

# SWAMIH INVESTMENT FUND I

Date: September 14, 2020

To,  
Mr. Mithubhai Mav / Mr. Chetan Mav  
Newa House,  
Plot No. 45, Sector – 19A,  
Vashi Navi Mumbai 400705

**Sub: Sanction of Investment by way of subscription to Non-Convertible Debentures (“NCDs”)**

This is with reference to your request for seeking investment for funding of the project Newa Bhakti Park A Wing Phase 1, Airoli (“Project”).

We are pleased to advise that Investment Committee of SWAMHI Investment Fund – I (“Fund”) has accorded a final approval to invest up-to **Rs. 30.00 Cr** and an additional amount of up to **Rs. 11.00 Cr** (Additional Investment Amount) by way of subscription to NCDs proposed to be issued by Newa Technocity (India) Pvt. Ltd. **The Additional Investment Amount shall be made available, only later, on the basis of incremental internal approvals of the Fund after a review of the progress in the Project and solely at the discretion of the NCD Holders.**

The investment proceeds shall be used solely for completion of the Project. The subscription to NCDs shall be subject to compliance of stipulated condition precedents and execution of the documents. A non exhaustive list of the key terms of the proposed investment are as provided in **Annexure 1**.

Nothing in this letter or its enclosure constitutes a commitment by the Fund to provide any financing. Provision of any financing shall be subject to receipt of all approvals / NOCs of other relevant financing parties / subscribers (including any necessary credit, legal, tax or regulatory approvals), legal documentation, stamping, registrations and satisfaction of conditions precedent and will be at the sole discretion of the Fund.

The terms provided herein are strictly confidential, for the sole use of the recipient and the information contained herein should not be disclosed, disseminated, or reproduced in whole or in part to any other party outside of the intended purpose.

Regards,

Irfan A. Kazi  
CIO – SWAMIH Investment Fund I



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## ANNEXURE I: NON-BINDING AND NON-EXHAUSTIVE HEAD OF TERMS

The non-binding and non-exhaustive terms of the proposed investment are as follows:

Particular	Details
<b>Issuer/LLP/Company</b>	Newa Technocity (India) Pvt. Ltd
<b>Investor</b>	SWAMIH Investment Fund I (SWAMIH or "Fund")
<b>Promoters</b>	Mithubhai Khiyashi Mav, Chetan Mav and Nitin Ravindra Joisor
<b>Project</b>	Newa Bhakti Park A Wing Phase 1, being developed on a portion of land parcel (total land admeasuring 52,610 Sq. Mts), located in Plot No IT-6, TTC Industrial Area, Village – Dighe, within limits of Navi Mumbai Municipal Corporation, Subdistrict and district Thane having 108 residential units
<b>Project Land</b>	Land admeasuring 52,610 sq. meters on leasehold rights. Land leased by MIDC from 2010 for period of 95 years
<b>Existing Lender</b>	Bharat Co-operative bank (Mumbai) Ltd
<b>Object of the Issue</b>	The Issuer shall use the proceeds from the issue of the Debentures towards completion of the Project only. The usage of funds shall be detailed in the definitive documents. However, it is to be noted that no part of funding shall be used towards any kind of payment to Existing Lenders in the Company or to the Promoters/Promoter Loans or unsecured loans.
<b>Type of Instrument</b>	Unrated Senior Secured Non-Convertible Debentures
<b>Issue Amount</b>	Initial Investment Amount: Up to Rs. 30 Cr.  Additional Investment Amount: Up to Rs 11 Cr.  Additional Investment Amount shall be based on additional incremental approvals of the Investor, review of Project performance going ahead and solely at the discretion of the Fund  (Initial Investment Amount plus Additional Investment Amount is referred to as Issue Amount)
<b>Tenor</b>	Up to tenor of 33 months from the date of first Investment
<b>Issue Price</b>	Rs 1,00,000/- per NCD or any such amount in multiple of Rs. 1,000 only.
<b>Repayment</b>	Subject to repayment schedule, any project cash inflow, as directed by the Investor, shall be used for construction or to redeem the NCDs at the Redemption Price
<b>Redemption Price</b>	The NCDs will redeemed at an amount equal to the Issue Price plus the amount of Committed Return and Additional Return (If Applicable)
<b>Redemption Schedule</b>	100% by the end of the Tenor
<b>Committed Return</b>	12.00% IRR for redemption from project cash flows (receivables from sold and unsold units of the project).
<b>Put Option</b>	The Investor shall have Put Option any time during the investment tenure or on the occurrence of an Event of Default.
<b>Step-in rights</b>	The Investor shall have step-in rights including but not limited to change of developer, appointing a development manager or sole selling agent or marketing agents, reset of sales price at regular



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	intervals to improve sales velocity and bulk inventory sales in case of Event of Default as detailed in the definitive documents. Appropriate documentation in this regard, if required to be entered into along-with transaction documentation.
<b>Right to Appoint Director/ Board observer</b>	The Investor reserves the right to appoint a Nominee Director or Board Observer at any time during investment period.
<b>Right of conversion</b>	The Investor also reserves the right to covert NCD into equity in case of an Event of Default
<b>Project Monitoring Consultant</b>	Investor shall appoint a suitable Project Monitoring Consultant and a Financial Consultant to monitor the progress of the Project, usage of funds and monitoring of Escrow Account(s). The cost of such consultants will be borne by the Issuer. Such consultants shall be stationed and operating from the Company's site office.
<b>Event of Default</b>	Events of Default shall be defined in definitive documents and shall be linked to the Redemption Schedule, collections and/or construction milestones, compliances and covenants as may be stipulated in the definitive documents.
<b>Security</b>	<ul style="list-style-type: none"> <li>• First ranking mortgage over the             <ul style="list-style-type: none"> <li>• Leasehold rights in Project Land</li> <li>• All structures and construction on the Project Land with respect to residential portion (i.e. Wing A and Wing B) excluding units sold units (other than sales cancelled subsequently) in the project and proportionate share in common area of units sold</li> </ul> </li> <li>• First ranking mortgage on development rights / FSI in respect on the Project Land with respect to Project (Wing A) and Wing B</li> <li>• First ranking mortgage/ charge by way of hypothecation over the receivables of the Company / Borrower from the Project (Wing A) and Wing B</li> <li>• First ranking mortgage/ charge by way of all the current and non-current assets of the Borrower in relation to Project (Wing A) and Wing B including receivables, bank accounts, documents, authorizations pertaining to the Project insurance policies etc.</li> <li>• Personal Guarantee of Mr. Mithubhai Khiyashi Mav, Chetan Mav, Nitin Ravindra Joisor, Shantiben Mav, Navin Kothari and Jatin Kothari</li> <li>• First ranking pledge of 81.3% shares of Borrowing Company; Company to undertake pledge of BB LLP's shares in the Company post settlement of dispute with two partners of BB LLP within 30 days of such event</li> <li>• Undertaking from Promoters of Company to route all sales proceeds and other cashflow from RERA Account and to the Escrow Account (charged in favor of SWAMIH Fund)</li> <li>• Promissory Notes, as applicable</li> <li>• Registration of charges with ROC / Central Registry (CERSAI)</li> </ul>



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	<p><i>The Security Structure mentioned above is indicative and shall be finalized in consultation with the Legal Counsel.</i></p>
<p><b>Key Conditions Precedent</b></p>	<ul style="list-style-type: none"> <li>• Issuer to open escrow accounts as required under RERA Act along with Escrow mechanism in control of the Fund prior to date of 1st Investment.</li> <li>• NOC from BCB to cede first mortgage/ charge on the security as mentioned above, as applicable, including whole land parcel and residential buildings in favour of the fund along with ICA</li> <li>• Prior consent from MIDC for creation of mortgage and execution of tripartite agreement between NTPL, MIDC and Fund prior to first disbursement</li> <li>• Conversion of shares of Issuer into dematerialized form prior to creation of pledge</li> <li>• Developer to pledge 81.3% of shares to the fund</li> <li>• Developer to obtain balance confirmation for ~ 100 Cr worth of unsecured loans in the manner acceptable to Investor</li> <li>• All the unsecured loans to be subordinate to SWAMIH Loan and appropriate covenants to that effect to be included in definitive agreements.</li> <li>• Updation of details uploaded on RERA website to reflect correct position of sales till date</li> <li>• Appropriate reps, warranties and indemnities to be stipulated in the definitive agreements to cover any potential action, claims or consequences out of short payment of Income Tax, Service Tax, Service Tax enquiry and VAT/GST and related liabilities</li> <li>• AOA of Issuer to be modified suitably in consultation with Transaction lawyers to provide suitable provisions for securing the funds and appointment of Nominee Director/observer.</li> <li>• Filing for amendment of AoA to             <ul style="list-style-type: none"> <li>○ include a specific provision for appointment of nominee director</li> <li>○ to permit and enable unrestricted transfer of shares on invocation of pledge</li> <li>○ carry out other changes as required in pursuant to the investment transaction</li> </ul> </li> <li>• Project Contracts:             <ul style="list-style-type: none"> <li>○ Written confirmation to be taken from the contractor confirming the execution of the work order and the effective date of the same. The work order to mention the exact project name</li> <li>○ Specific representation confirming the date of commencement of work, present status of the ongoing work and details of extension granted, if any, to be taken from NTIPL</li> <li>○ Confirmation to be obtained from the Narayani contractor confirming the liability</li> </ul> </li> </ul>



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	<ul style="list-style-type: none"> <li>○ Suitable modifications to be carried out in the civil construction contract with Narayani Contractor to have DLP clause of at least 18 months post obtainment of OC.</li> <li>● BCBL Loan:               <ul style="list-style-type: none"> <li>○ Mortgage/ charge should be satisfied for Rs 33.14 Cr loan</li> <li>○ Confirmation to be obtained from BCBL that it will have no right of set off and / or hold the secured assets and the proceeds in respect of the Project Land and the Residential Portion. This can be part of Inter Creditor Agreement (ICA) as well</li> <li>○ Execution of ICA with BCB on such terms as acceptable to the Investor for ceding of first mortgage/ charge on Project Land and super structure of Project (Wing A) and Wing B</li> <li>○ Original Title deeds need to be handed over to the Fund/ its debenture trustee</li> </ul> </li> <li>● Application for amended building plan approval (as confirmed by technical DD agency)</li> <li>● Application for renewal of provisional fire NOC (as confirmed by technical DD agency)</li> <li>● Application for renewal of Civil Aviation NOC</li> <li>● Developer to send letters to the home buyers asking for registration where more than 10% of Sale Value has been collected</li> <li>● The Developer shall ensure that the application to MPCB for grant of Consent to Operate (CTO) for the batching plant is submitted and an acknowledgement received from MPCB.</li> <li>● Issuer shall submit to SWAMIH a project level Environment, Health, Safety and Social (EHSS) Policy along with the implementation framework covering and not limited to workers' safety, PPE Usage, material storage, construction debris management and storage, site cleanliness, access and lighting, fire prevention, designated eating and rest areas for construction workers and dwelling units for workers residing at site.</li> <li>● Issuer shall amend the registration of the project under the BOCW Act, 1996 and Maharashtra Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2007 reflecting the correct number of workers engaged in the project.</li> <li>● All applicable Labour Permits/ Licenses shall be obtained/renewed as specified under The Contract Labour (Regulation and Abolition) Act, 1970 and Contract Labour (Regulation &amp; Abolition) Central Rules, 1971 including principal employer's registration and contract labour license by the appointed contractors and copies of the permits shall be submitted to SWAMIH.</li> <li>● Company Secretary stating that the Project Land along with units constructed thereon (other than units sold) is free from</li> </ul>



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	<p>mortgages/ charges and all sort of encumbrances apart from the charge of Bharat co-operative Bank</p> <ul style="list-style-type: none"> <li>• Submission of all final due diligence reports duly signed by concerned agencies</li> <li>• Obtaining Plinth Checking Certificate before the investment</li> </ul>
<p><b>Key Conditions Subsequent</b></p>	<ul style="list-style-type: none"> <li>• Issuer to provide acknowledgement of Intimation letters to all existing sold unit customers for deposition of all future payments in to designated Escrow account set up by the Fund within 1 month from the date of 1<sup>st</sup> Investment date.</li> <li>• Issuer to provide acknowledgement of Intimation letters to all existing lenders (Banks/NBFC's/HFC's) of homebuyers for deposition of all future payments in to designated Escrow account setup by the Fund within 1 month from the date of 1<sup>st</sup> Investment date</li> <li>• Issuer to close all existing Collection accounts of the Project and shall route all the sales proceeds from designated Escrow Account by SWAMIH Investment Fund I within 30 days from the date of 1st Investment. Any collections deposited in existing collections accounts during this interim period shall be transferred to escrow accounts controlled by the Fund.</li> <li>• Issuer shall provide the requisite information and access to SVL/SWAMIH or a consultant appointed by SVL/SWAMIH in consultation with the Company to carry out half yearly/annual environmental and social monitoring and review of the project and ensure compliance with specified recommendations made by SVL/SWAMIH.</li> <li>• Obtainment of revised building plan within 4 months of first disbursement</li> <li>• Company to obtain revised Fire NOC within 4 months of first disbursement</li> <li>• Compliances under RERA Act, including intimation of creation of mortgage/ charge and submission of details of mortgage/ charge</li> <li>• Filing of the service tax returns for April 2017 – June 2017 within 3 months of first disbursement</li> <li>• The Developer shall ensure compliance with EPF and ESI rules on employer and employee contribution within two months of first investment and ensure all employees are covered under the EPF and ESI act as applicable</li> <li>• The developer shall obtain a Group accident insurance policy within one month of first investment</li> <li>• The contractor/s shall renew Group accident insurance policy within one month of first investment</li> <li>• The Contractors appointed by the Developer should get registered under the Act within two months of first investment and for all staff under EPF, employee and employer contribution should be paid. The Contractor should register under ESI Act and for staff/workers under ESI scheme</li> </ul>



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	<p>and employee and employer contribution should be paid within one month of first investment</p> <ul style="list-style-type: none"> <li>• The developer shall undertake that the inert C&amp;D waste generated at site will be used for land filling within the project site only and the residual C&amp;D waste, non-inert waste etc. will be stored at designated area in the project site with proper covering, barricading and enclosure to prevent dust entrainment and spreading of dust in the area. The stored C&amp;D waste will be transported to the designated unloading site only after obtaining applicable NOC/license from Solid Waste Management Department of NMMC. The Developer shall provide workers accommodation in line with BOCW Act, 1996 requirements ensuring proper dwelling units with adequate ventilation, power and water supply, bathrooms and sanitary facilities within two months of first investment</li> <li>• The Developer shall submit the application and get registered under the Inter-State Migrant Workers Act within three months of first investment and ensure that its Contractors obtain license for engaging inter-state migrant workers under the Inter-State Migrant Workers Act within three months of first investment</li> <li>• NTPL will ensure that BBLLP will pledge their shares once the complaints of the 2 partners of BBLLP are settled.</li> </ul>
<b>Cash flow distribution</b>	<p>From the date of 1<sup>st</sup> investment:</p> <ul style="list-style-type: none"> <li>• Investor will have the discretion to use the project cash inflows for construction or redemption of NCDs</li> <li>• Detailed cash flow distribution mechanism will be captured in Definitive Agreements</li> </ul>
<b>Disbursement Schedule</b>	<p>The NCDs shall be issued in tranches preferably once in any given quarter based on progress of the Project as certified by Investor's Project Monitoring Consultant from time to time and as detailed during final documentation.</p> <p>Investor reserves the right to reduce Issue Amount or Additional Investment Amount at the end of every year on the basis of an internal review of the progress of the Project and compliance with the agreed business plan</p> <p>Additional Investment Amount may be funded, solely at the discretion of Investor, only after the project performance parameters are achieved. These would be detailed in the transaction documents.</p>
<b>Covenants</b>	<p><b>Sales Collection</b></p> <p>The Issuer shall abide by the Sales collections detailed during final documentation and incase the Issuer is not able to meet the committed collections during any given period, the Issuer shall be obliged to reduce the sales price or do bulk inventory sales at a discount as per the directions of the Investor.</p> <p><b>Minimum Sale Price</b></p>



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	<p>Minimum selling price for the project is Rs. 7,500 psf on salable area or Rs 14,400_psf on carpet area In case the issuer desires to sell below the minimum selling price, the promoters/director shall infuse equity to the extent of differential amount into the Escrow Account prior to issue of NOC for release of mortgage for registration of flats or for mortgage finance to be taken by unit-buyers.</p> <p>The minimum selling price considered is all-inclusive (i.e. including all charges received from customers) but excluding pass-through charges and any applicable taxes.</p> <p>Borrower to ensure that on an ongoing basis (quarterly) sales in the Project should be as per the Business Plan agreed.</p> <p><b>Other Covenants</b></p> <ul style="list-style-type: none"> <li>• Any sale proceeds from the project shall not be used to repayment of any other loans of Issuer/unsecured loans/payment of inter-company dues/advancing loans to any party</li> <li>• Final business plan to be part of DTD. Issuer to achieve identified business plan milestones</li> <li>• Issuer must obtain approval from SWAMIH Investment Fund – I prior to launching / registering with RERA any residential development other than Wing A on the Project Land.</li> <li>• Issuer must obtain SVL’s prior approvals before launching any sales scheme / discounted rates/barter scheme etc. in the Project</li> <li>• All the unsecured loans to be subordinate to SWAMIH Loan and appropriate covenants to that effect to be included in definitive agreements.</li> <li>• Indemnity/Representation/Warranties/Undertaking from Issuer/Company/Promoters: <ul style="list-style-type: none"> <li>○ To bring in funds whenever required to meet any shortfall for project completion or debenture redemption</li> <li>○ Not to repay unsecured loans from project cashflows or investor disbursement(s)</li> <li>○ All potential cancellations refunds to be paid from project receivables/own sources and not from Fund, unless required as per any regulatory order, except 0.61Cr as identified and to be detailed in definitive agreement</li> <li>○ To Indemnify Fund from any adverse financial liability due to on-going homebuyers litigations/other complaints/court cases related to the project/other projects/company/group</li> <li>○ To not to cancel/refund any unit without prior written NOC from SWAMIH Investment Fund I</li> </ul> </li> </ul>



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	<ul style="list-style-type: none"> <li>○ To raise demands to all customers in line with agreed payment terms on go forward basis or cancel the same if substantial collections are not received.</li> <li>○ To not to make any further advances to any other group company from project receivables till the exit of the Fund.</li> <li>○ Tax related indemnities/representations/warranties (as applicable)</li> <li>○ Title related indemnities/representations/warranties (as applicable)</li> <li>○ All project inflows to be routed through Designated Escrow Account going forward</li> <li>○ Penalty (if applicable) for non-compliance with applicable RERA rules (if any) to be borne by the Promoters, unless required as per any regulatory order.</li> <li>● Issuer to bear any potential liability from on-going litigations with contractors/homebuyers/labors from project receivables/own sources and not from SWAMIH fund</li> <li>● Issuer to maintain separate ledgers for each group project for all the suppliers/vendors. All bills/expenses to be vetted by the PMC Agency before making such payments to the vendors/suppliers.</li> <li>● Execution of contracts with various vendors, as applicable, for completion of the Project.</li> <li>● Contractors All risk policy/Project Insurance of all mortgaged properties in favor of the Fund, against loss or damage for risks and contingencies as the Fund deems fit, with an insurer acceptable to the Fund, for not less than the full replaceable value of the mortgaged properties</li> <li>● The Issuer shall provide the requisite information and access to SVL/SWAMIH or a consultant/PMC appointed by SVL/SWAMIH for daily/monthly/quarterly monitoring of the Project expenses/construction progress/Bills/accounts/Sales MIS/Bank Account statements etc.</li> <li>● No cancellation refund shall be paid on the units sold to related party.</li> <li>● Developer to provide safety barricading tapes to prevent any entry to such restricted area like staircase/flats</li> <li>● No sale to related party without specific prior approval of the Fund</li> <li>● Company to issue reminders to customers for registration of units as required by law.</li> <li>● Company to send timely reminders to all customers for payments against sale of units.</li> <li>● All the unsecured loans to be subordinate to SWAMIH Loan and appropriate covenants to that effect to be included in definitive agreements</li> <li>● Suitable covenants to be included in definitive agreements to stipulate that such statutory liabilities will be funded by promoter from its own sources. Suitable tax related indemnities to also be stipulated in definitive agreements.</li> </ul>



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	<ul style="list-style-type: none"> <li>• Appropriate reps, warranties and indemnities to be stipulated in the definitive agreements to cover any potential action, claims or consequences pertaining to earlier allotment of units prior to Oct 2017</li> <li>• Issuer must obtain Investor's prior approvals before launching any sales scheme / discounted rates/barter scheme etc. in the Project.</li> <li>• Investor, may at its sole discretion, cede mortgage/ charge on a portion of the Project Land (planned for IT building) upon request of the Issuer upon such terms and conditions as acceptable to Investor. Further, such consent may not be unreasonably withhold by the Investor, if all covenants, business plan milestones, CP, CS and other conditions are adhered to by the Issuer</li> <li>• NTPL and key promoters to design a roadmap for settlement of all pending disputes / litigations impacting the company / promoters and settle the same at the earliest. Regular updates of the same shall be provided to Investor on a timely basis and NRPL and key promoters shall specifically indemnify the Investor against any potential action, claims or consequences out of these complaints or any other complaint in future.</li> </ul>
<b>Negative Covenants</b>	The Definitive Documents will have standard negative covenants.
<b>Additional Return</b>	<p>1% IRR as penal rate over and above the Committed Return, in the event, that the Investor determines, there has been a breach of any of the covenants, terms/conditions and/or business plan milestones as provided in the Transaction Documents. Such Additional Return shall be calculated from the beginning of the calendar quarter in which such breach has occurred upto the end of previous quarter in which such breach is cured to the satisfaction of the Debenture Holders. Moreover, such Additional Return will also be applicable for Debentures allotted during a quarter in which there is a breach of any of the covenants, terms or conditions of this Deed and/ or the Business Plan Milestones</p> <p>3% IRR as default rate over and above the Committed Return on occurrence of an Event of Default or redemption from any external means of finance (either debt, mezzanine, equity apart from sales collections of this project or group cash flows).</p>
<b>Documentation</b>	Documentation shall be in form and substance customary for transactions of this nature like DTD, mortgage deed and any such document as required by legal counsel.
<b>Costs &amp; Expenses</b>	All costs, expenses, charges, fees and all out of pocket expenses (including without limitation stamp duty, registration fees, inspection charges, Project Monitoring Consultants fee and charges, audit fees, Security creation costs etc.) shall be the account of and/or borne, paid or reimbursed by the Company whether or not the NCDs or any part thereof are issued.



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	<p>Cost/Fee, if any, payable to the advisor, financial consultant, broker, investment banker, placement agent, syndication agent for the purpose of intermediation in the proposed investment shall be included in the total project cost to be funded from the investment proceeds. However, the maximum amount to be funded from the investment proceed shall be lowest of the below:</p> <ol style="list-style-type: none"><li>1) 0.5% of the Investment Amount</li><li>2) Rs 50 lacs</li><li>3) Fee as agreed between the Issuer and the intermediary</li></ol> <p>Any cost/fee in excess of as provided above shall be paid by the Issuer directly and such excess shall not form part of project cost/business plan.</p>
<b>Assignment</b>	The NCDs so issued will be fully marketable. The Investor reserves right to assign the NCDs to any other financial institution without any intimation to or permission of the Issuer / Company.
<b>Non- Exhaustive</b>	This document is not exhaustive and captures only the broad terms of the transaction contemplated herein. Other terms, such as protective provisions, covenants, event of default etc. shall be stipulated in Definitive Agreements.
<b>Validity of the term sheet</b>	This Term sheet shall be valid for 15 days from date of issue or such other extended period as may be permitted by the Investor.

Please note that we shall be initiating documentation as per the process of *SWAMIH Investment Fund I*.

