

SILICA CERAMICA (P) LIMITED

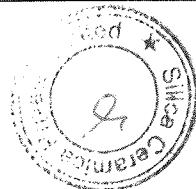
Premier Lifestyles

A Subsidiary of **PRISM JOHNSON LIMITED**

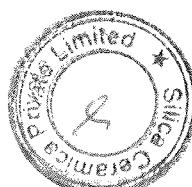
Indicative Term Sheet

This document is issued for discussion purposes only and does not constitute any commitment, offer, recommendation or solicitation to any person to enter into any transaction. The terms are neither complete nor final and are subject to further discussion, negotiation and internal approvals. The terms of any transaction entered into will be recorded in a written confirmation or other document. ICICI Prudential AMC has no fiduciary duty towards you, and assume no responsibility to advise on, and makes no representation as to the appropriateness or possible consequences of, the prospective transaction.

Security Name	Silica Ceramica Pvt Ltd Unsecured, Rated, Unlisted, Redeemable, Taxable, Non-convertible Debentures
Issuer	Silica Ceramica Private Limited ("The Company / Issuer")
Guarantor	Prism Johnson Limited
Promoter Group	Such persons and entities as declared to the NSE and BSE, as on June 30, 2018, as "Promoter & Promoter Group" of the Guarantor (Prism Johnson Limited)
Type of Instrument	Unsecured, Rated, Unlisted, Redeemable Taxable Non-convertible, Debentures ("Bonds/ NCDs/ Debenture")
Nature of Instrument	Unsecured
Seniority	Senior
Mode of Issue	Private Placement
Eligible Investors	1. Commercial Banks, Mutual Funds, Insurance Companies, Financial Institutions; 2. Companies and Bodies Corporate including public sector undertakings; 3. Provident Funds, Gratuity Funds, Pension Fund. All investors are required to comply with the relevant regulations/guidelines applicable to them for investing in this issue of debentures.
NCDs offered to	ICICI Prudential Asset Management Company Limited
Debenture Trustee	Axis Trustee Services Ltd
Rating	ICRA A-(SO) with outlook stable by ICRA Limited or IND Ra A – (SO) ("Rating Agency")
Face Value	Rs. 10,00,000/- (Rupees Ten Lakh) per Debenture
Amount	Rs. 50 Crores
Issue Opening Date	On or before 14 th September, 2018
Issue Closing Date	On or before 14 th September, 2018
Deemed Date of Allotment	On or before 14 th September, 2018
Put/ Call	At the end of 2 years from deemed date of allotment i.e. 14 th September, 2020.
Put Option Price / Call Option Price	At par
Put Option Notification Time /Call Option	60 (Sixty) calendar days prior notice.



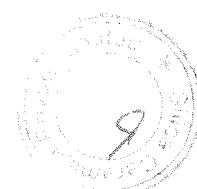
Notification Time	
Maturity	36 months from the Deemed date of allotment, i.e. 14 th September, 2021. The Issuer shall prefund the bank account of the Debenture Holder by 30 calendar days prior to the Maturity date i.e. 14 th August, 2021, failing which, the Guarantor (Prism Johnson Limited) to fund the bank account of the Debenture Holder, 15 calendar days prior to the Maturity Date, i.e. 30 th August, 2021.
Coupon	<p>Shall mean a floating rate linked to MIBOR and shall be the aggregate of the MIBOR plus 475 basis points. The YTM/IRR shall, at all times, be subject to a minimum of 10.64% (Ten Decimal Point Six Four Percent) and maximum of 10.65% (Ten Decimal Point Six Five percent)</p> <p>"MIBOR" means the floating benchmark interest rate with overnight tenor at which banks lend funds to other banks in the Indian interbank market and which rate is reviewed, revised and reset from time to time by The Clearing Corporation of India on its website(www.ccilindia.com)</p>
Coupon Frequency	Annual
Record Date	In relation to any date on which any payment falls due, means the day falling 15 (Fifteen) calendar days prior to the date on which the company is required fund the relevant debenture holder account in respect of payments to be made on the relevant date on which such payment falls due.
Payment Mechanism	<p><u>Deposit prior to Maturity Date / Final Settlement Date/Put Call Date:</u></p> <p>The Company shall be required to deposit the amounts due and payable to the Debenture Holders on Maturity Date / Final Settlement Date, as the case may be, at least 30 (Thirty) calendar days prior to the relevant Due Date ("Deposit Date") in the bank account of the Debenture Holders and provide a written confirmation of the same to the Debenture Trustee in this regard.</p> <p>In the event the Company fails to deposit such amounts due and payable to the Debenture Holders on the Deposit Date, the Guarantor will deposit such amounts due in the bank account of the Debenture Holders at least 15 calendar days prior to the relevant Due Date and provide a written confirmation of the same to the Debenture Trustee in this regard.</p> <p>For the sake of abundant caution, it is hereby clarified that if the Company has not exercised the Early Redemption Option (as set out below), the Company shall deposit in the bank account of the Debenture Holders, the following monies: (i) face value of the said Debenture; (ii) Coupon accrued till the Maturity Date/ Final Settlement Date/ Put call date; and (iii) any other amounts due and payable to the Debenture Holders in respect of the said Debenture in accordance with the terms of the Transaction Documents. Provided further that, the Debentures shall not be deemed to have been redeemed if the Company has merely deposited the aforesaid monies in the bank account of the Debenture Holders, unless the Company actually exercises the Early Redemption Option (as set out herein).</p>



	<p><u>Deposit prior to Coupon Date:</u></p> <p>The Company shall be required to deposit the amounts due and payable to the Debenture Holders on Coupon Payment Date, as the case may be, at least 2 (two) Business Days prior to the relevant Coupon Payment Date ("Coupon Deposit Date") in the bank account of the Debenture Holders and provide a written confirmation of the same to the Debenture Trustee in this regard.</p> <p>In the event company fails to deposit such amounts due and payable to the Debenture Holders on relevant Coupon Deposit Date, the Guarantor will deposit such amounts at least 1 (one) Business Day prior to the relevant Coupon Payment Date in the bank account of the Debenture Holders and provide a written confirmation of the same to the Debenture Trustee in this regard.</p>
Early Redemption Option	<p>The Company shall have the option to redeem the Debentures ("Early Redemption Option") on any date falling on or after the early redemption date i.e. the day falling 30 (Thirty) calendar days prior to the Put call / Maturity Date of Debentures ("Early Redemption Date"), subject to the terms and conditions hereinafter appearing.</p> <p>For the purposes of exercising the Early Redemption Option, the Company will have to comply with the following:</p> <ul style="list-style-type: none"> (a) The Company shall provide a notice in writing to the Debenture Trustee at least 5 (Five) Business Days prior to the Early Redemption Date confirming its intention to exercise the Early Redemption Option; (b) On the Early Redemption Date, the Company shall deposit in the bank account of the Debenture Holders, the following monies: (i) face value of the said Debenture; (ii) Coupon accrued till the Early Redemption Date/ Put call date; and (iii) any other amounts due and payable to the Debenture Holders in respect of the said Debenture in accordance with the terms of the Transaction Documents. <p>For the sake of abundant caution it is clarified that the Company shall not be required to make payment of any prepayment penalty for redeeming the Debentures pursuant to exercise of the Early Redemption Option.</p>
Security	<p>a) Unconditional and irrevocable corporate guarantee from the Guarantor (Prism Johnson Limited);</p> <p>The corporate guarantee amount to be capped at INR 61 (Sixty One) crores. In case of part enforcement of the corporate guarantee during the currency of the Debenture, the guarantee shall be replenished to the original capped amount of INR 61 (Sixty One) crores by the Guarantor, within a period of 1(one) month from part enforcement date.</p> <p>Security under paragraph (a) shall be created prior to the Deemed Date of Allotment,</p>
Object of the Issue	Replacement of existing debt / long term working capital / reimbursement of advance or unsecured loan given by the Guarantor to the Issuer.
Details of the Utilisation of the proceeds	Proceeds will be utilised for replacement of existing debt. No part of the proceeds would be utilized directly/indirectly towards capital markets or land acquisition



Step up Coupon Rate/Step down Coupon Rate	<p>The Coupon rate will be reset from the date of change in the long-term (LT) credit rating of the instrument, as follows:</p> <ol style="list-style-type: none"> 1. Coupon rate to be increased by 25 basis points from the date of rating downgrade to "BBB+(SO)" by any Rating Agency and for each subsequent downgrade in rating notch thereafter. 2. Investor shall have an option to ask for mandatory prepayment in full / part of the outstanding NCDs together with accrued interest if the rating of the NCDs is downgraded to "BBB(SO)" by the Rating Agency and for every notch thereafter; 3. Coupon rate to be reduced by 25 basis points from the date of upgrade to "A (SO)" by Rating Agency and for each subsequent upgrade in rating notch thereafter. <p>It is clarified that for the purpose of this clause lowest of all outstanding ratings (of the Issuer / NCDs) will be considered.</p>
Coupon Type	Fixed (Can change subject to rating migration as mentioned in the Step up coupon rate / Step down coupon rate clause)
Day Count Basis	Actual/365 (366 days in case of a leap year)
Interest on Application Money	<p>Interest at the coupon rate (subject to deduction of income tax under the provisions of the Income Tax Act, 1961, or any other statutory modification or re-enactment thereof, as applicable) will be paid to the applicants on the application money for the NCDs for the period starting from and including the date of realization of application money in Issuer's bank account upto one day prior to the Deemed Date of Allotment.</p> <p>Where pay-in date and Deemed Date of Allotment are the same, no Interest on Application money is to be paid.</p>
Default Interest Rate	<p>In the event of delay in the payment of interest amount and/or principal amount on the due date(s), without prejudice to the right of the Debenture Trustee to call an event of default, the Issuer shall be liable to pay an additional interest of 2% per annum in addition to the Coupon rate payable on the NCDs, on such amounts due, for the defaulting period i.e. the period commencing from and including the date on which such amount becomes due and upto but excluding the date on which such amount is actually paid.</p> <p>Security Creation: In the event of delay in execution of Debenture Trust Deed or any other security documents, the Issuer shall either refund the subscription at the Coupon rate or shall pay penal interest of 2% per annum over the coupon rate for the delayed period till such conditions are complied with, at the option of the holders of the Debenture.</p>
Minimum Application and in multiples of Debt securities thereafter	Minimum 1 Debenture of `10,00,000/- each and in multiple of 1 Debenture thereafter
Issuance mode of the Instrument	Demat only



Trading mode of the Instrument	Demat only
Settlement mode of the Instrument	RTGS/NEFT
Depository	NSDL and CDSL
Business Day Convention	<p>If any Coupon Payment Date falls on a day that is not a Business Day, the payment shall be made by the Issuer on the immediately succeeding Business Day along with interest for such additional period. Further, interest for such additional period so paid, shall be deducted out of the interest payable on the next Coupon Payment Date.</p> <p>If the Maturity Date (also being the last Coupon Payment Date) of the Debentures falls on a day that is not a Business Day, the redemption proceeds shall be paid by the Issuer on the immediately preceding Business Day along with interest accrued on the Debentures until but excluding the date of such payment.</p> <p>Interest shall be calculated on actual/365 days (366 days in case of a leap year) basis</p>
Record Date	15 calendar days prior to each coupon payment date and the Maturity Date
Business Day	Any day on which the commercial banks are open for business in Mumbai and Hyderabad, not being a Saturday or Sunday or a Public holiday
Information Undertaking of Issuer and Guarantor	<ol style="list-style-type: none"> 1. Standalone financial statements to be submitted to the Debenture Trustee at the end of financial half years; 2. Details of any material litigation, arbitration or administrative proceedings to be submitted to the Debenture Trustee; 3. Notice of any change in authorised signatories of the Issuer with respect to the Debentures to be submitted to the Debenture Trustee; 4. Issuer to provide end-use certificate within 3 months of Deemed Date of Allotment confirming that no part of the Issue has been used for purpose ineligible for bank finance as per RBI guidelines and the proceeds of the Issue has been utilized solely for the end – use stated herein; 5. Others as agreed between the holders of Debenture and the Issuer
Transaction Documents	<p>The Issuer shall execute/ cause execution of the documents but not limited to the following in connection with the issue:</p> <ol style="list-style-type: none"> 1. Unconditional and Irrevocable corporate guarantee from the Guarantor ("Prism Johnson Limited") 2. Private Placement Offer Letter (PAS 4)/Information Memorandum; 3. Debenture Trustee Agreement; 4. Debenture Trust Deed; 5. Rating Letter of Rating Agency;
Representations/ Covenants of Issuer & Guarantor	<p>Representations, warranties, covenants and defaults appropriate for an Issue of this nature, including but not limited to:</p> <ol style="list-style-type: none"> 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;



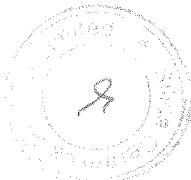
	<p>6. No proceedings pending or threatened;</p> <p>7. No material adverse change or event of default;</p> <p>8. Compliance with applicable law;</p> <p>9. Security and financial indebtedness;</p> <p>10. Good title to assets;</p> <p>11. Transaction Documents, disclosures, authorization and other documents;</p> <p>12. All representations and warranties are true as on the date of execution and drawdown;</p> <p>13. No event of default or potential event of default has occurred by the Company and/or the Guarantor (Prism Johnson Ltd) and its subsidiaries is continuing.</p>
Financial Covenants	<p>During the currency of the Debentures, Issuer shall maintain the below mentioned ratios:</p> <p>1. Net-Worth to not fall below 30 (Thirty) crores.</p> <p>During the currency of the Debentures, Prism Johnson Limited (the "Guarantor") shall maintain the below mentioned ratios:</p> <p>1. DSCR not below 1.00 (One) times; First testing on 30 Sept, 2018</p> <p>2. No EBIDTA loss on annual basis; First testing on 30 Sept, 2018</p> <p>3. Total Debt to Net Worth not greater than 2.0 times; First testing 30 Sept, 2018</p> <p>All Financial Covenants would be tested on half yearly basis i.e. as on 31 March and 30th Sept every year on standalone balance sheet till the redemption of the Debentures. The Financial Covenants shall be certified by the Company and the Guarantor (as applicable) within 90 calendar days from end of the period.</p> <p>"Debt Service Coverage Ratio (DSCR)" shall mean, for the trailing 12 (Twelve) month period, the ratio of (i) the aggregate of PAT, depreciation, non-cash expenses, interest liabilities to (ii) the principal repaid (excluding working capital borrowing and amount of loan being tied up for refinance atleast one month prior to the maturity of such loans being refinanced) and interest due on all outstanding indebtedness of the Issuer. However, under no circumstance any loan which has been prepaid shall be considered for determining the DCSR.</p> <p>"Debt" shall mean aggregate of:</p> <p>1. All long term debt outstanding, whether secured or unsecured, plus</p> <p>2. Any short term debt outstanding, whether secured or unsecured, availed of in lieu of long term debt or by way of bridge financing for long term debt</p> <p>3. any amount raised by acceptance under any acceptance credit facility</p> <p>4. receivables sold or discounted (other than any receivables to the extent they are sold on a non- recourse basis);</p> <p>5. any amount raised under any other transaction (including any forward sale or purchase agreement) having the commercial effect of a borrowing;</p> <p>"Net-Worth" shall mean issued and paid up equity share capital (+) all reserves (excluding revaluation reserves) (-) any dividend declared (-) intangibles (including but not restricted to brand valuation, goodwill etc) as per the latest audited financials of the Issuer.</p>



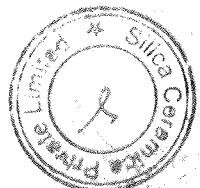
	EBIDTA means earnings before interest, depreciation, Tax and amortization. For clarity it will also exclude any exceptional gain or loss & as classified in financial of the company.
Covenants	<p>During the currency of the Debentures , the Issuer/Guarantor (as applicable) shall take consent of at least majority (51%) holders of the Debentures on the following :</p> <ol style="list-style-type: none"> 1. Issuer and Guarantor shall not amend or modify Objects Clause in its Memorandum of Association and Article of Association; 2. Issuer and Guarantor shall not change its financial year-end from 31st March (or such other date as may be approved by the holders of Debentures); 3. Issuer and Guarantor shall not change the accounting method or policies currently followed or in case of any modification / alteration in the accounting policies/standards followed by the Issuer during the currency of the Debentures unless otherwise required by any prevailing Law / Act / Rules etc.; 4. Issuer and Guarantor to ensure that it is not admitted under SICA / BIFR; 5. Any material sale of asset/business/division or re-structuring of the existing business/ split of businesses (Material for this clause to be defined as Rs.75 Crs for Guarantor and Rs. 5 Crs for the Issuer and above.); 6. No dividend, if an event of default has occurred and is subsisting; 7. "Management Control of the Guarantor" shall mean (i) At least 51% ownership (on a fully diluted basis) and management control of the borrower shall remain with its Promoters (Rajan Raheja Group) during the tenor of the facility and (ii) the ability of the Promoter Group to appoint majority of the directors of the Board of Directors of the Company; and (iii) ability of the Promoter Group to control and direct the business, operations and functioning of the Company. Such other conditions/documents required by the Debenture Holder(s) in the Transaction Documents. 8. Management Control of the Issuer" shall mean (i) No dilution in shareholding in the company of Prism Johnson Limited (ii) At least 51% ownership (on a fully diluted basis) and management control of the borrower shall remain with the Promoter Group during the tenor of the Debentures, and (iii) the ability of the Promoter Group to appoint majority of the directors on the Board of the Company; and (iv) ability of the Promoter Group to control and direct the business, operations and functioning of the Company. 9. Such other conditions/documents required by the holders of Debenture in the Transaction Documents.
Conditions precedent to disbursement	<p>The subscription from investors shall be accepted for allocation and allotment by the Issuer subject to the following</p> <ol style="list-style-type: none"> 1. Unconditional and irrevocable corporate guarantee from the Guarantor (Prism Johnson Limited) in a form acceptable to the holders of Debentures; 2. Long term rating letter from the Rating Agency not being more than 1 month old from the Issue Opening Date; 3. Letter from trustees conveying their consent to act as trustees for the holders of Debentures; 4. Execution of the following Transaction Documents in a form acceptable to holders of Debentures: <ul style="list-style-type: none"> • Information Mémorandum/ Private Placement Offer Letter; • Debenture Trustee Agreement; 5. The Debenture Trust Deed and all security documents to be in agreed form;



	<ol style="list-style-type: none"> 6. Evidence of due execution and authority for the Transaction Documents mentioned in point 4 above; 7. Evidence that the Transaction Documents mentioned in point 4 above are valid and subsisting; 8. Payment of all fees due under the Transaction Documents; - 9. Undertaking from the Issuer that each of the Representations & Warranties made by the Issuer are true and correct; 10. Non-occurrence/existence of any force majeure event/event of default; 11. No material adverse effect and there are no circumstances existing which could give rise, with the passage of time or otherwise, to a material adverse effect. 12. Submission of certified true copies of the Memorandum & Articles of Association and such other documents of the Issuer as may be required by the holders of Debentures; 13. All necessary board resolutions of the Issuer and the Guarantor to the satisfaction of the holders of Debentures ; 14. List of authorized signatories of the Issuer and the Guarantor along with their specimen signatures; 15. Shareholders resolution of the Guarantor under Section 186 (2) of the Companies Act, 2013 16. Shareholders resolution of the Issuer in relation to Section 42 of Companies Act, 2013 approving the issuance of the Debentures on a private placement basis; 17. Execution of Tripartite agreement between the Issuer, registrar and NSDL for issue of Debentures in Demat form; 18. Such other conditions/documents required by the Debenture Holder(s) in the Transaction Documents.
Conditions Subsequent	<p>The Issuer shall ensure that the following documents are executed/ activities are completed a frame mentioned herein below:</p> <ul style="list-style-type: none"> • Credit of Demat account(s) of the allottee(s) by number of Bonds allotted within 3 working days of the Deemed Date off Allotment; • Execution of Debenture Trust Deed for within time frame prescribed in the relevant regulations etc. • Any others as agreed between the parties
Events of Default	<p>Events of default as stated in the NCD Documentation, including but not limited to the following:</p> <ul style="list-style-type: none"> • Failure to pay amounts due under the Issue on the relevant due date by the Issuer; • Insolvency, reorganization, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer and/or the Guarantor; • Cross default / acceleration under agreements (subject to relevant cure periods, if any, provided in the respective agreements) for indebtedness of the Issuer; • Bankruptcy, CDR proceedings filed with respect to the Issuer and/or the Guarantor;



	<ul style="list-style-type: none"> • Breach of any of the terms of the Transaction Documents by the Issuer and/or the Guarantor; • Breach of any covenants by the Issuer and/or the Guarantor; • Breach of any Representations and Warranties by the Issuer and/or the Guarantor; • Nationalization or expropriation of any of a substantial part of the assets of the Issuer and/or Guarantor; • Unlawfulness or moratorium; • Change in management control of the Issuer, without prior approval; • Cross default / acceleration under agreements (subject to relevant cure periods, if any, provided in the respective agreements) for indebtedness of the Guarantor; • Any others as agreed between the parties.
Consequences of Event of Default	<p>The consequences of default will, include but not be limited to the following:</p> <ul style="list-style-type: none"> • Upon the occurrence of a non-payment event of default, the Trustee may (acting upon instructions of majority of Debenture Holders) accelerate the redemption of Debentures. The Trustee shall mandatorily send a notice to both, Issuer and Guarantor. Upon acceleration by the Trustee, the NCDs will become due and payable within one business day from the date of the Trustee's Notice. The Issuer shall immediately redeem all Debentures by payment in bank account of the Debenture Holders. In the event, the Issuer does not redeem the Debentures upon occurrence of non payment event of default the issuance of notice, the Guarantor shall immediately but no later than 1 (one) business day from the date of notice by Trustee redeem all Debentures in respect of the Issue by payment in bank account of the Debenture Holders. • Enforcement of unconditional and irrevocable corporate guarantee from Prism Johnson Limited; • Acceleration of all outstanding dues in respect of the Debentures, cancellation of total Issue and enforcement of Security; • Enforce its right under the Transaction Documents and/or under applicable law; • Charge Default Interest. It is clarified that the default interest shall be charged from the date of occurrence of event of default irrespective of the same being declared by the holders of Debentures till such date the default subsists • Any cost incurred on any of the above shall be borne by Issuer
Cross default	<ul style="list-style-type: none"> • Cross default / acceleration under agreements (subject to relevant cure periods, if any, provided in the respective agreements) for indebtedness of the Issuer and/or the Guarantor; • Cross default means default with any lenders to Prism Johnson Ltd and/or the Issuer.
Role and Responsibilities of Debenture Trustee	The Debenture Trustee shall carry out its duties and perform its functions under SEBI Regulations, the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, the Trust Deed and Term Sheet, with due care, diligence and loyalty.
Governing Law and Jurisdiction	The Debentures are governed by and shall be construed in accordance with the Indian laws. Any dispute arising thereof will be subject to the exclusive jurisdiction of the courts and tribunals at Hyderabad (Telangana)
Security Creation	NA



Clear Market	The Company & Guarantor to ensure that starting from the time of acceptance of this letter, till the end of 30 days from the Deemed Date of Allotment, the Company / Guarantor would not bring any other primary issue of Debentures with more favorable terms or pricing.
Force Majeure	<p>This Term Sheet is subject to, in the opinion of the prospective investor,</p> <ul style="list-style-type: none"> a) any material adverse change having occurred in any of the business, condition (financial operations, of the issuer (and its subsidiaries or parent company or promoter group) since the last available audited annual report, b) any circumstance, change or condition (including the continuation of an existing condition) in the domestic and international commercial bank, loan syndication, financial or capital market, political or economic conditions that, in the opinion of the prospective investor, would materially affect syndication and conclusion of the Facility; and c) any material adverse change having occurred in the financial markets in which the issuer and/or its principal assets are located or in the market for loans to and debt securities of India.

Date :- 30th Aug, 18

For Silica Ceramica Pvt. Ltd.



Director/Authorised Signatory