

Term Sheet

This non-binding term sheet ("Term Sheet") is for discussion purposes only and does not constitute a proposal to subscribe to the Debentures (as defined below). The subscription of the Debentures is subject to due diligence, internal approvals (including credit committee, legal and compliance approvals) and satisfactory documentation. Save as set out in the clauses with respect to validity, exclusivity, confidentiality, costs and governing law, there is no binding obligation on the part of any negotiating party until definitive documents are signed by all parties. This Term Sheet summarizes the indicative principal terms and conditions. This Term Sheet is not meant to be, nor shall it be construed as, an attempt to define all of the terms and conditions of the Debentures/ described transaction. Rather, it is intended to outline certain basic points of business understanding upon which the transactions contemplated herein would proceed. Neither Piramal Enterprises Limited ("PEL") nor any of its affiliates/co-investors and/or their directors, officers, employees ("PEL Group") owe any fiduciary or other duties to the Obligors (as defined below) or any other person and the PEL Group may be involved in other transactions and services with persons who may have conflicting interests with the Obligors or any other person.

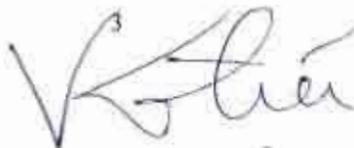
A. BACKGROUND	
Issuer or Company	Smaaash Entertainment Private Limited ("SEPL")
Promoters	Aha Holdings Private Limited, Mr. Shripal Morakhia
Equity Investors	F W Metis Limited, Sachin Tendulkar, Samir Patil, BCCL, Mitesh Gowani
Obligors	Issuer, Promoters, present and future subsidiaries
B. INVESTMENT TERMS	
Debenture Holder	Piramal Enterprises Limited and/or its affiliates, nominees shall subscribe to the Debentures (as defined below).
Investment Instrument	PEL shall subscribe to unlisted, secured, redeemable, non-convertible debentures ("Debentures").
Mode of Issuance	Private Placement
Investment Amount and Tranches	The aggregate investment amount for the Debentures shall be INR 120 crores payable in the one tranche subject to the completion of conditions precedent set out in this Term Sheet and the Transaction Documents:
Issue Price	The Debentures shall be issued at par.
Outstanding	The term Outstanding shall mean, after the adjustment of payments already made until such date, (a) Investment amount accrued at the Agreed IRR at any date; and (b) in the event of occurrence of any default, in addition to (a) above, the Default Interest as agreed under this Term sheet together with any costs and expenses incurred by the Debenture Holder and/ or the Debenture Trustee for enforcement of its rights, if applicable.
Debenture Trustee	A debenture trustee acceptable to the Debenture Holders shall be appointed by the Company on terms acceptable to the Debenture Holders.
Final Maturity Date	5 th anniversary of the date of allotment of the Debentures.
Final Settlement Date	Final Maturity Date or the date on which all Outstanding are fully settled, whichever is earlier
Use of Proceeds	The proceeds from the issuance of Debentures shall be utilized for the following

[Handwritten Signature]



	<p>purposes:</p> <ul style="list-style-type: none">(a) For refinancing of existing lender(b) Remaining amount for future capex
Settlement	Payment of interest and principal will be made by the way of interest warrant(s)/demand draft (s)/credit through RTGS system.
Issuance Mode	The Debentures shall be issued in dematerialized form only.
Conditions Precedent	<p>The Debenture Holder shall subscribe to the Debentures upon the fulfilment of conditions set out in detail under the Transaction Documents, including but not limited to the following, to the satisfaction of the Debenture Trustee and the Debenture Holders:</p> <ul style="list-style-type: none">(a) Receipt of consent from all the existing lenders, any other third parties (including shareholders) for issuance of Debentures, creation of security in relation to the Debentures or the transactions contemplated under the Transaction Documents.(b) Creation and perfection of Security in favour of the Debenture Trustee, including filing of all forms with the Registrar of Company and any other governmental or regulatory authority (to be confirmed in Definitive Transaction Document)(c) Completion and execution of mutually satisfactory documentation, and the satisfaction of any conditions contained therein.(d) Receipt of certified true copy of the board resolution of the Issuer and all relevant corporate authorizations, certificates of any other security provider in relation to issuance of Debentures, creation of security and performance of its obligations under the Transaction Documents by the Debenture Trustee.(e) Receipt of certified true copy of the board resolution of the Aha Holdings Private Limited for execution and performance of its obligations under the Transaction Documents.(f) Receipt of certified true copy of the special resolution of shareholders of the Issuer.(g) Submission of a business plan acceptable to the Debenture Holders.(h) Completion of financial, business and legal due diligence on the obligors, satisfactory to the Debenture Holders.(i) Debenture Holders obtaining all internal approvals.(j) No potential Event of Default, potential Event of Default or Material Adverse Effect (as defined under the Transaction Documents) has occurred

	<p>and is continuing, or would result from such borrowing.</p> <p>(k) A copy of any other authorisation or other document, opinion or assurance which the Debenture Holder considers to be necessary or desirable in connection with the entry into and performance of the transactions contemplated by any Transaction Document or for the validity and enforceability of any Transaction Documents.</p> <p>(l) A duly executed and approved Power of Attorney.</p> <p>(m) Amendment of the constitutional documents of the Issuer.</p> <p>(n) Other conditions customary for transactions of the nature contemplated herein.</p>
Transaction Documents	<p>Transaction Documentation will incorporate clauses standard for issue of this nature and generally consistent with this Termsheet. The following is an indicative list of the Transaction Documents:</p> <p>a. Debenture Trustee Agreement;</p> <p>b. Debenture Trust Deed;</p> <p>c. Personal Guarantees;</p> <p>d. Share Pledge Agreement;</p> <p>e. Mortgage and/or hypothecation Documents;</p> <p>f. Power of Attorney.</p>
Security	<p>The security for the Debentures will consist of the following:</p> <p>(a) Pledge of shares of 31% held by Promoters aggregating to 31% of the share capital of SEPL. It is agreed that Promoter shall at all times continue to hold 18% of issued and paid up capital and atleast 26% of issued and paid up capital of the Issuer on Fully Diluted Basis</p> <p>(b) Creation of pari-passu charge on all fixed, movable and current asset of SEPL.</p> <p>(c) Exclusive charge by way of mortgage on the properties as mentioned in Annexure B, together with all structure, building and appentencies thereon and thereunder in favour of debenture trustee.</p> <p>(d) Demand Promissory Notes</p> <p>(e) Power of Attorney</p> <p>(f) Personal guarantee from Promoters.</p>





	<p>(g) Post-dated cheques for repayment of Investment Amount along with the Minimum Agreed IRR</p> <p>The final security package will be subject to due diligence by the Debenture Holders and may be added upon the completion of the due diligence.</p>
Power of Attorney	<p>The obligors shall provide to the Debenture Holder, a power of attorney, duly approved by the board, Equity Investors, Promoters and executed by the an authorised person of the Company in favour of the Debenture Trustee to enable it to undertake all necessary actions to exercise its rights upon the occurrence of Event of Default.</p>
C. PAYMENT TERMS	
Agreed IRR	<p>The Debenture Holder shall at all times receive Minimum IRR, Upside IRR (if applicable) and the Lock-in Return (as defined below) (collectively "Agreed IRR"), on the Investment Amount.</p> <p>Minimum IRR: Calculated based on minimum IRR of 16% per annum on XIRR basis (after taking into account the cash coupon and any other interim payments received towards interest / principal payments.</p> <p>Upside IRR: As calculated below.</p>
Upside IRR	<p>The Upside IRR shall be calculated as follow:</p> <ul style="list-style-type: none">• Entry Valuation shall be calculated, which will be minimum of following:<ul style="list-style-type: none">○ Equity Valuation arrived on basis of 10x EBITDA for FY17 and outstanding net debt as on march 31, 2017○ Rs 300 crs• Exit Valuation shall be calculated. Exit Value shall be a value higher of following:<ul style="list-style-type: none">○ Equity value of Company based on 10x annualized EBITDA based on last 4 quarters EBITDA numbers and net debt as per last quarter end○ Equity value of Company at which any shares of Company are bought / subscribed to by any person, under a bona fide transaction, at any time after subscription of debenture• CAGR ("IRR CAGR") of Exit Valuation over Entry Valuation shall be calculated.• In case IRR CAGR is more than Agreed IRR, 50% of the incremental IRR CAGR over Agreed IRR shall be the Upside IRR ("Upside IRR") on XIRR basis• In case IRR CAGR is less than Agreed IRR no Upside IRR is payable <p>The Upside IRR shall be subject to a cap of 2.5% on XIRR basis.</p>





Payment Schedule	<ul style="list-style-type: none">• The Debenture Holder shall receive annual cash coupon of 9%, 12%, 12%, 12% and 16% each year for the five years respectively, payable on monthly basis• Issuer shall repay to the Debenture Holder 20%, 20% and 60% of the Investment Amount along with Agreed IRR on such Investment Amount on the at the end 3rd, 4th and 5th anniversary of the infusion of the Investment Amount. <p>In any year, if the Issuer pre-pays any amount over and above the amounts set out in the table above, the payment schedule shall be suitable revised, such that the Debenture Holder receives a return equivalent to the Agreed IRR on its Investment Amount.</p> <p><u>Payment on Final Settlement Date</u></p> <p>Unless otherwise redeemed in full earlier subject to the terms of this Term Sheet and the Transaction Documents, the Debentures shall be fully redeemed on the Final Settlement Date such that the Debenture Holder receives the Outstanding.</p>
Voluntary Redemption and Lock-in requirement	<p>The Company agrees that, except as set out in this Term Sheet, it shall not be entitled to redeem any of the Debentures prior to i) 24 months from the date of allotment of the Debentures in case redemption is from IPO proceeds or primary equity or ii) 36 months from the date of allotment of the Debentures in all other cases ("Lock-in Period"). In the event that the Company proposes to redeem the Debentures prior to the expiry of the Lock-in Period, the Company shall only be entitled to do so upon payment of Agreed IRR for the entire Lock-in Period (the "Lock-in Return").</p> <p>It is clarified that no Lock-in Returns are applicable if amount is paid from operating free cash of Issuer / subsidiaries.</p>
Mandatory Redemption	<p>The Issuer shall mandatorily redeem the Debentures by payment of entire Outstanding upon the occurrence of any of the following events and shall not undertake or allow to be undertaken any of the following event if the entire Outstanding is not paid:</p> <p>(a) <u>Sale</u></p> <p>(i) In case of any sale (complete or partial) of any of the assets of the Issuer, proceeds shall be mandatorily used to repay the Outstanding to the Debenture Holders.</p> <p>(b) <u>Strategic Sale</u></p> <p>Any Change of Control of the Issuer will require a compulsory redemption of the Debentures such that the Debenture Holders receive the Outstanding.</p> <p>"Change of Control" means any event in which the Promoters, directly or indirectly, ceases to have at least 26% of the shareholding, or ceases to be involved in the management of the company, as the case may be.</p>




D. KEY COVENANTS, REPRESENTATIONS AND OTHER TERMS	
Representations and Warranties	Representations and warranties customary for a transaction of the nature set out under the Term sheet and required by the Debenture Holders shall be provided by the Obligors under the Transaction Documents.
Board Representation	PEL shall have the right to appoint one observer on Board and non-retiring Director on the Board of Directors (and all committees of the board) of the Issuer (the "PEL Director") in case of an Event of Default. The Company and the Promoters shall undertake all actions to ensure that PEL is able to appoint its nominees on the Board. No person other than PEL shall at any time have the right to appoint or remove the PEL Director.
Reserved Matters	The Obligors shall ensure that the Issuer (and any of its subsidiaries) shall not undertake various matters, as may be set out in detail under the Transaction Documents without the prior written consent of the Debenture Holders. An indicative list of Reserved Matters is laid out as per Annexure A.
Promoters / Issuer Covenants	The Promoters and Issuer shall provide covenants to the Debenture Holder in the Transaction Documents including but not limited to the following: <ul style="list-style-type: none"> (a) The Promoters shall ensure that the share Pledge is created and maintained. (b) The Promoters shall procure that the Company shall, provide all necessary powers and rights to the Debenture Trustee, as may be required by the Debenture Holders upon an Event of Default, to enable the Debenture Trustee to effect its rights set out under the Consequences of Events of Default below. (c) <u>Change of control of the Company:</u> The Promoters shall at all time Control the Company. For the purposes of the provisions above, "Control" means the holding of management position to direct or cause the direction of management, policies and decisions of a company. (d) <u>Non-Compete:</u> The Promoters shall not sponsor / promote, directly or indirectly, any other company or engage in any activities and business that would be in direct or indirect competition with the Company or detrimental to the interest of the Company or in the same business as that of Company, unless the investment is through the Company or its direct subsidiaries. (e) Promoter shall not sell any shares of Issuer held by it (f) No further indebtedness at Issuer except as permitted under Financial Covenants.
Business Plan	The business plan of the Company shall be approved by the Board annually (with the consent of the Debenture Holder) and updated / revised at the time of

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	<p>approving any expansion (the "Business Plan"). The Business Plan shall comprise the business strategy, project details including but not limited to capex cost, means of finance, projected financial statements including profit & loss account, balance sheet and cash flow statements for the on-going financial year and the subsequent two financial years and would form the basis of management of the business of the Company until such time that the same is duly updated / revised with the consent of the Board. The first version of this Business Plan shall be called the "Base Case Business Plan" and any revision to the same will be with the consent of the Debenture Holder. The Base Case Business Plan shall be mutually agreed upon by the Promoters and the Debenture Holder before signing of Transaction Documents.</p>
Financial Covenants	<ul style="list-style-type: none">• Total Debt/EBITDA ratio (excluding pre-launch expenses) should not exceed 5.5x for financial year 2017, and 4x going onwards• Total External Debt of Issuer not to exceed INR 1,500 million including the NCDs <p>The Issuer shall provide a quarterly covenant compliance certificate in respect of the above covenants to the Investors.</p>
Events of Default	<p>Customary events of default for transactions of this nature and others appropriate in the judgment of the Debenture Holder shall be included under the Transaction Documents including but not limited to:</p> <ul style="list-style-type: none">(a) Any failure to pay when the payments become due to the Debenture Holder or failure to redeem the Debentures on the Final Maturity Date.(b) An Obligor does not comply with its obligations under the Transaction Documents.(c) Any representation, warranty or statement made by an Obligor (in any Transaction Document to which it is a party) is incorrect or misleading.(d) Cross defaults under financing documents and material agreements of the Issuer and the Promoters.(e) Bankruptcy, dissolution, insolvency, liquidation or winding up proceedings in relation to any Obligor.(f) The Issuer fails to comply with or pay any sum due from it under any final judgment within the time provided under the final judgment.(g) It is or becomes unlawful for an Obligor to perform any of its obligations under any Transaction Document to which it is a Party.(h) Any Material Adverse Effect (as is agreed under the Transaction Documents).(i) Any material contract entered into by any Obligor being terminated materially amended, such that the ability of such Obligor to fulfil its

	<p>obligations under the Transaction Documents is adversely affected.</p> <p>Other than for payment defaults, cure periods for Events of Defaults, which are capable of being cured will be subject to mutual discussion and as finally captured in the Transaction Documents.</p>
Consequences of Event of Default	<p>Upon occurrence of an Event of Default, the Debenture Trustee may exercise any or all of the following rights, in any order:</p> <ol style="list-style-type: none"> i. Require the Company to mandatorily redeem the Debentures immediately and pay the Outstanding, along with accrued but unpaid ii. Coupon and other costs and expenses under the Transaction Documents; iii. Enforce any Security; iv. Sell any of the assets of the Issuer v. Take such other action expressly permitted under the Transaction Documents or permitted under applicable law.
E. MISCELLANEOUS	
Default Interest	<p>Upon the occurrence of an Event of Default, an additional default interest (over and above the Agreed IRR and any other costs, if applicable) will be charged as follows:</p> <ol style="list-style-type: none"> (a) At the rate of 3% (in IRR terms) payable with respect to the entire Outstanding (in case of any other Event of Default not cured within the applicable cure period of 5 days) from the date of its occurrence until the date of actual payment.
Costs and Expenses	<p>Costs and expenses incurred by the Debenture Holders in relation to the Transaction shall be paid by the Issuer (including but not limited to documentation, title search) or reimbursed by the Issuer to the Debenture Holder upon the execution of the Definitive Agreements whether or not the Transaction is consummated.</p>
Assignment and Transfer	<p>The Debenture Holder may assign or transfer by novation or sell or securitise all or a part of its rights and obligations in relation to the Debentures without the permission of the Obligors. The Obligors may not transfer its obligations under the Debentures.</p>
Day Count Conversion	<p>Interest shall accrue on a daily basis and shall be computed on the basis of a 365 days' year or where the year is a leap year a 366 days' year, and the actual number of days elapsed on the principal outstanding on the Debentures at the Coupon Rate.</p>
Confidentiality	<p>The Term Sheet and its contents shall not be disclosed by any Party to any person other than the employees and the legal and financial advisors of such Party for the</p>

	<p>other than the employees and the legal and financial advisors of such Party for the purposes of the proposed transaction unless the prior written consent of the other Party is obtained.</p> <p>The timing and content of press releases with respect to PEL's (possible) investment in the Company must be agreed between the Company and PEL.</p>
Access and Visitation	<p>Until exit, the Debenture Holder and its external advisers shall at reasonable times, at reasonable intervals and upon reasonable notice of 3 days, (a) have full access to all books and records of the Company, (b) shall be entitled to review and copy those books, records and information at their sole discretion and (c) shall be entitled to inspect the properties and/or the assets of the Company and consult with management of the Company.</p>
Governing Law and Dispute Resolution	<p>Indian Law</p> <p>All disputes and differences that may arise shall be referred to arbitration under the Arbitration & Conciliation Act, 1996 to three arbitrators, one to be appointed by the Company and one to be appointed by PEL and the third to be appointed by the two arbitrators so appointed. The place of arbitration shall be Mumbai and the language shall be English.</p>
Jurisdiction	<p>Subject to the paragraph above, the parties agree to be subject to the exclusive jurisdiction of the courts in Mumbai.</p>
Update of Events	<p>Subsequent to the acceptance of this Term Sheet, the Company and the Promoters shall keep PEL informed of all the material events related to the Company</p>

PIRAMAL ENTERPRISE LIMITED


21/6/16
Name : Vikasdeep Gupta
Designation: Principal





**ANNEXURE A
AFFIRMATIVE VOTE ITEMS**

Capital Structure and Charter Documents

1. Any increase or decrease in the authorized share capital of the Company or any change in the capital structure of the Company.
2. Any issue of equity shares or share equivalents, debentures, securities and other such instruments other than as provided in this Term Sheet.
3. The redemption, repurchase or buyback of any Shares or preference shares.
4. Any alteration of the charter documents.
5. Any change in the name of the Company.

Business of the Company

6. Any modification to the Business Plan.

Board and Committees

7. Granting any loans to any Director or his/her relatives or affiliates.

Accounting

8. Change its accounting policies, unless the change is required by applicable law or by virtue of a new statement of standard accounting practice or financial reporting standard which does not offer any discretion in its application to the Company.
9. Appointments or dismissal of any auditors (statutory, internal or independent) of Company.

Borrowings, Loans and Indebtedness

10. Loans to third Persons (other than through hire purchase transaction) or guaranteeing third party obligations except to Subsidiaries.
11. Borrowing (both secured and unsecured) above Rs. 150 cr. (including PEL outstanding).
12. Create, issue or allow to come into being any encumbrance in, or over, any assets of Company.

Major Transactions

13. Entering into a joint venture or strategic alliance, or modifying the terms of any joint venture or strategic alliance.

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14. Entering into any merger, amalgamation, re-organisation or corporate restructuring of the Company.
15. Approving or commencing any winding up, insolvency proceedings or debt restructuring of Company.
16. Change of terms of the any material contracts of the company.
17. Entering into any transactions with any relatives, affiliates, group companies, sister concerns or other related parties of the Promoters.
18. Acquisition, disposal, transfer, license or sub-license of any intellectual property rights belonging to Company or which Company have the right to use.
19. Assignment, transfer, sale or other dispositions of all or substantially all property and assets of the Company or an individual asset.
20. Acquisition of shares, debentures, warranties or bonds in any company or entity except of its Subsidiaries.

Employees

21. Formulation of any employee stock option plan or employee stock purchase scheme.
22. Appointment or removal of any employees earning more than Rs. 5 crore per annum and amendments to any of their terms of employment.

Litigation

23. Commencement, termination or settlement of any claim, legal or Tax proceedings involving a subject matter in excess of Rs. [] crore.

General

24. Any matter that would directly or indirectly impact any rights of Debenture Holders.
25. Any matter that directly or indirectly deals with the matter set out in paragraphs 1 to 27 above.

A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "VANTAGE ENTERTAINMENT PRIVATE LIMITED" around the perimeter and "MUMBAI" in the center.

**ANNEXURE B
List of Properties**

1. A-2/5, A-2/6 in building no. A known as "Prithvi Apartments" of Prithvi Apartments Co-op. Hsg. Soc. Ltd." situated at Altamount Road, Mumbai-400 026
2. Plot No. 1 and 10, Lonawala Bungalow
3. Gut No. 219A & 219B - Village Atose, Dist : Raigad
4. Harihar para. Gobindapur, baruipur road. Harinabhi. P.s: sonarpur. Dt: 24 pargana(south) . Kolkata -700145
5. B-4501, B4601 - Lodha Premises
6. Gir Land



V. K. Kher