

## Term Sheet

This term sheet (Term Sheet) outlines the terms and conditions for the proposed subscription of non-convertible debentures, to be issued by the Tarendra Infrastructure Chennai Private Limited and to be subscribed by HIREF International Fund II Pte Ltd alongwith other investors. The Term Sheet does not create any legally binding obligations on the Investors. It is subject to, among other things, all necessary internal approvals of Investors, satisfactory due diligence and completed documentation.

<b>Company</b>	Tarendra Infrastructure Chennai Private Limited																																				
<b>Investors</b>	HIREF International Fund II Pte Ltd alongwith other investors; all collectively referred as <b>"Investors"</b> .																																				
<b>Promoters</b>	Mr. N. Ravichandran and TVH Group																																				
<b>Investment Background</b>	Investment in listed Non Convertible Debentures (NCD's) of the Company, having a land bank / development rights of / on 47.09 acres towards residential/commercial/mixed-use development i.e., the project called _____ situated at Manivakkam in Chennai( <b>"Project"</b> ).The Investors shall subscribe to the NCD's of the Company ( <b>"Debenture Holders"</b> ).																																				
<b>Project Land</b>	The land admeasuring 47.09 acres situated at Manivakkam. Chennai ( <b>"Project Land"</b> )																																				
<b>Location &amp; Area statements</b>	<p>The Project Land falls under Primary Residential zone with a basic FSI of 2.5 with an additional premium FSI of 1. However, due the proposed product mix, we expect the FSI consumption to be within the permitted basic FSI of 2.5. The product mix envisaged at present, is as follows:</p> <table><tr><th><b>Product Mix</b></th><th><b>Acres</b></th><th><b>In Sq.ft.</b></th><th><b>FSI *</b></th><th><b>Loading</b></th><th><b>Saleable</b></th></tr><tr><td>Row Houses</td><td>10.0</td><td>435,600</td><td>1.00</td><td>10%</td><td>479,160</td></tr><tr><td>Villas</td><td>10.0</td><td>435,600</td><td>0.75</td><td>10%</td><td>359,370</td></tr><tr><td>Mass Housing</td><td>5.0</td><td>217,800</td><td>2.00</td><td>15%</td><td>500,940</td></tr><tr><td>Plots</td><td>22.0</td><td>958,320</td><td>65.0%</td><td>0%</td><td>622,908</td></tr><tr><td><b>TOTAL</b></td><td><b>47.0</b></td><td><b>2,047,320</b></td><td></td><td></td><td><b>1,962,378</b></td></tr></table> <p>* considered as efficiency in case of plotted developments</p>	<b>Product Mix</b>	<b>Acres</b>	<b>In Sq.ft.</b>	<b>FSI *</b>	<b>Loading</b>	<b>Saleable</b>	Row Houses	10.0	435,600	1.00	10%	479,160	Villas	10.0	435,600	0.75	10%	359,370	Mass Housing	5.0	217,800	2.00	15%	500,940	Plots	22.0	958,320	65.0%	0%	622,908	<b>TOTAL</b>	<b>47.0</b>	<b>2,047,320</b>			<b>1,962,378</b>
<b>Product Mix</b>	<b>Acres</b>	<b>In Sq.ft.</b>	<b>FSI *</b>	<b>Loading</b>	<b>Saleable</b>																																
Row Houses	10.0	435,600	1.00	10%	479,160																																
Villas	10.0	435,600	0.75	10%	359,370																																
Mass Housing	5.0	217,800	2.00	15%	500,940																																
Plots	22.0	958,320	65.0%	0%	622,908																																
<b>TOTAL</b>	<b>47.0</b>	<b>2,047,320</b>			<b>1,962,378</b>																																



*Virek Dharmi*

*Strictly Private & Confidential*

<b>Transaction Structure</b>	<p>The Investors propose to make an investment of Rs. 100 crores, by way of Debentures (Non-Convertible or “NCD’s”) in two tranches, as mutually agreed upon between the parties, in the following instruments of the Company.</p> <table><tr><th>S.N</th><th>Instrument</th><th>Amount in Rs. Cr</th></tr><tr><td>1</td><td>NCD</td><td>Tranche 1 – 30 Cr Tranche 2 – 70 Cr</td></tr><tr><td></td><td></td><td>Total – 100 Cr</td></tr></table>	S.N	Instrument	Amount in Rs. Cr	1	NCD	Tranche 1 – 30 Cr Tranche 2 – 70 Cr			Total – 100 Cr
S.N	Instrument	Amount in Rs. Cr								
1	NCD	Tranche 1 – 30 Cr Tranche 2 – 70 Cr								
		Total – 100 Cr								
<b>Board of Directors</b>	<p>The Debenture Holders shall have a right to appoint a nominee on the Board of Directors of the Company and a member on the Project Management Committee (PMC) of the Company, major decisions would require unanimous consent of the PMC, which would constitute of atleast one member each, to be nominated by Investors &amp; Promoters respectively and the Investors nominee consent is must for any affirmative matter.</p>									
<b>Consensus Items;</b>	<p>The Company shall not during the period that Investors hold any securities (including Non-Convertible Securities) do the following without the consent of Investors (i.e., an Investors nominee director at the board level or Investors representative at the PMC level, as the case may be). Each of the following matters shall be referred to the Board or the PMC, as the case may be, of the Company, for decision making. The below list is not exhaustive and may be modified or supplemented in the Definitive Agreements.</p> <ul style="list-style-type: none"><li>❖ Finalize and amend the Master Plan and/or Business Plan.</li><li>❖ Sell any assets of the Company in a manner that is not in consonance with the Business Plan.</li><li>❖ Reduce the prevailing selling price or lease rates, below 5% of the rates approved by the Board / PMC, for any space in the Project.</li><li>❖ Transfer of any FSI or TDR available for the Project Land.</li><li>❖ Incur any expenditure beyond the expenditure schedule as agreed in the Business Plan.</li><li>❖ Enter into any contracts other than in ordinary course of business beyond a value of Rupees Fifty Lacs..</li><li>❖ Enter into any contracts with the Promoters or their affiliates or other related parties.</li></ul>									



*Vivek Sharma*

*Strictly Private & Confidential*

	<ul style="list-style-type: none"> <li>❖ Issue any fresh equity or preference shares or instruments convertible into equity or giving rights to equity of the Company.</li> <li>❖ Give any guarantee/indemnity other than in ordinary course of business.</li> <li>❖ Incur any form of indebtedness in excess of the levels agreed upon in the Business Plan of the Company.</li> <li>❖ Sell, transfer, mortgage, pledge, hypothecate, grant security interest in, subject to any lien or otherwise dispose of, any assets or securities of the Company or any of its subsidiaries.</li> <li>❖ Make any investment, including in TDR, other than deposits with scheduled commercial banks.</li> <li>❖ Borrow funds in any form or issue any guarantees or securitize any receivables.</li> <li>❖ Create any subsidiary, joint venture or permit any capital restructuring.</li> <li>❖ Merger, de-merger or acquisition with or of any other companies or corporation.</li> <li>❖ Liquidate or dissolve.</li> <li>❖ Declare or pay any dividend or make any distribution, directly or indirectly, on account of any preferred or common stock now or hereafter outstanding.</li> <li>❖ Amend its constituent documents.</li> <li>❖ Any change in Board composition except as contemplated in the Definitive Agreements.</li> <li>❖ Commence/settle any material litigation, arbitration or other proceedings in the context of its business or which involve a member or director of the Company and the Company or its subsidiaries.</li> <li>❖ Material changes to its accounting or tax policies.</li> <li>❖ Change in the internal and/or statutory auditors of the Company.</li> </ul>
--	--



*Vivek Dhawan*

*Strictly Private & Confidential*



	<p>❖ Change its financial year, which is currently April 1 to March 31.</p> <p>The above is an illustrative list, which may be modified or supplemented in the Definitive Agreements based on factors as may be deemed material by Investors.</p> <p>The Definitive Agreements will set out the items set out above cannot be passed if such matter is not approved by the director nominated by the Investors or the member of the PMC nominated by the Investors, as the case may be.</p>
<b>Capital Commitment</b>	<p>(i) Investors to commit INR 1,000 million by way of NCD which will carry an internal rate of return (IRR) of 23% per annum compounded annually. The IRR would be subject to tax deduction at source.</p> <p>Capital and IRR would be paid out as per the Investment Repayment clause below. Investors would contribute its Capital Commitment subject to Conditions Precedents provisions set forth below.</p>
<b>Stamp Duty</b>	Stamp duty costs of the transaction to be borne by the Promoters.
<b>Transaction Costs</b>	The transaction cost shall be borne by the Company.
<b>End-use of Investment</b>	<ul style="list-style-type: none"> <li>• Payment towards acquisition of Project Land /Development Rights.</li> <li>• Project Approval Expenses</li> <li>• Project &amp; Infrastructure Costs</li> <li>• Any other usage with the mutual consent of the Parties.</li> </ul>
<b>Investment Repayment</b>	Any distribution / payout to the Promoters shall not happen until the time, the Investors Investment amount plus any amount accrued thereon is paid in full.
<b>Investors Rights through the PMC / Board</b>	<p>Investors will have the following rights which may be modified or supplemented in the Definitive Agreements:</p> <p>(i) To sign-off on detailed specifications for Project with Promoters. Specifications would include but not be limited to: details on façade, elevators, lobby finishing, air-conditioning capacity, ceiling heights, column spans etc.</p> <p>(ii) To appoint its representative to verify the construction quality as per the specifications agreed between Investors and Promoters.</p>



*Vinod Sharma*

*Strictly Private & Confidential*

<b>No Lien / Tag Along</b>	<p>All shares and other securities issued to Investors shall be free from all encumbrances and liens. Investors shall not be required to pledge its holding of shares and/or other securities in the Company, or provide any guarantee or any other security or other support to any third party, including but not limited to the lenders of the Company.</p> <p>The securities held by Investors would be freely transferable and that Investors, shall have the right to sell its investments in the Company, to anybody.</p>
<b>Information Requirements</b>	<p>During the period that Investors hold any securities in the Company, the Promoters shall cause the Company to provide the following reports to Investors which may be modified or supplemented in the Definitive Agreements:</p> <ul style="list-style-type: none"> <li>❖ Audited financial statements together with the report of the auditors and the directors' report within 60 calendar days from the close of every financial year.</li> <li>❖ Quarterly financial statements within 30 days from the close of each calendar quarter.</li> <li>❖ Monthly reports on the operations, in the format as may be specified by Investors.</li> <li>❖ Information regarding any changes to regulatory or government approvals and any material agreements as and when such information is known to the Promoters or the Company.</li> <li>❖ Details of any material litigation, (including any winding-up proceedings or notices under any enactment or regulation) proceedings, material disputes, or adverse changes that impedes or is likely to adversely affect the Company business, assets, income or otherwise as and when such information is known to the Promoters or the Company.</li> <li>❖ Details of any force majeure event or any other event that could impedes or is likely to adversely affect the Company business, assets, income or otherwise as and when such information is known to the Promoters or the Company.</li> <li>❖ Any other reports as may be required by Investors.</li> <li>❖ The Company shall provide a valuation report on a half yearly basis (September and March, every year) to Investors, within 15 days from the end of half year. The valuation report would be made by Investors identified valuer.</li> </ul>



*Vivek Sharma*

*Strictly Private & Confidential*

	❖ The Company shall provide information required by the any "Passive Foreign Investment Corporation" ("PFIC") that shall be confined to meet statutory requirements stipulated in respect of PFIC.
<b>Monitoring</b>	<p>The Promoters shall cause the Company to update Investors about the progress of the Project, Project related expenditure as well as any material deviations from the Business Plan. To this end, the Company shall furnish to Investors such information, reports and data as may be required by Investors on a quarterly basis.</p> <p>Representatives of Investors shall have access to the Project site and the office of the Company for inspecting any records or documents of the Company.</p>
<b>Representations &amp; Warranties</b>	The Company shall provide necessary and customary representations and warranties as deemed appropriate by Investors.
<b>Indemnities</b>	The Company shall provide necessary and customary indemnities as deemed appropriate by Investors.
<b>Put Option / Call Option</b>	The Definitive Agreements will set out the manner of calculation of the fair market value, which shall be calculated by independent valuer.
<b>Default Conditions</b>	<p>In the event, Promoters are unable to deliver the Project as per the pre-agreed timelines, which may be modified or supplemented in the Definitive Agreements:</p> <p>(i) Promoters would be given an additional period of 90 days to complete and hand over the Project. Beyond the grace period, penal interest of __% per annum after the end of grace period, would be charged on Investor's Debenture investment for the period of delay.</p> <p>(ii) In case the period of delay exceeds 180 days, then Investors has management step-in right along with the drag along right. Further, Investors will have the right to appoint its own representative to take over the project and complete the construction of the said Project. A third party consultant / Architect would be appointed to determine the estimated additional time to complete the Project. The cost incurred by Investors including the penal interest as per clause (i) above (upto the date of completion of the Project (as it would reasonably take to complete it, as determined by the third</p>

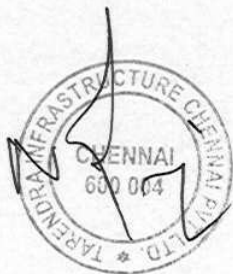


*Vivek Dhawan*

*Strictly Private & Confidential*



	party Architect) would be deducted from any payments due to Promoters on exit and would be paid to Investors before any payment is made to the Promoters.
<b>Exit Rights</b>	Shall be captured in detail in the Definitive Agreements.
<b>Conditions Precedent</b>	<p>The following is an illustrative list but not exhaustive list, which may be modified or supplemented in the Definitive Agreements covering both the tranches based on the due diligence and other factors as may be deemed material by Investors. These would include:</p> <ul style="list-style-type: none"> <li>❖ The Company having establishing clear title to the Project Land, as has been acquired by it, for development.</li> <li>❖ Submission of the title search report to Investors confirming clear and marketable title to the Project Land and is free from any lien, claim, encumbrance or demand of any description whatsoever and the Investors shall have confirmed that all its queries in relation to the title search report shall have been satisfied.</li> <li>❖ Completion by Investors of a legal and financial due diligence of the Company to the satisfaction of Investors and Investors shall have confirmed that all issues arising out of the such legal and financial due diligence has been resolved to the satisfaction of Investors.</li> <li>❖ All corporate approvals in respect of the Investment to be obtained by the Company.</li> <li>❖ Definitive Agreements between the Company, the Promoters and Investors having been executed.</li> <li>❖ Completion of NCD issue and related formalities thereto, including all formalities &amp; procedures related to listing the NCD's in a recognized stock exchange (BSE / NSE).</li> <li>❖ Such other conditions precedent as Investors may require upon completion of the due diligence process.</li> </ul>

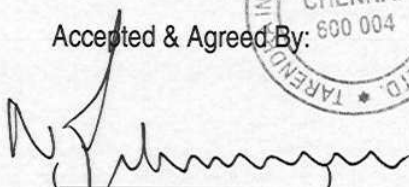


*Virek Sharma*

*Strictly Private & Confidential*

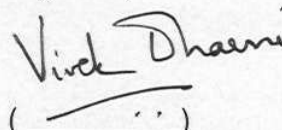
<b>Exclusivity</b>	<p>Upon the execution of this Term Sheet, Promoters will work together exclusively with Investors for a period of 90 days (as extended by the Investors) to complete its legal and financial due diligence and execute the Definitive Agreements. For such period, the Promoters or their affiliates will not directly or indirectly enter into any discussions, negotiations, arrangements or agreements or solicit or entertain any offers to do any of the foregoing with any other parties.</p> <p>Unless extended in writing by Investors, this Term Sheet shall expire within 90 days of its execution or the date on which the Definitive Agreements have been executed, whichever is earlier.</p>
<b>Confidentiality</b>	<p>This Term Sheet is being transmitted to Promoters with the express understanding that its content remains confidential, except for Investors's and Promoter's retained consultants, attorneys, investors, lenders, representatives and advisors. Any announcements, communication or publicity by either Investors or Promoters regarding the Investment will require the consent of both parties.</p>
<b>Governing Law</b>	<p>This transaction will be governed by the laws of Singapore. No amendment to these terms shall be effective unless in writing executed by each of the Investors and Promoters.</p>
<b>Counterparts</b>	<p>This Term Sheet may be executed in counterparts and, when so executed, such counterparts shall be taken together as a single agreement.</p>
<b>Non-binding Term Sheet</b>	<p>This Term Sheet is not binding on the parties, save for paragraphs [Non-disclosure; Exclusivity; Governing Law and Jurisdiction], which shall be binding on and from the date of execution of this Term Sheet.</p>

Accepted & Agreed By:

  
For & on behalf of



Accepted & Agreed By:

  
For & on behalf of  
**HIREF International Fund II Pte Ltd.**

Date: 03/11, 2014

*Strictly Private & Confidential*