

Term Sheet

15th Dec 2015

The Directors
M/s Ariisto Realtors Infrastructure Private Limited.
43/11, RAJABHADUR BUILDING,
2ND FLOOR, TAMARIND LANE,
MUMBAI - 400001

Kind Attn: Mr. Hiren Patel

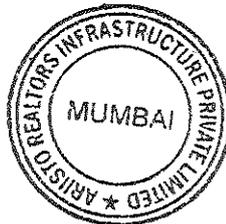
Dear Sir,

With reference to your request for financial assistance for your residential project at Kandivali-W, Mumbai, we would be happy to evaluate an investment of up to of Rs. 500,00,00,000/- (Rupees Five hundred crores only) subject to the following terms and conditions.

Issuer / Borrower	M/s Ariisto Realtors Infrastructure Private Limited
Subscriber / Lender	IIFL Real Estate Fund (Domestic) Series 3 and/ or various other subscribers
Nature of Instrument	Non Convertible Debentures
Total Facility Amount	Up to INR 500 Crores The Lender shall be entitled to review the performance of the Borrower in relation to the Project
Purpose	Proceeds will be utilized for payment to IndiaReit to the extent of INR 215 crores, to HDFC / HDFC PMS to the extent of INR 140 crores, to IIFL Income Opportunities Fund to the extent of INR 82 crores, towards project related expenses INR 40 crores & balance INR 23 crores towards DSRA. The Subscriber/s or their representatives will have the right to call for end-use certificates from time to time, and also to suspend further investment in case of any non-compliance.
Tenure	Tenure of up to 60 months from the date of first disbursement, in addition to a broken period from the date of first disbursal to the end of that calendar
Moratorium	Principal moratorium up to 36 months from the expiry of the broken period.
Rate of Interest	18% payable quarterly at the end of each calendar quarter
Principal Repayment	In 9 equal quarterly installments each starting from the end of 12 th quarter



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ARIISTO REALTORS INFRASTRUCTURE PRIVATE LIMITED


Director / Authorised Signatory,

<p>Security</p>	<p>The Facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof shall be secured by:</p> <ul style="list-style-type: none"> a) First & Exclusive charge by the way of registered mortgage on the development rights and free sale area of projects together with all buildings and structures thereon (both present & future). b) First & Exclusive charge on the Scheduled Receivables, Additional Receivables all insurance proceeds, both present and future from the above project. c) First & Exclusive charge by the way of registered mortgage of 59 Shops total carpet area of 10,363 Sq. Ft. situated at Prime Mall, Irla Road, Near Alfa Market, Vile Parle (W)-Mumbai-400 056. d) Personal Guarantee of the Promoters (Mr Hiren Patel & Mr Atithi Patel) e) First & Exclusive charge along on the Escrow Account where receivables from sale/lease of units in the above projects will be deposited. In the event of default, IIFL shall have the right to cause the bank(s) to freeze the escrow accounts or transfer the balances in the accounts of IIFL. f) 100 % Share Pledge of M/s Ariisto Realtors Infrastructure Private Limited & M/s Ariisto Shelters Private Ltd g) First and exclusive charge by way of registered mortgage on commercial premises owned by Ariisto Realtors Pvt Ltd admeasuring 11,658 sq.ft of carpet area in Ariisto Cloud, Swami Vivekanad Road, Near Nanavati Hospital, Vile Parle West, Mumbai h) First and exclusive charge by way of registered mortgage commercial premises owned by Ariisto Shelters Pvt Ltd admeasuring - 54,376.45 sq.ft of carpet area in Ariisto House, Telí Galli, Andheri East, Mumbai <p>The aforesaid security shall be created before the first disbursement in favour of IIFL, in a form and manner satisfactory to the Lender, and perfected as may be required within 30 calendar days from the date of disbursal of each tranche.</p> <p>The Borrower shall maintain security cover of 2.0 times of outstanding facility amount during the entire tenure of the facility, in addition to minimum 3 month interest on the facility amount to be kept with the Escrow Banker.</p> <p>In case the value of the properties secured falls below the security cover specified above, the Borrower shall create security on additional assets in order to maintain</p>
<p>Security Margin Coverage</p>	<p>If the valuation of the Security/Property drops below 2 times (based on the then existing market price) of the outstanding loan amount (margin call), then Borrower shall have 60 working days to replenish the deficit or create security on additional assets in order to maintain the security cover specified above.</p> <p>In case the Borrower fails to replenish the deficit or create security on additional assets beyond the stipulated period of 60 working days mentioned above in order to maintain the stipulated security cover of 2 times mentioned above, it will be considered as an Event of Default and the Lender will be free to sell Security/Property without any prior notice to the Borrower.</p>

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Escrow Account Mechanism	<ul style="list-style-type: none"> • The Borrower shall open, establish and maintain an escrow account for deposit of receivables from sale of mortgaged units. The escrow account shall be maintained and operated by the Borrower during the entire tenure of the Facility and shall not be closed without the prior written approval of Lender. All costs, charges and expenses in connection with the aforesaid accounts shall be borne by the Borrower. • The sales receivables to be apportioned between the Lender & Borrower in the ratio as mutually decided by the parties for onward adjustment against the principal outstanding. Standing instruction to be given to escrow bank for apportioning the sales receivables in favor of IIFL as mutually decided. • The apportioned sales receivable portion of Lender to be utilized for reducing the outstanding principal facility amount. • The Subscriber or their representatives will have the right to suspend drawal from this account in an event of default.
Prepayment Charges	<p>a) No prepayment penalty will be applicable in the event the principal amount prepaid is out of the receivables received from sale of units and routed through the escrow account at any time during the loan tenure.</p> <p>b) However, in the event the Borrower prepays the facility by availing finance from other banks/financial institutions or out of funds received from any source other than in case of point (a) mentioned above, then prepayment penalty will be levied in the following manner: 2% of the prepayment amount within 12 months of disbursal; 1% of the prepayment amount within 13th month to 24th month of disbursal</p>
Interest for delayed payments / Default interest	<p>If Interest and / or Principal instalments due are defaulted / delayed, interest at the rate (to be discussed) compounded quarterly, for defaulted / delayed period on the Amounts overdue (calculated from due date till date of payment) will become payable. It is clarified that this interest is not additive to the facility interest rate, but will supercede/ replace it.</p>
Pre- disbursement conditions	<ul style="list-style-type: none"> • Clear, Marketable, Unencumbered title of all the properties given as security for the facility. • 2 Valuation Reports by empanelled Valuer of Lender. • Title Search report by empanelled Lawyer. • Satisfactory CIBIL report in respect of partners and guarantors. • Creation of security in favour of security Lender before first disbursement. • Signing of all the facility documents as suggested by empanelled lawyers, to the satisfaction of Lender. • Compliance of any other pre-allotment conditions as may be incorporated in the Agreement/s. • CA certified Net-Worth certificate of the personal guarantors • Technical Evaluation report of mortgaged Properties

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Conditions
Subsequent to
Disbursement

- Payment of INR 82 crores to IIFL within 6 months from the date of first disbursement and proportionate security shall be released
- The funds to be used only for the purpose it is being disbursed and not to be used for any other purpose.
- The Borrower shall maintain security cover of 2 times of outstanding facility amount during the entire tenure of the Facility.
- In case the value of the Properties secured falls below the security cover specified above, the Borrower shall create security on additional assets in order to maintain the security cover specified above.
- The receivable accrued from the project(s) to be routed through designated Escrow Account(s) to be opened with banks acceptable to the Lender.
- A copy of provisional financials of Borrower and Personal Guarantors will be submitted within 3 months from the end of each financial year & audited financials within 6 months from the end of each financial year.
- CA certified Net-Worth certificate of the personal guarantors to be submitted with 6 months from the end of each financial year.
- The Project sale agreements with the prospective customers would incorporate a condition that the booking money/ payments need to be made in favor of the Escrow Account to be opened by the Borrower.
- The borrower to obtain NOC from IIFL before entering into any sale agreement for sale of units mortgaged to IIFL.
- If the Property is sold (fully / partially) either with / without being developed, IIFL shall have the right to adjust the proceeds from sale of property against the Facility then outstanding.
- Change in Board of Directors of Borrower will not be allowed without informing and written approval of India Infoline Finance Limited.
- The Lender shall have the option to call back the facility or take suitable action in case the borrower defaults in repayment of any other dues outstanding with IIFL or its group companies.
- The borrower to disclose in the Pamphlets / Brochures / advertisements etc., the name(s) of the lender to which the property is mortgaged and should indicate that No Objection Certificate (NOC) / permission of the mortgagee entity for sale of flats / property will be provided.
- Sec. 281 certificate under Income Tax Act, 1961 stating that all dues w.r.t. the proposed mortgaged properties are clear.

Disbursement Conditions: -

1. Request letter for the loan facility
2. Fully filed Application form with photographs duly affixed and signed &/or stamped wherever required by the Borrower & Co-borrower.
3. Disbursement Request form duly signed by Borrower
4. Clearance of Processing fees cheque / Processing Fee debit Authority letter
5. Latest list of directors & shareholders of the Borrower.
6. CA certified net worth statement of Guarantors.
7. PDCs towards Interest & Principal repayment
8. Signature verification of director / all the authorized signatory/ies, who will sign the loan documents & board resolution on behalf of the Borrowers.
9. Board resolution of Borrowing company/ Co- Borrower companies / Corporate Guarantors for the loan facility, containing following terms: -
 - a. Approving the terms and execution of, and the transactions contemplated by, this Agreement and other Documents;
 - b. Authorizing the affixation of the common seal on loan agreement and other Documents, and/or other authorized executives to execute this Agreement and other Documents; and
 - c. Authorizing a person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with this Agreement and other Documents.
10. A certified true copy of a resolution of the shareholders of the Borrower Company if required under the Companies Act, 2013, authorizing, inter alia, the borrowing contemplated under, and the execution of, this Agreement and other Documents. (In case of Public Limited Company or 100% subsidiary of Public Limited Company) u/s - 180(1)(c) of the Companies Act 2013. For the company standing as guarantor, a resolution u/s 186 of Companies Act 2013 confirming that the said company can stand as a guarantor is required.
11. A letter/ certificate regarding end use of funds and an undertaking stating that funds will not be used / diverted for any speculative purpose, except for the working capital needs of the company.
12. Demand Promissory Note.
13. Letter of Continuity for DP Note.
14. Facility documents as provided by Lender.
15. Self attested copy of latest annual return of Borrower / Co- Borrower /Guarantor Company along with ROC acknowledgement receipt.
16. Self attestation of all the photocopies (incl. KYC documents) by Borrower, Co- Borrower, Guarantor & authorized signatory/ies.
17. Submission of audited financials within 6 months from the end of latest financial year.
18. Notwithstanding anything stated elsewhere in this letter or otherwise, IIFL reserves the right to cancel the Facility in part or full and demand repayment of all monies due there under without assigning any reason whatsoever.
19. The loan and interest shall be paid as stated above. However, IIFL may in its sole discretion alter the rate of interest suitably and prospectively if unforeseen or extraordinary changes in the money market conditions take place.



20. IIFL is entitled to add to, delete or modify all or any of the aforesaid terms and conditions.
21. IIFL reserves the right, in its sole discretion and on such terms as to pre-payment charges, etc., as it may prescribe permit prepayment / acceleration in payment of installments at the request of the Borrower.
22. Further, kindly note that the Lender reserves its right to appropriate the amounts received from you towards payment/repayment of the amounts due under the Loan Documents in the following order of priority
 - a. Firstly, towards costs and expenses, if any, incurred/to be incurred by the Lender;
 - b. Secondly, towards additional interest, default interest, interest and/or other amounts (other than outstanding Loan Amount) payable by you under the Loan Documents; and
 - c. Thirdly, towards the outstanding Loan Amount payable by you under the Loan Documents.

Other Terms & Conditions: -

1. Bureau of Indian Standards has formulated National Building Code (NBC) of India 2005, providing Guidelines for regulating the Building Construction Activities. Borrower has to agree for adherence to the above National Building Code Specifications in the Projects.
2. All documentation charges (including stamp duty), legal and valuation charges shall be borne by the Borrower.
3. If there is any Interest Tax levied by the Government of India or any other Authority under the Interest Tax Act 1974 or under any other Law, the Borrower shall reimburse to the Lender any such Tax imposed or levied by the Government of India or any other Authority on Interest and / or other Payments required to be paid by the Borrower to the Lender.
4. It is the Borrower's responsibility to ensure that the mortgaged properties be duly insured at their own cost & expenses, for all risk & the same to be assigned in favour of the Lender.
5. The title of the properties to be clear, marketable, unencumbered & the same to be satisfactory & acceptable to the Lender. The Search in the ROC & in the Sub-Registrar's Office to be done & the same should be satisfactory.
6. NOC to be obtained from other Financial Institutions and / or Banks from where / whom the Borrower might have taken loans for any other projects in the borrowing company, if such an approval is stipulated in the Agreement / arrangement with them.
7. The Borrower and its group concerns / companies are not in the list of RBI defaulters. The Borrower has to give a Declaration and a Confirmation from their Auditors in this regard.
8. The Borrower shall not raise any loans/funding from any other source for these projects without prior written consent from the Lender
9. The Borrower shall have full authority to monitor, including auditing all transactions through such escrow account in such manner as it may deem necessary.
10. The Borrower shall give the following irrevocable Instructions to the concerned bank(s) with reference to the said escrow account:
 - a. That the bank(s) will be authorised to send to the Lender statements pertaining to the escrow account directly at such frequency as the Lender may require at anytime.
 - b. That the Lender shall have the right to cause the bank to freeze the escrow account at any time without Borrowers confirmation & that on the request of the Lender the bank shall after

freezing the escrow account or otherwise transfer the balance in the escrow account in the account of the Lender, as instructed by India Infoline Finance Limited, without having to obtain any further Instruction from the Borrower in case of event of default.

- c. That the bank will abide by any instruction that the Lender may give to the bank in connection with the escrow account without any reference to the Borrower.

The Borrower shall procure & produce to the Lender a written confirmation of the above from the bank prior to execution of the Loan agreement.

11. The Borrower will also undertake & confirm that in the event the cash flow in the escrow account is not sufficient to service the principal repayment of the Loan, 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 Lender. The support shall be kept valid until full repayment of the entire loan amount with interest & all other dues.
12. An undertaking is to be obtained from the borrower that in the event of default for any particular month or there is any shortfall in payment of installment; they shall pay the due amount of instalments from their own sources.
13. An undertaking to be obtained from the company that none of its director of its group companies is a director or specified near relation of a director of lending company and none of its directors or its group companies is a specified near relation of a senior employee of the company
14. Borrower to give a stamped affidavit cum undertaking from the directors that neither company nor any of its directors' name are appearing in the RBI defaulter list or any other financial institution
15. Company will include the following clause where the borrower is a limited or a private limited company;
"The Borrower hereby undertakes that they should not induct a person who is a director on the Board of a company which has been identified as a willful defaulter and that in case, such person is found to be on the board of the Borrower Company, the borrower would take expeditious and effective steps for removal of the person from its Board"
16. The Lender will have the option to appoint their nominee as a member / observer to the Board of Directors of the Borrowing company.
17. The Borrower & Co-Borrower shall not raise any debt or equity without the prior written consent of the Lender.
18. The Lender will have rights to scrutinize and audit the expenses, which are incurred in the project.
19. The Lender will have exclusivity of 3 months from issue of this term sheet for the transaction during which period the Borrower will not approach any other lender for the same.
20. IIFL shall be entitled to revoke the sanction of the facility, inter-alia in any of the following circumstances: -
 - a) If there is any material change in the purpose/s for which the loan/facility has been sanctioned.
 - b) In the sole judgment of IFSL any material fact has been concealed and/or become subsequently known.

- c) Any statement made by or on behalf of the Borrower's application or otherwise is incorrect, incomplete or misleading.
- d) There is default under or a breach of the terms and conditions of the facility or any other loan/facility offered by IIFL Group to the Borrower(s) and/or Co-Borrower(s) / Guarantor(s).
- e) The legal / technical report on the property or any other verification report on the borrower / co-applicant / guarantor is not to the satisfaction of IIFL in its sole & absolute discretion.
- f) If IIFL in its sole & absolute discretion considers that the Loan should be revoked for whatever reason it may so deem fit and proper.

21. This term sheet shall stand revoked & cancelled & shall be absolutely null & 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 Lender from time to time pertaining to the Property is not furnished in the form prescribed / approved by the Lender; and
- e. For any reasons as the Lender deems fit.

Standard Covenant forming part of Terms and Conditions:

1. IIFL will have the right to examine at all times, the company's books of accounts and to have the company's project sites inspected from time to time by officer(s) of IIFL Group and/or qualified auditors or concurrent auditors and/or technical experts and/or management consultants or other persons of IIFL choice. Cost of such inspections will be borne by the Company
2. During the currency of the IIFL's credit facility, the Company will not, without the prior permission in writing –
 - a. Effect any changes in the Company's capital structure
 - b. Formulate any scheme of amalgamation or re-construction or restructuring of any kind
 - c. Invest by any way of share capital in, or lend or advance funds to, or place deposits with any other concern : (normal trade credit or security deposits in the normal course of business or advance to employees, can, however, be extended
 - d. Undertake guarantee obligations on behalf of any other Company, Company or Person
 - e. Monies brought in by principal share holders/directors/depositors will not be allowed to be withdrawn without permission
 - f. The Company should not make any major change in their management set up without the permission
 - g. Create any further charge, Lien or encumbrance over the assets and properties of the company charged to IIFL in favor of any other banks, financial institution company, Company or Person.
 - h. Sell, assign mortgage or otherwise dispose off any of the fixed assets charged to IIFL
3. The credit facility should be utilized for the specific purpose for which the same has been sanctioned and if IIFL has reason to believe that the Company has violated or apprehends that the Company are about to violate the said condition, IIFL will have the option to exercise its right to

recall the entire loan or any part thereof at once.

4. IIFL reserves the right to modify/add any other terms and conditions as it may deem fit absolutely at its discretion
5. The Borrower should undertake that they should not induct a person who is a director on the Board of a company which has been identified as a willful defaulter and that in case, such person is found to be on the board of the Borrower Company, the borrower would take expeditious and effective steps for removal of the person from its Board. The aforesaid undertaking may be obtained by way of separate letter/ duly executed by borrower on non-judicial stamp paper
6. Guarantor will submit an undertaking: "I / We have stood as guarantor(s) in respect of the Loan in the name of Borrower. I/We undertake that I/We shall remain liable for all the out standings in the above said accounts till the dues are repaid in full along with interest, cost etc. or till IIFL releases me/us in writing from the above said liability".
7. IIFL reserves the right to stop further disbursements without assigning any reason at its sole discretion

Special Covenants

1. Company to furnish undertaking to the effect that none of their directors and promoters are appearing ECGC SAL, RBI caution list, RBI defaulters list & none of its directors including promoter director has defaulted in the payment dues of any bank. A Director with identical name appearing in the defaulter's list should submit an affidavit (to be signed before the executive magistrate) conforming that he is not the same person whose name is appearing in the defaulter's list.
2. The company will pass resolution under Sec.180 (1) (c) of the Companies Act 2013. A confirmation under section 179 (4) of the Companies Act would be obtained to the effect that the powers of the directors in respect of borrowing have not been restricted/ withdrawn in the General Body Meeting. Certified True copies of the Resolution to be submitted
3. IIFL shall have the right to down sell their loans to any other bank / financial institutions operating in India
4. Borrower(s) and/or Guarantor should give their consent for disclosure of credit information to CIBIL/RBI in terms of directions issued by RBI.

If this Terms & conditions are accepted to you, kindly sign the Acceptance Copy thereof in token of your acceptance and return to us immediately. We look forward to your acceptance of this sheet to expedite the conclusion of this transaction and the disbursement hereunder.

Thank You

Yours Faithfully

For IIFL Real Estate Fund (Domestic) Series 2

Authorized Signatory

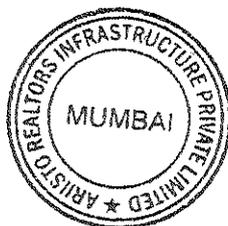
M/s Ariisto Realtors Infrastructure Private Limited

Authorized Signatory

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ARIISTO REALTORS INFRASTRUCTURE PRIVATE LIMITED



Director / Authorised Signatory

