

**(R) TERM SHEET: ISSUE DETAILS (This Term Sheet formed part of the Disclosure Document filed by Nirma Limited and has been extracted from the said Disclosure Document)**

<b>Issuer</b>	<b>Nirma Limited (“the Issuer”)</b>		
Promoter Group	Mr. Karsanbhai K. Patel & family (“Promoters”)		
Joint Lead Manager/Arrangers	ICICI Bank Limited, Trust Investment Advisors Pvt. Ltd. and YES Bank Limited		
Instrument	Unsecured, subordinated, rated, listed, redeemable securities issued in the form of series IV non-convertible debentures		
Status of Debentures	<p>Obligations of the Issuer under the Debentures will rank:</p> <ul style="list-style-type: none"> <li>• junior to any senior unsecured obligations of the Issuer;</li> <li>• <i>pari passu</i> with each other and with any Parity Securities of the Issuer; and</li> <li>• senior to preference and equity share capital and any other securities at par with preference or equity share capital of the Issuer;</li> </ul> <p>For the purpose of this clause, Parity Securities shall mean: (i) any security issued by the Issuer which ranks <i>pari passu</i> with the Debentures; and (ii) any security guaranteed by the Issuer or subject to the benefit of an indemnity entered into by the Issuer, where the Issuer’s obligations under the relevant guarantee or indemnity rank <i>pari passu</i> with the Issuer’s obligations under the Debentures. (iii) Loans from Promoters / group companies of the Company</p>		
Eligible Investors	Investors		
Rating	AA- [AA minus] (Negative Outlook)		
Rating Agencies	CRISIL Limited and India Ratings & Research Private Limited		
Object of the Issue/ Details of the utilization of Issue Proceeds	<p>Issuer would use the proceeds for refinancing of various loans of the issuer, capital expenditure, long term working capital, normal course of business including payment of expenses of the issue.</p> <p>The Issuer undertakes that the proceeds of this Issue shall not be used for any purpose, which may be in contravention of the Government/RBI/SEBI/other regulatory guidelines.</p>		
Mode of Issue	On private placement basis to all eligible investors		
Issue Size	Aggregate amount of Rs. 1500 crores		
Security	Unsecured		
Final Maturity/Tenor	60 years for all tranches from the Deemed Date of Allotment		
Tranches	Tranche 1	Tranche 2	Tranche 3
Quantum	Rs. 900 Crore	Rs. 300 crore	Rs. 300 crore
Call Tenor	5 years	7 years	10 years
Put Date	NA		
Put Price	NA		
Put Notification Time	NA		
Call Option	Call Option can be exercised, at par, by the Issuer at the end of Call Tenor from the Deemed Date of Allotment and annually every year thereafter (each a “ <b>Call Option Date</b> ”), subject to the Issuer providing prior written notice to the holders of the Debentures at least 30 calendar days prior to such exercise date.		
Call Option Date	The date on which Call Option will be exercised. Call Option Date to be defined by the Issuer in the prior written notice to the holders of the Debentures.		
Call Notification Time	30 calendar days prior to the Call Option Date		
Put Option	NA		
Distribution Payment Date	Distribution payable annually from the Deemed Date of Allotment		
Distribution Rate	Subject to Distribution Deferral, the Debentures confer a right to receive Distribution at a fix rate as mentioned below:		
	Tranche 1	9.50%	p.a payable annually
	Tranche 2	9.65%	p.a payable annually

	Tranche 3	10.15% p.a payable annually	
Distribution Payment Frequency	Annual		
Distribution Payment Date	Unless the Issuer exercises the Call Option, the Distribution Payment Dates shall be as follows:		
	Friday, July 6, 2018		
	Saturday, July 6, 2019		
	Monday, July 6, 2020		
	Tuesday, July 6, 2021		
	Wednesday, July 6, 2022		
	Thursday, July 6, 2023		
	Saturday, July 6, 2024		
	Sunday, July 6, 2025		
	Monday, July 6, 2026		
	Tuesday, July 6, 2027		
	Thursday, July 6, 2028		
	Friday, July 6, 2029		
	Saturday, July 6, 2030		
	Sunday, July 6, 2031		
	Tuesday, July 6, 2032		
	Wednesday, July 6, 2033		
	Thursday, July 6, 2034		
	Friday, July 6, 2035		
	Sunday, July 6, 2036		
	Monday, July 6, 2037		
	Tuesday, July 6, 2038		
	Wednesday, July 6, 2039		
	Friday, July 6, 2040		
	Saturday, July 6, 2041		
	Sunday, July 6, 2042		
	Monday, July 6, 2043		
	Wednesday, July 6, 2044		
	Thursday, July 6, 2045		
	Friday, July 6, 2046		
	Saturday, July 6, 2047		
	Monday, July 6, 2048		
	Tuesday, July 6, 2049		
	Wednesday, July 6, 2050		
	Thursday, July 6, 2051		
	Saturday, July 6, 2052		
	Sunday, July 6, 2053		
	Monday, July 6, 2054		
	Tuesday, July 6, 2055		
	Thursday, July 6, 2056		

	<p>Friday, July 6, 2057</p> <p>Saturday, July 6, 2058</p> <p>Sunday, July 6, 2059</p> <p>Tuesday, July 6, 2060</p> <p>Wednesday, July 6, 2061</p> <p>Thursday, July 6, 2062</p> <p>Friday, July 6, 2063</p> <p>Sunday, July 6, 2064</p> <p>Monday, July 6, 2065</p> <p>Tuesday, July 6, 2066</p> <p>Wednesday, July 6, 2067</p> <p>Friday, July 6, 2068</p> <p>Saturday, July 6, 2069</p> <p>Sunday, July 6, 2070</p> <p>Monday, July 6, 2071</p> <p>Wednesday, July 6, 2072</p> <p>Thursday, July 6, 2073</p> <p>Friday, July 6, 2074</p> <p>Saturday, July 6, 2075</p> <p>Monday, July 6, 2076</p> <p>Tuesday, July 6, 2077</p>																						
Distribution Type	Fixed																						
Step Up	<p>If the Call option is not exercised by the Issuer at the end of Call Tenor from the Deemed Date of Allotment and thereafter, the rate of Distribution shall be revised upwards as mentioned below, and any Distribution on the Debentures shall be payable at such revised rate of Distribution thereafter.</p> <table border="1"> <thead> <tr> <th>Tranches</th> <th>Tranche 1</th> <th>Tranche 2</th> <th>Tranche 3</th> </tr> </thead> <tbody> <tr> <td>Initial Step up</td> <td>150 bps</td> <td>150 bps</td> <td>200 bps</td> </tr> <tr> <td>Subsequent step up</td> <td>25 bps each for 6<sup>th</sup> year and 7<sup>th</sup> year</td> <td>50 bps for 8<sup>th</sup> year</td> <td>N.A.</td> </tr> <tr> <td>Incremental step up</td> <td>50 bps</td> <td>50 bps</td> <td>N.A.</td> </tr> <tr> <td>Cumulative step up</td> <td>200</td> <td>200</td> <td>200</td> </tr> </tbody> </table>			Tranches	Tranche 1	Tranche 2	Tranche 3	Initial Step up	150 bps	150 bps	200 bps	Subsequent step up	25 bps each for 6 <sup>th</sup> year and 7 <sup>th</sup> year	50 bps for 8 <sup>th</sup> year	N.A.	Incremental step up	50 bps	50 bps	N.A.	Cumulative step up	200	200	200
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Interest on Application Money	At the Distribution Rate from the date of receipt of application money till one day prior to the date of Deemed Date of Allotment on aggregate face value of the Debentures.																						
Optional Distribution Deferral	<p>Distribution may be deferred at the option of the Issuer by giving notice to the holders of the Debentures and the Debenture Trustee not more than 30 calendar days nor less than 15 (fifteen) calendar days prior to scheduled Distribution Payment Date, unless, in the 12 (twelve) months preceding the relevant Distribution Payment Date, the Issuer has made a payment of or declared dividend or distribution or interest on, or the Issuer has repurchased, redeemed, cancelled, bought back or otherwise acquired for any consideration any securities ranking pari passu with, or junior to, the Debentures.</p> <p>Any Distribution so deferred shall bear interest as if it constituted the principal of the Debentures at the Distribution Payment Date. The Issuer may further defer any arrears of Distribution by complying with the foregoing requirements including notice requirement.</p> <p>Any Distribution not paid on the Distribution Payment Date shall constitute an <b>“Arrears of Distribution”</b>.</p>																						

	Notwithstanding anything mentioned herein, Issuer may choose to pay the Arrears of Distribution on any day to the holders of Debentures. Any payment made by the Issuer to the holders of the NCDs shall be first appropriated towards the Arrears of Distribution. Distribution not paid will accumulate until such Distribution is fully paid.
Restriction in case of the Distribution Deferral	<p>Unless all Arrears of Distribution are fully paid:</p> <p>(1) The Issuer shall not declare or pay any dividends or distributions or make any other payment on, or will procure that no dividend, distribution or other payment is made on any securities ranking pari passu with, or junior to, the Debentures; and</p> <p>(2) The Issuer shall not redeem, reduce, cancel, buy back or acquire for any consideration any security ranking pari passu with, or junior to, the Debentures.</p> <p>(3) The Issuer shall not redeem/repay/service interest payments on outstanding ICDs from the Promoter/Promoter Group.</p> <p>(4) The Issuer shall not extend any ICDs / Loan to group companies / Promoter / Promoter Group</p>
Cumulative Distribution	Unpaid Distribution, pursuant to Distribution Deferral, will be cumulative annually on compounding basis at the same rate of applicable Distribution as the Debentures itself.
Day Count Basis	Actual/Actual
Record Date	15 (fifteen) days prior to each Distribution Payment Date/ Call Option Date/ Final Maturity
Form of issuance/trading	Dematerialized
Face Value	Rs. 10,00,000
Issue Price	At par i.e. Rs. 10,00,000 per Debenture
Redemption Payment Date	Unless the Issuer exercises the Call Option, the Redemption Payment Date shall be Tuesday, July 6, 2077
Redemption Price	At par i.e. Rs. 10,00,000 per Debenture
Redemption Premium/Discount	NA
Minimum Application	1 (One) Debenture and in multiples of 1 Debenture thereafter
Discount at which security is issued and the effective yield as a result of such discount	NA
Issuance Mode of the instrument	DEMAT only
Trading mode of the instrument	DEMAT only
Option to retain oversubscription	NA
Rating action	In case of a rating downgrade by any rating agency from "AA-" to "A+" or below during the tenure of the Debentures, Distribution Rate to be increased by 25 basis points for each notch of downgrade from the date of such downgrade.
Change of Control Event	<p>The Issuer will notify Debenture Holders that a Change of Control Event has occurred within 7 calendar days of such event occurring.</p> <p>A Change of Control Event occurs when:</p> <p>-The equity shareholding of the existing Promoter/ promoter group falls below 51% on a fully diluted basis or Promoter/promoter group ceases to maintain Control.</p>

	<p>For the purposes of this transaction, "Control" means (i) the right to appoint majority of the directors; or (ii) to control the management or policy decisions; exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of their shareholding or management rights or shareholders agreements or voting agreements or in any other manner. Provided that a director or officer of a company shall not be considered to be in control over such company, merely by virtue of holding such position.</p> <p>Change of Control event will be deemed as Event of Default.</p>
Replacement Capital Covenant Agreement	<p>Subsequent to issuance of the Debentures, the Issuer will enter into a Replacement Capital Covenant Agreement (RCC) on or before August 14, 2017, with any one of the lenders of Covered Debt, and the Debentures which will provide that the Issuer will not redeem or purchase the Debentures, unless and to the extent that that the Issuer has sold or issued shares, or securities for which the Issuer will receive equity credit, at the time of sale or issuance, that is equal to or greater than the equity credit attributed to the Debentures, so redeemed or purchased, as at the Deemed Date of Allotment. The restriction imposed on the Issuer to redeem or purchase the Debentures shall not apply during the period when, inter alia, the credit rating of the Debentures is upgraded by to AA or higher or the Total Standalone Net Financial Indebtedness/ Standalone EBIDTA is below 1.5</p> <p>The RCC will terminate on the earlier of:</p> <p>(i) the date on which there is no material debt outstanding to serve as Covered Debt; or</p> <p>(ii) any date on which a majority of the Covered Lenders consent or agree to the termination of the Replacement Capital Covenant Agreement; or</p> <p>(iii) 30 years from the Deemed Date of Allotment; or</p> <p>(iv) the date on which there are no Debentures outstanding and all obligations of the Replacement Capital Covenant Agreement have been met.</p> <p>(v) If the equity credit attributable to the Debentures is no longer permissible due to change in any of the law/regulations; or</p> <p>For the purpose of this clause, Covered Debt shall mean the facility designated by Issuer, the lenders of which shall have the benefit of the Replacement Capital Covenant Agreement.</p> <p>Covered Lenders shall mean the lenders of the Covered Debt</p>
Other Covenants	<ol style="list-style-type: none"> <li>1. Issuer will remain a public limited company till the time the NCDs are outstanding.</li> <li>2. The Issuer will not delist these NCDs from the designated stock exchange(s) till the time they are outstanding.</li> </ol>
Business Day Convention	<p>If any Distribution Payment Dates fall on a day which is not a Business Day, the Issuer shall make the payment on the immediately succeeding Business Day, however the dates of the future distribution payments would be as per the schedule originally stipulated at the time of issuing the Debentures. In other words, the subsequent distribution schedule would not be disturbed merely because the payment date in respect of one particular distribution payment has been postponed earlier because of it having fallen on a day which is not a Business Day. Provided however if any Distribution is payable along with any principal redemption amount, then in such case the Distribution Payment Date shall also be the Redemption Payment Date.</p> <p>If the Call Option Date (also being the last Distribution Payment Date) of the Debentures, falls on a day which is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day, along with the distribution proceeds accrued on the Debentures until but excluding the date of such payment.</p>
Conditions Precedent to disbursement	<p>The subscription from the Investors shall be accepted for allocation and allotment by the Issuer subject to the following:</p> <ol style="list-style-type: none"> <li>1. The Issuer shall have obtained all necessary board / shareholder resolutions under the provisions of the Companies Act, 2013 as are required in relation to the</li> </ol>

	<p>borrowing powers, issue of the Debentures and the execution of necessary documents in connection therewith.</p> <ol style="list-style-type: none"> <li>2. Signed copy of Private Placement Offer Letter</li> <li>3. Rating letter and rationale (Rating letter not older than 1 month and rationale not older than 6 months)</li> <li>4. In principle approval for listing of the Debentures</li> <li>5. Consent letter from the Debenture Trustee</li> <li>6. Any other conditions as the Arrangers/Investors and/or the Debenture Trustee may require</li> </ol>
Conditions Subsequent to disbursement	<p>The Issuer shall ensure that the following documents are executed/activities are completed as per agreed time frame:</p> <ol style="list-style-type: none"> <li>1. Allotment of Debentures</li> <li>2. Listing of Debentures</li> <li>3. Execution of Debenture Trust Deed</li> <li>4. All other activities whether mandatory or mutually agreed between Issuer and Arrangers/ Debentures Holders</li> <li>5. Execution of Replacement Capital Covenant Agreement on or before August 14, 2017</li> </ol>
Transaction Documents	<p>Main documents:</p> <ol style="list-style-type: none"> <li>1. Private Placement Offer Letter, complying with applicable SEBI regulations, Companies Act, 2013 &amp; certified by Issuer</li> <li>2. Debenture Trustee Agreement and Trustee's consent letter</li> <li>3. Debenture Trust Deed</li> <li>4. Rating letter and rationale (Rating letter not older than 1 month and rationale not older than 6 months)</li> <li>5. In principle approval for listing of the Debentures</li> <li>6. Shareholder and Board resolution and other corporate authorizations from the Issuer as per the provisions of Companies Act, 2013</li> </ol>
Events of default	<p>Including but not limited to</p> <ol style="list-style-type: none"> <li>1. Non-payment of scheduled payments other than as validly deferred as described in Distribution Deferral</li> <li>2. Winding up, Bankruptcy and Dissolution of the Issuer</li> <li>3. Insolvency proceedings admitted and not stayed / quashed within 10 days of notice</li> <li>4. Change of control</li> <li>5. Unlawfulness</li> <li>6. Repudiation</li> <li>7. Breach of Representations and Warranties</li> <li>8. Breach of any covenant or terms and conditions</li> <li>9. Cessation of business</li> <li>10. Material adverse effect</li> <li>11. Cross-default with regard to the Financial Default of the Issuer (on Standalone basis)</li> </ol>
Provisions relating to cross default	NA
Consequences of an Event of Default	<p>On and at any time after the occurrence of an Event of Default, the Debenture Trustee shall, if so directed by the Majority Debenture Holder(s):</p> <ol style="list-style-type: none"> <li>1. declare that all or part of the obligations be due and payable by issuing an acceleration notice, whereupon they shall become due and payable, in three (03) days from the date when Debenture Trustee issues acceleration notice; in case of acceleration of the redemption of the Debentures, the Company shall make the payment within three (03) days of receiving the acceleration notice</li> <li>2. Exercise any other right that the Debenture Trustee and /or Debenture Holder(s) may have under the Transaction Documents or under Applicable Law.</li> </ol> <p>Debentures will rank at least pari-passu with any loan/advances/deposits from Promoter Group</p>
Majority Debenture	Debenture Holder(s) holding an aggregate amount representing not less than 75%

Holders	(seventy five percent) of the value of the nominal amount of each of tranches of the Debentures for the time being outstanding
Role and Responsibilities of Debenture Trustee	As per Applicable Law
Governing Law and Jurisdiction	Indian laws and courts / tribunals of Mumbai
Listing	Proposed to be listed on the Wholesale Debt Market (WDM) Segment of the National Stock Exchange of India Ltd. ("NSE")
Penalty for delay in listing	In case of delay in listing of the Debentures beyond 20 calendar days from the Deemed Date of Allotment, the Issuer will pay a penal interest of 1% p.a. over the rate of Distribution to the Debenture Holder(s) from the expiry of 30 calendar days from the Deemed Date of Allotment till the listing of such Debentures.
Default Interest Rate	In case of in case of default in payment on the Redemption Payment Date additional interest at the rate of 2% p. a. over the Distribution Rate will be payable for the defaulting period
Issue Expenses	All expenses viz. documentation, stamp duty, Trustee fee, R&T Agent fee, legal opinion etc. related to the transaction will be to the account of the Issuer
Debenture Trustee	Any entity registered with SEBI as Debenture Trustee
Depository	NSDL/CDSL
Issue Timetable	Issue Opening Date 6 <sup>th</sup> July 2017 Issue Closing Date 6 <sup>th</sup> July 2017 Pay-in Date 6 <sup>th</sup> July 2017
Deemed Date of Allotment	6 <sup>th</sup> July 2017
Information Provision	The Issuer undertakes to provide information pertinent to the credit assessment of the Issuer by the Arrangers/ investors in a timely fashion. This information will include, but not limited to latest financial information, rating letter and rating rationale, copies of the resolutions authorizing the borrowing and the latest company profile etc.
Representations and Warranties	Issuer will provide representation and warranties including but not limited to: 1. Status, binding obligation, power and authority 2. Non-conflict with other obligations 3. Validity and admissibility in evidence 4. Insolvency 5. No misleading information 6. No undisclosed proceedings pending or threatened 7. No material adverse change or event of default 8. Compliance with applicable law 9. Security and financial indebtedness 10. Transaction documents, disclosures, authorization and other documents. 11. No change in control of the Issuer 12. No event of default or potential event of default by the Issuer is continuing.
<b>Payment Mode</b>	Electronic Credit through RTGS / NEFT
<b>Collection Banker:</b>	STATE BANK OF INDIA
<b>Beneficiary A/c Name</b>	Nirma Limited- Private Placement- Non Convertible Debentures (NCDs) Series IV Account
<b>Beneficiary A/c Number</b>	36983677421
<b>IFSC Code</b>	SBIN0004152
<b>Bank branch name&amp; address</b>	CAG Branch, 58, Shrimali Society, Navarangpura, Ahmedabad-380 009.

*Note: Subject to deduction of Tax at source as applicable.*

*\*\* The Issuer reserves its sole and absolute right to modify (pre-pone/ postpone) the above issue schedule without giving any reasons or prior notice. In such a case, investors shall be intimated about the revised time schedule by the Issuer. The Issuer also reserves the right to keep multiple Deemed Date(s) of Allotment at its sole and absolute discretion without any notice. Incase if the Issue Closing Date/ Pay in Date is/are changed (pre-poned/ postponed), the Deemed Date of Allotment may also be changed (pre-poned/ postponed) by the*