TERM SHEET

Issuance of the Term Sheet shall not give rise to any binding obligation, whatsoever, on Reliance Capital Asset Management Limited (RCAM) including but not limiting to enter into any contract and /or for extending any financial assistance. Terms of such assistance(s) shall be at the absolute discretion of RCAM and also subject to final internal approvals, due diligence by RCAM and execution of the definitive documentation in favor of RCAM.

Clause	Particulars
Issuer	Veracious Builders & Developers Pvt Ltd.
Promoters	Promoters of Issuer i.e. 1. Mr. K. Srinivasulu Reddy; 2. Mrs. Reddy and other shareholders, holding 100% in Issuer and Co-obligors
Co-obligor	1. Landowner (entity and Promoters of that entity) of Vanivilas Project
Investor / Arrangers / Advisors	Reliance Capital Asset Management Limited (RCAM), in its capacity as the Portfolio Manager on behalf of its Portfolio Management Services (PMS) clients. RCAM has right to nominate / assign Reliance Capital Ltd. and/or their affiliates including schemes of Reliance Yield Maximiser AIF for whole or part Investment herein
Project (as per Promoters representation) [Issuer to confirm the details]	Residential Project "Vani Vilas" located on Yelahanka – Doddaballapura Road, Bangalore on land admeasuring 2 acres 38 gunts on joint development basis. All approvals for the Project, including environment clearance, final building plan sanction, and all other applicable NOCs / approvals have been received. The Project is being developed on joint development basis wherein Issuer is entitled to 70% of saleable area. The Project is having total saleable area of 3,69,020 sqft, of which Issuer's share is 2,89,800 sqft. The Issuer has already sold 1,54,490 sqft and Rs. 19.73 cr is receivable from the sold units. Out of landowner's share, 80,520 sqft will also form part of Security. (hereinafter referred to as "Project")
Investment	Up to Rs. ~~58.00~~ 57.00 Cr cr by subscription to Senior, Secured, rated, listed, redeemable non convertible, debenture(s) (NCDs) in dematerialized form
Returns	**Interest & Redemption premium** **Regular Interest:** For first 18 months: 16.00% p.a. compounded monthly, payable quarterly; Thereafter: 18.00% p.a. compounded monthly, payable quarterly Additionally, NCD shall be redeemed along with Redemption Premium / Additional Interest, in such a manner, that overall IRR on NCD shall be equivalent to coupon of ~~19.25%~~ 19.00% compounded on monthly basis. Redemption Premium / Additional Interest shall be payable along with Principal payments for the last 3 quarterly installments. Cumulative amount of first Interest shall be payable on 31st March, 2016. Interest falling due from the beginning of 1st April, 2016, shall be paid on quarterly basis, beginning from 30th June, 2016. If there is sufficient cash flows from the Project, then the interest due can be paid with prior intimation from the Debenture Holder on the last business day of the month even before completion of the respective quarter during the tenure of the facility, without any prepayment charges. Note: During moratorium period, Interest shall accrue on monthly rest, however, payment

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	thereof shall be made at the end of moratorium period. However, during Interest moratorium period the Issuer shall be obligated - to provide for TDS, make payment of TDS to the credit of beneficial Interest holders under the Investor and make payment to Investor for payment of tax on accrued Income but not paid at maximum marginal rate of tax (Currently 33.99%) incase financial year ending falls during moratorium period
Maximum Tenure of Investment	39 months from the First closing date and not later than 31st March, 2019
Repayment of Investment Amount	Principal Repayment will be done in 6 equal quarterly installments from 24th to 39th month from the date of first disbursement. Principal Repayment is subject to Mandatory Prepayment as explained below. If there are sufficient cash flows from the Project, then Additional Interest / Principal can be paid with prior written approval from the Debenture Holder on the last business day of the month even before completion of the respective quarter during the tenure of the facility, without any pre-payment charge. Principal Repayment is subject to Mandatory Prepayment as explained below.
Purpose of Investments	Up to Rs ~~55.00~~ 57.00cr cr, by way of Non Convertible Debentures, to be disbursed in tranches linked to Milestone, as follows: - Rs. 40.00 cr. – For repayment to L & T Housing Finance Limited; - Rs. ~~7.00~~ 8.00Cr cr. – For meeting Project related expenses, to be disbursed in tranches and directly to the vendors, linked to milestone; - Rs. ~~5.00~~ 6.00Cr cr – For General Corporate Purposes. - Rs 3.00 cr. – For meeting contingency, which shall remain undisbursed and shall be disbursed at the sole discretion of the Investor Investment amount shall be utilized for General Corporate Purpose as below: (i) reimbursement of cost incurred by the Promoters for acquiring land by the Issuer or (ii) development of other Project of the Issuer and/or (iii) any other activity authorized by the Memorandum of Association of the Company and Articles of Association of the Company However, the issuer shall not utilize invested amount for investments in capital markets. [Mechanism to be detailed in Definitive Agreements]
Security	The Debentures to be issued the Issuer shall be secured by following Security: • First Charge by way of Registered mortgage (without possession of land/superstructure, with possession of original title agreements and in case of default, the Investor can take possession without intervention of the court) on development rights, Issuer's share of unsold units along with proportionate undivided share in land, 80,520 sqft of landowner's share of units along with proportionate undivided share in land and Issuer's share of receivables of sold units from the Project • Personal Guarantee from the Promoters • Corporate Guarantee / Guarantee from the Issuer and Co-obligors • 26% pledge of shares of the Issuer (shares to be in demat form) • PDCs as per Repayment schedule and one undated cheque, each from the Issuer and Co-obligors. DPNs from the Issuer and Co-obligors

	• Special Power of Attorney pursuant to mortgage • Additional Security, to the satisfaction of the Investor, to be discussed and agreed upon Such other security as may be required by the Investor, to meet shortfall in Loan-to-value ratio and / or as an alternate security in case of impairment of any of the security already provided. Cost of creating the security shall be borne by the Issuer / Co-obligors. Loan-to-value ratio of 2.25, to be maintained at any time during the tenure of the facility, which can be reduced to 2 at the sole discretion of the Investor. Security to be released only at the time of full exit of the Investor.
Mandatory Prepayment	• All cash inflow in the form of sales proceeds/ / any other cash flow etc directly / indirectly from the Project charged to the Investor as mentioned under 'Security" would be routed through the Escrow Account and would be utilized to service the Investment on the Coupon and/or Principal Payment date. **Working of Escrow Mechanism for Project:-** **From the First Closing date** • 100% of all the cash flow would be retained in the Escrow Account and will be used to service interest and part prepay the Investment / pay Additional Interest at the second last working day of the month. Escrow mechanism shall be further detailed in Definitive Agreements. • Any such mandatory prepayment would be adjusted towards the immediate next principal installment's falling due. No prepayment penalty would be levied in case of such mandatory prepayment. • Issuer can make Prepayments, over and above Mandatory Prepayment and schedule payments, from Project cash flows without any Prepayment penalty. • Additional Interest over and above the Regular Interest shall reduce the Redemption Premium accordingly.
Voluntary Prepayment	• Prepayment shall be permitted in whole or in part, from any sources of funds, with prior written notice of 30 days, as follows: • Up to 21 months from the First closing date, provided Investor's Absolute Returns for 21 months is protected and with Penal Interest of 1% by way of Additional Interest / Redemption Premium, on the Principal being repaid. • Any time after 21 months from the First Closing date, without any Prepayment charges. • Any amount prepaid shall be deemed cancelled and become unavailable for redrawing.
Cash Cover	1 quarter's coupon payments from 1st March, 2016 and 1 quarter's principal installment payable, if due, during the next quarter, from the end of 21st month, in the form of bank FDR / Liquid fund, which will be lien-marked to the Debenture Trustee. Cash Cover for Principal payment to be maintained only in case where Principal Payment is falling due within next 1 quarter.

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Conditions Precedents (Indicative and would be fully defined in the Transaction documents)	Following Condition Precedents are indicative, not exhaustive and would be set-out more fully during the Due Diligence process. The Condition Precedents should be complied to the satisfaction of the Investor. • All the Approvals including environment approval, final building plan sanction, and all other applicable approvals / NOCs, as may be applicable from appropriate authorities, should been received and valid for the Project; • NOC from the Existing lender (L&T HF Limited), in the format acceptable to the Investor. • NOC from the landowner of the Project, in the format acceptable to the Investor and amendment / addendum to JDA, if required, to the satisfaction of the Investor. • Other Conditions Precedent related to the Project, to be specified based on Due Diligence for the Project; • Title DD including but not limited to title search report, public notice, ROC search report, Sub-registrar searches, litigations etc on properties being provided as security, absence of any litigation for the Project. • Legal, Technical and Financial DD to the satisfaction of the Investor. • Approval from the Shareholders and Board of Directors of the Issuer and Co-obligors, for the proposed issuance of the Debentures and other matters related thereto. • Independent Architect report on approvals received, FSI calculations and Valuation reports from Independent Valuer. Vetting of any Development Agreements, Shareholders' agreements, DSA/SHA of Issuer / Co-obligors, Vetting of the existing loan documents, if any, MoA / AoA / Deeds of Issuer / Co-obligors. • Financial DD including vetting of sales done till date and consideration against same • Net Worth certificate of the Promoters duly certified by CA, for period ended September 30, 2015 • Obtaining of a legal opinion from Transaction counsel appointed by the Investor on the validity and enforceability of the Definitive Agreements and corporate authority of the Issuer / Co-obligors and other relevant parties to execute the Definitive Agreements, in form satisfactory to Investors • Auditor's/ practicing Chartered Accountant's certificate certifying that there are no income tax, wealth tax, sales tax, service tax or other taxation proceedings whether for recovery or otherwise initiated or pending against the Company and/or the Co-Obligor and/or the Promoters, by any taxation authorities or local authorities • Auditor certificate certifying that there are no proceedings pending against the Company, Co-Obligor and/or the Promoters, under or in respect of the Income Tax Act, 1961 and no notice under rule 2 of second Schedule of the Income Tax Act, 1961, neither has been served nor expected to be served. • Auditor certificate certifying that the Project has been classified as stock in trade and hence provision of Section 281 of the Income Tax Act is not applicable. • Satisfaction of all KYC requirements as may be required by the Investor • Issuer shall obtain Rating Report from Rating Agency to the satisfaction of Investor. Cost related to rating has to be borne by the Issuer / Co-obligors • Valuation certificate for the Project by the valuer appointed by the Investor. • Appointment of Auditor and PMC / Lender Engineer to the satisfaction of the Investor. PMC shall be responsible for vetting the Budgeting Project cost one-time and thereafter monitoring the schedule & cost on a monthly basis. The cost for such agencies shall be borne by the Company

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	• A detailed Project Report and Business Plan is prepared to the satisfaction of the Investor • Creation of all Security backed by suitable legal opinion on the transaction per se and soundness of the Security structure • Investor shall appoint appropriate parties (finance firm, architect, legal counsel), for due diligence process which are acceptable to it and all costs for this purpose shall be borne by the Issuer / Co-obligors • Such other condition as may be required considering the security and nature of transaction.
Conditions Subsequent **(Indicative and to be detailed in Definitive Agreements)**	Following Condition Subsequent are indicative, not exhaustive and would be set-out more fully during the Due Diligence process. The Condition subsequent should be complied to the satisfaction of the Investor. • Perfection of the charge in favor of Security Trustee and filing of forms within 14 days of First Closing date. • CA Certificate for utilization of the investment amount • Issuer / Co-obligors to sell units as per agreed Sales schedule with the Investor (Note: Quarterly sales milestones to be agreed and incorporated in agreements. Issuer / Co-obligors to provide Sales schedule and Reliance to confirm.) • The construction activity should adhere to the milestone for the respective Project as fully detailed in the Definitive Agreement • Selling price to be at least Rs. 5,000/- per sqft, for the unsold units (of Issuer and units of landowner forming part of Security). • If sold at a lower price, the Issuer and / or Co-obligors shall deposit the shortfall by way of unsecured subordinated loan in the Escrow Account • NOC to be obtained for Sale of all units (Issuer and Co-obligor's share) of the Project. • Sales value for the Units sold shall be collected as per the Payment Milestone • Total Project cost (excluding land and finance cost), including Construction, Development, Admin, Selling, Marketing, Overheads, HR, Brokerage, PMC, and other costs to be incurred henceforth for completion of the Project shall be Rs. 6 cr. Any cost overrun above these amounts shall be borne by the Promoters from sources of funds other than Project cash flows. • In case of any deficit in cash flows from the project for meeting working capital requirement / construction costs for the Project and / or make repayment hereof to the Investor, the same shall be funded by Promoters from their own sources. • The Developer shall complete the Project by 31st March, 2016 and Occupation Certificate shall be received by 30th June, 2016; • Amendment of AOA of Issuer & co-obligors to be filed as per satisfaction of Investor within 14 days of First Closing Date. • Auditors certificate for Project costs and Means of Finance of the Project, to be provided on a quarterly basis. • Such other conditions as may be required considering the security and nature of transaction.
Key Covenants **(Indicative and to be detailed in Definitive**	• All obligations of the Promoters, Issuer, Co-obligors and Guarantors hereof, would be on joint & several basis • Promoters not to dilute its stake in the Issuer and Co-obligors till Investment is repaid in full

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Agreements)	• To provide progress reports containing details of progress in construction, on a monthly basis • Right to appoint nominee director(s) with affirmative rights on key matters of the Project and Issuer & Co-obligor in case of Event of Default, Material Adverse Effect and/or Potential Event of default. • To provide on line view access of the escrow account and to provide copy of escrow account for the Project, within 7 days of end of every month • Issuer will provide TDS certificates for TDS done on a quarterly basis, within 30 days of end of each quarter • Issuer / Co-obligors to provide monthly data on the sales status of the Project with details of area sold, buyer, price at which transaction has been undertaken, etc., amounts collected, • Right to assign/ transfer/ sell down the Investment without any approval from or intimation requirement to the Issuer / Co-obligors • Non-compete clause to be discussed and elaborated in the Definitive Agreement • No further debt to be taken by Issuer / Co-obligor on the Project without the consent of Investor. • In case of any proceedings against Issuer and / or Co-obligors by any government agency or government ministry or court, and such proceedings culminating in a decision against the Issuer and / or Co-obligors, which in the sole opinion of the Investor is of a serious nature and detrimental to its interest, Investor will have the right to seek mandatory prepayment of the Investment in whole. • Issuer shall be liable to carry out the valuation on half yearly basis by an independent valuer, to the satisfaction of Investor. • Issuer shall be liable to disclose various risks relating to leverage, realization, reputation, strategic risk, extra-financial risk, including environmental, social, corporate governance risk to the Investor. • If there is any interest tax levied by the Government of India or any other authority under the Interest Act, 1974 or any other law, Issuer shall pay such tax on behalf of the Investor • Sale of NCDs to the Promoters - At any time when the Debenture Outstandings remain due, (i) after completion of 30 months from the First Closing Date, or (ii) in case of Event of Default or Material Adverse Effect or potential Event of Default or if affairs of the Company are being carried out in a manner, prejudicial to the interest of the Debenture Holders, to be determined at the sole discretion of the Debenture Trustee the Debenture Holders shall have a right to sell to the Promoters or any of them ("Put Option"), the outstanding NCDs or any part thereof ("Put Option NCDs") and Promoters shall purchase or shall cause the purchase of the Put Option NCDs by their nominee or affiliate, at a price which provides the Debenture Holders with the returns as per the terms of the Transaction Documents within a period of 7 (seven) days from the date of the Put Notice. • Take prior approval of Investors for following:: - Merge, de-merge with or into or acquire any other entity ; - Transfer full or part of the rights of the Issuer and / or Co-obligors accruing from the Project to any other entity - For raising any further debt beyond a threshold level (to be provided in the Definitive Agreement) / equity

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	- Liquidate or dissolve any petition for voluntary winding–up, reorganization proceeding under section 391 to 394 of the Act - Amend its Memorandum and Articles of Association in any manner which will adversely affect the Project and/or the interest of the Investor
Automatic Trigger Event Interest	Without prejudice to any other rights and remedies available to Investors pursuant to the terms of Transaction Documents, if any of the Automatic Trigger Event (defined below) occurs (irrespective of whether the Investor has or has not called any Event of Default) the Issuer shall be liable to pay Automatic Trigger Event interest compounded and payable on monthly basis, which will be 2% per month higher than applicable Interest Rate on the entire outstanding amounts under the Investment whether the same has become due or not (the "Automatic Trigger Event Interest"). Automatic Trigger Event Interest shall be payable from the date of occurrence of the Automatic Trigger Events and/or from date of occurrence of any Event of Default and will be applicable till the date the Automatic Trigger Event or Event of Default is cured to the satisfaction of the Investor (the "Automatic Trigger Event Interest Period"). "Automatic Trigger Event" shall include the following :- • failure to pay amount when due • failure to complete the Project and obtain OC within stipulated timelines • failure to meet the sales schedule • failure to create security within stipulated timelines • borrowing beyond limits permitted under transaction documents • any deviation in operation of the Escrow Account • If required Cash Cover is not reinstated / replenished in time • failure to pay TDS on interest on a quarterly basis and file TDS return within time limits under Income Act or rules there under (Above Automatic Trigger Event is indicative and would be detailed in Definitive Agreements) "Event of Default" is as defined in this "Indicative Term sheet". The Issuer shall irrevocably agree and confirm that the Investor shall not be required to give any notice or intimation before charging any Automatic Trigger Event Interest on occurrence of the Automatic Trigger Events, irrespective of whether the Investor has or has not called any Event of Default.
Event of Default (Indicative and would be fully defined in the Transaction documents)	Breach of covenants by Issuer and/or Co-obligors and/or Promoters and other such conditions customary for Investment of this nature, including: - • Automatic Trigger Events • Defect in Security /Title of the Project • Dispute with the landowner • Non-payment of principal or interest on pre-agreed dates • Non-maintenance of Security Cover • Sales schedule is not met • Default on any secured obligation by Issuer / Co-obligors or Promoter Group company • Cross-default on any other group loan will be treated as an EOD. • Draw down of Cash cover and failure to reinstate the same within 5 days thereof

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	• Any instance of Issuer's and / or Co-obligors' share of cash flows from Project not being routed through the Escrow Account • Insolvency, liquidation, suspension of payment of debts, winding up, illegality, cessation of business by the Issuer/Guarantors/ Co-obligors; • Bankruptcy, CDR proceedings filed with respect to the Issuer /Guarantors/ Co-obligors • Breach of representation, warranty or covenant under the Documentation; • Cross Default (Means in respect of loan availed by the Issuer or Co-obligors or any of its Group Company from Investor/s or its Group Company) • Illegality, cessation of business of the Issuer / Co-obligors • Any risk/threat to Security or any dilution in security • Breach of any of the terms of the Transaction Documents by the Issuer or Co-obligors or Guarantors • Change in control of the Issuer / Co-obligors without prior approval • Any instance of Project cash flows not being routed through the Escrow Account • Any such event elaborated in the documents as regards compliance submissions etc. • Any related-party transactions affecting the rights of the Investor adversely; or • Issuer / Co-obligors not maintaining Business Plan as covenanted
Consequences of Event of Default (Indicative and would be fully defined in the Transaction documents)	The consequences of Event of Default will include but not be limited to the following: • Enforcement of Security and any other recourse under law against Issuer, Co-obligors and Promoters. • Investors will have the right to replace and/or appoint majority directors on board of Issuer with affirmative rights on all matters of the Issuer and the management rights of the Promoters to cease in the Issuer and investor to step in the place of the Promoters and other shareholders of the Issuer. • Investors will have the right to replace and/or appoint one director on board of Co-Obligor with affirmative rights on all matters of the Co-obligor. • Right to replace all shareholder of the Issuer and of Co-obligors • Right to sell without any restrictions and/or right to purchase at highly discounted price under Purchase Option Agreement (Such price to be discussed and agreed at the time of documentation) • Right to appoint Selling & Marketing agent at the Cost of the Issuer / Co-obligors • Right to replace Statutory Auditor of the Issuer / Co-obligors • 100% of inflows into Escrow Account to come to Investors. • Promoters would not withdraw funds from the Issuer / Co-obligors, by buyback of shares, dividend payment or in any other manner till the repayment of Investor.
Documentation	• Debenture Subscription Agreement with the Issuer. • Security Documents including Debenture Trust Deed. • Unconditional and irrevocable personal guarantee of Promoters, Corporate Guarantee of Issuer and Co-obligor. • Post dated cheques as per the Repayment Schedule and one undated cheque, Demand Promissory Notes. • Such other documents as may be specified by the Investor.
Representations	Standard representations & warranties for financings of this nature include the following:

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and Warranties **(Indicative and would be fully defined in the Transaction documents)**	• Completeness and accuracy of financial statements and all other information furnished; • Full disclosure and no misleading information; • All required approvals related to the Project have been or will be obtained by the Borrower • No defaults under other agreements by any of the parties related to the transaction; • No events of default in subsistence by any of the parties related to the transaction; • No material violation of law or material agreements by any of the parties related to the transaction; • Compliance with laws and regulations and there is no conflict with any other obligations, except as disclosed by the borrower; • Compliance with taxation laws in all material respects, except as disclosed by the borrower
Indemnification	Promoters to Indemnify and keep the Investor indemnified against any liability, loss, expense whatsoever, at any stage during the transaction
Default Interest	In case of any default, default interest shall be levied on entire Outstanding Facility Amount due to the Investors under the Facility at a rate of 2% per month, compounded and payable on monthly basis, over and above the agreed return on the entire outstanding amount whether due or not. This default interest will be levied from the date of default to the date of cure of any such default.
Transaction Expenses	Relevant taxes, duties, levies, Due diligence, rating costs are to be borne by the Issuer / Co-obligors. Title, limited Legal, Technical, Financial Due diligence, rating, listing and Investment documentation cost would be borne by the Issuer / Promoters
Validity & Exclusivity	Till January 31, 2016
Governing Law	To be governed by laws of India and courts of Bangalore and Mumbai to have non-exclusive jurisdiction, at the discretion of Investors.