

Term Sheet

Sr. No.	Clause	Particulars
1.	Investor	<ul style="list-style-type: none"> India Realty Excellence Fund II LLP and/or India Realty Excellence Fund III and/or its affiliates and/or its Investors
2.	Company / Issuer / Developer	<ul style="list-style-type: none"> Spenta Enclave Private Limited
3.	Corporate Promoter	<ul style="list-style-type: none"> Spenta Group and Sabari Group ("Corporate Promoter")
4.	Individual Promoters	<ul style="list-style-type: none"> Mr. Aspan L Cooper Mr. Hiren Bharani Mr. Surindersingh Sharma Mr. Rajiv Shah <p>Issuer / Company, Corporate Promoter and Individual Promoter are together referred to as "Obligors".</p>
5.	Project	<ul style="list-style-type: none"> Obligors are undertaking a SRA project in Chembur, Mumbai Total project land is spread across more than 7.5 acres and is located in Lal Dongar, off V N Purav Marg in Chembur All approvals have been received for the project including LOI, MOEF, etc Total saleable area of the project is about 1.07 mn sq. ft. spread across 9 towers (929 units) Apartment mix comprises of 1, 2 and 3 BHks with saleable area ranging from ---sq. ft – sq ft 4,85,576 sq. ft. has been sold till date for a total consideration (excluding pass through charges) of Rs. 675.22 Crs out of which Rs. 215 Crs has been collected Cost Breakup and Amount spent till date – Total costs budgeted for the project is ~ Rs. 864 Crs (excluding future interest costs, finance costs, etc) of which Rs. 300 Crs has been spent till date
6.	Current Status	<ul style="list-style-type: none"> All required approvals have been received for the project

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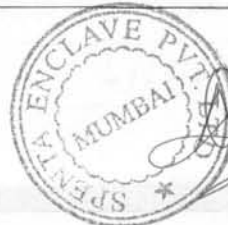
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		<ul style="list-style-type: none"> Consent received from 100% slum dwellers and LOI received for the entire development. All slums have been vacated from Phase I consisting of 4 towers Rehab building 1 is in advanced stages and 18 out of 23 floors have been completed Plinth of sale building (4 towers) is in progress Slum inhabitants on Phase II land shall be shifted in rehab building 1 which shall clear the land for Phase II as well. Any payment received from sale of units forming part of the Project or commercial area till closure of transaction shall be utilized only against the pending cost of construction and shall not be taken out of the Project Total secured Outstanding debt on the Project is ~ Rs. 275 Crs from JM Financials ("CF Lender")
7.	Facility Amount and its Utilization	<ul style="list-style-type: none"> Investor shall commit a facility amount of Rs. 82 Crs ("Facility Amount") which shall be utilized for funding the approval costs / construction expenses of the Project The disbursement of the entire Facility Amount shall be disbursed in 2 tranches of Rs. 40 Crs and Rs. 35 Crs and shall be within 9 months from the date of 1st tranche Rs. 7 Crs shall be utilized to repay interest payable to Investor on the interest which is due on 31st December 2017, March 31st 2018 and June 30th 2018
8.	Instrument	<ul style="list-style-type: none"> Optionally Convertible Debentures (OCD) or any other instrument at the discretion of the Investor
9.	Security	<p>Amount invested by Investor shall be secured by the following:</p> <ul style="list-style-type: none"> Second charge on the Development Rights of the Project Second charge on the saleable area of the Project Second charge on receivable and future cash flows of the Project Guarantees of Individual Promoters Pledge of Shares of the Issuer PDCs and Demand Promissory Note



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		<ul style="list-style-type: none"> After repayment to CF Lender, Investor shall have 1st charge on all the above mentioned securities
10.	Deal Tenor & Interest Cost	<ul style="list-style-type: none"> Debenture tenor to be till June 30, 2022 Advance Interest of 2% on the Facility Amount which shall be payable 50% on date of disbursement of 1st tranche and balance 50% at the end of 1 year from the date of disbursement The interest cost to be accrued by the Issuer shall be 18.5% per annum payable quarterly on the outstanding Facility Amount Prepayment is permitted from the cash flows received from the Project without any prepayment penalty.
11.	Interest Rate	<ul style="list-style-type: none"> Interest (Excluding Advance Interest) to be payable in the following manner <ul style="list-style-type: none"> from the Closing Date of relevant tranche of the Debentures till June 30, 2018: 10% per annum; From July 01, 2018 till June 30, 2019: 18.00% per annum; From July 01, 2019 till June 30 2020: 11.00% per annum; From July 01, 2020 till the Settlement Date: 14.00% per annum. <p>Such interest shall be payable quarterly</p>
12.	Redemption Premium	<ul style="list-style-type: none"> Redemption Premium shall be calculated as follows: <ul style="list-style-type: none"> A = Accrual of interest at 18.50% per annum compounded quarterly on outstanding capital starting from disbursement. B = Actual Regular interest paid Redemption Premium = A – B Such Redemption Premium shall be payable in the same manner as principal shall be repaid as per clause 14



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13.	Principal Repayment	<ul style="list-style-type: none">Principal shall be repaid in the following manner: <table><tr><td>June 30 2021</td><td>20%</td></tr><tr><td>September 30 2021</td><td>20%</td></tr><tr><td>December 31 2021</td><td>20%</td></tr><tr><td>March 31 2022</td><td>20%</td></tr><tr><td>June 30 2022</td><td>20%</td></tr></table>	June 30 2021	20%	September 30 2021	20%	December 31 2021	20%	March 31 2022	20%	June 30 2022	20%
June 30 2021	20%											
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14.	Cash Flow Distribution (Project)	<ul style="list-style-type: none">Following percentages shall be payable to the Investor from the revenue collected <table><tr><th>Period from Closing Date of first tranche</th><th>Percentage of Project Sales Receipt</th></tr><tr><td>Till June 30, 2018</td><td>0%</td></tr><tr><td>1st July 2018 to March 31, 2019</td><td>6.50%</td></tr><tr><td>1st April, 2019 to June 30, 2020</td><td>6.50%</td></tr><tr><td>1st July 2020 to March 31, 2021</td><td>15.00%</td></tr></table> <ul style="list-style-type: none">However, if CF Lender is repaid prior to 45 months, Investor shall have a 50% sweep of the revenue collected and above mentioned table shall not be applicable in that caseAll such payments shall be adjusted against the following as per the order given below:<ul style="list-style-type: none">Penal InterestRegular InterestRedemption PremiumPrincipal OutstandingSuch distribution shall be made to the Investor only at the end of the calendar month subject to distribution being made is minimum Rs 2 Crs.	Period from Closing Date of first tranche	Percentage of Project Sales Receipt	Till June 30, 2018	0%	1 st July 2018 to March 31, 2019	6.50%	1 st April, 2019 to June 30, 2020	6.50%	1 st July 2020 to March 31, 2021	15.00%
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15.	Facility Agreements	<ul style="list-style-type: none"> The Facility will be made available under a "Facility Agreement" which will include inter-alia, provisions, which are in form and substance satisfactory to the CF Lender and also in accordance with the terms hereof. All costs for preparing such Facility Agreement shall be borne by the Obligors
16.	Escrow Mechanism	<ul style="list-style-type: none"> To be finalized after discussion with CF Lender
17.	Business Plan	<ul style="list-style-type: none"> Prior to the Investment, the Developer shall provide Business Plan for the Project on a quarterly basis. The Business Plan shall be approved by the Board of the Issuer. The Business Plan shall be reviewed on a quarterly basis. Any change in the Business Plan shall be with the consent of the Investors
18.	Penal Interest	2% per month on the outstanding Facility Amount for the period of default
19.	Governance Rights of the Investor	<p>The Investor shall have the following rights:</p> <ul style="list-style-type: none"> Audit of Project Escrow Account and Project Expense Account, if required The Issuer / Promoter shall provide a monthly MIS covering details on sales, construction status, Project cash-flows etc. The format of the MIS shall be provided by the Investor to the Issuer Appointment of external consultants such as internal auditor and Project Management Consultant(s) for monitoring of the Project. Cost of these consultants shall be borne by the Issuer / Company The Issuer shall provide minutes of all the Board meetings and Shareholder meetings of the Issuer to the Investor till the time Investor is completely exited out of the Project Each of the Debentures shall be freely transferable and shall carry all the rights Review Meetings: The Investor representatives shall hold a review meeting with the Issuer / promoter to access the progress of the Project. Such review meetings should be held at least once in a month Floor Price: Developer undertakes that it shall not sell any units in Project at a price lower than price of Rs 13,500 per sq. ft (All inclusive). This price is based on standard payment terms.



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		<p>Developer may sell at a lower price at favourable payment terms subject to consent of Investor</p> <ul style="list-style-type: none"> ▪ In case of any sales scheme, prior written approval from the Investor is required ▪ Issuer shall not advance any loans/advances to group companies / promoters during the currency of the Facility
20.	Covenants of Issuer / Promoter	<ul style="list-style-type: none"> ▪ Insurance Cover: Should maintain the adequate insurance cover on the Project ▪ Further Borrowing: The Issuer shall not raise any additional borrowings in the Project without the approval of the Investor ▪ Memorandum and Article of Association of the Issuer to be change to incorporate the provisions of the agreement between the Investor and Issuer ▪ NOC for sale of Units: Developer shall obtain NOC from the Investor for release of mortgage on the unsold units in the Project ▪ Issuer will keep the Investor informed about any notices, orders etc or any such events that would materially affect the operations or financial health of the Issuer, within ten working days of receipt/knowledge of the same ▪ Issuer will facilitate the Investor for any further compliance required under any regulations governing the Investor ▪ Shortfall Fund Infusion without any cost. ▪ The Facility Agreements that will be entered into shall contain other such Covenants to be given by Promoters and Issuer that reflect the Investor's findings in the due diligence and that are usual and customary to transactions of this nature
21.	Negative Covenants	<p>Issuer / promoter undertakes not to, without prior written consent from the Investor:</p> <ul style="list-style-type: none"> ▪ Change composition of the board of directors of the issuer ▪ Change the shareholding of the Issuer ▪ Close the Escrow Accounts or change signatories to such escrow accounts ▪ The Facility Agreements that will be entered into shall contain other such Negative Covenants to be given by Promoters and

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Motilal Oswal Real Estate Investment Advisors II Pvt. Ltd.

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		Issuer that reflect the Investor's findings in the due diligence and that are usual and customary to transactions of this nature
22.	Representation and Warranties	<ul style="list-style-type: none"> All the terms herein are based on the Promoters' representation of total saleable area for the Project. Any change in the same result in consequential changes in the terms proposed herein including review of the Facility. The Facility Agreements that will be entered into shall contain such representations & warranties to be given by Promoters and Issuer that reflect the Investor's findings in the due diligence and that are usual and customary to transactions of this nature.
23.	Event of Default and remedies	<ul style="list-style-type: none"> Any breach of the covenants, representations / warranties on part of the Obligors Failure of the Issuer to repay the Advance Interest, regular interest, Principal repayments as per the timelines mentioned in this term sheet Failure to create of any encumbrance on the Project in favour of Investor If sales receipt from Project are not deposited in Project Escrow Account Any decrease in the total saleable area of the Project as represented to the Investor in this term sheet If the entire Project is not completed within 60 months from the date of disbursement Amount transferred to Project Expense account is utilized for any purpose other than development of the Project If the Promoters are not able to bring in additional equity in case net project cash flows fall by 15% or more of the budgeted net project cash flows for the Project mentioned in the Business Plan within 1 month or delay of more than 6 months in the timeline as agreed in the business plan Change/Replacement of the Promoters or composition of the board or shareholders of the Issuer If there is any default by the Issuer or the Promoters under any other facility/loan availed by them
		Settlement and Removal of balance slums on the Project Land



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		<p>within 15 months from the date of disbursement</p> <ul style="list-style-type: none"> ▪ Commencement of construction of second rehab tower in Phase II in 18 months from the date of disbursement ▪ Commencement of construction of first and second free sale tower in Phase II in 18 months from the date of disbursement ▪ Completion of construction of the ongoing four sale tower within 36 months from the date of disbursement ▪ Occupation Certificate of rehab tower in Phase I within 15 months from the date of disbursement ▪ Other EODs shall be incorporated in the Facility Agreements which are customary in nature <p>The Issuer shall have cure period of 15 days from date of occurring of financial default and cure period of 30 days from date of occurring of non-financial default to cure the default.</p>
24.	Consequences of EOD	<p>If the EOD is not cured within the cure period, the Investor shall, at its sole discretion, be entitled to -</p> <ul style="list-style-type: none"> ▪ call upon the Promoters / Issuer to prepay the Facility (in whole or part) and the Promoters / Issuer shall forthwith upon demand from the Investor make payment of all such amounts to the Investor, such a payment shall be utilized towards the dues and outstanding facility without any prepayment charges; and/or ▪ enforce any or all the securities available to it under this term sheet, and other Facility Agreements and/or ▪ put forth other alternative as it may deem fit <p>In case of EOD, Fund will have a Put option to sell its investment to the Promoters / Issuer @ 24% IRR 1.5x multiple on Facility Amount, whichever is higher. This IRR shall exclude any penal interest, if any paid during the tenure of the Investment.</p>
25.	Conditions Precedents and Conditions Subsequent	<ul style="list-style-type: none"> ▪ The Facility Agreements that will be entered into shall contain such conditions precedent and conditions subsequent that reflect the Investor's findings in the due diligence and that are usual and customary to transactions of this nature.
26.	End use	<ul style="list-style-type: none"> ▪ The Issuer shall provide an "End-use Certificate" from the

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	certificate	Chartered Accountant within a period of 60 days from the date of every draw down or before the date of subsequent draw down whichever is earlier. The End-use Certificate shall certify that the funds drawn down have been used for the Purpose specified in facility Agreement.
27.	Assignability	Investor shall have the right to assign, transfer, sell, pledge or hypothecate the Facility, receivables, the security, rights, benefits and any other interest created in its favour under any of the Facility Agreements or hereunder, with intimation to the Issuer, to any third party (including other bank/lender and/or financial institution). It is clarified that the Investor shall not sell, assign, transfer, pledge its rights, benefits and interest under any of the Facility Agreements to a real estate developer/company except in case of EODs
28.	Exclusivity	Unless otherwise agreed by the parties, the Issuer/Promoters undertake that they will not to seek or be involved in discussions with respect to funding for the Project from other individuals/institutions/companies till expiry of 90 days of signing of this term sheet.
29.	Taxes & others	<ul style="list-style-type: none"> Each party shall bear its own taxes. In case of TDS or any other withholding, the Issuer is obliged to deposit such monies in the treasury, and issue the relevant TDS Certificates as per the IT Act without any delay whatsoever. In case of the Investor requesting the Issuer any exemption from TDS deductions with supporting proof, the Issuer agrees to oblige for the same. Any TDS paid by Company on behalf of the Investor shall be deemed to be part of Interest payment made to the Investor for the purpose of this Term Sheet
30.	Governing Law	Any dispute between the parties shall be referred to arbitration to be conducted under the Indian Arbitration Act, 1996. The governing law shall be laws of India and courts in Mumbai shall have exclusive jurisdiction over all the disputes.
31.	Transaction Expenses	<ul style="list-style-type: none"> Investor shall carryout the Technical, Financial and Legal Due-diligence for the Project Investor shall also undertake the valuation of the Project Land





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		<ul style="list-style-type: none"> All the expenses with respect such due-diligence and valuation exercise shall be borne by the Issuer / Promoter Further, an Out of Pocket expenses of Rs 15 lacs shall be paid by the Issuer to Fund
32.	Availability Period	Disbursement under the Facility will be available for a period of 1 months from the date of signing of the definitive Agreements

Disclaimer: This is only an indicative list of terms with respect to investment, and is subject to further review, technical and legal due-diligence to be carried out by the Investor. The terms provided above are based on certain representations made by the Developer to the Investor and subject to change.

We Accept,

Spenta Enclaves Private Limited	
Motilal Oswal Real Estate Investment Advisors II Private Limited	

Date: 31st August 2017