

## Binding Term Sheet

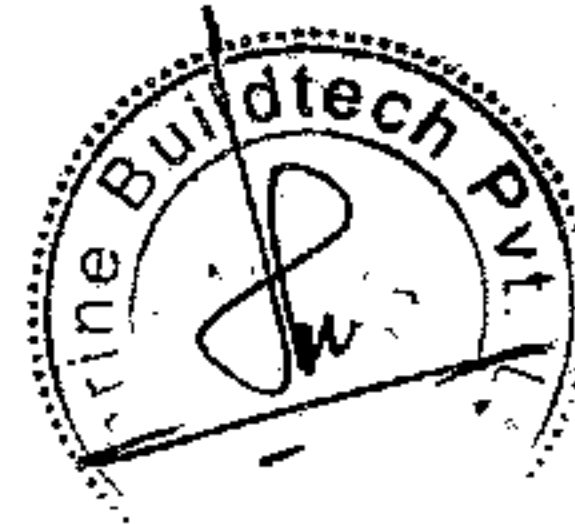
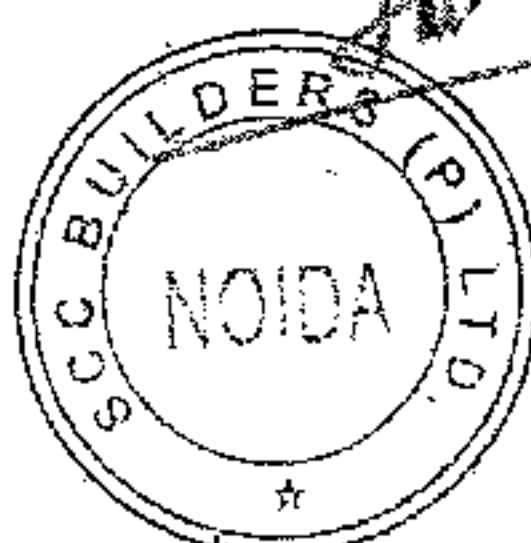
1. **Recitals:** S.C.C. Builders Private Limited., a company incorporated under the provisions of the Companies Act, 1956 and having its registered office at D-218 A, VIVEK VIHAR PHASE-1 DELHI - 110095 ("**Borrower 1**") and Shrine Buildtech Pvt. Ltd, a company incorporated under the provisions of the Companies Act, 1956 and having its registered office D-218 A, VIVEK VIHAR PHASE-1 DELHI - 110095 ("**Borrower 2**") (together referred to as "**Borrowers**") are developing a residential project 'SCC Sapphire' in Raj Nagar Extension, Ghaziabad as detailed in Annexure 1 ("**Project**").

Borrower 2 has availed credit facility to the tune of INR 5.25 Cr from CSL Finance Ltd. ("**CSL**") against security of 26 identified apartments in tower F of the Project aggregating to 36,270 SF saleable area. The Borrowers have now approached IDFC SCORE Fund, a SEBI registered Category II alternate investment fund ("**Fund**") to receive financial assistance from the Fund of INR 95 Cr. The Fund is considering making an investment in the Borrowers through subscribing to secured redeemable unlisted non-convertible debentures of the Borrowers, as per the binding terms and conditions outlined herein. The Borrowers and the Fund are hereinafter collectively referred to as the "**Parties**" and individually referred to as "**Party**".

The terms mentioned in this term sheet are only indicative in nature and will be superseded by the detailed set of terms and conditions captured in the definitive documents.

2. **Facility:** The Fund shall make an investment into the Borrowers by subscribing to secured, redeemable, unlisted non-convertible debentures ("**Debentures**"), for an aggregate value of Rs. 950,000,000/- (Rupees Ninety-Five Crores) ("**Investment Amount**") on a private placement basis in accordance with the provisions of the Companies Act, 2013 and the rules framed thereunder. Upon signing of the definitive documents between the Borrowers and the Fund/Debenture Trustee and upon completion of the Conditions Precedent (as defined in clause 16), the Investment Amount shall be paid by the Fund to the Borrowers and the Debentures shall be issued by the Borrowers to the Fund ("**Allotment Date**").
3. **Purpose:** The Investment Amount is proposed to be utilized as follows:
- Up to INR 76 Cr - Towards full exit of existing credit facilities availed from Indiabulls Housing Finance Ltd. and Bank of India ("**Existing Lenders**"). Any shortfall in the amount to fully repay the said credit facilities will have to be funded by the Borrowers/ Guarantors (as defined herein below) from sources other than cash flows from the Project.
  - INR 7 Cr towards General Corporate Purpose to be disbursed upfront
  - Fees of the transaction advisor to the Borrowers "Klaxon Advisory Partners LLP" to be disbursed upfront
  - Balance Amount to be utilized towards Upfront Interest, Debt Service Reserve Amount (DSRA) and towards meeting Project costs.
4. **Disbursement Tranches:** The Investment Amount would be disbursed in one or more tranches at the discretion of the Fund. The Borrowers will ensure that the entire Investment Amount is drawn down within 6 months of Allotment Date ("**Drawdown Period**").

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## Binding Term Sheet

5. **Tenor:** The tenor of the Debentures shall be 36 months from the Allotment Date. At the end of 30 months from Allotment Date, the Fund and the Borrowers will review the progress of the Project and if required, mutually, extend the Tenor by an additional period of 6 months.
6. **Upfront Interest:** Borrowers are required pay 1.0% of the Investment Amount inclusive of taxes, if any ("**Upfront Interest**"). The Upfront Interest shall be payable in 2 tranches - First tranche of INR 20 Lakhs shall be payable immediately on signing of this Term Sheet. This amount will be fully refundable to the Borrowers in case the Fund decides to not proceed with the transaction on account of any reason other than adverse due-diligence findings. Second tranche of balance Upfront Interest is required to be paid by the Borrowers on or before the Allotment Date.
7. **Interest:** Interest on the Investment Amount will be payable at an applicable interest rate of 14.90% p.a. payable monthly ("**Interest Payments**")
8. **Repayment:** The Debentures will be redeemed, subject to Mandatory Prepayment, in 18 equal monthly installments ("**Principal Payments**") after a period of 18 months from the Allotment Date ("**Principal Moratorium Period**"). Any prepayment will be set-off against the next scheduled Principal Payment.
9. **Security Package:** The Borrowers shall secure the Debentures by creation of the following security in favor of the Debenture Trustee ("**Security Package**"):
  - i) Charge on the project land, buildings & structures thereon (both present and future), units and development rights of the Project (excluding units being offered to CSL as security).
  - ii) Hypothecation of all moveable fixed assets and current assets of the Borrowers pertaining to the Project including receivables from area sold in the Project (excluding units being offered to CSL as security).
  - iii) Charge (mortgage and hypothecation) on units offered as security to CSL to be created in favor of the Fund once the CSL facility is exited.
  - iv) Personal Guarantees of Mr. Vinod Goswami and Mr. Vipul Giri ("**Personal Guarantors**").
  - v) Corporate Guarantees of each of the Borrowers for facility extended to the other (Structure to be finalized post due-diligence).Personal Guarantors and Corporate Guarantors are collectively referred to as "Guarantors".
10. **Debenture Trustee:** The Borrowers shall appoint a Debenture Trustee in accordance with the provisions of the Companies Act, 2013.
11. **Escrow Account and Mechanism:** The Borrowers shall be required to open and maintain escrow and current accounts as per the RERA rules and regulations as applicable to the Project.

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## Binding Term Sheet

### 12. Waterfall Mechanism:

Subject to RERA rules and regulations, all amounts collected in the escrow accounts will be utilized as per the below Waterfall mechanism

- i) Replenishment of DSRA, if utilized.
- ii) Payment of Default Interest (defined in clause 24), if any.
- iii) Outstanding Interest Payments and/or Principal Payments.
- iv) Scheduled Interest Payment for the month.
- v) Scheduled Principal Payment for the month.
- vi) Towards meeting Project costs.
- vii) Surplus monies available after meeting i. to vi. above ("Surplus") will be utilized in the following manner
  - a. 85% of the Surplus towards mandatory prepayment of the principal ("Mandatory Prepayment")
  - b. 15% of the Surplus to be released to the Borrowers for General Corporate Purposes or can be utilized towards Mandatory Prepayment at the Borrowers' option

It is clarified that during the Drawdown Period the Surplus will be calculated as surplus monies available after meeting 12.i) to 12.v)

The above escrow Waterfall Mechanism can be changed by the Fund at its sole discretion. Accounts to be opened and the escrow mechanism will be detailed in the definitive documents.

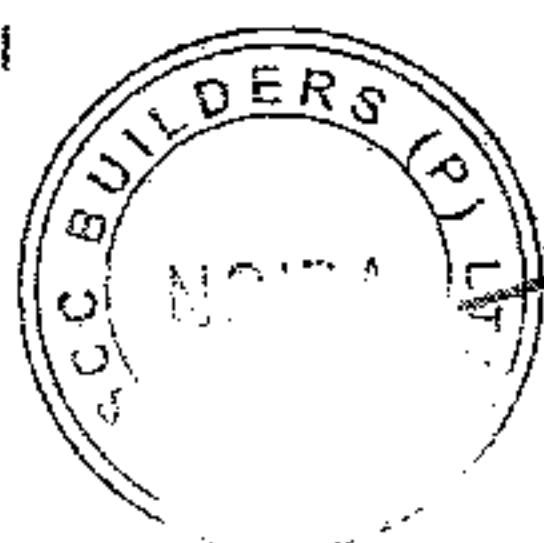
**13. Debt Service Reserve Amount (DSRA):** Amount equivalent to 1 (one) month's interest on the Investment Amount shall be earmarked as DSRA. In case of shortfall in the Fund's debt servicing, part or all of DSRA will be utilized towards meeting the Fund's debt servicing requirements. DSRA, on utilization, will be required to be replenished as per the Waterfall Mechanism defined in clause 12. DSRA is to be created from the Investment Amount on the Allotment Date.

**14. Lock-in:** Lock-in period shall be 24 months during which no part of the Debentures can be redeemed from any source other than cash flows from Project. Debentures can be redeemed in full after expiry of the lock-in period subject to payment of 2% charge ("Prepayment Charge") on the outstanding Principal amount. It is clarified, that any prepayment from cash flows from the Project will not be subject to Prepayment Charge.

**15. Borrowers Representation:** Borrowers represents the following

- i) Borrower has purchased and paid for requisite TDR/FAR and has all necessary approvals for construction of the entire area (as mentioned in Annexure 1) of the Project.

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## Binding Term Sheet

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- ii) Sold Area details and balance Costs for completion of each Project including payments outstanding to creditors, vendors, service providers, etc. are as mentioned in the Annexure 2 and Annexure 3 respectively.

**16. Conditions Precedent:** The conditions precedent for the subscription of the first tranche of Debentures shall be as follows ("**Conditions Precedent**"), to the satisfaction of the Fund:

- i) Execution of all security documents in clause 9 and perfection of security in clause 9.iii) and 9. iv).
- ii) Opening of Escrow and operational accounts for the Project.
- iii) Submission of undated cheques by the Borrowers for Interest Payments and Principal Payments.
- iv) Finalization of Business Plan (as defined in clause 20).
- v) Completion of financial, title and technical due diligence on the Project, Borrowers and Security Package to the satisfaction of the Fund.
- vi) Completion and execution of the Definitive Agreements in form and substance mutually acceptable to the Borrowers and the Fund.
- vii) Obtaining confirmation that amendment/s to the constitutional documents of the Borrowers have been made in line with the Definitive Agreements.
- viii) Any other condition precedent requested by the Fund.

**17. Conditions Subsequent:** The conditions subsequent to subscription of Debentures shall be as follows ("**Conditions Subsequent**"), to the satisfaction of the Fund:

- i) Borrowers to obtain No-Dues Certificate from Existing Lenders within 15 days of Allotment Date
- ii) Borrowers to ensure release of Project title documents in custody of the Existing Lenders and submission of the same to the Debenture Trustee within 15 days of Allotment Date
- iii) Borrowers to ensure Existing Lenders execute release/re-conveyance deeds and the satisfaction of charge forms and file the same with ROC within 30 days of Allotment Date
- iv) Perfection of security in clause 9.i) and 9.ii) including necessary form filings with ROC within 30 days of execution of security documents
- v) Borrowers to apply for Completion/Occupancy Certificate for towers A & F by June 30, 2019

**18. Other Conditions:** The conditions to be satisfied by the Borrowers at all times during the Term shall be as follows:

- i) Once the CSL facility is exited, Company to create security in favor of the Fund on the units offered as security to CSL.
- ii) Borrowers are required to deposit 100% of the cash flows from the sale units in the Project ("**Project Cash Flows**") in the Escrow account. Any monies collected in any account other than the escrow account to be deposited in the escrow account within 7 days. Failure to comply with these conditions shall be treated as an Event of Default

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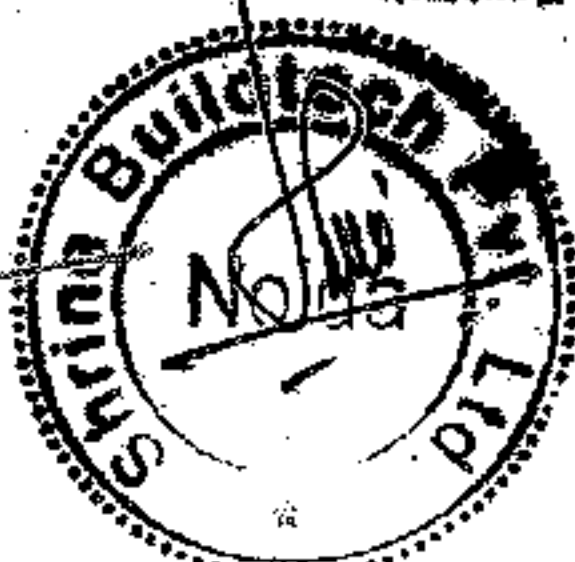
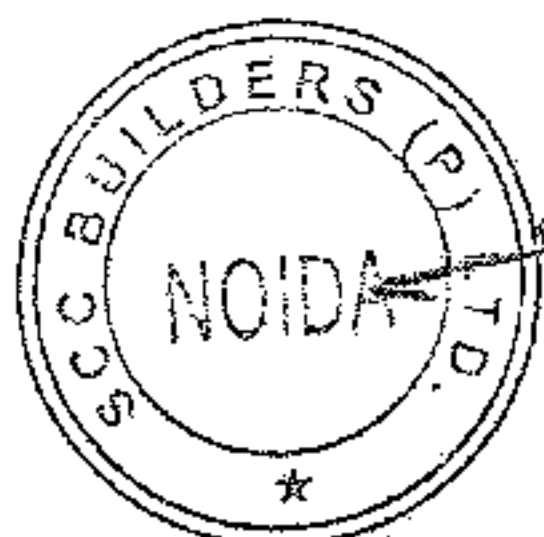


## Binding Term Sheet

- iii) Proceeds from units sold/to be sold in Project cannot be utilized for any purposes other than Fund's debt servicing and costs pertaining to the Project except as permitted in clause 12.vii. b)
- iv) Sum of amounts released from the escrow accounts and amount from investment disbursed for meeting balance project costs will be capped at INR 17 Cr. The balance cost includes all costs required for completion of the project excluding finance cost and marketing costs but including all administrative, approval, compounding charges and all other costs. Any amounts required above such capped amounts will be required to be brought in by the Borrowers and/or Guarantors from sources other than Project cash flows.
- v) Borrowers can pre-pay the principal amount from the Project cash flows at any time without any prepayment penalty subject to such prepayment being in multiples of INR 10 lakhs.
- vi) Borrowers to maintain, at all times, a security cover of 2.0 times the outstanding Facility. If the security cover, in view of the Fund's sole assessment, falls below the stipulation then the Borrowers and/or the Guarantors must either repay the Facility to the extent that the security cover is restored or bring in additional security to the Fund's satisfaction.
- vii) Borrowers to provide all necessary CA/architect/engineer certificates for release of monies from the escrow account to meet project costs in line with the RERA rules and regulations.
- viii) Monies for meeting project expenses shall be released from the escrow account on submission of details of payments to be made and submission of such other documents as may be required by the Fund
- ix) Borrowers to deposit the shortfall amount required as per clause 21 into the escrow account
- x) Borrowers cannot raise additional debt in respect of the Project without prior written consent of the Fund
- xi) All income taxes pertaining to the Borrowers to be paid by the Borrowers from sources other than the cash flows from Project.
- xii) Borrowers to include details of Project escrow account in demand notices sent to all customers including existing unit owners in the Project requiring them to deposit all proceeds in respect of the purchased units in the escrow account.
- xiii) Borrowers must request the Fund through the Debenture Trustee (acting on the approved instructions of the Fund) to issue a no-objection certificate prior to the sale of any unit in the Project. Similarly, the Borrowers to request the Fund to issue a no-objection certificate for creation of mortgage on the unit in favor of any home loan provider. The Fund would cause the Debenture Trustee to issue the no-objection certificate within a period of 2 working days from the request for such a no-objection certificate.
- xiv) Borrowers to provide monthly sales MIS and cost MIS in a format to be agreed between the Borrowers and the Fund.
- xv) Key project milestones to be achieved as per the Business Plan.

The above lists of conditions in clauses 16, 17 and 18 of this Term Sheet are only indicative in nature and the definitive documents shall incorporate, in the respective lists, other

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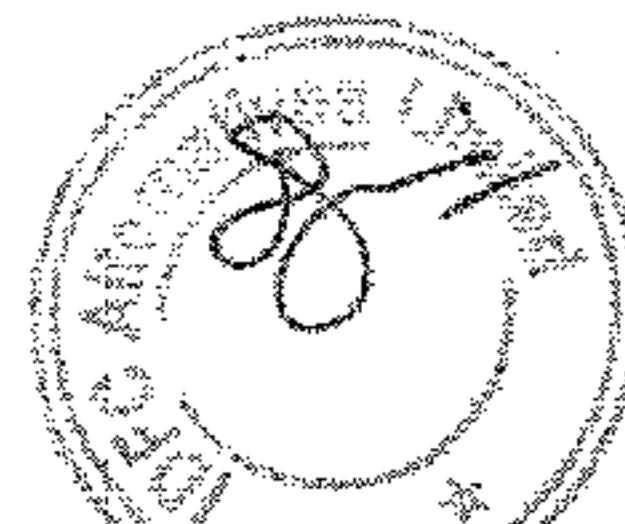
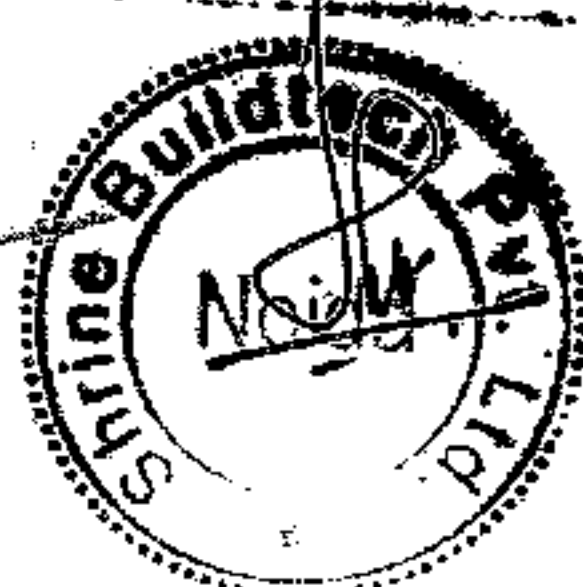


## Binding Term Sheet

conditions that are customary or are deemed necessary by the Fund to be included pursuant to the due diligence findings.

19. **Unsecured Loans:** The Borrowers shall neither repay any unsecured loans availed from the Guarantors and/or other third parties nor pay any interest on such loans from the cash flows pertaining to the Project till the Facility is fully repaid.
20. **Business Plan:** In the definitive documents, the Borrowers and the Fund shall agree to a comprehensive business plan for the Project, covering amongst others key business milestones to be achieved in the form pricing of the units, sales velocity, collection schedule, construction progress and approvals of the Project. This Business Plan shall be updated on a half yearly basis and any changes to the Business Plan shall need to be agreed to in writing by the Fund.
21. **Shortfall:** In case of shortfall in the cash flows from the Project to service the Debentures or meet balance costs to complete the Project, the Borrowers and/or the Guarantors shall bring in additional equity/ unsecured subordinate loans to meet the shortfall. Interest on such unsecured sub-ordinate loans can either be paid from sources other cash flows from the Project or may be accrued and paid after full exit of the Facility. Non-compliance of the above shall be considered as an Event of Default.
22. **Revenue Guarantees:** The Borrowers guarantees that all sales/ bookings of the residential units, commencing from the Allotment Date shall be permitted only at a minimum all-inclusive selling price of INR 3,100/- per sq. ft. of saleable area ("Minimum Selling Price") and a half-yearly average selling price of INR 3,200/- per sq. ft. ("Average Selling Price"). The Minimum Selling Price and the Average Selling Price shall increase at the rate of 5% per annum from the Allotment Date.  
  
The Minimum Selling Price will be excluding any government dues including indirect taxes, GST, any charges of a pass through nature collected from customers and any subvention related costs.
23. **Release of Security Package:** The Security Package shall be released on full redemption of Debentures and the Fund having issued a no-dues certificate in relation to the above.
24. **Default Interest:** Default Interest shall be charged at the rate of 2% per month (inclusive of the Interest) on all outstanding amounts (including outstanding principal and outstanding interest, if any) and shall be applicable for the period of default or one month whichever is higher.
25. **Cross Default:** Any material breach or willful default of any loan agreement or shareholders agreement of the Borrowers, if prejudicial to its interest in the Fund's view, shall be considered to be an Event of Default.
26. **Expenses for Due Diligence, Transaction Documentation, etc.:** All expenses in relation to valuation, technical diligence including diligence on regulatory approvals, title search,

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## Binding Term Sheet

legal, accounting and taxation, transaction structuring, drafting and negotiation of the definitive documents, shall be borne by the Borrowers.

All other expenses including expenses pertaining to security creation, opening and operation of the Escrow Account during the Tenor and appointment of Security Trustee shall be borne by the Borrowers.

**27. Taxes:** All rates of interest and other charges to be paid by the Borrowers as mentioned herein are exclusive of GST and/ or any such other levies/ duties or any other charges or burden of interest imposed or levied by any Government authorities. Such GST, other levies/ duties or any other charges or burden of interest, if any, imposed or levied by the Government authorities (excluding income tax), shall be payable by the Borrowers to the Fund over and above the payments as contemplated in this Term Sheet.

**28. Events of Defaults and the Fund's Right:** Breach of any condition in the definitive documents, including but not limited to delay in making the Interest Payments and Principal Payments, shall be treated as an Event of Default ("EOD").

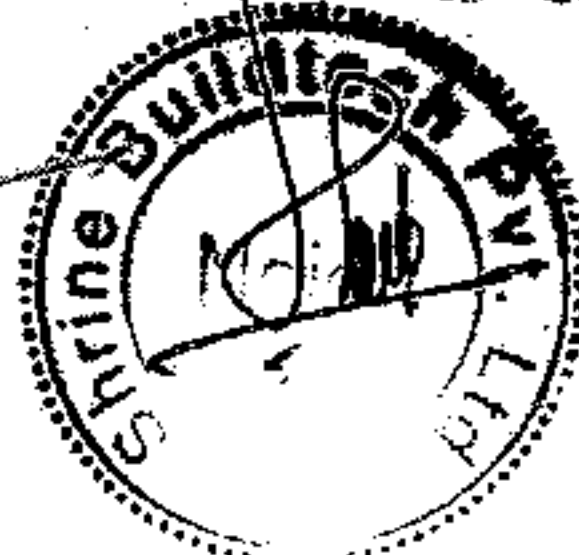
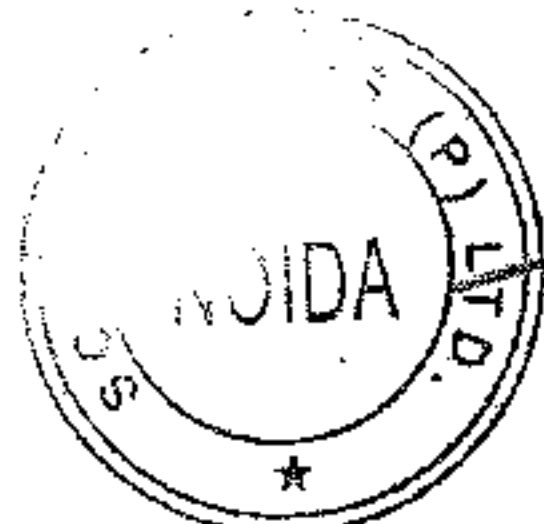
In case of an EOD, Fund shall have customary rights available to it including right to recall the Facility, invoke one or more of securities forming part of the Security Package and charge Default Interest amongst others. Full list of rights available to the Fund in case of an Event of Default will be detailed in the definitive documents.

**29. Confidentiality:** The Borrowers and the Fund agree that the information pertaining to the transaction contemplated herein and/or any information shared between the Parties with regards to each other is confidential ("Confidential Information"). Any disclosures to third parties of the Confidential Information, save and except disclosure required pursuant to applicable law, shall require prior written consent of the other Parties. In case disclosure of any Confidential Information is required pursuant to applicable law, the Borrowers shall promptly notify the Fund in writing so that the Fund may, together with the Borrowers, agree on the contents of the disclosure to be made.

**30. Representation and Warranties:** Each Party represents and warrants that it has relevant authorizations for execution, delivery and performance of the transactions contemplated in this Term Sheet and that the provisions of this Term Sheet constitutes valid and binding obligations on each of the Parties.

**31. Governing Law and Dispute Resolution:** This Term Sheet shall be governed in accordance with the Indian law. All disputes, differences and / or claims arising out of this Term Sheet or in any way touching or concerning or relating hereto, or as to constructions, interpretation thereof or otherwise in relation hereto, or as to the right and liabilities or any term, condition or provision herein mentioned ("Dispute"), shall be settled amicably between the Parties. However, if a Party gives the other Party a notice that a Dispute has arisen ("Dispute Notice") and the Parties are unable to settle the Dispute amicably within 30 (thirty) days of service of the Dispute Notice then the Dispute shall be referred to and finally be resolved by arbitration administered by the Singapore International Arbitration Centre in

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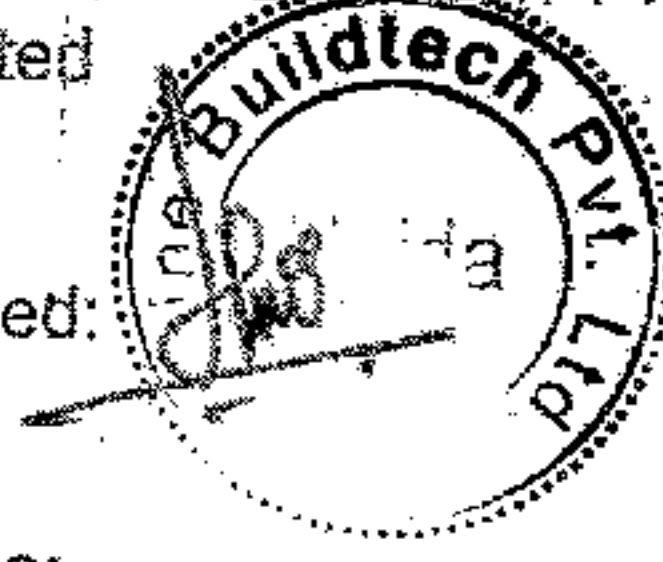
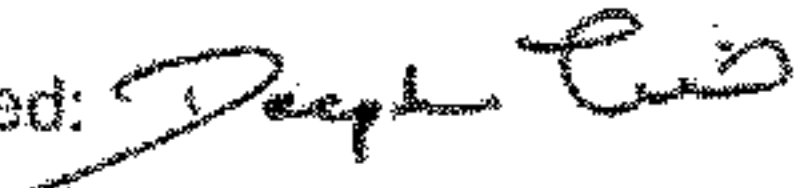


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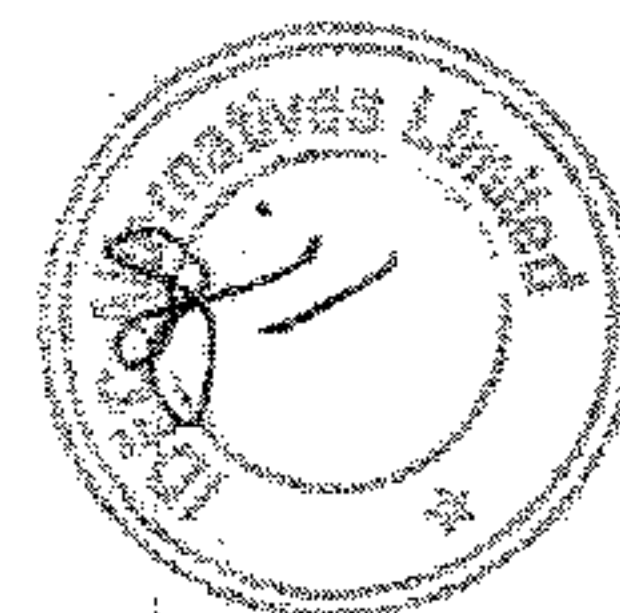
accordance with the arbitration rules of the Singapore International Arbitration Centre for the time being in force ("SIAC Rules"), which rules are deemed to be incorporated by reference in this Clause.

The arbitration shall be conducted by a sole arbitrator appointed in accordance with the SIAC Rules. The seat and venue of the arbitration shall be Delhi. The language of the arbitration shall be English.

32. **Compliance with Law:** Borrowers and the Fund undertake they are in compliance with all necessary laws and not barred by any contractual or legal obligations to sign this Term Sheet.
33. **Binding Term Sheet:** Once executed, this Term Sheet shall constitute a binding agreement between the Parties. The Parties shall negotiate in good faith to conclude and execute Definitive Agreements reflected in this Term Sheet within 60 days of its signing. In the event the Definitive Agreements are not executed within 60 days from the date hereof, this Term Sheet shall automatically expire without any obligation on either of the Party, unless the Parties mutually agree to extend the term.

<p>For S.C.C. Builders Private Limited</p> <p>Signed: </p> <p>Name:</p> <p>Designation:</p> <p>Date: 7/8/2018</p>	<p>For Shrine Buildtech Private Limited</p> <p>Signed: </p> <p>Name:</p> <p>Designation:</p> <p>Date: 7/8/2018</p>	<p>For IDFC SCORE Fund (acting through its Investment Manager, IDFC Alternatives Limited)</p> <p>Signed: </p> <p>Name: Deepak Jain</p> <p>Designation: Director, Real Estate</p> <p>Date: 7/8/2018</p>
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## Binding Term Sheet

### Annexure 1: Project Details

Project	SCC Sapphire
Location	Raj Nagar Extension, Ghaziabad
Land Area (acres)	~5
Total Saleable Area (sq. ft.)	1,011,970
Total Units	890

### Annexure 2: Tentative Sales Details (As on June 30, 2018)

Area sold (sq. ft.)	587,990
Units sold	<del>330</del>
Agreement value (excluding taxes) (INR Cr)	176.7
Amount Collected (excluding taxes) (INR Cr)	126.9
Balance to be collected (INR Cr)	49.8

560 JH 85

### Annexure 3: Tentative Balance Cost Details (As on June 30, 2018)

Sr. No.	Particulars	Balance Cost (INR Cr)*
1.	Compounding Fees	1.5
2.	Construction Cost	15.2
3.	Marketing Cost	2.5
4.	Administrative Cost	0.4
	<b>TOTAL</b>	<b>19.5</b>

\*Including outstanding payments to creditors, vendors, service providers, etc.

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