

Promont Hillside - Term Sheet

Issuer	Promont Hillside Private Limited ("Company")		
Instrument	Unsecured, Rated, Unlisted, Redeemable, Non-Convertible Debentures (NCD)		
Guarantor	Tata Housing Development Company Limited ("THDCL")		
Guarantee	Unconditional and Irrevocable guarantee from the Guarantor (THDCL) to guarantee the due discharge by the Issuer of all its obligations in connection with the Debentures		
Seniority	Senior		
Mode of Issue	Private Placement		
Rating	Name of Credit Rating Agency	Credit Rating	Date of Credit Rating
	Credit Analysis & Research Ltd. (CARE)	CARE AA (SO) [Double A(Structured Obligation)]	[]
Issue Size	Rs. 200,000,000.00/- (Rupees Two Hundred Crores Only) <u>Rs. 400,000,000.00/- Four Hundred Crores only</u>		
Purpose of the issue	<p>The proceeds of the Issue will be applied for the following purposes:</p> <p>(a) Payment of all outstanding costs, fees and expenses in relation to the Issue</p> <p>(b) General corporate purpose including land and project acquisition and repayment of existing loans).</p> <p>(c) Investment in the business of the Issuer</p>		
Issue opens on	June 28, 2017		
Issue closes on	June 28, 2017		
Pay-in date	June 28, 2017		
Deemed Date of Allotment	June 28, 2017		
Option to retain oversubscription (Amount)	Not Applicable		
Face Value & Issue Price	Rs. 10,00,000/- (Rupees Ten Lakhs Only)		
Coupon Rate	8.40% p.a.		
Coupon payment frequency	Annual		
Day Count Basis	Actual / Actual		
Interest on Application Money	Not Applicable		
Default Interest	2% (two percent) per annum		
Tenor	3 years		



Maturity	June 26, 2020
Rating Covenant	For every notch downgrade in the rating of the Debentures or for every notch downgrade in the rating of the Company by any rating agency, the Coupon Rate will step up by 25bps, effective from the date of such downgrade. Such stepped up Coupon Rate will continue till the rating is upgraded again in which case the Coupon Rate will revert back to the original level applicable to that rating level. In case of any default of any other dues (NCDs, CPs, or loans) by the issuer during the currency of this issue, investor would have a put option
Ownership Covenant	<ul style="list-style-type: none"> For the period of the NCDs, Tata Sons will not dilute shareholding in the Guarantor below 51% and maintain management control For the period of the NCDs, THDCL will not dilute its shareholding in the Issuer below 100% and maintain management control <p><i>"Management Control" shall mean :</i> <i>the right, without the consent/concurrence of any other person, to appoint or remove the majority of directors on the Board of Directors of the Borrower or such other persons who may be charged with or entitled to exercise central management and control of the Borrower; or</i> <i>the power, without the consent/concurrence of any other person, to direct or cause the direction of the management and policies of the Borrower, by virtue of their shareholding or management rights or shareholders agreements or voting agreements"</i></p>
Redemption Date	The day debentures are redeemed
Security	Unsecured
Financial Covenants	None
Other Conditions	The Company shall provide to the Trustee with (i) annual (audited) financial statements of the Company (prepared on both standalone and consolidated basis) within 180 (One Hundred and Eighty) calendar days following the closure of the preceding Financial Year;
Issuance Mode	Demat mode only
Trading	Demat mode only
Settlement Mode	RTGS/NEFT
Depository(ies)	National Securities Depository Limited & Central Depository Services (India) Limited
Listing	Unlisted
Mode of Placement	Private Placement to Eligible Investors being body corporate. Excluding Companies in the business of real estate.
Debenture Trustee	Axis Trustee Services Limited
Documentation /Conditions precedent to the Issue	<p>The Issuer shall ensure that all the consents and resolution required to issue the NCDs are in place prior to the issue. The Issuer shall also ensure that all regulations pertaining to this are complied with.</p> <p>Main documents:</p> <ul style="list-style-type: none"> Information memorandum (complying with SEBI disclosures) and certified by the Issuer. Signing and Execution of Guarantee

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[Signature]

[Circular Stamp: Prakash Hillside Pvt. Ltd.]

	<ul style="list-style-type: none"> • Debenture Trustees' consent letter • IM PAS 4 Disclosure • Certified true copy of the board resolution passed by the board of directors of the Company dated [] authorising the Company inter alia to (i) issue the Debentures; (ii) execute the Transaction Documents and undertake the obligations stipulated therein; • Certified true copy of the board resolution passed by the board of directors of the THDCL for unconditional and irrevocable corporate guarantee • Certified true copy of the extract of the shareholders resolution dated [] passed in accordance with the Section 180(1)(a) of the Companies Act, 2013 • Certified true copy of the extract of the shareholders resolution dated [] passed in accordance with Section 180(1)(c) of the Companies Act, 2013 <p>Certified true copy of the extract of the shareholders resolution dated September [] passed in accordance with the Section 42 of the Companies Act, 2013</p> <p>Any other as per the requirement of the Debenture Trustee for the issuance of the NCDs</p>
Conditions Subsequent to Disbursement	<p>As is customary for a transaction of this nature, including but not limited to the following:</p> <ul style="list-style-type: none"> a) allotment of Debentures and credit of Debentures units in Investor's demat account b) Execution of Debenture Trustee Agreement for capturing the appointment of the Debenture Trustee c) Execution of Debenture Trust Deed for capturing the detailed terms and conditions of the Debentures d) Such other documents as mutually agreed by and between the Company and the Debenture Trustee. e) Any others as required by the Debenture Trustee in the Transaction Documents f) The Company will ensure that all Transaction Documents are executed, in a form and manner satisfactory to the Debenture Trustee, on or prior to the expiry of 90 (Ninety) calendar days from the Deemed Date of Allotment. Failure by the Company to execute any documents within 90 (Ninety) days from the Deemed Date of Allotment in the manner contemplated hereunder shall attract payment of Default Interest till the date of creation and perfection of the Security.
Approvals	The Issuer and Investor agree to comply with all applicable rules and regulations in respect of the transaction. The Issuer and Investor will be responsible for taking all the necessary authorizations and / or approvals internal, external regulatory, statutory or otherwise.
Event of Default	<p>Upon the occurrence of Event of Default the investors will be entitled to demand a redemption / repayment or to accelerate the financing. Event of default shall include EODs customary to transaction of this nature including but not limited to the following:</p> <ol style="list-style-type: none"> 1. Failure to pay amounts due under the Debentures

	<p>2. Breach of Covenants, Representations and Warranties</p> <p>3. Change of Control.</p> <p>4. The occurrence of Material Adverse Effects</p> <p>5. Insolvency, winding up, or the cessation of business of Issuer</p> <p>6. Repudiation of any term of the debenture documentation by the Issuer unless otherwise agreed/consented by the Trustee.</p> <p>There shall be 15 days cure period for EOD as per point (2) and point (6)</p>
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"> • Acceleration of all outstanding dues, cancellation of total Issue and enforcement of Security (if any) / Guarantee • Enforce its right under the Transaction Documents • 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 Investor(s) till such date the default subsists Any cost incurred in relation to any of the above shall be borne by Issuer
Clear Market Provision	The Issuer shall ensure that it will not bring any other primary issue of NCDs with more favorable terms within 4 weeks from Deemed Date of Allotment
Other Cost & expenses	All other cost & expenses including Trustee fee, Registrar fee, to be borne by Issuer.
Business Day Convention	<p>For Redemption Date, falling on day which is not a Business Day, the immediately preceding Business Day shall be considered as the effective date.</p> <p>Interest Payment Date, falling on day which is not a Business Day, the immediately next Business Day shall be considered as the effective date.</p> <p>In the event the Redemption Date is the same as the last Interest Payment Date, the Business Day convention applicable to Redemption Date will be considered.</p>
Additional Covenants	<p>• Default in Payment:</p> <p>In the event of delay in the payment of interest amount and/ or principal amount on the due date(s), the Issuer shall pay additional interest of 2.00% per annum in addition to the Coupon Rate payable on the Bonds, 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 up to but excluding the date on which such amount is actually paid.</p>
Interest Payment Date	<p>28-06-18</p> <p>28-06-19</p> <p>26-06-20</p>
Record Date	15-06-18

	14-06-19 12-06-20
Material Adverse Effect	<p>The effect of consequence of an event, circumstance, occurrence or condition which has caused, as of any date of determination or could be expected to cause a material and adverse effect on the performance of its obligations relating to the debentures in the following cases:</p> <ol style="list-style-type: none"> 1. The ability of the Issuer to perform their obligations under the Debenture Documents 2. The validity or enforceability of, or the effectiveness of any Debenture Documentation
Governing Law and Jurisdiction	The Bonds are governed by and shall be construed in accordance with the existing laws of India. Any dispute arising thereof shall be subject to the jurisdiction of district courts of Mumbai.
Force Majeure	The Issuer understands that this term sheet is contingent on the assumption that from the date of the provision of this term sheet to the Deemed Date of Allotment, there is no material adverse change in the financial conditions of the Issuer or in the condition of the Indian credit and debt markets. In case of such material adverse change, the terms may be renegotiated to the mutual satisfaction of the investors and the Issuer.



