

**Non-Binding Indicative Term Sheet**

This letter has been issued at the request of **Peninsula Infra Developments Private Limited** (hereinafter referred to as “the Investee”, “the Company” or “Peninsula”), a company registered in Bangalore.

**Background:**

Peninsula is in the business of real estate development since 2008 and has delivered more than 1.8 million square feet of residential developments in Bangalore. The Group principally focuses on execution of affordable villas, in specific micro-market (Sarjapur) in Bangalore. The group has availed facilities from Edelweiss and Piramal to finance their 4 ongoing projects. The Group requires the proposed facility for refinancing of Edelweiss facility along with working capital requirements on two of the ongoing villa projects “Prakruthi 1” and “Solitaire”) and one new apartment project (“Paramount”).

The Company has approached Sundaram AMC (via its new AIF Category II fund vehicle, hereinafter referred to as “SAMC” or “the Investor”) to fund at a corporate level. 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.

<b>1. Facility</b>	Unlisted Non-Convertible Debentures (“Facility”)												
<b>2. Facility Amount</b>	INR 35,00,00,000 (Rupees Thirty Five Crores Only)												
<b>3. Use of Proceeds</b>	The amounts disbursed by the Investor shall be used by the Investee as follows:												
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Amount up to (INR in Cr)</th> <th>Indicative usage</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>25.0</td> <td>Refinance of Edelweiss facility</td> </tr> <tr> <td>2</td> <td>2.4</td> <td>Transaction closure charges including fee, ISRA, etc.</td> </tr> <tr> <td>3</td> <td>7.6</td> <td>Working capital requirements for development of secured projects</td> </tr> </tbody> </table>	Sl. No.	Amount up to (INR in Cr)	Indicative usage	1	25.0	Refinance of Edelweiss facility	2	2.4	Transaction closure charges including fee, ISRA, etc.	3	7.6	Working capital requirements for development of secured projects
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<b>4. Tenor</b>	3 years (door-to-door) including principal moratorium of 3 quarters												
<b>5. Interest Rate</b>	17% per annum, compounded monthly and payable quarterly												
<b>6. Processing Fees</b>	2% of the Facility Amount (plus relevant taxes); INR 10 lakhs (plus taxes) of the Processing Fees shall be payable by Investee upon signing of term of sheet and remaining upon first tranche disbursement.												
<b>7. Repayment</b>	9 Quarters of equal installments post the principal moratorium period												
<b>8. Drawdown</b>	The entire facility shall be drawn down within 3 Quarters from the initial drawdown date.												
<b>9. Security Structure</b>	<ul style="list-style-type: none"> <li>• Exclusive first charge by way of Equitable Mortgage with Registered MODT on the project, to an extent of 2x asset cover</li> <li>• Exclusive first charge by way of Hypothecation of receivables of the Projects through escrow arrangement</li> <li>• Exclusive first charge on additional land of 3.5 acres worth INR 12 Cr</li> <li>• Personal Guarantee of Promoters</li> <li>• Demand Promissory Note, Affirmative step in rights in case of default</li> <li>• Any other securities as may be stipulated by the lender and/or as detailed</li> </ul>												



		<p>in transaction documents. At all times, security shall provide a hard asset and security cover of at least 2x the value of the Facility outstanding.</p>									
10.	<b>Escrow Mechanism</b>	<ul style="list-style-type: none"> <li>The borrower shall open and maintain Escrow accounts in accordance with RERA guidelines for depositing all the Project receivables and shall execute a necessary agreement with the lender and such Escrow bank (“Escrow agreement”).</li> <li>Out of every project receivable deposited in the escrow of the projects, sweep into retention account will be carried out as follows</li> </ul> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Project Prakruti &amp; Solitaire</th> <th>Project Paramount</th> </tr> </thead> <tbody> <tr> <td>Sweep % initially</td> <td>50</td> <td>50</td> </tr> <tr> <td>Sweep % post completion of Prakruti &amp; Solitaire</td> <td>75</td> <td>50</td> </tr> </tbody> </table> <p>which shall be utilized as follows;</p> <ul style="list-style-type: none"> <li>- Funding Interest Service Reserve Account (“ISRA”) shortfall (if any);</li> <li>- Payment of cost and expenses incurred under any finance documents;</li> <li>- Principal repayment;</li> <li>- Mandatory prepayment;</li> <li>- Balance amounts shall be released for project expenses at the discretion of lender.</li> </ul> <p>The lender shall retain a right to vary the Escrow mechanism at its sole discretion.</p>	Particulars	Project Prakruti & Solitaire	Project Paramount	Sweep % initially	50	50	Sweep % post completion of Prakruti & Solitaire	75	50
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11.	<b>Pre-disbursement Conditions</b>	<p>For Tranche 1, 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>- NoC from Edelweiss on outstanding and security release timeline</li> <li>- Execute all the documents, in form and substance satisfactory to the Investor</li> <li>- Ensure completion of Legal (Title) and Commercial (Receivables &amp; Valuation) Due Diligence to the satisfaction of the Investor</li> <li>- Hand over the post-dated cheques to the Investor/Trustee</li> <li>- Comply with any other conditions as may be required by the Investor after Due Diligence</li> </ul> <p>For the remaining tranches, the Investee shall comply with the milestones set above in the Drawdown section for respective tranches, to the satisfaction of the Investor.</p>									
12.	<b>Post disbursement conditions</b>	<p>The Investee shall do the following within 15 days after 1<sup>st</sup> disbursement or as specified below:</p> <ul style="list-style-type: none"> <li>· Mention in demand notice (to end customers) that cheques will be issued in favor of “Escrow A/c No .....</li> <li>· Creation of ISRA equivalent to 1 quarter interest obligation</li> <li>· Creation and registration/perfection of security through the registered mortgage along with submission of original title deeds within 10 days of first disbursement</li> <li>· Comply with any other conditions as may be mutually agreed by the Parties in the Definitive Agreements</li> </ul>									



*Subject to Contract*

13.	<b>Prepayment Charges</b>	Prepayment of the Facility from the project cash flows (sale receipts) shall not attract any prepayment penalty. However, prepayment from any other source (permitted after moratorium period) shall attract a penalty of 3% of the amount being prepaid. Any amount of Mandatory Prepayment so made shall be adjusted towards the next installment due from the Investee. The Investee shall submit a CA Certificate certifying source of funds for the prepayment within 7 days of the prepayment.
14.	<b>Transaction Costs</b>	The Investee shall bear the cost of legal due diligence, security valuation, documentation, stamp duty charges and asset monitoring expenses etc.
15.	<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.
16.	<b>Jurisdiction</b>	The Agreement shall be subject to the exclusive jurisdiction of the Courts at Chennai.
17.	<b>Validity</b>	This offer is valid for a period of 7 days from the date of this term sheet. Once accepted, the term sheet will be valid for 30 days within which the Parties will enter into Definitive Agreements and conclude the transaction. This period may be extended with mutual agreement.

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. Your signature on the acknowledgement of this letter signifies your acceptance of the terms and the proposal as set out in this Letter.

Thanking You,

Yours Truly,

**Authorized Signatory**

**For Sundaram AMC**

**Authorized Signatory**

For Peninsula Infra Developments Pvt.Ltd.

  
Authorized Signatory

**For Peninsula Infra Developments Pvt. Ltd.**

*Strictly Confidential*

