Indicative Term Sheet

This preliminary, indicative and non-binding term sheet ("**Term Sheet**") sets out the principal terms with respect to the proposed issuance of fully secured redeemable non-convertible debentures by **Classic Promoters and Builders Pvt Ltd** ("**Issuer**") to the Investor *(as defined in clause 3 (Investor) below)* ("**Proposed Transaction**").

This Term Sheet is only an expression of the intention of the Parties and will not create any binding agreement. This Term Sheet is intended to serve as the basis for definitive agreements that reflect the Proposed Transaction ("**Definitive Agreements**"/ "**Transaction Documents**"). The subscription to Non-Convertible Debentures by the Investor is subject to (a) legal, financial, tax and technical due diligence of the Issuer; (b) internal approvals as required by the Issuer; and (c) such other documents as prescribed under applicable law.

S. No.	HEADS	DESCRIPTION
1.	Issuer	The Issuer is **Classic Promoters and Builders Pvt Ltd ("Issuer")**, (PAN AAABC1200C and CIN - U70101MH1988PTC047131) a company incorporated under the Companies Act, 1956 having its registered office at Solitaire World, Level 8, Survey No 36/1/1, Baner, Pune 411045.
2.	Confirming Party	M/s Shah Promoters and Developers (PAN AAAFC7667B), a partnership firm duly registered under the provision of Partnership Act 1932, having its registered office at AST-1, Success Chambers, 1232, Apte Road, Deccan Gymkhana, Pune 411004.
3.	Investors/Subscribers	**Indiabulls High Yield Fund ("IBHYF")**, a trust settled in accordance with the Indian Trusts Act, 1882 and registered under the Securities and Exchange Board of India Act (Alternative Investment Funds) Regulations, 2012 as a category II alternative investment fund, acting through its Investment Manager, Indiabulls Asset Management Company Limited, having its registered office at M-62 & 63, 1st Floor, Connaught Place, New Delhi – 110001 and corporate office at Indiabulls Finance Centre Tower-1, 11th Floor, Senapati Bapat Marg, Elphinstone West, Mumbai – 400013 And **Indiabulls India Opportunities Fund ("IBIOF")**, a trust settled in accordance with the Indian Trusts Act, 1882 and registered under the Securities and Exchange Board of India Act (Alternative Investment Funds) Regulations, 2012 as a category II alternative investment fund, acting through its Investment Manager, Indiabulls Alternate Investments Limited, having its registered office at M-62 & 63, 1st Floor, Connaught Place, New Delhi – 110001 and corporate office at Indiabulls Finance Centre Tower-1, 11th Floor, Senapati Bapat Marg, Elphinstone West, Mumbai – 400013 Or any other fund/scheme sponsored and managed by Indiabulls Asset Management Company Ltd or Indiabulls Alternate Investments Limited

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4.	**Party or Parties**	The Investors, The Confirming Party and the Issuer will individually be referred to as 'Party' and collectively the 'Parties'.
5.	**Promoter(s)**	Mr Ashok Dhanraj Chordia and Mr Atul Ashok Chordia
6.	**Type of Instrument**	Secured Redeemable Listed Rated Non-Convertible Debentures
7.	**Project**	Mixed use development on 17 acre of land parcel at Bibvewadi-Kondhwa Road, Bibvewadi, Pune, alongwith all current and future development potential.
8.	**Tenor**	48 months
9.	**Coupon**	The Issuer will, until the Debentures are redeemed or paid off, pay to the Investor interest on the Debentures or such part thereof, as will remain unpaid for the time being, at an interest rate of 11% p.a.p.m., payable quarterly at the end of each quarter ("**Interest**"). Interest will be computed on 'actual/365' basis, on the face value of Issue Amount, outstanding on the Debentures at the respective coupon rate, rounded off to the nearest Rupee.
10.	**Redemption Premium**	**Fixed Redemption Premium** ▪ 3.00% p.a.p.m. **Variable Redemption Premium –** Variable Redemption premium shall be calculated as follows on sale realisation of the entire carpet area of 11,42,704 sqft of residential units - **Sale realisation** / **Redemption Premium**: Any sale realisation upto average sale price of INR 16,200 on carpet area. — NIL Any incremental sale realisation above average sale price of INR 16,200 but upto average sale price of INR 18,900. — 12% of the incremental revenue Any incremental sale realisation above average sale price of INR 18,900 but upto average sale price of INR 21,600 — 6% of the incremental revenue The sale price shall include all charges paid by the buyer excluding pass through charges like One time maintenance security (IFMS), taxes like stamp duty, registration charges service tax, GST, VAT etc and any cost of subvention scheme.
11.	**Use of the issue amount**	To meet the Issuer's on-going requirement of funds for business activities and general corporate purposes.

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12.	**Issue Size**	The Issuer will issue 20,00,000 fully Secured, Redeemable and Non-Convertible debentures, which will be interest bearing and rupee denominated with par value of INR 1,000 (Rupees One thousand) and will be issued through private placement basis to the Investor on the Allotment Date ("**Debentures**"). The Issuer will offer subscription of Debentures for a total amount aggregating INR 200 Crore (Rupees Two Hundred crore) as denominated above ("**Issue Amount**"). The Issue shall be subscribed jointly by Investors at the discretion of its investment manager. The term of the Debentures will be 48 (Forty Eight) months from the Allotment Date *(as defined in clause 26 (Conditions Precedent to Subscription) below))*. The debentures will be issued in individual co-terminus series, each debenture having par value of INR 1000 to the extent of the disbursement to Issuer based on various conditions precedent, conditions subsequent, development/ approval milestones and FSI scenarios outlined in the definitive agreements.
13.	**Issuance and Trading mode of the instrument**	Debentures shall be issued in dematerialised Form (Issue on private placement basis) The debentures will be mandatorily listed on the Wholesale Debt Market (WDM) segment of the Bombay Stock Exchange or National Stock Exchange The Debentures will be rated by a SEBI registered credit rating agency prior to allotment and listing The Issuer shall procure the listing of the Debentures within 15 (fifteen one) days from the Tranche I Closing Date and the Tranche II Closing Date respectively. In case of delay in listing the Debentures beyond 21 days from each of the Tranche I Closing Date and the Tranche II and the Tranche III Closing Date it shall be considered as an Event of Default, unless timelines are extended by Debenture Trustee. The provisions so set in the event of default shall be details in Definitive Documents.
14.	**Disbursement**	The Issue Amount by Investor will be disbursed into the Escrow Account in three tranches – • INR 146 Cr on the Allotment Date. • INR 29 Cr on or before 7 working days from the allotment date • INR 25 Cr on or before 6 months from Allotment date, at the milestone to be mutually decided.
15.	**Identified Security**	First exclusive charge and registered equitable mortgage of 17 acre of land parcel at Bibvewadi-Kondhwa Road, Bibvewadi, Pune, alongwith all current and future development potential.

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16.	**Security**	The Debenture outstanding shall be secured by the following security (collectively "**Security**") in favour of the Debenture Trustee for the benefit of the Investor in the following manner: (a) First exclusive charge and registered mortgage of the entire development (appx 1,970,852 sqft of carpet area) on 17 acre of land parcel at Bibvewadi-Kondhwa Road, Bibvewadi, Pune, alongwith all current and future development potential. ("**Identified Security**" – detailed in Annexure I); (b) First charge on all the movable and immovable assets of the Identified Security, both present and future in favour of Debenture Trustee; (c) Hypothecation of receivables from the Identified Security (sold and unsold both) in favour of the Debenture Trustee; (d) Creation of Escrow Account for the Identified Security (sold and unsold both) with a first charge in favour of the Debenture Trustee (to be operated as discussed hereinafter) wherein all cash flows from the Identified Security shall be deposited; (e) Charge/lien over debt service reserve account ("**DSRA**"). (f) Irrevocable and Unconditional personal guarantee of Promoters against the total amount outstanding to the Investor ("**Personal Guarantee**"); (g) Shortfall Undertaking as per details given in clause 18 of this Term Sheet. (h) Demand Promissory Note by **Issuer.** (i) Letter of Continuity in connection with Demand Promissory Note; (j) Post Dated Cheques (k) Pledge by the Promoters of their entire shareholding of the Issuer company; (l) (m) The Issuer will also maintain a debenture redemption reserve account pursuant to applicable law. The Issuer will be required to maintain a security cover equivalent to **twice** the borrowed amount ("**Minimum Cover**") during the entire tenor of the Debentures. If the value falls below the Minimum Cover, then Issuer and the Promoter shall offer any other security to the satisfaction of the Investor pursuant to the findings of advisors appointed by the Investor in their due diligence. In case (a) the Minimum Cover is not maintained during the tenor of the Debentures; and/or (b) the Promoters fail to provide a security top up contemplated above, then without prejudice to the other rights and remedies available to the Investor, the Investor will have the right to enforce any of the Security.

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		The Issuer would be required to maintain minimum DSRA equivalent to immediate 1 (one) quarter of coupon payment obligation on the Debentures, to be maintained at all times during the tenor of the Debentures. Such DSRA would be created within 1 (one) business day from the Allotment Date.
17.	**Shortfall Undertaking Provider/s**	the Promoters
18.	**Shortfall Undertaking**	All obligations of the Issuer, under the Identified Security (including payments towards the Debentures) shall be supported by a shortfall undertaking from the Shortfall Undertaking Provider/s. During the tenor of the issue, the Shortfall Undertaking Provider shall ensure that there is no shortfall in cash flows for the Identified Security (including debt service for the Identified Security under the issue and other loans) • In the event of a shortfall in cash flows for the Identified Security, either the Shortfall Undertaking Provider or Issuer shall immediately provide/arrange additional funds to meet the shortfall • Shortfall Undertaking Provider shall provide an undertaking for any cost overrun • The Snortfall Undertaking shall be valid for the tenor of the issue At the option of the holder of the Debentures / upon receiving notice from the Debenture Trustee (who shall be instructed by the Debenture holders), Shortfall Undertaking Providers will undertake to infuse any additional amount either through Equity or in a form and manner acceptable to the holders of the Debentures into the Issuer as and when required by the Issuer to continue its operations and/or fulfil its financial obligations. There will be no interest, dividend, fees etc. payable by the Issuer on such amounts infused by the Shortfall Undertaking Providers without the prior written approvals of the Debenture holders.
19.	**Escrow Account for the Identified Security**	Entire cash flow from the Identified Security shall be deposited in designated escrow account ("**Escrow Account**"). The Debenture Trustee shall have first exclusive charge on the cash flows of the Identified Security. The Escrow Account shall be operated by the Investor and the Issuer in a manner more specifically provided for in the Definitive Agreements. 30 (thirty) days prior to redemption, the Issuer shall demonstrate its/their ability to redeem the Debenture to the satisfaction of the Investor and shall furnish documentary proof supporting the same.
20.	**Proposed Trustee**	IDBI Trusteeship Services Ltd as mutually decided between the Parties (referred to as "**Debenture Trustee**"). The cost and expense for the appointment and any ongoing fees of the Debenture Trustee shall be

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		borne by the Issuer.
21.	**Scheduled Redemption**	Subject to the provisions of Clause 19 (*Escrow Account*) the Issuer will be required to repay the principal amount as per repayment schedule described in Clause 8 and in accordance with the manner provided for in the Definitive Agreements. For avoidance of doubt, it is clarified that the Debentures will not be deemed to be redeemed by the Issuer until the Repayment Amount, as specified under the Definitive Agreements, is received by the Investor, to its satisfaction.
22.	**Repayment Amount**	The Repayment Amount will include (a) the Issue Amount; (b) Interest and (c) redemption premiums.
23.	**Prepayment Penalty**	The Issuer will be permitted to redeem the Debentures before the scheduled maturity only after 36 months from allotment date. In case, the Issuer desires to redeem the Debenture in part or full, on or before 36 months from the date of allotment, then a prepayment penalty of 2% shall be payable on such prepayment amount to the Investors, over and above the amount due. Prepayment Penalty shall not be levied if such prepayment is done from sale proceeds of apartments/plots.
24.	**Mandatory Redemption**	The Issuer will mandatorily redeem all outstanding Debentures in full, by payment of the Repayment Amount on all such outstanding Debentures, on the date falling on the Redemption date. If the Issuer fails to redeem any Debentures on redemption, the Trustee will have such rights as set forth in the Definitive Agreements.
25.	**Representations by the Issuer/ Guarantor**	Issuer will provide all standard representations and warranties related to the transaction which will be further detailed in the Definitive Agreements.
26.	**Conditions Precedent to Subscription**	The Definitive Agreements will contain conditions precedent that are customary in transactions of this nature and that would need to be completed by the Parties prior to or on the date on which the Investor subscribes to and is allotted the Debentures ("**Allotment Date**"). Such conditions will include but not be limited to: (a) Execution of all Definitive Agreements/ Documents as listed in Clause 32; (b) Appointment of Debenture Trustee & execution of Debenture Trust Deed; (c) Obtaining ISIN for Debentures of Issuer from NSDL & CDSL; (d) Opening of the Escrow Account; (e) Provision of a detailed cost budget which will specify all costs incurred and the incremental costs to be incurred by the Issuer with regard to Identified Security; (f) Provision of a certificate from a recognized architect and

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		certified copies of the final master plan confirming the FSI area and saleable area of the Identified Security; (g) Completion of a physical site survey done certifying the land area and providing a survey plan and all major establishments on the project land, marking the site contours and buildings on the project land; (h) Obtaining of all approvals, permissions and corporate authorizations required by the Parties with respect to the transaction contemplated; (i) Completion of financial, legal, tax and technical due diligence to the satisfaction of the Investor on the Issuer and the project land; (j) Modification of existing mortgage, escrow and charge documents to the effect that existing lender shall have no charge on all the receivables/cash flows, movable and immovable assets of the Identified Security, both present and future. (k) Obtaining no-objection certificate from the existing lenders or any other person for the creation of a first charge by way of a mortgage/hypothecation of cashflow on the Identified Security in favour of the Investor; (l) provision of certificate of net worth from the Promoters; (m) creation and perfection of security by the Issuer and the Promoter in favour of the Debenture Trustee and in accordance with the Definitive Agreements; (n) any other condition precedent recommended by the advisors of the Investor pursuant to the due diligence conducted by them; and (o) the Investor should be satisfied that there has been no, nor is there likely to be an event or events which, individually or in the aggregate, have had, have, or could reasonably be expected to have a material adverse effect on the Issuer and /or the Promoter/s, to meet any obligations under this Term Sheet. (p) If the Definitive Documents require the Issuer to incorporate alterations to the articles of association and memorandum of association of the Issuer, the Issuer shall, and the parties shall cause the Issuer to, forthwith cause such changes to be incorporated thereto in a manner satisfactory to the Subscriber.
27.	**Conditions Subsequent**	The Issuer shall within: (a) 15 (Fifteen) days from the Allotment Date or the actual date of booking/sale of the units mentioned in Identified Security, inform all such allottees of units of Identified Security, that the cash flows have been maintained in the Escrow Account in favour of the Debenture Trustee and all payments have to be made to be deposited to the Escrow Account only; (b) 30 (Thirty) days from the Allotment Date, complete all other matters as specified in the Definitive Agreements.

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		Further, the Issuer shall, during the tenor of the Debentures, ensure and cause the entire sale proceeds and buy back/ cancellation proceeds from the Identified Security to be deposited into the Escrow Account only or any other arrangement which shall ensure that security cover is not less than 2 times of outstanding debentures.
28.	**Covenants**	The Definitive Agreements will contain general covenants that are customary in transactions of this nature and will include but not be limited to: (a) sharing of the business plans of the Issuer with the Investor; (b) restrictions on transfer or otherwise dealing with the immovable properties, except with the prior written consent of the Investor the procedure for which will be set out in the Definitive Agreements; (c) restrictions on any change in the shareholding of the Issuer; (d) provision of declaration to the effect that in case the actual total development cost exceeds the amount as per the approved business plan, without the corresponding increase in the sale price, then the excess amount will be borne by the Promoters instead of the Issuer, unless otherwise approved by the Investor; (e) Timely renewal of license after expiry of same (f) Project to get RERA registration before any sale (g) Issuer will intimate the Investor if there is a possibility of expenses towards the Identified Security exceeding the amount identified in the business plan, as agreed between the parties; (h) No objection certificate from the Investor would be required for any booking of units, as mentioned in Identified Security Identified Security; (i) Issuer will not change the name of the Issuer or its corporate status without approval of the Investor except where the Issuer has informed that it is in the process of getting converted into private limited company; (j) Issuer confirming and undertaking to adhere to the entire business plan. The business plan shall be shared with the Subscriber and detailed in the Definitive Agreements (k) Confirmation from the Issuer and Parent Company that all liabilities and/or obligations of the Issuer and Parent Company in relation to the Identified Security (whether accrued, absolute, contingent or otherwise, known to the Issuer and Parent Company, and whether due or to become due) have been disclosed to the Subscriber and there are no undisclosed liabilities of any nature.
29.	**Additional Rights:**	The Investor will have : (a) such information and at such frequency as mentioned in the Definitive Agreements; (b) the right to access the books of accounts and records of the Issuer and visit the Identified Security at regular intervals at the cost of the Investor; and

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		(c) all other rights as may be specified in the Definitive Agreements.
30.	**Event(s) of Default**	The Definitive Agreements will set out the 'events of default', which are customary for a transaction of this nature. The consequences of an event of default shall be as detailed in the definitive agreements and shall include without limitation rights to the Investor to enforce Security, sell inventory at an Investor determined price, Investor step in rights etc. Without prejudice to the other rights available to the Subscriber under the Definitive Documents, upon the occurrence of any event of default (as may be set out under the Definitive Documents), the Issuer shall pay a default interest in relation to the Debentures at the rate of 5% (five percent) per annum over the Coupon Rate compounded monthly, which includes normal Coupon payable on the debentures, for the period commencing from the date on which the event of default has occurred and expiring on the date on which such event of default is cured.
31.	**Term and Termination**	Unless extended by the Parties, the Term Sheet has to be signed by 15th November 2017 ("**Relevant Date**"), otherwise it will be deemed invalid. Subject to approval of the Parties, if the Definitive Agreements are not executed within 30 (Thirty) days from the Relevant Date, the Term Sheet will stand terminated. The issuer agrees to bear all the issue, due diligence and transaction related expenses
32.	**Definitive Agreements/Documents (or Transaction Documents)**	1. Debenture Trust Deed 2. Mortgage deed 3. Personal Guarantee 4. Shortfall undertaking 5. Escrow Agreement 6. Deed of Hypothecation 7. Power of Attorneys 8. Demand Promissory Note 9. Private Placement Offer Letter by Issuer 10. Application form by Investor to subscribe the Offer 11. Compliance Certificate 12. Any other ancillary document which the Debenture Trustee may deem fit to be included as a Definitive Agreement in relation to the Debentures.
33.	**Exclusivity**	For 30 (Thirty) business days from the signing of this Term Sheet, neither the Issuer nor any of its shareholders, Promoter, directors, officers, employees or agents will solicit or participate in negotiations or discussions with respect to any proposals or financial offers or

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		regarding the purchase of or investment in any securities or assets of the Issuer, without the prior written consent of the Investor. The Issuer will notify the Investor immediately if it receives any such inquiry or offer. The Parties may mutually decide to extend this time period by an additional 15 (Fifteen) days.
34.	**Confidentiality**	The Parties acknowledge and agree that the existence and contents of this Term Sheet and all discussions pursuant to it will constitute confidential information and will not be disclosed to any third party without the consent of the other Party, other than to each Party's professional advisors or as required by law. In all such cases each Party will within a reasonable time before making any such disclosure or filing, consult with the other Party regarding such disclosure or filing and seek confidential treatment for such portions of the disclosure or filing as may be requested by the other Party.
35.	**Amendment**	The Parties may amend the terms of this Term Sheet by mutual consent in writing.
36.	**Governing Law and Jurisdiction**	This Term Sheet will be governed by and construed in accordance with laws of India and each Party agrees to submit to the exclusive jurisdiction of the courts of Delhi, India.

IN WITNESS WHEREOF, THE PARTIES HAVE ENTERED INTO THIS TERM SHEET AS OF THE 1 DAY OF November 2017

For Indiabulls High Yield Fund	**For Indiabulls India Opportunities Fund**	**For Indiabulls High Yield Strategy I (Portfolio Management Services)**
______________	______________	______________
Name: Ambar Maheshwari	**Name: Mithun N**	**Name:** ______________
Designation: CEO – Private Equity	**Designation: Fund Manager**	**Designation: Authorised Signatory**

For Classic Promoters and Builders Pvt Ltd

Classic Promoters and Builders Pvt. Pune

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Name: Mr. Atul Chordia

Designation: Authorised Signatory

Annexure I

Appx 1,970,852sqft of carpet area of the entire development on 17 acre of land parcel at Bibvewadi-Kondhwa Road, Bibvewadi, Pune

Land parcel - 1

All that piece and parcel of land or ground land bearing (i) Plot no A admeasuring 8705 square meter and (ii) Plot no B admeasuring 47,604 square meter (including open space and amenity space) in the sanctioned layout of Survey No 578 Hissa no 1/3 total admeasuring 56,309 square meter assessed at Rs. 14=32 paise of village Bibvewadi (Munjeri) and now Pune City, Taluka Pune City, District Pune and within the limits of Pune Municipal Corporation and within the jurisdiction of the Sub Registrar Haveli No 1 to 27, Pune and bounded as follows : -

On or towards the East	By 24 meter DP Road (proposed 30 meters)
On or towards the South	By Survey Nos 578/2 and 577/1
On or towards the West	By Survey No 579
On or towards the North	By Survey No 578/1/2 and 580 (part) and 30 meter wide DP road (proposed 36 meters)

Land parcel - 2

All that piece and parcel of land or ground land admeasuring 10,000 sq meter bearing Survey No 578 Hissa no 1/2 situate, lying and being at Bibvewadi (Munjeri) within the registration sub-district of Taluka Pune City, District Pune and within the city limits of Municipal Corporation of Pune, bounded as follows : -

On or towards the East	By 24 meter DP Road (proposed 30 meters)
On or towards the South	By Survey Nos 578/1/3
On or towards the West	By Survey Nos 578/1/3
On or towards the North	30 meter wide DP road (proposed 42 meters)

Land parcel - 3

All that piece and parcel of land or ground land admeasuring 4,000 sq meter bearing Survey No 578 Hissa no 1/1 situate, lying and being at Bibvewadi (Munjeri) within the registration sub-district of Taluka Pune City, District Pune and within the city limits of Municipal Corporation of Pune, bounded as follows : -

On or towards the East	By Survey Nos 588P and 613
On or towards the South	By Survey Nos 613 and By 24 meter DP Road (proposed 30 meters)
On or towards the West	By 24 meter DP Road (proposed 30 meters)
On or towards the North	By Survey Nos 588P and 30 meter wide DP road (proposed 42 meters)

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