IIFL

SANCTION LETTER

Date : 12th June 2017

Spenta Suncity Private Limited

(hereinafter the "Issuer")

Kind Attention: Mr. Aspan Cooper

JLS Realty Private Limited

(hereinafter the "Confirming Party")

Kind Attention: Mr. Rajat Jhunjhunwala

Subject: Sanction Letter

Dear Sir,

1. Please refer to your application for financial assistance from India Infoline Finance Limited ("Subscriber").
2. We are, at your request, agreeable to extend to you the below mentioned credit facilities, subject to the terms and conditions set out in the Annexure I hereto.
3. In case the above terms and conditions are acceptable to you, we request you to return the duplicate copy of this sanction letter duly signed in token of acceptance of the terms and conditions specified herein within 7 days from the date of this letter.
4. Please note that this communication should not be construed as giving rise to any binding obligation on the part of the Subscriber unless (a) you have returned the duplicate copy of this sanction letter duly signed by you in token of acceptance hereof and (b) execution of definitive agreement for the credit facilities.

Yours faithfully,

On behalf of the Subscriber

Name:

India Infoline Finance Ltd

India Infoline Finance Ltd.

(Authorized Signatory)

Agreed and accepted by the Issuer:

M/s SPENTA SUNCITY PRIVATE LIMITED

(Authorized Signatory: Mr. Aspan Cooper)

Agreed and accepted by the **Confirming Party** :

M/s JLS REALTY PRIVATE LIMITED

(Authorized Signatory: Mr. Rajat Jhunjhunwala)

Date: 12th June 2017

Annexure I

The following summary of terms and conditions (the "Term Sheet") provides indicative terms and conditions for the transaction contemplated herein. This Term Sheet is not meant to be, nor should it be construed as a commitment by India Infoline Finance Limited (the "Subscriber") for the transaction. The Term Sheet is intended to outline basic points of business understanding around which the transaction would be constructed. It does not attempt to describe all the terms and conditions that would relate to the transaction nor do the terms suggest specific documentation phrasing. The closing of any financial transaction would be subject to various conditions precedent, including without limitation, the conditions set forth in this Term Sheet and internal approvals. This Term Sheet contains a statement of present intention on the part of the parties and it is not intended to create a legal, binding obligation until the specific documentation has been duly executed and delivered.

Issuer	Spenta Suncity Pvt Ltd
Confirming Party	JLS Realty Private Limited
Subscriber	India Infoline Finance Limited ("IIFL")
Debenture Trustee	IDBI Trusteeship Services
Facility	Non Convertible Debentures
Purpose of the Facility	Proposed funds shall be utilized towards project expenses / approvals and premium payments for the project
Facility Amount	Up to INR 240 Crores (subject to minimum 2 times security cover). The Trustee shall be entitled to review the performance of the Issuer in relation to the Project and suspend / terminate the drawals by the Issuer.
Tenure & Moratorium	Up to 60 months from the date of first disbursement with principal moratorium of 30 months from first disbursement.
Coupon Rate	12% p.a. payable at the end of each quarter on quarterly basis (Calculated on the basis of 365 days a year)
Interest Moratorium	First 9 months from the disbursement. (Interest for the first 9 month to be collected at the end of 9th month from the disbursement.) – March 18

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Redemption Premium	"Redemption Premium" shall mean the total Redemption Premium payable on the repayment instalments of the Principal Amounts which in aggregation is Rs. 1,04,16,00,000/- (Rupees One Hundred and Four Crores Sixteen Lakhs only) assuming full disbursement of the Subscription Amounts.
Principal Repayment	Repayment in 10 equal quarterly installments payable at the end of each quarter starting from the end of 33rd month from the first date of drawdown.
Interest & Principal Repayment frequency	At the end of every quarter
Security	The Facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof shall be secured by: a. First and exclusive charge by way of registered mortgage on 100% development rights of Spenta Suncity P Ltd as per JDA on land admeasuring 21,722 sq.mtr from proposed residential project under Slum Rehabilitation Scheme, developed on land situated at Shankarwadi, Off Western Express Highway, Jogeshwari (East), Mumbai and free sale structure thereon (present & future). b. First and Exclusive charge on development rights and free sale FSI to be generated in favor of JLS Realty Pvt Ltd from proposed residential project under Slum Rehabilitation Scheme, developed on land situated at Shankarwadi, Off Western Express Highway, Jogeshwari (East), Mumbai and free sale structure thereon (present & future). c. First and Exclusive charge on escrow account where sale proceeds of free sale portion of project will be deposited. d. Personal Guarantee of Suketu Shah upto INR 140 crs and Aspan Cooper on balance INR 100 crs e. Pledge of 100% shares of Spenta Suncity P Ltd and JLS Realty P Ltd. Above mentioned security to be created before the first disbursement. Minimum security cover of 2 times to be maintained at all times during the tenor of the facility. The Security to be created before the date of disbursement in favor of Lender,/ Security Trustee and perfected in a form and manner satisfactory to the Lender / Security trustee within 90 days from first disbursal. Minimum 9 months interest on disbursed amount to be maintained as DSCR with the Escrow Bank / undisbursed for first 30 months from the date of disbursement and then DSCR of 3 months interest on disbursed amount to be maintained for balance tenor of the facility.
Security Margin Coverage	• If the valuation of the Security/Property drops below 2 times (based on the then existing market price) of the outstanding facility amount (margin call), then Issuer shall have 7 working days to replenish the deficit or create security on additional assets in order to maintain the security cover specified above. • In case the Issuer fails to replenish the deficit or create security on additional assets beyond the stipulated period of 7 working days mentioned above in order to maintain the stipulated security cover of 2 times mentioned above, it will be considered as an Event of Default and the Trustee will be free to sell Security/Property without any prior notice to the Issuer.

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Escrow Account Mechanism	• The Issuer shall open, establish and maintain an escrow account for deposit of receivables from sale of mortgaged units. The escrow account shall be maintained and operated by the Issuer during the entire tenure of the Facility and shall not be closed without the prior written approval of Trustee. All costs, charges and expenses in connection with the aforesaid accounts shall be borne by the Issuer. • The sales receivables to be apportioned between the Subscriber & Issuer in the ratio as mutually decided by the parties for onward adjustment against the principal outstanding. Standing Instruction to be given to escrow bank for apportioning the sales receivables in favor of IIFL as mutually decided. The apportioned sales receivable portion of Subscriber to be utilized for reducing the outstanding principal facility amount.
Prepayment option & Charges	No foreclosure fee for the first 30 months from the date of disbursement. Flat fee of 1% thereafter will be applicable. No prepayment penalty will be applicable if the repayment of the facility is done out of verifiable sales receivables of the project routed through the Escrow Account at any time during the facility tenure.
Additional Interest in case of Default.	Additional interest @ 15% p.a. over and above the interest rate, compounded quarterly, for defaulted/delayed period on all the overdue amount in relation to the Facility granted including but not limited to the interest/instalments due (calculated from due date till date of payment) will become payable.
Pre-disbursement conditions	• Clear, Marketable, Unencumbered title of all the properties given as security for Facility. • Registered JDA between Spenta Suncity Pvt Ltd and JLS Realty P Ltd to be on records. • CA certificate confirming Promoter contribution of Mr Suketu Shah through Shajas Developers P Ltd for Shankarwadi Project to be on record • Letter confirmation from Sahara for extension of repayment terms by another 12 months to be on records pre disbursement. • 2 Valuation Reports by Panel Valuers • Title Search report by empanelled Lawyer. • Satisfactory CIBIL report in respect of the Issuer and Guarantors. • Signing of all the Facility documents as suggested by empanelled lawyers, to the satisfaction of Trustee. • The receivables accrued from the Project to be routed through designated Escrow Account to be opened with bank and on the terms and conditions acceptable to the Trustee • CA certificate required for promoters' contribution in the Project and cost incurred till date on the Project. • Creation and perfection of Security in favour of Trustee in the form and manner satisfactory to the Trustee • Certified true copies of the constitutional documents and necessary authorization of the Issuer to the satisfaction of the Trustee • Payment of all fees and charges (including but not limiting to stamp duty and registration charges) by the Issuer • Receipt of Issuer's most recent audited accounts and auditor's report and un-audited accounts.

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Conditions Subsequent to Disbursal	• The funds to be used only for the purpose it is being disbursed and not to be used for any other purpose. • The Issuer shall maintain security cover of 2.0 times of outstanding Facility amount during the entire tenure of the Facility. • Compliance of any other pre-disbursement conditions as may be incorporated in the Facility Agreement • In case the value of the Security falls below the security cover specified above, the Issuers shall create security on additional assets in order to maintain the security cover specified above. • The Trustee reserves the right to stipulate any further condition precedents as it may consider necessary or desirable • A copy of provisional financials of Issuers and Personal Guarantors will be submitted within 3 months from the end of each financial year & audited financials within 6 months from the end of each financial year. • The Project sale agreements with the prospective customers would incorporate a condition that the booking money / payments need to be made in favour of the Escrow Account to be opened by the Issuer in relation to the Facility. • Change in shareholding / partnership / ownership structure of the Issuers will not be allowed without informing and written approval of IIFL. • The Trustee shall have the option to call back the Facility or take suitable action in case the issuer defaults in repayment of any other dues outstanding with IIFL or its group companies. • Promoters' contribution in the Project to be maintained at all the time and should not be withdrawn during the entire tenure of the facility. • The Issuer to disclose in the pamphlets / brochures / advertisements etc.in relation to any allotment or sale of the Project or any part thereof, the name(s) of the Trustee to whom the property is mortgaged and should indicate that No Objection Certificate (NOC) / permission of the mortgagee entity for sale of flats / property will be required. • CA certified End-use certificate of our Facility Amount to be provided within 3 months of disbursal. • ROC charge creation to be done within a period of 1 month of security creation, if applicable.

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Events of Default and consequences	Customary to the financing of this nature and including without limitation: 1. payment default; 2. breach of any terms or conditions of the transaction documents; The Trustee shall have the right to stipulate in the transaction documents such other event of default as they may deem fit. Consequences of default: Customary to the financing of this nature and including without limitation: 1. accelerate and recall the Facility (or part thereof) prior to its due date; 2. right to convert the debt into equity; and 3. Enforcement of any other right available to the Trustee in law or contract. The Trustee shall have the right to stipulate in the transaction documents such other event of default as they may deem fit
Ranking	The obligations of the Issuer in respect of the Facility shall at all times rank at least pari-passu with all its other present and future obligations

Disbursement Conditions: -

1. Request letter for the Facility
2. Fully filled Application form with photographs duly affixed and signed &/or stamped wherever required by the Issuer.
3. Disbursement Request form duly signed by Issuers.
4. Clearance of Processing fees cheque / Processing Fee debit Authority letter
5. Latest list of directors & shareholders of the Issuers
6. Latest CA certified net worth statement of Guarantors.
7. PDCs towards Interest & Principal repayment.
8. Signature verification of director / all the authorized signatory/ies, who will sign the facility documents & necessary authorizations (including but not limited to board resolutions) on behalf of the Issuers.
9. Required authorizations from the Partners/board of the Issuers for the Facility, containing following terms:
   a. Approving the terms and execution of, and the transactions contemplated by, this Sanction Letter and other transaction documents in relation to the Facility;
   b. Authorizing the affixation of the common seal on transaction documents, and/or other authorized executives to execute this Sanction Letter and other transaction documents; and
   c. Authorizing a person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with this Sanction Letter and other transaction documents.
10. A letter/ certificate regarding end use of funds and an undertaking stating that funds will not be used / diverted for any speculative purpose, except for the working capital needs of the company.
11. Demand Promisson Note.

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12. Letter of Continuity for Demand Promissory Note.
13. Facility/transaction documents as provided by Trustee.
14. Self attested copy of latest annual return of Issuers along with ROC acknowledgement receipt.
15. Self attestation of all the photocopies (incl. KYC documents) by Issuers, Guarantor & authorized signatory/ies.
16. Submission of audited financials within 6 months from the end of latest financial year by the Issuers.
17. Notwithstanding anything stated elsewhere in this letter or otherwise, IIFL reserves the right to cancel the Facility in part or full and demand repayment of all monies due there under without assigning any reason whatsoever.
18. The Facility and interest shall be paid as stated above. However, IIFL may in its sole discretion alter the rate of interest suitably and prospectively if unforeseen or extraordinary changes in the money market conditions take place.
19. IIFL is entitled to add to, delete or modify all or any of the aforesaid terms and conditions.
20. IIFL reserves the right, in its sole discretion and on such terms as to pre-payment charges, etc., as it may prescribe permit prepayment / acceleration in payment of instalments at the request of the Issuer.
21. Further, kindly note that the Trustee reserves its right to appropriate the amounts received from you towards payment/repayment of the amounts due under the facility/transaction documents in the following order of priority
    a. Firstly, towards costs and expenses, if any, incurred/to be incurred by the Trustee;
    b. Secondly, towards additional interest, default interest, interest and/or other amounts (other than outstanding Facility Amount) payable by you under the transaction documents; and
    c. Thirdly, towards the outstanding Facility Amount payable by you under the transaction documents.

Other Terms & Conditions:-

1. Bureau of Indian Standards has formulated National Building Code (NBC) of India 2005, providing Guidelines for regulating the Building Construction Activities. Issuers agree for adherence to the above National Building Code Specifications in the Project.
2. All documentation charges (including stamp duty), legal and valuation charges shall be borne by the Issuer.
3. If there is any Interest Tax levied by the Government of India or any other Authority under the Interest Tax Act 1974 or under any other Law, the Issuer shall reimburse to the Trustee any such Tax imposed or levied by the Government of India or any other Authority on the Trustee on Interest and / or other Payments .
4. It is the Issuer's responsibility to ensure that the mortgaged properties be duly insured at their own cost & expenses, for all risk & the same to be assigned in favour of the Trustee.
5. The title of the properties to be clear, marketable, unencumbered & the same to be satisfactory & acceptable to the Trustee. The Search in the ROC & in the Sub-Registrar's Office to be done & the same should be satisfactory.
6. NOC to be obtained from other Financial Institutions and / or Banks from where / whom the Issuer might have taken loans for any other projects in the borrowing company, if such an approval is stipulated in the agreement / arrangement with them.
7. The Issuers and its group concerns / companies should not have defaulted with any of the Trustee in the past. The Issuers has to give a Declaration and a Confirmation from their Auditors in this regard.
8. The Issuers shall not raise any loans/funding from any other source for the Project without prior written consent from the Trustee. Necessary declaration to be provided to the Trustee that there is no litigation pending or being process against the Issuers.
9. The Issuer shall have full authority to monitor, including auditing all transactions through such Escrow Account in such manner as it may deem necessary.
10. The Issuer shall provide irrevocable instructions to the Escrow Account bank, prior to the disbursement (and at

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any other time as may be required by the Trustee) for giving the absolute right to operate the Escrow Account in a manner as the Trustee may deem fit. Such right shall without limitation include::

a. That the bank(s) will be authorised to send to the Trustee statements pertaining to the Escrow Account directly at such frequency as the Trustee may require at anytime.

b. That the Trustee shall have the right to cause the bank to freeze the Escrow Account at any time without Issuers confirmation & that on the request of the Trustee the bank shall after freezing the Escrow Account or otherwise transfer the balance in the Escrow Account in the account of the Trustee, as instructed by the Trustee, without having to obtain any further instruction from the Issuer in case of event of default.

c. That the bank will abide by any instruction that the Trustee may give to the bank in connection with the escrow account without any reference to the Issuer.

The Issuer shall procure & produce to the Trustee a written confirmation of the above from the bank prior to execution of the Facility agreement.

11. The Issuers will also undertake & confirm that in the event the cash flow in the Escrow Account is not sufficient to service the principal repayment of the Facility, interest or other dues, the shortfall will be met through inflow of fresh funds therein by the Issuers in a manner & form acceptable to the Trustee. The support shall be kept valid until full repayment of the entire Facility amount with interest & all other dues.
12. The Issuers undertake / confirm that in the event of default for any particular month or there is any shortfall in payment of instalment; they shall pay the due amount of instalments from their own sources.
13. The Issuers undertake / confirm that none of its partners/director of its group companies is a director or specified near relation of a director of IIFL and none of its directors or its group companies is a specified near relation of a senior employee of IIFL.
14. Issuers to give a stamped affidavit cum undertaking from the directors that their name are not appearing in the RBI defaulter list or any other financial institution
15. The Trustee will have the option to appoint their nominee as a member / observer to the partnership of the Issuer
16. The Issuer shall not raise any debt or equity without the prior written consent of the Trustee.
17. The Trustee will have rights to scrutinize and audit the expenses, which are incurred in the Project.
18. The Subscriber will have exclusivity of 3 months from issue of this Term Sheet for the transaction during which period the Issuers will not approach any other lender for the same.
19. IIFL shall be entitled to revoke the sanction of the Facility, inter-alia in any of the following circumstances: -
    a) If there is any material change in the Purpose/s for which the loan/Facility has been sanctioned.
    b) In the sole judgment of IIFL any material fact has been concealed by the Issuers and/or become subsequently known.
    c) Any statement made by or on behalf of the Issuer's application or otherwise is incorrect, incomplete or misleading.
    d) There is default under or a breach of the terms and conditions of the Facility or any other loan/Facility offered by IIFL Group to the Issuer(s) and/or Co-Borrower(s) / Guarantor(s).
    e) The legal / technical report on the property or any other verification report on the Issuer / Guarantor is not to the satisfaction of IIFL in its sole & absolute discretion.
    f) If IIFL in its sole & absolute discretion considers that the Facility should be revoked for whatever reason it may so deem fit and proper.
20. The Subscriber shall have the absolute right to revoke or cancel this Term Sheet if:
    a. There are any material changes in the proposal;
    b. Any material fact concerning the Issuer's profits, etc., or ability to repay, or any other relevant aspect

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of it is withheld, suppressed, or concealed or not made known to us;

c. Any Statement made by the Issuers is found to be incorrect or untrue;
d. Any Information as may be required by the Trustee from time to time pertaining to the Property is not furnished in the form prescribed / approved by the Trustee; and
e. For any reasons as the Trustee deems fit.

Standard Covenant forming part of Terms and Conditions:

1. Trustee will have the right to examine at all times, the Issuers books of accounts and to have the Issuer's Project sites inspected from time to time by officer(s) of IIFL Group and/or qualified auditors or concurrent auditors and/or technical experts and/or management consultants or other persons of IIFL's choice. Cost of such inspections will be borne by the Issuer
2. During the currency of the Facility, the Issuers will not, without the prior permission in writing –
   a. Effect any changes in the Issuer's capital structure
   b. Formulate any scheme of amalgamation or re-construction or restructuring of any kind
   c. Invest by any way of share capital in, or lend or advance funds to, or place deposits with any other concern : (normal trade credit or security deposits in the normal course of business or advance to employees, can, however, be extended)
   d. Undertake guarantee obligations on behalf of any other Company or Person
   e. Monies brought in by partners/principal share holders/directors/depositors of the Issuer and/or Co Issuer will not be allowed to be withdrawn without permission of trustee.
   f. The Issuers should not make any major change in their management set up without the permission of Trustee.
   g. Create any further charge, lien or encumbrance over the assets and properties of the Issuers charged to Trustee in favour of any other banks, financial institution company, Company or Person.
   h. Sell, assign mortgage or otherwise dispose off any of the fixed assets charged to Trustee.
3. The Facility should be utilized for the Purpose for which the same has been sanctioned and if Trustee has reason to believe that the Issuer has violated or apprehends that the Issuer are about to violate the said condition, Trustee will have the option to exercise its right to recall the entire loan/facility or any part thereof at once.
4. Trustee reserves the right to modify/add any other terms and conditions as it may deem fit absolutely at its discretion
5. The Issuer/s should undertake that they should not induct a person who is a director on the Board of a company which has been identified as a wilful defaulter and that in case, such person is found to be on the board of the either of the Issuers Company, the Issuer/s would take expeditious and effective steps for removal of the person from its Board. The aforesaid undertaking may be obtained by way of separate letter/ duly executed by Issuer/s on non-judicial stamp paper
6. Guarantor will submit an undertaking: "I / We have stood as guarantor(s) in respect of the Loan/facility in the name of Issuer. I/We undertake that I/We shall remain liable for all the out standings in the above said accounts till the dues are repaid in full along with interest, cost etc. or till Trustee releases me/us in writing from the above said liability".
7. Trustee reserves the right to stop further disbursements without assigning any reason at its sole discretion

Special Covenants

1. Issuers to furnish undertaking to the effect that none of their directors and promoters are appearing ECGC

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SAL, RBI caution list, RBI defaulters list & none of its directors including promoter director has defaulted in the payment dues of any bank. A director with identical name appearing in the defaulter's list should submit an affidavit (to be signed before the executive magistrate) conforming that he is not the same person whose name is appearing in the defaulter's list.

2. Subscriber shall have the right to down sell their facility to any other bank / financial institutions operating in India
3. Issuer(s) and/or Guarantor should give their consent for disclosure of credit information to CIBIL/RBI in terms of directions issued by RBI.

If this Terms & conditions are accepted to you, kindly sign the Acceptance Copy thereof in token of your acceptance and return to us immediately. We look forward to your acceptance of this sheet to expedite the conclusion of this transaction and the disbursement hereunder.

For India Infoline Finance Ltd

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JLS Realty Private Limited

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Spenta Suncity Private Limited

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