

Karelides Traders Private Limited

CIN: U51909MH2011PTC222951

Regd. Office:

Unit No. 81, Plot No.14, Marol Co-Operative Industrial Estate, Off Andheri-Kurla Road, Andheri (East), Mumbai 400 059

20th March, 2017

To,
Mr. Kirti Kedia
Transcon Group
Mumbai

This is with reference to our various discussions so far, find below Term Sheet for the Transaction contemplated.

Indicative Term Sheet

Borrower	Transcon Developer Pvt Ltd.
Co- Borrower	M/s MNP Associates and Sahjanand Enterprise
Key Promoters	Mr. Kirti Kedia, Mr. Amit Jalan and Mr. Jitendra Brahmabhatt
Group	Transcon Group
Total Sanction	Upto Rs 170 Cr
Instrument	Listed / Unlisted Secured Non-Convertible Debentures (NCDs)
Projects	Transcon Triumph- Phase II & III: <ul style="list-style-type: none">- Located at Veera Desai Industrial Estate Rd, Veera Desai Industrial Estate, Andheri West, Mumbai (land admeasuring 5,581 sq mtrs)- Proposed acquisition of 9,380 sq mtrs- Saleable area: 3,91,160 sft- Sale Status: Yet to be launched, approvals awaited
Purpose	Upto Rs 170 Cr <ul style="list-style-type: none">• Rs 50 Cr for takeover of existing facility from Indostar Finance Ltd• Rs 50 Cr towards site clearance expenses• Rs 70 Cr towards land acquisition (adjacent plots- Kori, Nana, George, Survey No. 732 and site clearance expenses for Kori)
Tranches	Tranche 1: Rs 120 crs on completion of CPs Tranche 2: Rs. 50 crs on 45 th Day from first disbursement of first Tranche
Investor	Karelides Traders Pvt Ltd
Total Tenure	Upto 36 months
Processing Fees	Processing fees of 1.5% of total Facility amount plus Service Tax
Interest Rate Structure	Interest of 9% p.a. to be paid on an annual basis
Exit	<ul style="list-style-type: none">• If the facility is repaid after 12 months but before 18 months from first disbursement then investor should get an overall IRR of 21%• If the facility is repaid after 18 months from first disbursement then Investor should get an overall IRR of 24%



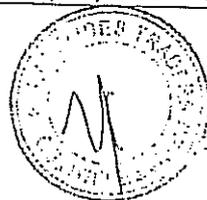
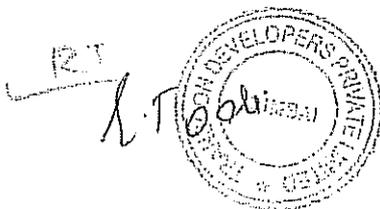
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	<ul style="list-style-type: none"> ◦ Put option against the Developer/ Borrower/ Promoter with the Fund at the end of 36th month @ 24% IRR
Repayment	Flexibility to prepay, in parts or in full, only via internal accruals of the project without pre-payment penalty
Prepayment Mechanism	No prepayment allowed for first year Post 12 months , prepayment at any time with 30 days notice period
<p>Security Structure:</p> <p>Affirmative and veto rights on all important matters related to Project to be stipulated in definitive documents. The Facility, together with interest, liquidated damages, costs, charges, expenses and other monies whatsoever payable to the investor shall be secured by:</p> <ul style="list-style-type: none"> ◦ First and exclusive charge by way of registered mortgage over the land admeasuring 5,581 sq mtrs, development rights and building of the project and present and future Project assets (Phase II) ◦ First and exclusive charge by way of registered mortgage over the land admeasuring 5,444 sq mtrs (Kori), 272 sq mtrs (Nana), and 500 sq mtrs (George), 3164 sq mtrs (survey no. 732) development rights and building and present and future Project assets ◦ Hypothecation and Escrow of 100% receivables, both present and future the Project ◦ Hypothecation of residual cash flows of Phase I post exit of senior lender on Phase I of the Project ◦ Personal Guarantees of Promoters ◦ Second charge on 100% Pledge of Shares of the Issuer ◦ Project Step-in rights upon EOD ◦ Demand Promissory Note ◦ Affirmative and veto rights on all important matters in line with standard business practices for facilities of such nature ◦ All existing secured / unsecured borrowings (including Promoters contribution) to be subordinate to this investment. Necessary NOCs to be obtained from existing lenders, if any ◦ Any other documents as suggested by the lawyers and as may be mutually agreed <p>Affirmative and Negative Covenants on all important matters related to Projects & Major Decisions in the case of an Event of Default to be stipulated in definitive documents</p>	
Additional Interest in case of Default	2% per month compounded monthly on the delayed/defaulted interest/principal payment
Pre-disbursement conditions (CP)	<ul style="list-style-type: none"> ◦ Conditional NOC from Indostar Finance Ltd for release of security post their exit ◦ Legal due diligence of the Company to be completed to the satisfaction



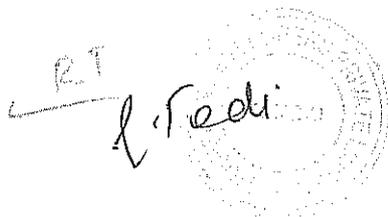
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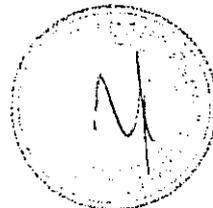
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	<p>of the Investor</p> <ul style="list-style-type: none"> • Creation of security as mentioned in security structure and execution of other collateral like pledge of shares, personal guarantee
Condition subsequent	<ul style="list-style-type: none"> • Perfection of charge on the property (currently with Indostar) post repayment of loan to Indo star within 7 days for the project • Creation of mortgage on land (Kori, Nana, George) within 30 days of disbursement for its acquisition • Undated cheques for entire principal and coupon
Other conditions	<ul style="list-style-type: none"> • Any change in the capital structure of the company and/or any of the terms of Development Agreement between the company and landowners will require our prior consent. • We will have right to monitor and evaluate the costs incurred in the project as well as right to sit in the procurement committee for decision on procurement costs. • The Issuer shall provide a certificate from an independent Chartered Accountant, to the satisfaction of the Investor, certifying end use of Facility availed from the investor within 30 days from the date of each disbursement. • Any cost overrun to be funded by the promoter • Escrow mechanism, financial covenants and EOD clauses to be set out in term sheet/definitive documents
Other:	<ul style="list-style-type: none"> • Prior to signing of Definitive Agreement, a detailed business plan shall be agreed upon between the parties to include minimum Sales velocity to be achieved, construction milestones per quarter and collections per quarter shall be agreed upon completion of due diligence. • Minimum Average selling price of Rs 17,000 psft for 1st year, Rs 18,000 psft for 2nd year and Rs 19,000 psft for 3rd year (on saleable area). • The Issuer will inform the Investor relating to sales and construction status every month. • The Investor shall retain the right to sell down its investment to a third party at any point in time with mutual consent with the developer • The Investor will have the following inter-alia rights (to be defined in detail in the binding documents) <ol style="list-style-type: none"> a. Under normal circumstances, right to information inter-alia right to monthly MIS in its standard format, right to enforce sale of units if they are not being met as per the covenants, and affirmative rights on key decisions like raising debt or other forms of capital / selling price / construction cost / changes to AOA/MOA, etc. b. In an event of default the right to take control, step into the project and control all aspects related to it include selling unsold stock at





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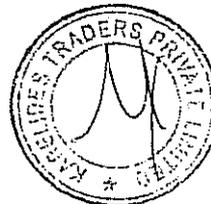
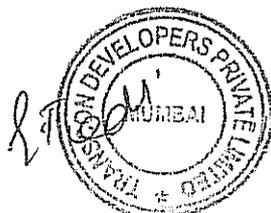
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	prices necessary to clear the stock and getting a new development manager to complete the construction etc.
Confidentiality	Save and except any disclosure requirements for Statutory Purposes, all Parties and/or their directors/officers hereto shall keep all negotiations confidential and maintain the contents of this Term Sheet in strictest confidence and shall make no announcement or disclosure without the prior written approval of the other Party save in respect of disclosures or announcements which may be required by any applicable law, and any disclosures to each Party's consultants, advisors, employees/directors (or by the Investor to its affiliates or their employees/ directors/ advisors/ consultants) on a need-to-know basis or those of its affiliates.
Governing Law and Arbitration	<ol style="list-style-type: none"> 1. Governing Law: Any disputes arising out of or in connection with the validity, interpretation or implementation of this Term Sheet and the Definitive Documentation shall be governed by the laws of India. 2. Arbitration: <ol style="list-style-type: none"> a. In the event of there being any dispute or difference between the parties as to any clause or provision of this Term Sheet or as to the validity or interpretation thereof or as to any account or valuation or as to the rights, liabilities, acts, omissions of any party hereto arising under or by virtue of these presents or otherwise in any way relating to this Term Sheet, such dispute will be referred to arbitration, by a sole arbitrator to be appointed mutually by the parties, failing which, by three arbitrators, one each to be appointed by the two parties and the two arbitrators so appointed will appoint the third arbitrator. For the purpose of this clause, the Companies and the Promoter shall always be referred to as one party. b. The seat of arbitration shall be at Mumbai, India. c. The arbitration proceedings shall be held in accordance with Indian Arbitration and Conciliation Act 1996. d. The award given by the arbitrator shall be final and binding on the Parties hereto.
Legally Binding Understanding	It is hereby expressly agreed between the Parties that the terms and conditions set forth in this Term Sheet are not legally binding on the Parties, save and except to the extent specifically stated herein. Notwithstanding anything contained herein, the clauses pertaining to Upfront Fees, confidentiality, exclusivity, expenses, governing law and arbitration set out in this Term Sheet, shall be legally binding on the Parties. Further, this Term Sheet is an expression of desire to work together for investment subject to the clearance of the proposal by the Investment Committee of the Investor within 60 (sixty) days of execution of the Term Sheet and subject to finalization of Definitive Documentation.

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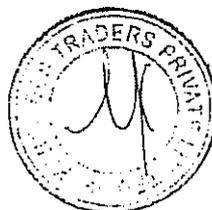
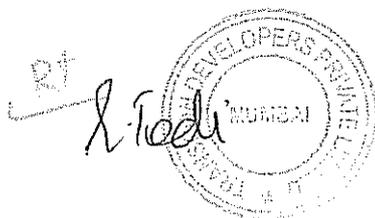
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Other Terms & Conditions:

1. All expenses such as documentation charges (including stamp duty), legal, valuation, financial, due diligences and fees of security trustees other charges shall be borne by the Borrower.
2. It is the Borrower's responsibility to ensure that the mortgaged properties (except land) be duly insured at their own cost and expense, for all risks and the same to be extended in favor of the Investor. The insurance policy should be assigned in the name of the Trustee within 60 days of the drawdown and a copy of the same should be given to us for our record.
3. The title of the properties to be clear, marketable, unencumbered & the same to be satisfactory and acceptable to the Investor. The Search in the ROC and in the Sub-Registrar's office to be done & the same should be satisfactory.
4. Currently, the Borrower and its Group concerns / companies are not in default with any lenders.
5. The Borrower will also undertake and confirm that in the event the cash flow in the escrow account is not sufficient to service the principal repayment, interest or other dues, the shortfall will be met through inflow of fresh funds therein by the Borrower in a manner & form as mutually acceptable to the Investor. The support shall be kept valid until full repayment of the entire loan amount with interest and all other dues.
6. This Term Sheet shall stand revoked and cancelled and shall be absolutely null and void if:
 - a. There are any material changes in the proposal;
 - b. Any material fact concerning the Borrower's profits, etc., or ability to repay, or any other relevant aspect of it is withheld, suppressed, or concealed or not made known to us;
 - c. Any Statement made by the Borrower is found to be incorrect or untrue;
 - d. Any Information as may be required by the Investor from Borrower, time to time, pertaining to the Property is not furnished in the form prescribed / approved by the Investor over a period of 30 days; and
7. The Investor shall do a quarterly inspection by visiting the project site the expense towards which shall be borne by the Borrower. The Investor shall have the right to appoint a PMC at the cost of the Borrower. The modalities to be defined in the Definitive Agreement.
8. The Investor will have the option to scrutinize and audit the expenses, which are incurred for the project.
9. The Investor will have exclusivity of 60 days from issue of this Term Sheet for the transaction during which period the Borrower will not approach any other Investor for the same.
10. The validity of this sanction is for a period of 60 days within which the drawdown has to be effected – a drawdown schedule will be shared along with the business plan



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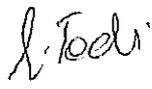
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11. This Term Sheet is subject to due diligence, completion of comprehensive legal, financial, technical and other due diligence (of the Borrower and the guarantors) to the satisfaction of Investor. The Borrower shall make available all necessary and material information and extend full cooperation to lawyers and other advisors of Investors for undertaking the due diligence.
12. This Term Sheet shall not be final and binding (in any manner) on Investor & they reserve their right to cancel, add, modify or alter the entire or any terms and conditions including facility amount and coupon rate mentioned herein.

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

<p>For Karelides Traders Pvt Ltd</p> <p> Authorized Signatory Place: Mumbai</p> <p></p>	<p>For Transcon Developer Pvt. Ltd.</p> <p> Authorized Signatory Place: Mumbai</p> <p></p>
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