

The date of subscription shall be the date of realisation of proceeds of subscription money in the Designated Bank Account.

11.4.30 Settlement Process

Successful bidders shall be required to transfer funds from bank account(s) registered with BSE Bond-EBP Platform to the bank account of ICCL i.e., to the Designated Bank Account to the extent of funds pay-in obligation on or before 10.30 a.m. on the Pay-In Date. The Issuer shall accordingly inform BSE Bond-EBP Platform about the final decision of the Issuer to go-ahead with allotment for the Issue by 12.00 pm. Depositories on the instruction of Issuer or through its Registrar, will credit the Debentures to the demat account of the investors, in accordance with the Operational Guidelines.

11.4.31 Post-Allocation Disclosures by the EBP

Upon final allocation by the Issuer, the Issuer shall disclose the Issue Size, Coupon Rate, Redemption Premium, ISIN, number of successful bidders, category of the successful bidder(s), etc., in accordance with the SEBI EBP Circular. The EBP shall upload such data, as provided by the Issuer, on its website to make it available to the public.

12 SUMMARY OF TERMS

Security Name (Name of the non-convertible securities which includes (Coupon/dividend, Issuer Name and maturity year) e.g. 8.70% XXX 2015.	Kerala Financial Corporation Series I 2024
Issuer	Kerala Financial Corporation
Type of Instrument	Senior Rated, Listed, Secured, Taxable, Redeemable Non-Convertible Debentures
Nature of Instrument (Secured or Unsecured)	Secured
Seniority (Senior or Subordinated)	Senior
Mode of Issue	Private Placement
Eligible Investors	(a) individuals; (b) Hindu Undivided Family (c) trust; (d) limited liability partnerships; (e) partnership firm(s); (f) portfolio managers registered with SEBI; (g) association of persons; (h) companies and bodies corporate including public sector undertakings; (i) scheduled commercial banks; (j) regional rural banks; (k) financial institutions; (l) insurance companies; (m) mutual funds; (n) foreign portfolio investors; and (n) any other investor eligible to invest in these Debentures in accordance with applicable law.
Listing (name of stock Exchange(s) where it will be listed and timeline for listing)	On Wholesale Debt Market segment of BSE. Listing application shall be filed with the Stock Exchange within 3 (three) trading days from the Issue Closing Date. The Issuer shall seek listing permission from Stock Exchange within 3 (three) trading days from the Issue

	Closing Date. In case of delay in listing beyond 3 (three) Business Days from the Issue Closing Date, the Corporation will pay additional interest of 1% p.a. over the Coupon Rate to the Bond Holders from the deemed date of allotment till the listing of Bonds.
Rating of the Instrument	AA with Stable outlook by Acuite Ratings dated 09.08.2023 AA with Stable outlook by Infomerics dated 08.12.2023
Issue Size	Base issue size of INR 300,00,00,000 (Indian Rupees Three Hundred Crores only) along with a green shoe option of INR 200,00,00,000 (Indian Rupees Two Hundred Crores only).
Minimum Subscription	5 detachable STRPP of INR 5 lakhs (5 bonds comprising 1 bond of INR 1 lakhs Face Value in each Sub-Series A to E) and in multiples thereof.
Option to retain oversubscription (Amount)	Green shoe option of INR 200,00,00,000 (Indian Rupees Two Hundred Crores only).
Objects of the Issue / Purpose for which there is requirement of funds	The net proceeds out of the issue after deduction of issue related expenses would be used by issuer for working capital requirements.
In case the issuer is a NBFC and the objects of the issue entail loan to any entity who is a 'group company' then disclosures shall be made in the following format:	Not Applicable
Details of the utilisation of the Proceeds	As mentioned in Objects of the Issue / Purpose for which there is requirement of funds above
Coupon/Dividend Rate	8.89 per annum Payable Quarterly
Step Up / Step Down Coupon Rate	25 basis points for downgrade of every notch subject to minimum rating of 'AA-'. Any rating downgrade below 'AA-' (i.e., 'A+' or below) will give put option rights to investors/ Debenture holders for premature redemption. Such higher rates would be effective only from the date of downgrade. On exercise of this right by any investor, the Issuer needs to repay within 30 (thirty) days from the date of notice of exercise of such right by such investor. In case of such downgrade of rating being upgraded in future, the coupon rate(s) will be reversed, effective from the date of such upgrade, and subject to minimum initial coupon rate.
Coupon/Dividend Payment Frequency	Quarterly
Coupon/Dividend Payment Date(s)	First coupon would be paid on June 13, 2024 and thereafter as on dates stipulated in the Offer Document
Cumulative /Non-cumulative, in case of dividend	Not Applicable
Coupon Type (fixed, floating or other structure)	Fixed

Coupon Reset Process (including rates, spread, effective date, interest rate cap and floor etc).	Not Applicable			
Day Count Basis	Actual/Actual Basis			
Interest on Application Money	Not Applicable			
Default Interest Rate	Delay in Listing: In case of delay in listing beyond 3 (three) Business Days from the Issue Closing Date, the Corporation will pay additional interest of 1% p.a. over the Coupon Rate to the Bond Holders from the deemed date of allotment till the listing of Bonds. Further, the Corporation shall be permitted to utilise proceeds of its subsequent two privately placed issues, only after receiving final listing approval from the Stock Exchange. Payment Default In case of default in payment of interest and/or principal redemption on the due dates, additional interest of @ 2% p.a. over the Coupon Rate will be payable by the issuer for the defaulting period on defaulted amount. Delay in creation and perfection of security In the event the security stipulated is not created and perfected within the timelines as stipulated in the column titled 'Security', additional interest of 1% (one percent) per annum or such higher rate as may be prescribed by law, shall be payable on the principal amount of the Debt Securities till the date of perfection of the security interest.			
Tenor	6 years to 10 years, with equal quarterly redemption in each Series, with the first redemption scheduled in the 21st quarter.			
	Sub-series	As percentage of Issue	Amount as per base issue size (in crores)	Redemption Date
	A	20%	60	March 13.2030
	B	20%	60	March 13.2031
	C	20%	60	March 13.2032
	D	20%	60	March 13.2033
	E	20%	60	March 13.2034
	Total	100%	300	
Redemption Date	The issue of INR 500 crore would comprise of 5 detachable STRPPs of Sub-Series (A to E) as mentioned above of sequentially, redeemable bonds in equal quarterly amount. Each of the STRPP Sub-Series 'A' to Sub-Series 'E' would be redeemable in 4 equal quarterly instalments of 5% of the aggregate issue size, with redemption of Sub-Series 'A' commencing from the end of 21st quarter, Sub-Series 'B' commencing from the end of 25th quarter and so on.			

Redemption Amount	At par (INR 1 Lakh) per bond under each Sub-Series
Redemption Premium / Discount	At par (INR 1,00,000) per bond under each sub-series.
Issue Price	At par (INR 1,00,000) per bond under each sub-series.
Discount at which security is issued and the effective yield as a result of such discount	Not Applicable.
Premium/Discount at which security is redeemed and the effective yield as a result of such premium/discount	Not Applicable.
Put Date	N.A. (except rating downgrade clause as mentioned above)
Put Price	Not Applicable.
Call Date	Not Applicable.
Call Price	Not Applicable.
Put Notification Time (Timelines by which the investor need to intimate Issuer before exercising the put)	Not Applicable.
Call Notification Time (Timelines by which the Issuer need to intimate investor before exercising the call)	Not Applicable.
Face Value	Debentures under each sub-series would have a face value of INR 1,00,000 (Indian Rupees One Lakh) each.
Minimum Application and in multiples thereafter	1 Debenture and in multiple of 1 thereafter for each STRPP A to E
Issue Timing	11 AM to 1:00 PM
Issue / Bid Opening Date	March 12, 2024
Issue / Bid Closing Date	March 12, 2024
Pay – in Date	March 13, 2024
Deemed Date of Allotment	March 13, 2024
Manner of allotment	The allotment will be done on [uniform yield basis / multiple yield basis] in line with Securities and Exchange Board of India Master Circular No. SEBI/HO/DDHS/PoD1/P/CIR/2023/119 dated 10 August 2021 (updated as on July 07, 2023) issued under SEBI (Issue and Listing of Non-Convertible Securities) Regulations, 2021 and any amendments thereto read with updated operational guidelines for issuance of securities on private placement basis through the electronic book mechanism” issued by BSE vide their notice 20180928-24 dated 28 September 2018 and any amendments thereto.
Settlement mode of the	ICCL.

Instrument	Settlement of the Issue will be done through Indian Clearing Corporation Limited. Please refer to the section 11.4.17 (Payment Mechanism) in this Offer Document for further information.
Allocation Option	Uniform
Bid Book Type	Closed
Settlement Mechanism	Through BSE EBP
Depository	NSDL and/or CDSL.
Disclosure of interest / Redemption Dates	As mentioned in cash flow.
Record Date	10 days prior to each Coupon Payment Date and Redemption Date.
All covenants of the Issue (including side letters, accelerated payment clause etc.)	COVENANTS RELATED TO THE ACCOUNTS <u>PART A – OPERATION OF THE ACCOUNTS IN ORDINARY COURSE</u> Subject to the terms of the Accounts Agreement, until the Final Settlement Date, the Accounts shall be governed as per the mechanism stipulated below. In the event that the Due Amounts and/or Debt Service Reserve Amount or any shortfall thereof or in any other amounts payable in any of the Account(s) are not transferred to such Account(s) due to such day not being a Business Day, or otherwise, such shortfall shall be cumulated on a rolling basis and be carried forward and aggregated with the amounts payable on the immediately following Business Day. 1. <u>Deposits into and Withdrawals from the Debenture Servicing Account</u> (a) Deposits into the Debenture Servicing Account (i) On and from the 1st (first) day of each Servicing Quarter, Receivables equivalent to 2% (two percent) of the outstanding Secured Obligations payable on the immediate Due Date (T), shall be remitted from the Revenue Account on each Business Day and credited to the Debenture Servicing Account, such that the funding of an amount equivalent to the Due Amount is available in the Debenture Servicing Account within 15 (fifteen) days prior to the Due Date (T-15 days) (“Funding Date”). Upon an amount equivalent to the Due Amount for the relevant Servicing Quarter being credited to the Debenture Servicing Account, the Issuer shall be entitled to make a request to the Revenue Bank to stop the remittance to the Debenture Servicing Account on each Business day, as set out in this Paragraph 1 (a) (i), till the end of such Servicing Quarter. (ii) If the Debenture Servicing Account is not funded with an amount equivalent to the Due Amount within the Funding Date in accordance with Paragraph 1 (a) (i) above, the Debenture Trustee shall issue a notice to the Issuer in the form set out in the Accounts Agreement (“Shortfall Notice”), calling upon the Issuer to fund the shortfall within the

	next 5 (five) days (T-10 days) from the date such notice ("Shortfall Funding Date"). (iii) In the event an amount equivalent to the Due Amount is not funded by the Issuer in the Debenture Servicing Account within the Shortfall Funding Date in accordance with Paragraph 1 (a) (ii) above, the Debenture Trustee shall transfer an amount equivalent to such shortfall from the DSRA to the Debenture Servicing Account on the day immediately succeeding the Shortfall Funding Date (T-9 days) to meet such shortfall in the Due Amount ("Final Funding Date"). (iv) Upon utilisation of the Debt Service Reserve Amount in accordance with Paragraph 1 (a) (iii) above, the DSRA shall first be fully replenished in accordance with Paragraph 2 (a) (ii), upon notice issued by the Debenture Trustee to the Revenue Bank, in the form set out in the Accounts Agreement, pursuant thereto the Receivables available in the Revenue Account shall be transferred by the Revenue Bank to the Debenture Servicing Account on an ongoing basis until the Due Amount payable on the immediate Due Date is available in the Debenture Servicing Account. Thereinafter, the Receivables equivalent to 2% (two per cent) of the outstanding Secured Obligations payable on the immediate Due Date shall continue to be remitted on each Business Day from the Revenue Account into the Debenture Servicing Account in accordance with Paragraph 1 (a) (i) above. (v) In the event an amount equivalent to the Due Amount is not available in the Debenture Servicing Account pursuant to utilisation of the amounts in the DSRA in accordance with Paragraph 1 (a) (iii) above, and continues to remain overdue for the next 30 (thirty) days from the Due Date (T+30 days), then the Debenture Trustee shall transfer such shortfall from the Cash Collateral Account into the Debenture Servicing Account to meet the shortfall in the Due Amount and issue a Shortfall Notice to the Issuer to replenish the Cash Collateral Account within the next 30 (thirty) days from the date of issuance of Shortfall Notice (T+60 days). (vi) Notwithstanding the terms of this Agreement that provide for the appropriation the Receivables from the Revenue Account or the transfer the funds from the other Accounts to the Debenture Servicing Account, the obligation of the Issuer to fund the Debenture Servicing Account to the extent of the Due Amount, within the timelines specified in this Paragraph 1 (a) (Deposits into the Debenture Servicing Account), shall continue until the Final Settlement Date. The Revenue Bank shall remit the amounts from the Revenue Account to the Debenture Servicing Account in accordance with the standing instructions from the Issuer (in the form as more particularly set out in the Accounts Agreement) on or before 3.30 PM on the respective Business Day. The Revenue Bank shall have no obligation to ensure the receipt of the amount in the Debenture Service Account. (b) Withdrawals from the Debenture Servicing Account (i) Until the Debenture Trustee issues an EOD Intimation Notice, the amounts lying to the credit of the Debenture Servicing Account shall be permitted to be withdrawn in accordance with
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	this Agreement, in the following order of priority until the Final Settlement Date: (A) in the event the Cash Collateral Amount is utilized to fund the Debenture Servicing Account in accordance with Paragraph 1 (a) (v) for payment of Due Amounts on the Due Date, pursuant thereto, all amounts available in the Debenture Servicing Account after such Due Date, shall be remitted from the Debenture Servicing Account to the Cash Collateral Account on an ongoing basis, until the Cash Collateral Account is replenished to the extent of the Cash Collateral Amount; (B) all the amounts credited to the Debenture Servicing Account shall be utilised for the purposes of payment of the Secured Obligations, and, in the interim period of their utilisation, the same may be used for making Permitted Investments, in the manner more particularly set out in the Accounts Agreement. (ii) Subject to the terms of the Accounts Agreement, and pending utilization of the amounts lying to the credit of the Debenture Servicing Account for the purposes mentioned above, the Account Bank may utilise the credit balance in the Debenture Servicing Account towards Permitted Investments, in accordance with prior written instructions of the Debenture Trustee. Provided that any such Permitted Investments shall be redeemed by the Account Bank at any time for the payment of any amounts specified above, either upon receipt of a written request by the Debenture Trustee for the same or in accordance with the terms of the Accounts Agreement. (iii) The amounts specified in this clause shall constitute "Permitted Withdrawals from Debenture Servicing Account". It is clarified that the Account Bank shall not be liable to check the priority of the payment and will act based on written instruction from the Debenture Trustee. 2. <u>Deposits into and Withdrawals from the DSRA</u> (a) Deposits into the DSRA (i) At least 1 (one) day prior to the Deemed Date of Allotment, an amount equivalent to the aggregate of the outstanding Principal Amount and Coupon payable in the next two Quarters ("Debt Service Reserve Amount") shall be deposited by the Issuer into the DSRA, which shall be maintained by the Issuer till the Final Settlement Date. Provided that in the event the amounts maintained in the DSRA exceed the Debt Service Reserve Amount, then the difference between the amounts lying to the credit of the DSRA and the Debt Service Reserve Amount shall be transferred by the Account Bank to the Issuer, only if the Debenture Trustee requests the Account Bank to do so, and subject to there being no unresolved breach by the Issuer of any terms of the Transaction Documents. (ii) In the event of a shortfall in the DSRA, all the Receivables shall be remitted from the Revenue Account to the DSRA on an ongoing basis until the DSRA is replenished to the extent of the Debt Service Reserve Amount, pursuant to which the Receivables shall be remitted from the Revenue Account to the Debenture Servicing Account in terms of Paragraph 1 (a) (iv). (iii) In the event that the Debt Service Reserve Amount is utilised towards meeting the shortfall in the Debenture Servicing Account in
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	terms of Paragraph 1 (a) (iii) above, and the resulting shortfall in the DSRA is not cured by the Issuer within 30 (thirty) days from such Due Date, the Debenture Trustee shall transfer the amounts lying to the credit of the Cash Collateral Account to the DSRA until the DSRA is replenished up to an amount equivalent to the Debt Service Reserve Amount. (iv) Notwithstanding the terms of this Agreement that provide for the appropriation of the Receivables from the Revenue Account or the amounts from the Cash Collateral Account to the DSRA (as stated hereinabove), the obligation of the Issuer to fund the DSRA to the extent of the Debt Service Reserve Amount, within the timelines specified in this Paragraph 2 (a) (Deposits into the DSRA) shall continue until the Final Settlement Date. (b) Withdrawals from the DSRA (i) In the event that the Debenture Servicing Account is not funded to the extent of the Due Amount in accordance with Paragraph 1 (a) (i) above, the Debenture Trustee shall transfer funds from the DSRA to the Debenture Servicing Account in accordance with Paragraph 1 (a) (iii) to meet the shortfall in the Due Amount. (ii) Subject to the terms of the Accounts Agreement, and pending utilization of the amounts lying to the credit of the DSRA for the purposes mentioned above, the Account Bank may utilise the credit balance in the DSRA towards Permitted Investments, in accordance with prior written instructions of the Debenture Trustee. Provided that any such Permitted Investments shall be redeemed by the Account Bank at any time for the payment of any amounts specified above, either upon receipt of a written request by the Debenture Trustee for the same or in accordance the terms of the Accounts Agreement. (iii) The amounts specified in this Paragraph 2 (b) (Withdrawals from the DSRA) shall constitute “Permitted Withdrawals from DSRA”. It is clarified that the Account Bank shall not be liable to check the priority of the payment and will act based on written instruction from the Debenture Trustee. <u>3. Deposits into and Withdrawals from the Cash Collateral Account</u> (a) Deposits into the Cash Collateral Account (i) At least 1 (one) day prior to the Deemed Date of Allotment, an amount equivalent to the Cash Collateral Amount shall be deposited by the Issuer into the Cash Collateral Account, which shall be maintained by the Issuer till the Final Settlement Date. (ii) In the event the Cash Collateral Amount is utilised from the Cash Collateral Account in terms of Paragraph 1 (a) (v) and Paragraph 2 (a) (iii) above, all amounts available in the Debenture Servicing Account, shall be remitted from the Debenture Servicing Account to the Cash Collateral Account on an ongoing basis until the Cash Collateral Account is replenished to the extent of the Cash Collateral Amount in accordance with Paragraph 1 (b) (i) (A) above. (iii) In the event, the Issuer fails to replenish the shortfall in Cash Collateral Account in accordance with Paragraph 3 (a) (i) above, the Debenture Trustee shall issue a Shortfall Notice calling upon the Issuer to replenish the Cash Collateral Account for an amount equivalent to the Cash Collateral Amount within the 7 (seven) days from the date of issuance of such notice, failing which such an event will be construed as an Event of Default under the Transaction Documents. (b) Withdrawals from the Cash Collateral Account
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- (i) In the event the Debenture Servicing Account and/or the DSRA are not funded to the extent of the Due Amount and/or Debt Service Reserve Amount as per Paragraph 1 (a) (i) and Paragraph 2 (a) (i) above respectively, the Debenture Trustee shall transfer funds from the Cash Collateral Account to the Debenture Servicing Account in accordance with Paragraph 1 (a) (v) and/or the DSRA in accordance with Paragraph 2 (a) (iii).
- (ii) Subject to the terms of the Accounts Agreement, and pending utilization of the amounts lying to the credit of the Cash Collateral Account for the purposes mentioned above, the Account Bank may utilise the credit balance in the Cash Collateral Account towards Permitted Investments, in accordance with prior written instructions of the Debenture Trustee. Provided that any such Permitted Investments shall be redeemed by the Account Bank at any time for the payment of any amounts specified above, either upon receipt of a written request by the Debenture Trustee for the same or in accordance with the terms of the Accounts Agreement.
- (iii) The amounts specified in this Paragraph 3 (b) (Withdrawals from the Cash Collateral Account) shall constitute "Permitted Withdrawals from Cash Collateral Bank Account". It is clarified that the Account Bank shall not be liable to check the priority of the payment and will act based on written instruction from the Debenture Trustee.
- (iv) The terms Permitted Withdrawals from Debenture Servicing Account, Permitted Withdrawals from DSRA and Permitted Withdrawals from Cash Collateral Account are collectively referred to as "Permitted Withdrawals".
It is hereby clarified by the Parties that the Permitted Withdrawals shall be made by the Account Bank from the Debenture Servicing Account, the DSRA and/or the Cash Collateral Account (as the case may be) pursuant to the Debenture Trustee requesting the same to the Account Bank from time to time in the format set forth in the Accounts Agreement, without any instruction from the Issuer to the AccountBank.

PART B INFORMATION COVENANTS

The Account Bank shall provide the following information to the Debenture Trustee, in accordance with the timelines prescribed hereunder:

The Issuer/ Account Bank shall inform the Debenture Trustee as follows:

- (i) At least 1 (one) Business Day prior to the Funding Date (T-15) and Shortfall Funding Date (T-10), the balance in the Debenture Servicing Account;
- (ii) At least 1 (one) Business Day prior to the Funding Date (T-15), Shortfall Funding Date (T- 10) and Final Funding Date (T-9), the monthly statement of the Debenture Servicing Account, the DSRA, the Cash Collateral Account and the Demat Account;
- (iii) At least 3 (three) Business Days prior to the Shortfall Funding Date (T-10), the intention to redeem a Permitted Investment made from the Debenture Servicing Account;
- (iv) At least 3 (three) Business Days prior to the Final Funding Date (T- 9), the intention to redeem a Permitted Investment;
- (v) At least 1 (one) Business Day prior to the Final Funding Date (T-9), the requirement for withdrawal of funds from the DSRA for credit to the Debenture Servicing Account;
- (vi) on each Due Date, the balance maintained in the DSRA;
- (vii) immediately pursuant to transfer of funds to the DSRA towards maintenance of Debt Service Reserve Amount, the balance maintained in the DSRA;

	(viii) on each Due Date, the balance maintained in the Cash Collateral Account; (ix) at least 7 (seven) Business Days prior to a Due Date, the balance maintained in the Cash Collateral Account; and (x) immediately pursuant to transfer of funds from the Cash Collateral Account to the Debenture Servicing Account and/or DSRA, the balance maintained in the Cash Collateral Account.
Description regarding Security (where applicable) including type of security (movable / immovable / tangible etc.), type of charge (pledge/ hypothecation/ mortgage etc.), date of creation of security/ likely date of creation of security, minimum security cover, revaluation, replacement of security, interest to the debenture holder over and above the coupon rate as specified in the Trust Deed and disclosed in the Disclosure Document	The Debentures would be secured by way of 1. Exclusive charge on the 'KFC DEBENTURE SERVICING ACCOUNT 2024' and on the amount transferred therein to be utilized only for servicing of the bonds on quarterly servicing dates; 2. Exclusive charge on the 'KFC DEBT SERVICING RESERVE ACCOUNT 2024' and the funds lying there-in; 3. Exclusive charge on Cash Collateral Permitted Investment available equivalent to 10% (ten percent) of face value of principal amount outstanding at all times; and 4. Exclusive charge on specific current assets including book debts and receivables of the Corporation from identified borrowers. 5. The book value of such assets would provide 100% (one hundred percent) security cover on the outstanding bonds and interest accrued throughout its entire tenure.
Transaction Documents	13. the Debenture Trust Deed; 14. the Debenture Trustee Agreement; 15. the Deed of Hypothecation; 16. Accounts Agreement 17. the General Information Document and Key Information Document; 18. Tripartite Agreements; 19. Listing Agreement; 20. the Registrar and Transfer Agent Consent; 21. Letter dated December 08, 2023 setting out the Credit Rating for the Debentures from Infomercials Valuation and Rating Private Limited 22. Letter dated August 09, 2023 setting out the Credit Rating for the Debentures from Acuite Ratings and Research Limited 23. Application made to Stock Exchange for seeking in-principle approval for listing of Debentures; and 24. any other document that may be mutually agreed as a Transaction Document by the Debenture Trustee and the Issuer.
Conditions Precedent to Disbursement	Please refer to Annexure 12 (Conditions Precedent and Conditions Subsequent) of this Offer Document.
Conditions Subsequent to Disbursement	Please refer to Annexure 12 (Conditions Precedent and Conditions Subsequent) of this Offer Document.
Event of Default (including	As is set out in the Debenture Trust Deed and shall include, without

manner of voting /conditions of joining Inter Creditor Agreement ("ICA")	limitation, the following events: (a) Any payments due in respect of the Debentures have not been paid on the relevant Due date; (b) Failure of the issuer to replenish the erosion in DSRA and Cash Collateral Permitted Investment within 7 days of receipt of final notice from Debenture Trustee (c) The breach by the Issuer of any covenant, obligation, and/or any other obligations provided for under the Transaction Documents if not cured within 30 days; (d) Material Adverse Effect; (e) Non-Creation, invalidity and unenforceability of Security including non-creation of Security within stipulated timelines. (f) Withdrawal or suspension of Credit Rating or credit rating downgraded to A+ or below by any of the rating agencies; (g) Application for initiation of any insolvency proceedings against the Issuer under any applicable bankruptcy / insolvency / winding up or other similar law (including the IBC) filed any time during the tenure of the NCDs and not stayed or dismissed within 7 (seven) days from the date of such filing. (h) Any of the representations or warranties provided by the Issuer under the Transaction Documents are found to be untrue, misleading or incorrect, when made or deemed to be made if not cured in 30 days; (i) Erosion in the value of security below 100% of the aggregate outstanding liabilities of debentures at any point (j) The State Government of Kerala ceasing to own 51% (Fifty One percent) of the Issuer or ceasing to Control the Issuer without obtaining the prior written consent of the Debenture Trustee. (k) Cross default.
Remedies	In the event of occurrence of the EOD mentioned above, each of the Bond Holders and Debenture Trustee shall have the following rights without requiring to give any notice: 1. To accelerate the payments under and in relation to the Debentures and make them immediately due and payable; 2. Enforce the Security 3. Take any other recourse available to the Investor/Debenture Trustee under law and/or in equity 4. Any other consequence as may be customary to transactions of such nature and/or as advised by the consultants of the Issuer The escrowing rights on the KFC BOND SERVICING ACCOUNT SERIES I 2024 would continue to remain active and operational till all the outstanding liabilities get settled.
Undertakings of the Issuer	(g) The complaints received in respect of the Issue shall be attended expeditiously and satisfactorily. (h) That KFC shall forward the details of utilization of the funds raised through the Debentures duly certified by the statutory auditors of KFC, to the Debenture Trustees at the end of each half-year. (i) KFC shall disclose the complete name and address of the Debenture Trustee in the annual report. (j) KFC shall provide a compliance certificate to the Debenture Holders (on yearly basis) in respect of compliance with the terms and conditions of issue of Information Memorandum as contained in the Information Memorandum, duly certified by the Debenture Trustee. (k) At all times until the Final Settlement Date, the State Government of Kerala shall not cease to own 51% (Fifty One percent) of the Issuer or cease to Control the Issuer without the prior written consent of the Debenture Trustee (acting upon the instructions of each of the Debenture Holders); (l) All revenue collections of the Issuer shall be deposited solely in the current account held by the Issuer with the Revenue Bank bearing

	account no. 10300200051862 (“Collection Account”); (g) On the occurrence of an event of default, the Issuer shall not effect any withdrawals from the Collection Account, without the prior written consent of the Debenture Trustee.
Creation of recovery expense fund	The Issuer has created the Recovery Expense Fund for a maximum limit of INR 25,00,000 (Indian Rupees Twenty-Five Lakh) in accordance with the SEBI REF Circular with the BSE Limited.
Conditions for breach of covenants (as specified in Debenture Trust Deed)	Please refer to rows in the Summary of Terms: 1. “Event of Defaults” 2. “Consequences to Events of Default” 3. “Default Interest Rate”
Provisions related to Cross Default Clause	If the Issuer fails to make payment of any financial indebtedness when due or otherwise commits any breach of the provisions of any agreement entered into in respect of any financial indebtedness availed of by it (in respect of which breach either no cure period is available or where a cure period is available fails to cure such breach within the available cure period).
Debenture Trustee	Beacon Trusteeship Limited
Role and Responsibilities of Debenture Trustee	The roles and responsibilities of the Debenture Trustee shall be as per the Debenture Trust Deed.
Risk factors pertaining to the issue	Please refer to Annexure 1 (Risk Factors) of this Offer Document.
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts at Kerala in India. However, nothing in the provisions shall limit any right of the Debenture Trustee/ Debenture Holders from initiating any proceedings in any other court or tribunal of competent jurisdiction.
Business Day Convention	If the coupon payment date falls on a Sunday or a holiday, the coupon payment shall be made on the next working day. However, the dates of the future payments would continue to be as per the schedule originally stipulated in the offer document. If the maturity date of the debentures, falls on a Sunday or a holiday, the redemption proceeds shall be paid on the previous working day. If a leap year (i.e. February 29) falls during the tenor of the debentures, then the number of days shall be reckoned as 366 days (actual/ actual day count convention) for the entire year, irrespective of whether the interest/ dividend is payable annually, half yearly, quarterly or monthly.
KFC Bond Servicing Account	The Issuer would be required to open a designated escrow account - “KFC BOND SERVICING ACCOUNT SERIES I 2024” exclusively for the benefit and charged to the Debenture Trustee (on behalf of the bondholders of this Series). In case of further series of issuances, the Issuer shall open similar accounts (Series IV, Series V, etc.). This is a Regular Escrow Account and all funds in this account would be solely utilized for bond servicing throughout the tenor of the bonds.
Debt Service Reserve Account (DSRA)	The Issuer would be required to open a designated escrow account - “KFC DSRA Account Series I 2024” exclusively for the benefit and charged to the Debenture Trustee (on behalf of the bondholders). In case of further

	series of issuances, the Issuer shall open similar accounts (Series IV, Series V, etc.) An amount equivalent to the total servicing obligation (Principal & Interest) of the outstanding bonds for the next 2 quarters would need to be maintained by the Issuer in the DSRA account on rolling basis and the initial DSRA amount so calculated would need to be deposited atleast one day prior to the date of pay in. Further, as the servicing liability would progressively come down after the peak, the Issuer would be permitted to take out the excess amount from DSRA progressively under intimation to the Debenture Trustee, subject to no unresolved breach of any covenant. The DSRA would be in the form of cash or cash equivalent (investment in Permitted Instruments and would remain escrowed in favour of the Debenture Trustee).
Cash Collateral	The Issuer shall, prior to the Pay-in Date, create permitted investments in terms of the Transaction Documents ("Cash Collateral Permitted Investments") for an amount equivalent to 10% (Ten percent) of the outstanding principal amount of the Debentures ("Cash Collateral Amount"). The Issuer hereby agrees and undertakes that the Issuer shall, at all times maintain an amount equivalent to the Cash Collateral Amount as permitted investments in terms of the Transaction Documents and the same shall always be lien marked to the debenture trustee as detailed in the Transaction Documents. In case of any erosion in Debt Service Reserve Account as mentioned under structured payment mechanism not getting cured within 30 days after servicing (i.e T+30), the erosion shall be made good by transferring necessary amount of funds / investments to the DSRA. The Debenture Trustee should immediately inform the issuer about this event with an advise to Replenish the Cash Collateral Permitted Investment within the next 30days (T+60).
Permitted Investment	The funds in this Escrow Account and DSRA till such time being utilized would be allowed to be invested in permitted investments i.e. (i) fixed deposits with scheduled commercial banks having a rating of A1+ or higher for short term deposits and AA rating or higher for long term deposits;and/ or (ii) Central/ State government securities (including treasury bills and state development loans securities); iii) Corporate bonds and debentures issued by PSUs, Financial institutions, Insurance Companies, scheduled commercial banks, Govt owned NBFCs having a rating of AA or higher assigned by atleast 2 (Two) rating agencies registered with the Securities & Exchange Board of India under the SEBI (Credit Rating Agencies) Regulations, 1999;These investments are to be pledged in favour of the Debenture Trustee. These investments would be made & liquidated by the Debenture Trustee as per the instruction of the issuer from time to time. However, any investment of funds of Bond Servicing Account other than in Bank FDs would be compulsorily liquidated by the Trustee on T-3 days if not liquidated earlier. The investment in Bank FDs, out of funds lying in KFC BOND SERVICING ACCOUNT SERIES I 2024 should have a maturity date at least 1 day prior tothe next bond servicing date. Similarly, in case of any shortfall persisting in the KFC BOND SERVICING

	ACCOUNT SERIES I 2024 on T-9 days, the trustee should ensure availability of adequate funds to meet such shortfall in cash form in the DSRA, if required, through need-based liquidation of investments.
Structured Payment Mechanism	The Issuer would, starting from the 1st day of each quarterly servicing cycle, remit on every working day an amount equivalent to 2.00% of the aggregate servicing requirement for such quarterly servicing cycle of outstanding bonds issued to KFC Bond Servicing Account Series I 2024. Shortfall of transfer (if any) on any particular day would get cumulative and be carried forward to the next day(s) on a rolling basis. The transfers during a particular quarterly servicing cycle on the above mode should continue till the full build-up of the servicing requirement for that particular quarterly servicing cycle is achieved in the KFC Bond Servicing Account Series I 2024. The Debenture Trustee should independently monitor the adequacy of collection in the KFC BOND SERVICING ACCOUNT SERIES I 2024 on T-15th day and inform KFC through written communication, to fund the short-fall if any by T-10th day. This should also be intimated to the concerned Credit Rating agencies. In the event of such shortfall in KFC BOND SERVICING ACCOUNT SERIES I 2024 not getting fully bridged through payments by KFC by T-10th day, the Debenture Trustee would on T-9th day meet such shortfall by transferring funds from the KFC DSRA BOND SERIES I 2024 and make the necessary payments to the Bond Holders on the due date. However, the T-15th day notice to KFC to fund the shortfall would continue to remain active and if such funding is received subsequently, the same shall be transferred to KFC DSRA BOND SERIES I 2024 to make good the impairment. Further, If any overdues on account of past servicing from KFC DSRA BOND SERIES I 2024 continues to remain till T+30th day, then such overdue amount would be replenished by Cash Collateral available and a notice to issuer to replenish Cash Collateral within next 30 days i.e. T+60th day. In the event of the above not being adhered, the Debenture Trustee would give a final notice to the Issuer for the full replenishment of DSRA and Cash Collateral Permitted Investment within next 7 days. Failing which would lead to an Event of Default (EOD). If any of the milestone days mentioned in the T-structure above happens to be a holiday/ bank's closing day, the immediate preceding bank working day would be the deemed date for execution of the relevant action.

Note:

- If there is any change in Coupon Rate pursuant to any event including lapse of certain time period or downgrade in rating, then such new Coupon Rate and events which lead to such change should be disclosed.
- The list of documents which has been executed in connection with the issue and subscription of debt securities shall be annexed.
- While the debt securities are secured to the tune of 100% of the principal and interest amount or as per the terms of General Information Document, in favour of Debenture Trustee, it is the duty of the Debenture Trustee to monitor that the security is maintained.