

**Non-Binding Indicative Term Sheet**

This letter has been issued at the request of **Asset Homes Private Limited** (hereinafter referred to as “the Investee”, “the Company” or “AHPL”), a company registered in Kochi.

**Background:**

AHPL is in the business of real estate development since 2007 and has delivered more than 3 million square feet of residential developments across Kerala. In Kerala, the company principally focusses on mid-segment apartment projects.

The Company availed facility of INR 35 Crores from Sundaram AMC (via its new AIF Category II fund vehicle, hereinafter referred to as “SAMC” or “the Investor”) vide term sheet dated April 2, 2018, to fund working capital requirements of the company, backed against the following projects – Versatile, Luminaire, Lime light, Legacy, Corridor, Chandelier and Gulmohar (collectively referred as “**Projects**”). This facility is **further enhanced by INR 20 Crores** (through mortgage of additional projects) on the back drop of increased sales velocity, to expedite construction and to ensure faster realization. This term sheet does not constitute an offer or a proposal and the availability of the credit facility referred to herein are subject to receipt of internal approvals, satisfactory due diligence on the Investee & the Security and the execution of binding agreements related to the Facility as well as security (“**Agreements**”) between the Investor and the Investee, to the satisfaction of the Investor. The broad terms at which SAMC intends to fund the Investee are set out below.

1.	<b>Facility</b>	Unlisted Non-Convertible Debentures (“Facility”)
2.	<b>Enhanced Facility Amount</b>	INR 20,00,00,000 (Rupees Twenty Crores Only)
3.	<b>Use of Proceeds</b>	Up to INR 20 Crores for construction expenses of ongoing Projects.
4.	<b>Tenor</b>	In line with the tenor of existing facility of INR 35 Cr with principal repayment in line with the existing facility and ending on quarter ending March 2021.
5.	<b>Interest Rate</b>	15.75% per annum compounded monthly and payable quarterly in arrears
6.	<b>Processing Fees</b>	1.5% of the Facility Amount (plus relevant taxes); payable by Investee upon first drawdown.
7.	<b>Repayment</b>	Equated quarterly instalments in line with the existing facility of INR 35 Crs.
8.	<b>Security Structure</b>	<ul style="list-style-type: none"> <li>• Exclusive first charge by way of Equitable Mortgage with registered MOTD on Developer share of the project, to an extent of 2x asset cover.</li> <li>• Exclusive first charge by way of Hypothecation of receivables of Developer share of Projects through escrow arrangement.</li> <li>• Personal Guarantee of promoters</li> <li>• Corporate Guarantee of Asset Infra Projects Private Limited.</li> <li>• Post-dated cheques, Demand Promissory Note, Affirmative step in rights in case of default.</li> </ul> <p>At all times, security shall provide a hard asset cover of at least 2x the value of the Facility outstanding and a cash flow escrow of at least 2x times the Facility outstanding.</p>
9.	<b>Pre-disbursement Conditions</b>	<p>The Investee and Obligors (as applicable) shall:</p> <ul style="list-style-type: none"> <li>- Confirm and produce all necessary documents to show that investee’s project(s) are RERA compliant.</li> <li>- Execute all the documents, in form and substance satisfactory to the Investor.</li> </ul>

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For ASSET HOMES PRIVATE LIMITED

  
 Managing Director

		<ul style="list-style-type: none"> <li>- Ensure completion of Legal (title) and Commercial due diligence to the satisfaction of the investor.</li> <li>- Creation and registration of/perfection of security through the registered mortgage along with submission of original title deeds.</li> <li>- Hand over the undated cheques to the Investor/Trustee</li> <li>- Creation of ISRA equivalent to 2 quarters of debt obligations</li> <li>- Comply with any other conditions as may be required by the Investor after Due Diligence</li> </ul>
10.	<b>Post disbursement conditions</b>	<p>The Investee shall do the following within 15 days after the disbursement or as specified below:</p> <ul style="list-style-type: none"> <li>· Execute all the documents, in form and substance satisfactory to the Investor.</li> <li>· Mention in demand notice (to end customers) that cheques will be issued in favor of "Escrow A/c No ....."</li> <li>· Comply with any other conditions as may be mutually agreed by the Parties in the Definitive Agreements.</li> </ul>
11.	<b>Prepayment Charges</b>	<p>Prepayment of the Facility from the project cash flows (sale receipts) shall not attract any prepayment penalty post moratorium period. However, prepayment from any other source (permitted after moratorium period) shall attract a penalty of 2% of the amount being prepaid.</p> <p>Any amount of Mandatory Prepayment so made shall be adjusted towards the next installment due from the Investee.</p> <p>The Investee shall submit a CA Certificate certifying source of funds for the prepayment within 7 days of the prepayment.</p>
12.	<b>Transaction Costs</b>	The Investee shall bear the cost of legal due diligence, security valuation, documentation and stamp duty charges etc.
13.	<b>Other terms and conditions</b>	In addition to the terms and conditions contained in this letter, the Agreement shall contain other rights, terms and conditions, including but not limited to Financial/ Affirmative/ Negative/ Information Covenants, Representations & Warranties, Indemnities, and Events of Default & Remedies as maybe relevant and applicable.
14.	<b>Jurisdiction</b>	The Agreement shall be subject to the exclusive jurisdiction of the Courts at Chennai.

Nothing contained in this letter shall constitute any obligation or liability on the part of the Investor to make available to the Investee, or any right or entitlement on the part of the Investee to avail from the Investor the credit facility described above till the Binding Agreements are executed.

For Sundaram Asset Management Co Ltd

For Asset Homes Pvt Ltd

For ASSET HOMES PRIVATE LIMITED

  
Managing Director

Place:  
Date:



Place: Ernakulam  
Date: 14/03/19

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