

November 8, 2018

High Point Properties Private Limited
SP Centre, Minoo Desai Marg,
Colaba, Mumbai- 400 005

Kind Attn: Mr. Venkatesh Gopalkrishnan, CEO

Dear Sir,

Sub: Proposed issue of Rated, Unlisted, Unsecured, Redeemable, Non-Convertible Debenture for an amount aggregating to Rs. 225 crores.

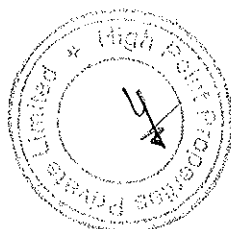
With reference to the captioned subject, we are pleased to provide the indicative term sheet for proposed NCD issue as under.

Term Sheet

Issuer / Company	High Point Properties Private Limited ("HPPPL")
Guarantor / Parent / Holding Company	Shapoorji Pallonji and Company Private Limited ("SPCPL")
Shapoorji Group	Shapoorji Pallonji Group refers to a consortium of companies held by the Mistry Family.
Project Company	Project Company, Image Realty Private Limited, a project located in Lavale village, Mulshi Taluka where in Shapoorji Pallonji and Company Private Limited through its subsidiary shall continue to hold atleast 50% full paid equity shares in the Project Company throughout the tenure of the NCD and shall get atleast 56.5% profit / revenue / return share from the Project operations during tenure of NCD.
Issue Size	Upto Rs. 225 crores split into Series A and Series B Series A – Rs. 100 Crores Series B – Rs. 125 Crores
Tenor	Series A – 21 months from Deemed Date Of Allotment Series B – 24 months from Deemed Date Of Allotment
Redemption	Bullet redemption at the end of tenor
Put/Call Option	Not Applicable
Coupon	11.50% per annum



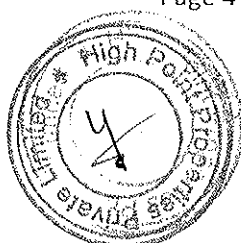
Frequency of Coupon	Quarterly (with 1 st Coupon Payment date being December 31, 2018)
Issue Price	Rs.10,000,000/ per NCD (Rupees One crore each)
Redemption Value	Rs.10,000,000/ per NCD (Rupees One crore each)
Sole Arranger	Axis Bank Limited
Escrow Banker	Axis Bank Limited for NCD servicing only
Debenture Trustee	Axis Trustee Services Limited Charges to be borne by the Issuer.
Transaction Legal Counsel	Trilegal Charges to be borne by the Issuer.
Instrument	Rated, Unlisted, Unsecured, Redeemable, Non-Convertible Debenture ("NCD")
Purpose of the issue	Refinancing existing debt and/or General corporate purposes
Rating	"AA+ (SO)" by CARE Provisional Rating Letter shall be obtained prior to disbursement. Final Rating and Rationale to be submitted within 7 business days of Pay in date. The Company shall obtain Rating by ICRA within 90 days from the Deemed Date of Allotment.
Security	<ol style="list-style-type: none"> 1. Unconditional and Irrevocable Corporate Guarantee from Shapoorji Pallonji and Company Private Limited for entire debt servicing; 2. First and Exclusive charge by way of hypothecation on Debt Service Reserve Account (DSRA), Permitted Investments and Escrow Account (including all income therefrom and accretions thereto); 3. Pledge of 51% equity shares of the Issuer in favor of Debenture Trustee 4. Exclusive charge on all the inflows such as Profits / revenues / returns from its Investments including but not limited to Image Realty Private Limited. Such charge should be shared as first pari passu charge only once another external lender is lending to High Point Properties Private Limited for purchase of additional FSI i.e. for amount upto total debt cap. The inflows shall not be shared for Internal borrowing. All the inflows should be deposited in the Escrow Account only. Funds in the Escrow Account shall be utilized as described in Waterfall Mechanism.



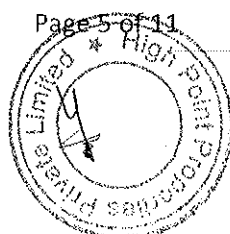
	<p>The Security stipulated in (1) above shall be created upfront prior to the Pay In Date and the Security stipulated in (2) to (4) above shall be created and perfected within 45 days from Deemed Date of Allotment, failing to do so, would result in an event of Default.</p>
Corporate Guarantee	<p>Shapoorji Pallonji and Company Private Limited shall provide unconditional and irrevocable Revolving Corporate Guarantee to ensure timely payment of Interest, Principal and / or any other dues payable to Investors and / or Debenture Trustee anytime during the tenure of the NCD or / and on Maturity with regards to this NCD.</p> <p>All scenarios under Event of Default shall be covered in Corporate Guarantee</p> <p>An external opinion on enforceability of Corporate Guarantee, DSRA & Escrow Account shall be opined from a reputed legal counsel acceptable to Investors / Arranger.</p>
ESCROW Account	<p>All Interest, Principal and Penal Interest / Liquidated Damages shall be routed and paid through designated Escrow Account only.</p>
Debt Service Reserve Account (DSRA)	<ul style="list-style-type: none"> Fixed Deposit equivalent to Minimum Amount in DSRA shall be created with Axis Bank within 2 days from Deemed Date of Allotment and shall be lien marked in favor of Debenture Trustee DSRA Account shall be opened within 15 days from Deemed Date of Allotment. Debt Service Reserve for Interest and Principal can be invested in Permitted Investments. Charge on Permitted Investments shall be created immediately in favor of Debenture Trustee. Maturity proceeds of Permitted Investments shall be linked to DSRA Account that is charged to Debenture Trustee for this NCD. DSRA Account, Permitted Investments in form of Fixed Deposit shall be charged to Debenture Trustee at all times. <p>"Minimum Amount in DSRA" means the total of:</p> <ul style="list-style-type: none"> Immediately succeeding Coupon / Interest payable Principal due and payable in next 20 business days. <p>This is subject to acceptance from rating agency.</p>
Permitted Investments	<ul style="list-style-type: none"> Interest and Principal to be maintained in DSRA can be invested in: <ul style="list-style-type: none"> 1. Fixed Deposits with Banks rated AA+ and above; and



	<p>2. Liquid Debt Mutual Funds rated AAA being top 5 (Five) by AUM as per preceeding month.</p> <ul style="list-style-type: none"> Such Investments shall be charged to Debenture Trustee at all times. The charge on such investments shall be created immediately.
Waterfall Mechanism	<ul style="list-style-type: none"> Penal Interest / Liquidated Damages, if any. Interest, Principal due as per the Terms of this Issue Funding of DSRA account as required in "Minimum Amount in DSRA" Any other dues related to NCD <p>Once all the above are fulfilled, surplus amount can be transferred to an external "operating account" as instructed by Issuer.</p>
Mechanism of Funding	<p>Servicing of Interest:</p> <ul style="list-style-type: none"> Escrow Account shall be funded by the Issuer atleast T-4 business days prior to the Due Date, wherein Due Date is "T" day. Incase Escrow Account is not funded by the Issuer on T-4 business day, Debenture Trustee will liquidate the DSRA and fund the Escrow Account by T-1 business day. On T-2 business day itself, Debenture Trustee will issue the notice to Issuer to replenish the DSRA by T-1 business day. Incase, Issuer is unable to replenish the DSRA by T-1 business day, Debenture Trustee will inform Corporate Guarantor "SPCPL" to replenish the DSRA by "T" day by 2.00 pm. SPCPL shall arrange the funds and replenish the DSRA by given timelines, failing to do so will result into an Event of Default. On T day, Trustee to utilize the funds in the Escrow Account and/ or DSRA Account to make the scheduled interest payment. <p>Servicing of Principal:</p> <ul style="list-style-type: none"> Issuer shall fund the "DSRA" with next payable Principal atleast 20 business days prior to Due Date, wherein Due Date is "T" day. Incase Issuer is unable to fund the DSRA by T-20 business days, Debenture Trustee will inform Corporate Guarantor "SPCPL" to fund the DSRA with next payable Principal within 5 Business days after T-20 business days. Debenture Trustee will liquidate the DSRA with payable Principal and transfer the same to Escrow Account latest by T-2 business day.



	<ul style="list-style-type: none"> • SPCPL shall arrange the funds and fund the DSRA with the Principal amount of the NCDs by T-15 days • Incase SPCPL has funded the DSRA by T-15 business days, Payment of Principal along with Interest (as per Servicing of Interest Mechanism above) shall be done on T day. • Incase SPCPL is unable to fund the DSRA by T-15 business days, Debenture Trustee shall invoke the Corporate Guarantee and the entire outstanding amount of the NCDs shall become due and payable. <p>Incase of Event of Default / Early Redemption Situations:</p> <ul style="list-style-type: none"> • Debenture Trustee will issue the notice immediately to Issuer and Corporate Guarantor informing the Outstanding dues related to the NCD, payable due to occurrence of Event of Default / Early Redemption. Date of such notice shall be termed as "T" day. • Issuer shall fund the "Escrow" with Outstanding Dues within T+2 days from the date of such Event of Default. • Incase Issuer is unable to fund the Escrow Account within T+2 days, Debenture Trustee can invoke the Corporate Guarantee and SPCPL shall make the payment of the Outstanding Dues by T+5 days. • For the sake of abundant caution, it is hereby clarified that upon the occurrence of any payment default/ DSRA replenishment failure / failure to meet DSRA requirements, all the amounts due and payable in respect of the Debentures shall be required to be paid immediately by the Issuer/SPCPL (as the case may be) and the aforesaid time period of 5 days shall not be available for making such payments.
DSRA Maintenance	<ul style="list-style-type: none"> • Interest and Principal DSRA shall be allowed to invest in Permitted Investments.
Financial Covenants	<ul style="list-style-type: none"> • Total Debt Cap of Rs.650 crore for external debt. • Issuer shall maintain Minimum Amount in DSRA as stipulated in Debt Service Reserve Account. <p>The Issuer shall maintain above covenants at all times and the covenants shall be tested annually on audited Balance Sheet of Issuer.</p>



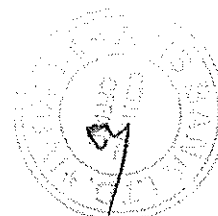
Key Covenants

Following covenants shall be maintained throughout the tenure of the NCD:

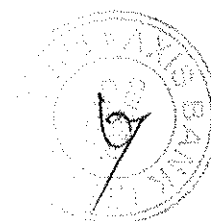
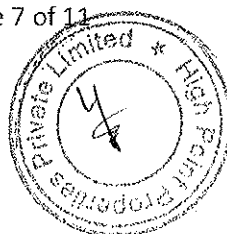
- SPCPL shall directly or indirectly continue to hold fully paid up equity share capital of 51% in Issuer and exercise management control throughout the tenure of NCD.
- Any other lenders in the Issuer shall not have Security better than currently offered for this NCD issuance, until refinancing of this NCDs.
- Issuer cannot borrow any External Debt / Internal Debt except as detailed under Financial Covenants.
- Issuer shall continue to hold atleast 50% fully paid unencumbered (only except for pledge requirements for project funding in the Project Company) equity shares in the Project Company, Image Realty Private Limited and continue to get atleast 56.5% profit / revenue / return share during the tenure of the NCD. Further, Shapoorji Group shall have equal rights in the Joint Venture for exercising management control during the tenure of NCD.
- Debenture Trustee's consent shall be required for sale of any Issuers Asset / Investments excluding temporary investment for treasury operations.
- All internal borrowings of the Issuer from the Promoter Companies & Shapoorji Group shall be unsecured and subordinated to the NCDs at all times until the Final Settlement Date.
- Cross default shall be applicable on default /financial indebtedness for any financial obligation from any of the Financial Institutions, NBFCs and/or Banks in India or outside India based on the below criteria:
 - Cross Default for Issuer and/or subsidiaries and/or associates: Default of any amount of any other borrowings.
 - Cross Default for Corporate Guarantor: If the following is triggered: (i) default amount exceeding Rs.25 crore. (ii) if default is for continuous period of 30 days for amount upto Rs.25 crore.

Further, Re-schedulement / re-structuring of the existing indebtedness of the Issuer as per RBI and SEBI guidelines shall be included in the scope of cross default.

Issuer shall undertake to update the Debenture Trustee at all times



	<p>on occurrence of any Cross Default scenario pertaining to this clause.</p> <ul style="list-style-type: none"> Such other mutually acceptable covenants and undertakings as are customary to the transactions of this nature.
Rating Action	<p>The current issue of NCDs to be rated as AA+ (SO) by CARE . The Coupon will be reset if the rating is downgraded during the tenure of the instrument.</p> <p>The Coupon/interest rate shall be increased by 50 basis points for every notch rating downgrade from AA+(SO) to AA-(SO).</p> <p>In the event of Credit Rating revision of the NCDs to “A+(SO)” or lower by CARE or any other rating agency, the debenture holders can exercise the right to call for Mandatory Prepayment or increase coupon by 100 basis points for every notch from or below A+(SO).</p> <p>In case of multiple rating agencies, lowest rating available shall be considered for the above purpose.</p>
Date of allotment	Confirmation of Allotment to be issued on the date of Pay-In. Demat credit of the NCDs to be completed within 2 Business days from Pay – in Date.
Interest on Application Money	The interest on application money shall be payable by the company at coupon rate from the date of realization of cheque upto and including one day prior to the Deemed Date of Allotment calculated on actual/actual day count basis, in case the Deemed Date of Allotments is after the pay-in date.
Documentation	The Disclosure Document shall cover the disclosure requirements of Securities & Exchange Board of India (SEBI), if applicable.
Penal Interest/Liquidated Damages	In the event of any delay in obtaining final credit rating within stipulated timeline or default in the regular payment the NCD on the due dates as stated above, additional interest of 2% per Annum payable monthly over and above the Coupon shall become due and payable over the monies due for the period of default.
Computation of Interest	Interest payable on the Debentures shall be calculated on the basis of actual number of days elapsed in a year of 365 or 366 Days as the case may be.
Listing	Unlisted
Event of Default	The Trustee at its discretion may, and if so required in writing by the holders of not less than 51% in principal amount of the NCDs then outstanding (“Majority Debenture Holders”) give notice to the Issuer that the NCDs are, and the Debentures along with accrued interest shall become, immediately due and

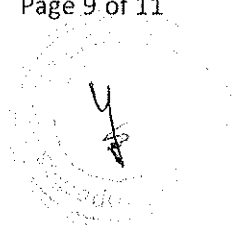


repayable within T+10 days upon receipt of written notice if any of the events listed below (each, an "Event of Default") has occurred except payment default/ DSRA replenishment / DSRA requirements which is payable immediately on default:

- a) Failure of the Issuer to make payments of the Debenture Payments (or any part thereof) on any Due Date or otherwise, when due, of any amounts under the Debentures. For clarification; there is no cure period for any payment default.
- b) The Issuer does not perform or comply with one or more of its other obligations i.e. Financial Covenants, Key Covenants, Mechanism of Funding, DSRA, Waterfall Mechanism, Escrow Account, shareholding of SPCPL in the Borrower or any other term set out in this Term Sheet in relation to the NCD or the Debenture Trust Deed, which if in the opinion of the Debenture Trustee capable of remedy, is not remedied within 10 days after written notice ("Cure Period") of such default shall have been given to the Issuer by the Debenture Trustee. However the Cure Period will not be applicable in relation to payment default/ DSRA replenishment / DSRA requirements which is payable immediately on default;
- c) Breach of any terms of conditions or misrepresentation of any of the representation or warranties by the Issuer/SPCPL under any of the Transaction Documents.
- d) If security is not created and perfected within stipulated timeline
- e) the Issuer is (or is deemed by law or a court to be) insolvent or bankrupt or unable to pay a part of its debts, or stops, suspends or in writing threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all or a material part of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Issuer;



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| | <p>f) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Issuer and is not discharged or stayed within 30 days in an appropriate court of law.</p> <p>g) a judicial order is made or an effective resolution passed for the winding-up or dissolution, judicial management or administration of the Issuer, or the Issuer ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by an Extraordinary Resolution of the NCD holders;</p> <p>h) an encumbrance takes possession or an administrative or other receiver or an administrator is appointed of the whole or (in the opinion of the Trustee) any substantial part of the property, assets or revenues of the Issuer (as the case may be) and is not discharged within 30 days;</p> <p>i) the Issuer commences a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary proceeding under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee (or similar official) for any or a substantial part of its property or take any action towards its reorganisation, liquidation or dissolution;</p> <p>j) Cross default shall be applicable on default /financial indebtedness for any financial obligation from any of the Financial Institutions, NBFCs and/or Banks in India or outside India based on the below criteria:</p> <ul style="list-style-type: none"> • Cross Default for Issuer and/or subsidiaries and/or associates: Default of any amount of any other borrowings. • Cross Default for Corporate Guarantor: If the following is triggered: (i) default amount exceeding Rs.25 crore. (ii) if default is for continuous period of 30 days for amount upto Rs.25 crore. <p>k) Any step is taken by governmental authority or agency or any other competent authority, with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or (in the opinion of the Trustee) a</p> |
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	<p>material part of the assets of the Issuer which is material to the Issuer;</p> <p>l) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.</p> <p>m) It is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the NCD or the Debenture Trust Deed</p> <p>n) Occurrence of any Material Adverse Effect;</p> <p>o) The Issuer rescinds / repudiates or purports in writing to rescind/repudiate any of the transaction documents.</p> <p>p) Any person taking any action or commencing any legal proceedings or filing any petition, for winding-up, insolvency, liquidation, or dissolution of the Issuer and/or SPCPL, under the Insolvency and Bankruptcy Code, 2016 ("Code") or any applicable law for the time being in force.</p> <p>q) Any failure on the part of SPCPL to perform or comply with one or more of its other obligations under the Corporate Guarantee or breach by SPCPL of any representations and warranties under the Corporate Guarantee or SPCPL being declared by (or is deemed by a law or court) to be bankrupt or insolvent or unable to pay its debts or a judicial order is made or an effective resolution is passed for the winding-up or dissolution, judicial management or administration of SPCPL or a voluntary proceeding under any applicable bankruptcy, insolvency, winding up or other similar law is commenced by SPCPL or the Corporate Guarantee is rescinded or repudiated by SPCPL or claimed to not be in full force and effect by SPCPL; shall automatically be construed to be an Event of Default under the terms of the Transaction Documents.</p> <p>Any other events of default including their cure period shall be mutually agreed between the Issuer and the investors which shall be as set out in the Transaction Documents including but not limited to the aforesaid events of default.</p>
Governing Law and Jurisdiction	<p>The Debentures and documentation will be governed by and construed in accordance with the laws of India and the parties to submit to the non-exclusive jurisdiction of the courts in Delhi.</p>



Issue Opening Date, Issue Closing, Deemed Date of Allotment	As mentioned above
Terms to be Detailed during Documentation	<ol style="list-style-type: none"> 1. Positive and Negative Covenants 2. Transaction Documents 3. Representation & Warranties 4. Consequences of Event of Default 5. Other Terms and Covenants


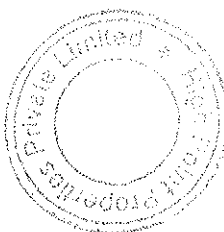
Thanking you,
Yours faithfully,



Vikas Shinde
Senior Vice President, Debt Capital Markets



Signed & Accepted by

Name & Designation:
For High Point Properties Private Limited

