

HADIGY LIMITED

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info@hadigy.com

BKS-Hadigy (P) Ltd
2/316, Kungumapalayam Pirivu
Palladam – Tirupur Main Road
Naranapuram Post, Palladam 641 664
Tirupur Dt. Tamil Nadu INDIA

Hadigy Mavani Nusantara
Tangerang
Ruko Mendrisio Block C No. 3
Paramount Serpong, Tangerang 15332
Indonesia
www.hadigy.com



Corporate Finance Specialists

30 August 2021

Mr Vijaya Bhaskar Sirimalla
Managing Director
UBE INDUSTRIES LIMITED (UBE)
8-3-228/325, Rahmath Nagar
Yousufguda Hyderabad - 500045
India.

Dear Mr. Sirimalla,

Re: LETTER OF INTEREST FOR FUNDING EURO 20 MILLION FOR UBE

This has reference to your request for Euro 20 million funding for UBE in India for operational investment, reinstatement fee for BSE and business development. Thank you for the KYC form, and other documents received from your office. We are pleased to inform you that our Investment Committee had agreed to move forward with your funding request and authorized for the issue of this Letter of Interest to UBE.

Hadigy (Seychelles Company Number 221627), hereby express our interest in funding **Euro 20 million (Euro Twenty Million only)** to UBE in India subject to UBE completing satisfactory KYC/AML compliance checks, financial due diligence, legal agreements, guarantees and warranties.

The high-level key terms and conditions of funding from Hadigy are:

- The key terms and conditions included in Appendix A;
- UBE appoints Hadigy's nominee/s as a Director/s on the Board of UBE in India;
- UBE transfer 40% of its paid-up share capital in India to Hadigy;
- UBE is solely responsible for full compliance with all regulatory requirements in India for this funding from Hadigy;
- UBE submit a Board approved comprehensive project proposal along with the drawdown schedule for the review and approval of Hadigy and the funder.

We sincerely hope that UBE considers our above interest favourably and if found acceptable, could you please initial every page of this 3-page document and countersign this letter of interest and return it to the undersigned in order for us to move forward with an exclusivity period of 60 (sixty) working days to the first drawdown of the funding.

Thank you.

For and on behalf of Hadigy Limited,



Hari Haran Iyer
Chartered Accountant
Executive Director
Direct Telephone Number: +44 7794 818 727
email: hari.iyer@hadigy.com

Accept and Agree to the above terms.
For and on behalf of UBE,

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APPENDIX A

Client submits a teaser and if the teaser is approved the following will occur:

- KYC & AML compliance requirements need to be completed for the Client;
- Detailed project proposal needs to be submitted by the Client;
- If the project proposal is approved, up to 100% funding available from Hadigy Limited, Seychelles (Hadigy);
- Typical funding size – min. **Euro 10 Million to max. Euro 25 Billion**;
- No collateral security required from the Client (except 40% share equity in UBE's holding company and Payment protection Insurance premium payment).

The key terms, conditions and process of the funding are:

1. Hadigy will review the teaser and if approved, the Client to pay a fee of **Euro 50,000** to Hadigy – for Hadigy to get the Underwriter's risk assessment, financial due diligence, independent KYC and AML compliance checks completed on the Client/Project. **This fee of Euro 50,000 will be deducted from the First Drawdown of the loan.**
2. If the project is approved*, a binding **Letter of Offer** is issued with 14 days validity.
3. When the Letter of Offer is accepted, Legal Agreements are executed. In general, the funding will be available within **45 days of executing the legal agreements.**
4. The funding is an unsecured Loan (Debt) for 100% of the project value. Hadigy contributes 1% of the project value as deposit to the lender and the remaining 99% is funded by the lender. In return for Hadigy's 1% deposit contribution and for securing the unsecured Loan, the Client will transfer **40% share equity in UBE in India to Hadigy.**
5. As shareholders of the project company, Hadigy will have proportionate Board representation in UBE and have the right to: a) appoint an independent Internal Audit firm, b) be a member of the Audit Committee; c) be a member of the Corporate Governance and Investment Committee. The fees for Internal Audit firm will be paid by the Client.
6. The interest rate on the unsecured loan will be a Fixed rate of **8.5% per annum** for the first two years. From the third year onwards, the interest rate will be around **6% per annum**. Interest is payable to Hadigy on a quarterly basis before the last working day of the quarter.
7. One off Loan Management fee of 1% of the drawdown loan amount is charged and **deducted from the First Drawdown of the loan.**
8. Principal loan amount must be repaid in equal quarterly instalments over the tenure of the loan. Principal Repayment commences 12 months after the first drawdown (12-month grace period – payment holiday for the principal repayment). Interest will still accrue during the principal repayment holiday period.
9. The tenure of the loan will be **10 years or the project duration** whichever is earlier.
10. Funding will be released to the Client as per the approved project drawdown schedule.
11. The first drawdown cannot exceed 10% of the total loan amount.
12. Hadigy will insure 100% of the loan amount (PPI - Payment Protection Insurance) and the PPI premium must be paid by the Client. The PPI premium is 10% for the first 5 years of the loan drawdown amount. The Client must provide authorization to deduct the 10% PPI premium from the drawdown loan amounts. Hadigy will ensure that the PPI is not required beyond the initial 5-years and therefore, there will not be any PPI premium to pay after the initial 5 years.
13. All businesses receiving funding from Hadigy will have to agree to:
 - Implement Oracle Netsuite Cloud ERP system through Hadigy for remote access and consistent financial reporting purpose;
 - Where possible, these entities/projects should employ 50% female staff in order to have gender balance within Hadigy Group; and
 - **1% (one percentage)** of the net profit of the project should be allocated for Corporate Social Responsibility (CSR) activities to be centrally coordinated and managed by Hadigy.
14. The above are only the key terms and conditions and the full terms and conditions will be provided in the legal agreements.

**Subject to terms and conditions of the legal agreements. Non-negotiable terms.*

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FUNDING FROM HADIGY

We offer **unique structured finance** for the medium to large companies with a primary focus in the South Asia, Middle East and the Southeast Asian region. We concentrate on the fast-growing ASEAN countries.

Our funding is a combination of Equity and Debt (Unsecured Loan). We only invest in clients where Hadigy holds 1/3rd share equity. Our typical deal size is between Euro 20 million and Euro 25 Billion. We also consider funding in USD though prefer to fund in EURO.

We invest in the following **5 industries**:

- **Infrastructure** – Road, Rail, Dams, Bridges, Airports, Seaports, Water, Waste, Oil & Gas, Power, Mining etc.
- **Financial Services** – Banks, Insurance companies, Asset Management companies etc.
- **Healthcare** – Hospitals, Nursing Homes, Care Centres, Pharmaceuticals, suppliers & service providers to the healthcare sector.
- **Manufacturing** – FMCG, Textile, Recycle and Environmentally friendly manufacturers.
- **Technology** – Digital Technologies (Blockchain, AI, Machine Learning, Robotics, Big Data, Predictive Analytics), 5G, Satellite, Underwater cable, Green technologies, FinTech, Emerging technologies.



FUNDING PROCESS



Hadigy Limited is incorporated in England with company number 07010656, in Ireland with company number 699471 and in Seychelles with company number 221627. D-U-N-S® Number: 211782625.
Hadigy is an Alliance Partner of Oracle Netsuite for Malaysia, Vietnam, Cambodia, Myanmar and Thailand.
Hadigy is an Authorized Representative of CIG Capital LLC for South Asia and South East Asian region.

