



Term Sheet

This term sheet ("Term Sheet") is made on 16th day of January, 2019 ("Execution Date"), by and between:

MIDCITY INFRASTRUCTURE PRIVATE LIMITED, a company incorporated in India under the Companies Act, 1956, having CIN Number U51900MH1985PTC035229 and having its registered office at Hall No1 Sarkar Heritage West Mumbai 400050 (hereinafter referred to as the "**Issuer / Borrower**", which expression shall, unless repugnant, Jairajbhoy Peerbhoy Khoja Sanitorium Complex, Kane & B.J Road, Bandstand Bandra to the context hereof, be deemed to include its successors and permitted assigns);

AND

THE PERSONS specified in **Annexure - 1**, as Obligors (hereinafter referred to as the "**Obligors**", which expression shall, unless repugnant to the context, be deemed to mean and include (i) his heirs, legal representatives, executors, and administrators in case such Obligors is an individual person; and (ii) its successors, partners, administrators and permitted assigns);

AND

IIFL MANAGEMENT SERVICES LIMITED, a company incorporated in India under the Companies Act, 1956, having its registered office at IIFL House, Sun Infotech Park, Road no. 16V, Plot no. B-23, MIDC, Thane Industrial Area, Wagle Estate, Thane - 400604 (hereinafter referred to as the "**Subscriber / Lender**" which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include its successors in interest and assigns);

The Subscriber, the Issuer and the Obligors shall wherever the context requires be referred to collectively as the "**Parties**" and individually as a "**Party**" hereto.

The objective of the Term Sheet is to record the principal understanding between the Parties with respect to the Transaction (as defined hereinafter). The principal understanding is summarized in the table as under:

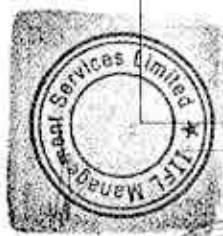
This Term Sheet does not address all issues and matters that may arise in the course of preparing the Definitive Agreements (as defined hereinafter) and that the actual terms remain to be negotiated and agreed upon in the Definitive Agreements and the Definitive Agreements shall contain such essential terms which may or may not be addressed herein.

This Term Sheet is intended solely as a basis for further discussion and is not intended to be and does not constitute a legally binding obligation except as provided under clauses dealing 'Confidentiality', 'Term and Exclusivity Period', 'Cost and Expenses', 'Jurisdiction' and 'Arbitration', which are legally binding and shall survive the termination of this Term Sheet. No

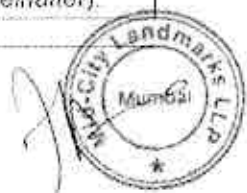


other legally binding obligations will be created implied, or inferred until the Parties execute the Definitive Agreements.

| | | | |
|----|----------------------|----|---|
| 1. | Issuer Borrower | / | Midcity Infrastructure Private Limited |
| 2. | Subscriber Lender | / | IIFL Management Services Limited |
| 3. | Promoters | | Mr. Rajen Dhruv and Mr. Hiren Dhruv |
| 4. | Nature Instrument | of | Optionally Convertible Debentures (OCDs), the terms of OCDs to be detailed in the Definitive Agreement. |
| 5. | Transaction | | <p>The Issuer is <i>inter alia</i> engaged in the business of construction and development of real estate in India. The Issuer is a group company of Midcity Group and the group consists of, <i>inter alia</i>, Midcity Landmarks LLP and M/s Orbit Developers.</p> <p>Pursuant to various arrangements, the group companies of the Subscriber have granted facilities to M/s Orbit Developers and Midcity Infrastructure Pvt Ltd which <i>inter alia</i> includes:</p> <p>(i) Subscription to non-convertible debentures of Midcity Infrastructure Pvt Ltd by means of a debenture trust deed dated ___ April 2015 and 26th September 2017;</p> <p>(ii) Term loan facility extended to M/s Orbit Developers by means of a rupee loan agreement dated, (These facilities are hereinafter collectively known as "Existing Facilities").</p> <p>The Existing Facilities, <i>inter alia</i>, are secured by mortgage on the following properties in favour of India Infoline Finance Limited, group company of the Subscriber:</p> <p>(i) residential project having an aggregate saleable area of about 16,956 square feet ("Project Kismet") owned by the Midcity Landmark LLP along with the receivables, movables in relation to the Projects (<i>defined hereinafter</i>);</p> <p>(ii) commercial project having an aggregate saleable area of about 1,14,826 square feet ("Project Bandra Talao") owned by M/s Orbit Developers along with the receivables, movables in relation to the Projects (<i>defined hereinafter</i>).</p> |



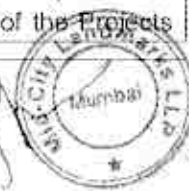
Handwritten signature



| | | |
|----|------------------------------------|--|
| | | <p>Project Kismet and Project Bandra Talao shall be collectively referred to as the "Projects".</p> <p>The Issuer intends to avail funds for the purpose of Project related expenses, and statutory approvals for the Projects (collectively "Purpose") and the Issuer has therefore requested the Subscriber to invest in the Issuer by subscribing to 100 (One hundred) unsecured, unrated, unlisted, optionally-convertible debentures of face value of Rs.1,00,000/- (Rupees One Lakh only) aggregating to Rs. 1,00,00,000/- (Rupees One Crore only) ("Subscription Amount") on a private placement basis on the terms and conditions to be detailed in the Definitive Agreement.</p> |
| 6. | Definitive Agreements | For the fulfilment of the Transaction, the Parties shall execute / ensure execution of the appropriate documents to the satisfaction of the Subscriber. |
| 7. | Rights of Subscriber/Lender | <p>Following are the rights of the Subscriber under the Transaction. These are indicative and not exhaustive and would be set out in further detail in the Definitive Agreements:</p> <ul style="list-style-type: none"> • Power of Subscriber to delegate; • Power of Subscriber to employ agents; • Subscriber may contract with Issuer or any Obligor; • Receipt of Subscriber to be effectual discharge; • Appointment of Subscriber as attorney of the Issuer and Obligors; • Disclosure of information relating to the Issuer; • Non-Compete: Each of the Issuer and the Obligors covenant and declare that they have no objection whatsoever to the Subscriber or its affiliates making other investments in companies in the same field of economic activity as that of the Issuer. |
| 8 | Subscription Amount | INR 1,00,00,000/- (Rupees One Crore only) |



| | | |
|----|--|---|
| 9 | Projects | Project Kismet at Santacruz and Project at Bandra Talao |
| 10 | Tenure of OCDs | The tenure of the OCDs shall be 48 (forty eight) months calculated from the Closing Date (<i>defined hereinafter</i>) |
| 11 | Redemption | <p>The Issuer shall and the Obligors shall ensure that the Issuer shall mandatorily redeem the OCDs and make payment of the Amounts Due in the manner detailed in the Definitive Documents.</p> <p>For the purpose of this Transaction, "Amounts Due" shall mean all amounts payable to the Subscriber by the Issuer and/or relevant Obligors in relation to the issuance of the OCDs by the Issuer pursuant to the terms of the Definitive Documents.</p> |
| 12 | Issue Price | At Par, Rs.1,00,000/- per OCD (Rupees One Lakh each) |
| 13 | Redemption Amount | Rs.1,00,000/- per OCD (Rupees One Lakh each) plus Redemption Premium. |
| 14 | End-use | <p>The Issuer, Promoters and the Obligors undertake that the proceeds from the Subscription Amount shall be utilized and applied by the Issuer for the Purpose only and in the manner provided in Definitive Agreement and shall not be utilized directly or indirectly, for any other purpose including but not limited to (a) any transaction with or for the purpose of financing the activities of, any person / country currently subject to any Sanctions; and (b) take part in or financing any activity, production, use of, trade in, distribution of, or otherwise involved in any Excluded Activity.</p> <p>"Excluded Activity" means any of the activities listed in https://www.iiifinance.com/exclusion-list</p> |
| 15 | Auditor, Independent Project Manager and Accounts | <p>_____ is the statutory auditor of the Issuer or such other person as approved in writing by the Subscriber, and the same cannot be changed without the prior written approval of the Subscriber.</p> <p>The Issuer shall appoint a person acceptable to the Subscriber as their internal company secretary and the Obligors shall appoint an Independent Project Manager ("IPM") for the Project. The IPM will carry out a timely review of the Projects</p> |



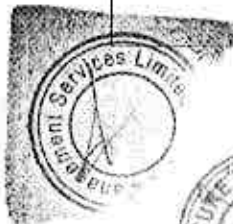
| | | |
|-----|---|--|
| | | <p>being undertaken by the Obligors to the satisfaction of the Subscriber. The cost of the IPM in respect of the Projects shall be borne and paid by the Obligors.</p> <p>Issuer and the Obligors shall ensure that the books, accounts, records and accounting information of the Issuer and the Obligors are maintained in accordance with the applicable laws, reviewed every 6 (Six) months by the respective auditors of the Issuer and the Obligors, are audited in accordance with the Indian Accounting Standards, and reflect generally accepted accounting principles, procedures and practices in India which have been consistently applied.</p> |
| 16. | Closing | <p>The Closing Date shall take place within 7 (seven) business days from the fulfillment of the Conditions Precedent (<i>defined hereinafter</i>) to the satisfaction of the Subscriber or such other date as may be mutually agreed between the Parties ("Closing Date").</p> <p>The deliverables of the Closing Date will be detailed in the Definitive Document.</p> |
| 17. | Board, Board Meetings, Observer and the Quorum for Board Meetings | <p>With effect from the Closing Date and for so long as the Subscriber holds any OCDs of the Issuer, the Subscriber shall be entitled to appoint 1 (one) Director on the Board ("Subscriber Director"). The Issuer shall (and the Promoters and the Obligors shall cause the Issuer to) take necessary corporate actions to give effect to the same.</p> <p>The Subscriber Director shall be a non-retiring Director, non-executive Director. Any committee / sub-committee formed by the Board shall have the Subscriber Director as its member.</p> <p>The quorum for all meetings of the Board and its committees and sub-committees, shall be at least _____ Directors, comprising of at least 1 (one) Subscriber Director.</p> <p>The Parties agree that at least four (4) meetings or such number as may be required by applicable laws from time to time, of the Board will take place each calendar year and Board meetings shall be held at such intervals as may be required under the applicable laws.</p> <p>The Subscriber may, at their own option, decide not to appoint the Subscriber Director or decide not to continue to have the</p> |



| | | |
|-----|---|---|
| | | Subscriber Director on the Board of the Issuer, and in such a case 1 (One) representative of the Subscriber shall be a permanent invitee (" Observer ") on the Board and shall participate in the proceedings of the Board |
| 18. | Budget | The Obligors and the Issuer shall prepare an annual Budget of the Projects which will specify, amongst other things, Construction Cost of the Project; appropriate levels of approval expenses, construction / development expenditures, required financing for construction and working capital general and administrative expenses, and any other expenditure relating to the Projects. |
| 19. | Confidentiality | All the Parties agree to keep all negotiations with each other in relation to this Term Sheet and the Definitive Agreements on a confidential basis, including the existence and contents of this term sheet and the Definitive Agreements. The provision for Confidentiality will be detailed in the Definitive Agreements. |
| 20. | Interest on Subscription Amounts | The interest at the rate of 0% (Zero Percent) per annum shall accrue at the end of every quarter until the expiry of the Term on the outstanding Subscription Amount and the term 'Interest' shall be construed accordingly. |
| 21. | Default Interest | If the Issuer fails to make payment of any of the Amounts Due, then the Issuer shall be liable to pay an additional default interest at the rate of 36% (Thirty Six percent) per annum for the delayed period on the Amounts Due and payable by the Issuer which default interest shall not be included in calculating the Redemption Premium to be paid the Subscriber. |
| 22. | Business Day Convention | If any of the date(s) of Redemption falls on a non-Business Day then the immediately preceding Business Day shall be the date of Redemption. |
| 23. | Liquidation Preference | In the event of liquidation, dissolution or winding-up of the Issuer, the Subscriber will be entitled to receive a priority in distribution out of the proceeds realized, recovered or received by the Issuer from the liquidation, dissolution or winding up, before any distribution to Promoter, and/or the Obligors and / or any |



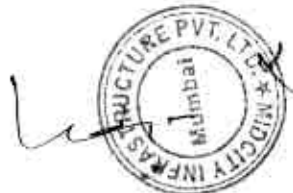
| | | |
|-----|---------------------------|--|
| | | related party of the issuer |
| 24. | Information Rights | The Issuer and the each of the Obligors (and the Promoters shall procure that the Issuer shall), prepare and deliver to the Subscriber such information as may be required by the Subscriber. The provision for Information Rights will be detailed in the Definitive Agreements. |
| 25. | Disposable Surplus | Total Revenue from Projects [A] Total cost of construction excluding Lending Rate (as enumerated under the Existing Facilities) [B] Aggregate value of Lending Rate (as enumerated under Existing Facilities) [C] Disposable Surplus [D] = [A-B-C] |
| 26. | Redemption Premium | On the repayment date, the Issuer shall redeem the face value of the OCDs along with (i) redemption premium thereon so that the Subscriber receives an IRR of 51% (Fifty One percent) of the Disposable Surplus ("Redemption Premium"); and (ii) Default Interest, if any which is due and unpaid up to the repayment date. |
| 27. | Day Count Basis | In all cases in which it shall be necessary to compute the amount on Default Interest or any other charges in respect the OCDs which shall have accrued under the Definitive Agreement, will be computed on an actual by 365 (Three Hundred and Sixty Five) days a year basis or 366 (Three hundred and Sixty Six) days a year basis in case of a leap year. |



[Handwritten signature]



[Handwritten signature]



| | | |
|----|-----------------------------|---|
| 28 | Pre-disbursement conditions | <p>Following condition precedents are required to be fulfilled by the Issuer and the Obligors prior to the Closing Date. These are indicative and not exhaustive and would be set out in further detail in the Definitive Agreements:</p> <ol style="list-style-type: none"> 1. All corporate authorizations to be in place (including Section 179 resolution, Section 42 resolution, Section 180(1)(a) and Section 180(1)(c) resolution, etc.) 2. NOC to be obtained from other Financial Institutions and / or Banks from where / whom the Borrower might have taken loans for any other projects in the borrowing company, if such an approval is stipulated in the Agreement / arrangement with them. 3. Certificate from the Statutory Auditor of the Borrower confirming the following: <ul style="list-style-type: none"> • The Borrower and its group concerns / companies have not defaulted with any of the lenders in the past. • Issue of the OCDs will not result in breach of any borrowing limit of the Borrower 4. Opening of Escrow Account and DSRA Account (if any). 5. Satisfactory legal opinion to be issued by legal counsel to the lender for completion of transaction documentation. 6. Evidence of due authorizations and execution of the necessary documents. 7. Payment of all fees and expenses. 8. Self-certified constitutional documents of Borrower and guarantor. 9. All representations and warranties are true and accurate. 10. Clear, Marketable, Unencumbered title of all the properties given as security for the facility. 11. Valuation Report by empaneled Valuer of Lender. 12. Satisfactory CIBIL report in respect of partners and guarantors. 13. Signing of all the facility documents as suggested by empaneled lawyers, to the satisfaction of Lender. 14. Compliance of any other pre-disbursement conditions as may be incorporated in the Agreement/s. 15. Title search report by empaneled Lawyer. 16. CA certified personal net worth statements of all personal guarantors. 17. CA certified Means of Finance and Cost of Project. 18. Self-certified cash flows for project. |
|----|-----------------------------|---|



[Handwritten signature]

| | | |
|----|---|---|
| 29 | Conditions Subsequent to Allotment | <p>Following conditions subsequent are required to be fulfilled by the Issuer and the Obligors subsequent to the Closing Date. These are indicative and not exhaustive and would be set out in further detail in the Definitive Agreements</p> <ol style="list-style-type: none"> 1. To file the Form MGT-14 in connection with the convening the extraordinary general meeting of the shareholders of the Issuer in relation to the issuance of the OCDs within the timelines as prescribed by the applicable laws. 2. To file Form PAS- 4 in connection with the private placement offer letter and Form PAS-5 in connection with the record of issuance of the OCDs. 3. To file the Form PAS-3 in connection with the return of the OCDs. 4. The Issuer shall within 30 (thirty) days from the Closing Date undertake all necessary steps and corporate actions for the purposes of having the OCDs dematerialized form and other related actions. 5. The Issuer shall within 30 (Thirty) days from the Closing Date appoint one of the Big Four or any other Accounting Firm acceptable to the Subscriber as their internal auditors in respect of Project; |
| 30 | Events of Default and its consequences | <p>Event of Defaults and its remedies shall be discussed and provided in the Definitive Agreement. Events of Default shall include (but not limited to) , the following:</p> <ol style="list-style-type: none"> (a) Payment Default: The Borrower does not make payments on the due date for any amount payable by it under any transaction documents at the place and in the currency in which it is expressed to be payable; (b) Non-compliance of the financial covenants. (c) Representation or warranty found to be untrue or misleading when made or deemed to be repeated; (d) Non-Payment of undisputed taxes in a timely manner as allowed under the law; (e) The Borrower fails to deposit its revenues and all other proceeds from the Projects into the Escrow Account; (f) The Borrower doesn't comply with any provision of the Project agreements, or any provision of transaction documents, including but not limited to adherence to the financial covenants. (g) Cross default with respect to other indebtedness of the Borrower and its subsidiaries / group companies; (h) Other events of default customary to a transaction of such nature. |



| | | |
|-----|---|--|
| | | The consequences of Event of Default shall be provided in the Definitive Agreements. |
| 31. | Indemnities, Representation & Warranties | The Definitive Agreements would include such indemnities, representation and warranties as are customary to a Transaction of this nature. |
| 32. | Governing Law, Jurisdiction and Arbitration | <p>The Term Sheet and the Definitive Agreements will be governed and construed in accordance Laws of India and Courts / tribunals at Mumbai will have exclusive jurisdiction. However, Subscriber shall have a right to commence any legal action or proceeding arising in relation to the OCDs in any court, tribunal or any other appropriate forum in India.</p> <p>Any disputes and differences whatsoever which could not be settled by Parties through amicable negotiations, after the period of 30 (thirty) days from the service of a written notice will be finally settled by arbitration in accordance with the Indian Arbitration and Conciliation Act, 1996 as amended from time to time. The provision for Arbitration will be detailed in the Definitive Agreements.</p> |
| 33. | Affirmative Vote Items | <p>The Parties agree that the prior written consent of the Subscriber will be required regarding certain key matters, which shall be detailed in the Definitive Agreement. Some of the key matters are outlined below. The following are indicative and not exhaustive and would be set out more fully in the Definitive Agreements.</p> <ul style="list-style-type: none"> • Any change in the management or control of the Issuer and/or any Obligor; • Change the accounting year or any change in accounting policies / standards; • Any transfer or disposal of shares of the Issuer by the Promoters which results in dilution of the Promoters' shareholding in the Issuer below 51% (fifty one percent); • Issue any fresh equity shares including preference shares, ESOP, convertible debentures, warrants or any other quasi equity instrument to any person. |

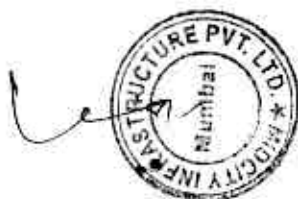


| | | |
|-----|-----------------------------|--|
| | | <ul style="list-style-type: none"> • Allow disposal or creation of any Encumbrance on the shares of the Obligors held in the Issuer, • Sale of Units of Projects to its Affiliates or related parties • Merge, demerge or acquire with or into any corporation or enter into any joint venture, alliances or partnerships with any corporation, • Such other affirmative vote items which the Subscriber may deem necessary. |
| 34. | Cost and Expenses | <p>The Issuer and the Obligors shall pay the costs and expenses relating to the Definitive Agreements including fees payable to the Subscriber's legal advisers, expenses incurred towards conducting title search, advisory fee for capital structuring and any other transaction related expense incurred by the Subscriber.</p> <p>All the costs and expenses in connection with the negotiation, preparation and performance of this Term Sheet shall be borne by the Issuer.</p> |
| 35. | Taxes | <p>If there is any interest Tax being levied by the Government of India or any other authority under applicable laws, the Issuer and the Obligors shall reimburse to the Subscriber any such Tax imposed or levied by the Government of India or any other authority on interest and/ or other payments required to be paid by the Issuer to the Subscriber.</p> |
| 36. | Exclusivity and Term | <p>For a period of 5 (five) months following the signing of this Term Sheet, or such longer period as is agreed by the Parties, the Parties shall make good faith efforts to negotiate and enter into the Definitive Agreements ("Term") during which the Borrower, Obligors and the Promoters undertake that they shall not, nor shall any of its relatives, agents and representatives initiate or participate in any discussion or negotiations with any person other than the Subscriber relating to the Project.</p> <p>This Term Sheet shall stand revoked and cancelled and shall be absolutely null and void if:</p> <ol style="list-style-type: none"> a. There are any material changes in the proposal; b. Any material fact concerning the Borrower's profits, etc., or ability to repay, or any other relevant aspect of it is withheld, suppressed, or concealed or not |



| | | |
|-----|-------------------|---|
| | | <p>made known to us;</p> <p>c. Any statement made by the Borrower is found to be incorrect or untrue;</p> <p>d. By mutual agreement of all the Parties;</p> <p>e. Upon the execution of the Definitive Agreements;</p> <p>f. Any information as may be required by the Lender from time to time pertaining to the Property / Project is not furnished in the form prescribed / approved by the Lender; and</p> <p>g. For any reasons as the Lender deems fit.</p> |
| 37. | Further Assurance | The Issuer, Obligors and the Promoters agrees to execute and deliver such instruments and documents and take such other actions as may be requested from time to time by the Subscriber in order to give effect to the transactions contemplated under this Term Sheet. |
| 38. | Other provisions | The Definitive Agreements shall contain such other provisions as are standard or customary and are agreed to by the Parties. |

[Intentionally left blank]



This Term Sheet may be executed in counterparts, which together will constitute one document.

Signed and delivered by Midcity Infrastructure Private Limited

By : [•]
Signature : [•]
Designation : [•]
Date of the Board Resolution : [•]

FOR MIDCITY INFRASTRUCTURE PVT. LTD.

DIRECTOR

AUTHORIZED SIGNATORY



Signed and delivered by Mr. Rajen Dhruv

By : Mr. Rajen Dhruv
Signature : [•]

Signed and delivered by Mr. Hiren Dhruv

By : Mr. Hiren Dhruv
Signature : [•]

Signed and delivered by M/s Orbit Developers

By : [•]
Signature : [•]
Designation : [•]
Date of the Board Resolution : [•]

For Orbit Developers

Partner



Signed and delivered by Midcity Landmarks LLP

By : [•]
Signature : [•]
Designation : [•]
Date of the Board Resolution : [•]

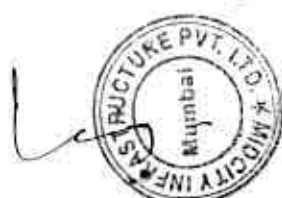
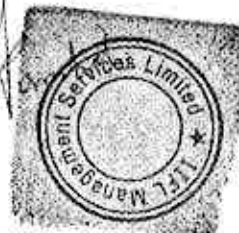
For Midcity Landmarks LLP

Partner



Signed and delivered by IIFL Management Services Limited

By : [•]
Signature : [•]
Designation : [•]
Date of the Board Resolution : [•]



ANNEXURE - 1
LIST OF OBLIGORS

1. Mr. Rajen Dhruv
Address: Aerial View CO Op HSG Soc. Ltd, Vastu Pali, 10th Floor, 52 Pali Hill, Land Breeze Bandra West, Mumbai- 400050
2. Mr. Hiren Dhruv
Address: 1101, Whitefield Building, 16th Road, Khar West, Mumbai-400052
3. M/s Orbit Developers
Address: Hall NO.1, Sarkar Heritage, Jairajbhoy Peerbhoy, Khoja Sanitorium complex, Kane & B. J. Road, Bandstand, Bandra West, Mumbai- 400050
4. Midcity Landmarks LLP
Address: Hall NO.1, Sarkar Heritage, Jairajbhoy Peerbhoy, Khoja Sanitorium complex, Kane & B. J. Road, Bandstand, Bandra West, Mumbai- 400050

The image shows four handwritten signatures, each accompanied by a circular corporate stamp. The stamps are for the following entities: 1. Mr. Rajen Dhruv (Midcity Landmarks LLP, Mumbai), 2. Mr. Hiren Dhruv (Midcity Landmarks LLP, Mumbai), 3. M/s Orbit Developers (Orbit Developers, Mumbai), and 4. Midcity Landmarks LLP (Midcity Infrastructure Pvt. Ltd., Mumbai). The stamps are circular with the company name and 'Mumbai' in the center, and a star at the bottom.