Maturity Date or the Exercise Date, as the case may be, or the Company shall redeem the Debentures in the manner set out in Paragraph 7.2 herein.

5.1 **Exercise Date**

The date on which the Debentures are to be redeemed pursuant to the exercise of the Call Option and/or the Put Option shall be the day falling after the expiry of every 12 (Twelve) months from the Deemed Date of Allotment being February 06, 2021 and February 06, 2022 (each an “**Exercise Date**”).

5.2 **Call Option**

The Company shall have the option to buy back all the Debentures (in full and not in part) on the Exercise Date, upon providing a notice (“**Call Option Notice**”) to the Debenture Trustee and/ the Debenture Holders. The Call Option Notice shall be delivered to the Debenture Holders, at least 30 (Thirty) calendar days prior to the Exercise Date. Upon issuance of the Call Option Notice, the Company shall, on the Exercise Date, ensure that all amounts required to redeem the Debentures on the Exercise Date, has been paid to the Debenture Holders in full.

5.3 **Put Option**

Each Debenture Holder shall have the option to require the Company to purchase all the Debentures held by such Debenture Holder, on the Exercise Date, upon providing a notice to the Company (“**Put Option Notice**”), with a copy marked to the Debenture Trustee. The Put Option Notice shall be delivered to the Company, at least 30 (Thirty) calendar days prior to the Exercise Date. Upon receipt of the Put Option Notice, the Company shall, on the Exercise Date, ensure that all amounts required to redeem the Debentures, held by the Debenture Holders who have issued the Put Option Notice, on the Exercise Date, has been paid to the said Debenture Holders in full.

6. **Payments**

Payment of the Principal Amount of each of the Debentures and Redemption Premium thereon will be made on the relevant Due Date to the Debenture Holders 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 cheque or warrant / demand draft / credit through the RTGS system.

7. **Early Payment**

7.1 The Company shall not be entitled to prepay or redeem the Debentures (or any part thereof) prior to its scheduled term without obtaining the prior written consent of the Debenture Trustee other than pursuant to the exercise of the Put Option or the Call Option or as set out hereinafter.

7.2 The Company shall have the option to redeem the Debentures (“**Early Redemption Option**”) on the date falling 10 (Ten) calendar days prior to the scheduled Maturity Date or the Exercise Date, if the Call Option or the Put Option has been exercised, (“**Early Redemption Date**”), subject to the terms and conditions hereinafter appearing.

(a) For the purposes of exercising the Early Redemption Option, the Company will have to comply with the following:

- (i) The Company shall provide a notice in writing to the Debenture Trustee at least 3 (Three) Business Days prior to the Early Redemption Date confirming its intention to exercise the Early Redemption Option;
- (ii) On the Early Redemption Date, the Company shall make payment to the Debenture Holders in respect of each Debenture held by them, the following monies: (i) face value of the said Debenture; (ii) Redemption Premium due on the said Debenture; and (iii) any other amounts due and payable to the Debenture Holder in respect of the said Debenture in accordance with the terms of the Transaction Documents.

- (b) For the sake of abundant caution, it is clarified that the Company shall not be required to make payment of any prepayment premium or penalty for redeeming the Debentures pursuant to exercise of the Early Redemption Option.

8. Listing of the Debentures

The Debentures are listed on the wholesale debt market segment of the BSE.

9. Transfer of Debentures

- 9.1 The Debentures shall be freely transferable and transmittable by the Debenture Holder(s) in whole or in part without the prior consent of the Company. The Debenture Holder(s) shall also have the right to novate, transfer or assign its rights and/or the benefits under the Transaction Documents upon such transfer/transmission of the Debentures.
- 9.2 It is clarified that the Company shall not assign any of the rights, duties or obligations under this Deed or in relation to the Debentures without the prior written consent of the Debenture Trustee (acting on the instructions of all the Debenture Holder(s)).

10. 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.

11. 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 or to receive Annual Reports of the Company.

12. Variation of Debenture Holder(s)' rights

The rights, privileges and conditions attached to the Debentures may be varied, modified or abrogated with the consent in writing of the Majority Debenture Holder(s) or if applicable, with the sanction of a Special Resolution, passed at a meeting of the Debenture Holder(s).

13. Information rights and undertakings

13.1 Information undertakings

The undertakings in this Schedule and this paragraph number 13 shall remain in force from the date of this Deed until the Debentures shall have been redeemed:

- (a) Financial statements

The Company shall supply to the Debenture Trustee:

- (i) as soon as the same become available, but in any event within 120 (one hundred and twenty) calendar days after the end of each of its Financial Years, its audited financial statements for that Financial Year; and
- (ii) as soon as the same become available, but in any event within 60 (sixty) calendar days after the end of each quarter of each of its Financial Years its unaudited financial results as published by the Company (including balance sheet) for that half Financial Year.

- (b) Requirements as to financial statements.

- (i) The Company shall procure that each set of financial statements delivered pursuant to Paragraph 13.1(a) above is prepared using the applicable Accounting Standards, accounting bases, policies, practices and procedures and financial

reference periods consistent with those applied in the preparation of the Original Financial Statements.

- (ii) In relation to all sets of financial statements, the Company shall notify the Debenture Trustee of any change in the applicable Accounting Standards, the accounting bases, policies, practices and procedures or financial reference periods if have a Material Adverse Effect;

(c) Information: miscellaneous

The Company shall supply to the Debenture Trustee (in sufficient copies for all the Debenture Holder(s), if the Debenture Trustee so requests):

- (i) the details of any litigation, arbitration or administrative proceedings which are current, pending against it, and which might, if adversely determined, have a Material Adverse Effect; and
- (ii) such further information regarding its financial condition, business, operations and prospects as any Debenture Holders (through the Debenture Trustee) may reasonably request.

(d) Notification of default

The Company shall notify the Debenture Trustee of:

- (i) any Events of Default (and the steps, if any, being taken to remedy it) promptly upon becoming aware of its occurrence;
- (ii) any litigation, arbitration or administrative proceedings which have (to the best of the Company's knowledge and belief) been started or threatened against it which, if adversely determined, would result in a liability exceeding the Rs. 1,00,00,000/- (Rupees One Crore only);
- (iii) any security or rights being created over or against any of the assets of the Company except as provided in this Deed; and
- (iv) any other occurrence relating to the Company (including any third party claim or liability) which might reasonably be expected to have a Material Adverse Effect.

- (e) Promptly upon a request by the Debenture Trustee, the Company shall supply to the Debenture Trustee a certificate signed by any one of the authorised signatories certifying that no Event of Default and that none of the other events referred to in this Paragraph is continuing (or if an Event of Default or any of those Events of Defaults are continuing, specifying the event and the steps, if any, being taken to remedy it).

(f) "Know your customer" checks

- (i) If the Debenture Trustee or any Debenture Holder is obliged by:
 - (I) the introduction of or any change in (or in the interpretation, administration or application of) any law or regulation made after the date of this Deed; or
 - (II) any change in the status of the Company after the date of this Deed.

to comply with "know your customer" or similar identification procedures in circumstances where the necessary information is not already available to it, the Company shall promptly upon the request of the Debenture Trustee or any Debenture Holder supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Debenture Trustee (for itself or on behalf of any Debenture Holder(s)) or any Debenture Holder(s) (for itself or, on behalf of any prospective new Debenture Holder) in order for the Trustee or such

Debenture Holder(s) or for any prospective new Debenture Holder(s) to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all Applicable Laws and regulations pursuant to the transactions contemplated in the Transaction Documents.

- (g) The Company shall promptly upon the request of the Debenture Trustee supply, or procure the supply of, such documentation and other evidence as is reasonably requested by the Debenture Trustee (for itself) in order for the Debenture Trustee to carry out and be satisfied it has complied with all necessary "know your customer" or other similar checks under all Applicable Laws and regulations pursuant to the transactions contemplated in the Transaction Documents.

13.2 Rating of Debentures

The Debentures have been rated CRISIL AA+ (SO) (pronounced as "CRISIL double A Plus rating with Stable outlook") by the Rating Agency *vide* its letter dated January 24, 2020. The Company shall ensure that the Debentures continue to be thus rated by the Rating Agency till the time of redemption of the Debentures.

THE SECOND SCHEDULE ABOVE REFERRED TO

PROVISIONS FOR THE MEETINGS OF THE DEBENTURE HOLDER

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

1. The Debenture Trustee or the Company may, at any time, and the Debenture Trustee shall at the request in writing of the holders of Debentures representing not less than 1/10th (one-tenth) in value of the nominal amount of the Debentures for the time being outstanding, 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-paragraph (i), if consent is accorded thereto by holders of Debentures representing not less than 95% (Ninety Five Percent) 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 the 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

Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the Registered Office of the Company, the statement of material facts referred to in the Act need not be annexed to the notice as required under the Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the Debenture Holder(s) in question.

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, then the quorum shall comprise of all of such lesser number of

Debenture Holder(s) being present) and the provisions of following sub-paragraph (ii) shall apply with respect thereto.

- (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 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% 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 Debentures 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 notially 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 any of the forms set out at the foot of Annexure "D" to The Companies (Central Government's) General Rules and Forms, 1956, 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 two scrutineers appointed under this paragraph, 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 paragraph 0 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 Trust Deed 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 paragraph 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 Debenture Holder(s) by a majority representing not less than 75% (Seventy Five Percent) in value of the votes cast on such poll, where the Meeting has been called with respect to all the Debenture Holder(s). 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 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.

THE THIRD SCHEDULE ABOVE REFERRED TO

DEPOSITORY RELATED PROVISIONS

1. The Company has made depository arrangements with NSDL for dematerialization of the Debentures. Each of the Debenture Holders has to necessarily hold the Debentures 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 dematerialized 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 Holders with NSDL, will be credited within 3 (three) Business Days from the Date of Allotment. The initial credit in the account will be akin to the letter of allotment. On the completion of all statutory formalities, such credit will be substituted with the number of Debentures allotted.
4. The Debentures held in the dematerialised form shall be taken as discharged on payment of the redemption amount 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 accordingly the account of the Debenture Holder with NSDL will be adjusted.
5. A Register of Debenture Holder 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 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 rematerialization.

THE FOURTH SCHEDULE ABOVE REFERRED TO

PART A: CONDITIONS PRECEDENT

1. There shall not be, in the opinion of the Debenture Trustee, acting on the instructions of the Debenture Holders, a Material Adverse Effect and there shall not be any circumstances existing which could give rise, with the passage of time or otherwise, to a Material Adverse Effect;
2. In respect of the repayment of the Principal Amount of the Debentures and payment of Redemption Premium thereon on the relevant Due Dates, the Company shall have issued post-dated cheques for each of such payments in favour of the Debenture Trustee;
3. The Company shall have delivered to the Debenture Trustee:
 - (a) the certified copies of the Company's constitutional documents;
 - (b) the certified copies of the board resolutions duly authorizing the Company to issue the Debentures and execute the Transaction Documents and undertake the obligations stipulated therein;
 - (c) the certified copies of the extracts of the shareholders resolutions passed in accordance with Sections 180(1)(a) and 180(1)(c) of the Companies Act, 2013;
 - (d) rating letter issued by the Rating Agency;
 - (e) consent letter issued by the Debenture Trustee;
 - (f) specimen signature certificate for the authorized signatories of the Issuer;
 - (g) audited standalone financial statement of the Issuer prepared in accordance with the applicable Accounting Standards for the Financial Year ending March 31, 2019 and any other audited financial statements of the Issuer for any period after March 31, 2019; and
 - (h) no-objection certificates, if required, from (i) the existing lenders of the Persons comprising the Promoters and/ or the Sattva Group; and (ii) counterparties to any document evidencing the Financial Indebtedness of the said Persons forming part of the Promoters and/ or the Sattva Group;
4. Execution of all Transaction Documents and evidence of payment of all charges in relation thereto, including stamp duty;
5. A copy of any other authorisation or other document, opinion or assurance which the Debenture Trustee (acting on the instructions of the Debenture Holders) considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Document.

PART B: CONDITIONS SUBSEQUENT

1. Filing of the relevant documents with the applicable registrar of companies within 30 (Thirty) days from the timelines prescribed under the Act and the relevant rules and regulations;
2. Evidence that Form CHG-9 has been filed by the Company with the applicable registrar of companies in respect of the mortgage of Pledged Shares and charge on the Designated Account within 30 (Thirty) days of the creation of charge;
3. Issuance of a standard legal opinion on the enforceability of the Transaction Documents;
4. Certificate of charge for or in respect of the Security Interest from the applicable registrar of companies within 30 (Thirty) days of the creation of charge;

IN WITNESS WHEREOF the Company and the Debenture Trustee have caused these presents to be executed the day and year first hereinabove written in the manner hereinafter appearing.

SIGNED AND DELIVERED by **Sattva Holding and Trading Private Limited**, the withinnamed Company by the hand of PERCY TAL-DATEE its Authorised Signatory.

Percy Tal Datee



SIGNED AND DELIVERED by **IDBI Trusteeship Services Limited**, the withinnamed Debenture Trustee by the hand of Daljit Singh, its Authorised Signatory.

For IDBI TRUSTEESHIP SERVICES LTD.

Daljit Singh
AUTHORISED SIGNATORY