

# Non-Binding Term Sheet (the "Term Sheet")

19<sup>th</sup> December 2020

*This Term Sheet is being provided for discussion purposes only and is not binding. The terms and conditions outlined below are not exhaustive and are subject to change. This Term Sheet does not constitute an offer to enter into any transaction or business relationship. Any agreement between the parties shall be subject to the receipt of necessary internal approvals (including without limitation credit, legal and compliance approvals), completion of satisfactory audit, financial, legal, tax and technical due diligence by the investor, obtaining applicable regulatory approvals and execution of transaction documents.*

## TERMS OF INVESTMENT

1. Instrument	INR denominated, transferable, redeemable, secured, unlisted, non-convertible debentures issued at par, on a private placement basis.
2. Issuer	Wadhwa & Associates Project Developers Private Limited
3. Face Value of NCDs	INR 10,00,000 (Indian Rupees ten lakhs only) (Fully Paid)
4. Tenor of the NCDs	60 months from the date of allotment
5. Investment Amount	<p><b>Series I:</b> The investment by the investor in the NCDs shall be up to an amount of INR 225,00,00,000 for the current loan</p> <p><b>Series II:</b> The investment by the investor in the NCDs to an amount of INR 190,00,00,000 as CF loan</p> <p>"Series I" and "Series II", will hereby collectively be called "<b>Investment Amount</b>". Investment Amount of up to <b>Rs 415,00,00,000</b></p>
6. Coupon	<p><b>Series I:</b> HDFC Ltd. PLR i.e. 16.1% <i>minus</i> 4.1% percent spread per annum payable on a quarterly basis. This coupon rate may be reset at quarterly intervals. As on the date of this term sheet, the effective coupon rate would be 12% per annum. However, the servicing to be as below:</p> <ul style="list-style-type: none"> <li>First 24 months - coupon moratorium</li> <li>Post the above, quarterly coupon servicing will be at 10% p.a.</li> </ul> <p>The overall IRR is 16% (to be reduced to 15% IRR pursuant to Rs 40 Cr to Rs 50 Cr repayment of proceeds from sale to D-Mart)</p> <p><b>Series II:</b> HDFC Ltd. PLR i.e. 16.1% <i>minus</i> 4.1% percent spread per annum payable on a quarterly basis. This coupon rate may be reset at quarterly intervals. As on the date of this term sheet, the effective coupon rate would be 12% per annum. However, the servicing to be as below:</p> <ul style="list-style-type: none"> <li>First 18 months - coupon moratorium</li> <li>Post the above, quarterly coupon servicing will be at 12% p.a.</li> </ul> <p>The overall interest on Series II @ 12% p.a. compounded quarterly will be payable on or before the last repayment date</p>
7. Repayment Schedule	Investment Amount: from end of 9 <sup>th</sup> quarter till end of 20 <sup>th</sup> quarter
8. Penal Interest	An additional interest of 1.5% per annum, over and above the Coupon, shall be payable by the Issuer on all amounts that become due and payable by the Issuer and remain unpaid beyond the due date. Such penal interest shall be calculated for the period from the day the Issuer has defaulted in meeting its payment obligation under the transaction documents up to the date of actual payment.



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For SATTVA DEVELOPERS PRIVATE LIMITED

Authorised Signatory



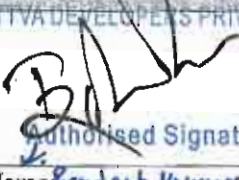

<p><b>9. Prepayment</b></p>	<p>(a) The Issuer shall be permitted to prepay the amounts due to the investor from the Project cash flows (sales receipts) and/or funds raised through banks and financial institutions and/or group cashflows, without any prepayment penalty.</p> <p>(b) Any amount prepaid by the Issuer shall be applied in the following order:</p> <ul style="list-style-type: none"> <li>(i) any costs and expenses due to the investor;</li> <li>(ii) unpaid Penal Interest;</li> <li>(iii) accrued Coupon; and</li> <li>(iv) Investment Amount by redemption of NCDs.</li> </ul> <p>(c) The Issuer shall, no later than 7 days from the date of prepayment, submit a certificate from a chartered accountant certifying the source of funds used for prepayment.</p>
<p><b>10. Security</b></p>	<p>The security interest to be created in favour of the Debenture Trustee (<i>defined below</i>) for securing the obligations of the Issuer under the transaction documents (including the obligation to pay the Investment Amount, Coupon, prepayment penalty, penal interest, costs, charges, expenses and any and all other amounts payable under the transaction documents), will include the following, amongst others:</p> <ul style="list-style-type: none"> <li>(a) first ranking exclusive charge by way of mortgage over the land underlying the project and all structures (whether present or future) thereon, together with all benefits and/or entitlements arising out of or in connection with the aforesaid land and/or the project, along with corresponding development rights and all present and future development potential (<i>including but not limited to floor space index, transferable development rights and/or any other benefit, by whatever name called</i>);</li> <li>(b) first ranking exclusive charge by way of hypothecation over the project collection account where the receipts from the project are collected (<b>Project Collection Account</b>) and all other bank accounts of in relation to the project (also referred to as the <b>Charged Accounts</b>);</li> <li>(c) first ranking exclusive charge by way of hypothecation over moveable assets of the project;</li> <li>(d) unconditional and irrevocable guarantees issued by the corporate guarantors: (i) Wadiwa Group Holdings Private Limited and (ii) Sattva Developers Private Limited;</li> <li>(e) unconditional and irrevocable guarantee issued by the personal guarantor, Mr. Navin Makhija;</li> <li>(f) first ranking exclusive pledge over 50% of the issued and paid-up share capital of the Issuer;</li> <li>(g) A non-disposal undertaking in respect of 50% of the issued and paid-up share capital of the Issuer;</li> <li>(h) demand promissory note;</li> <li>(i) security cheques for repayment; and</li> <li>(j) any other security as stipulated by the investor and/or as agreed and set out in the transaction documents. Provided that the Security package provided to the investor will be on no less favourable terms than provided to the current lender of the Issuer.</li> </ul> <p>The specific details in relation to the security package provided above shall be set out in the transaction documents.</p>

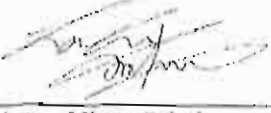


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For SATTVA DEVELOPERS PRIVATE LIMITED

*[Handwritten signature]*  
Authorised Signatory

For Wadhwa & Associates Project Developers Private Limited	For Wadhwa Group Holdings Private Limited	For Sattva Developers Private Limited	Mr. Navin Makhija
		 Authorised Signatory	
Name: Navin Makhija Designation: Director	Name: Navin Makhija Designation: Director	Name: Pradeep Kumar Dhandania Designation: Authorised Signatory	

For Asia Real Estate II India Opportunity Trust

Name: Nipun Sahni Designation: