

**TERM SHEET**

**Date** June 30, 2014

**Parties**

**Lender** DMI Finance Private Limited, a non banking finance company with its registered office at AshiBhwan, Ground Floor, 19, Rouse Avenue, New Delhi-110002.

**Borrower** Stellar Spring Project Private Limited

**Background**

Corporate Office:  
Ashi Bhawan, Ground Floor  
19 Rouse Avenue,  
New Delhi 110002  
T: +91 11 41204444  
F: +91 11 43851281  
Email: [dmi@dmifinance.in](mailto:dmi@dmifinance.in)

1. The Borrower is engaged in the business of real estate development
1. The Borrower has approached the Lender for seeking an additional financial assistance for an amount of **Rs30 cr** ("**Sanctioned Rupee Term Loan Facility**") in one or more tranches against existing security of plot No.GH-09, Sector-1, Greater Noida residential project.
2. The Lender is willing to grant the Rupee Term Loan Facility as per the broad terms and conditions specified in this Term Sheet.

**The Transaction****Rupee Term Loan Facility**

The Lender shall grant to the Borrower a Rupee Term Loan Facility of Rs.30 Cr in tranches as mentioned below as per the terms and conditions stated below for a period of 36 months from the date of first draw down.

Rs30 cr shall be drawn down in two tranches as follows:

<u>Tranche</u>	<u>Amount</u>	<u>Draw down timelines</u>	<u>Utilization purpose</u>
First Tranche	Rs 20 Cr	Within 3 months of signing of this Term Sheet	Payment of land dues including interest thereon and preoperative expenses
Second tranche	Rs 10 Cr	Within 6 months of signing of this Term Sheet	Payment of land dues including interest thereon

**Purpose** General Corporate use subject to some restrictions including 1) no dues to promoters, directors or any other entities/persons related to promoters or directors may be repaid with this money, and 2) this money shall not be utilized in investing in the stock market or acquiring the securities of another company except in the normal course of the business of real estate development.

**Interest** The Company shall, until the Rupee Term Loan Facility is fully repaid, pay to the Lender, interest on the principal amounts of the Rupee Term Loan Facility outstanding from time to time at the rate of **18%p.a.** The interest shall be paid in **monthly** installments commencing from day of disbursement.

**Repayment** Principal will begin amortizing after month 12 from the day of disbursement and thereafter, payments will be made in equated monthly installments.

For Stellar Spring Projects (P) Ltd.

Penal Interest

In an event of default by Borrower, penal interest in addition to the applicable interest rate shall be charged at 5% p.a. up to 60 days and at 10% p.a. beyond 60 days on

Authorised Signatory



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total outstanding amount (i.e. all principal outstanding and interest which has become due and payable)

**Interest tax, other levies and duties**

All rates of interest mentioned in this Term Sheet are exclusive of interest tax and/or any such other levies / duties. Such interest tax / other levies / duties, if any, applicable, shall be payable by the Borrower to the Lender over and above the rates mentioned herein above.

**Upfront Fees:**

The Borrower shall pay to the Lender a onetime non-refundable and nonadjustable fee of 0.5% of the Sanctioned Rupee Term Loan Facility. Of the said amount, an amount equivalent to 0.25% of the Sanctioned Rupee Term Loan Facility shall be paid on signing of definitive agreements of the Sanctioned Term Loan Facility. As and when the expenses incurred in the due diligence exceed the fees paid, a portion of the balance fees shall be paid based on the amount of expenses. Any remaining balance shall be payable before the first disbursement of the loan. Service tax and educational cess as applicable will be charged extra.

**Prepayment**

The Borrower may prepay the outstanding amount of the Rupee Term Loan Facility in full or in part at any time, without any prepayment penalty, if the repayment is made from the project's cash accruals. If paid from other sources, then a repayment penalty of 2% shall be applicable unless 30 days notice is given to Lender.

The Rupee Term Loan Facility along with interest thereon, further interest, penal interest, costs, expenses and all other money, whatsoever, shall be secured by

- I. Equitable/English/registered legal mortgage of residential project at Plot No GH-09, Sector-01, Greater Noida

This security cover for the Rupee Term Loan Facility shall, at all times, be not less than 2.5 times of the outstanding amount. Security shall be calculated as Market value of land less payments due to Noida Authority

- II. In addition to clause (I) above, the Borrower shall maintain a Net Realizable Value of the project at not less than 3 times of the outstanding amount.

Net Realizable Value of the project is defined as market value of unsold add Receivables on sold area add debt raised from the Lender used for this project purposes less cost to be incurred including land cost and interest thereon..

- III. The Borrower shall maintain an Unsold NRV of 1.5 times


Unsold NRV of the project is defined as Market Value of Unsold area less pro-rata cost to be incurred including land cost and interest thereon

**Security**

- IV. Corporate Guarantee of Stellar Ventures Private Limited
- V. Personal Guarantee of Mr Akshay Sethi
- VI. Post Dated Cheques from Borrower and Guarantors

- VII. The Borrower shall open a lien marked Escrow Account with a scheduled bank, approved by the Lender, and all the receivables of the project shall be deposited in that account.

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VIII. Details of such account shall be mentioned in the Agreement to Sell/Builder Buyer agreement entered by the Borrower

1. All collections for the project shall be made by the Borrower in the Escrow Account. Borrower shall not withdraw from the Escrow account except for payment of interest/principal to the Lender; for construction and development cost of the project and for land payments and interest thereon for the project, in the manner as mentioned in clause IX below.

IX. All collections shall be allocated in the following manner:

1. 30% towards payment of interest/principal to the Lender  
Balance shall be utilized towards construction and development cost of the project and land dues, if any

X. The % of collections towards payment of interest/principal to the Lender as per clause IX above shall be transferred to the reserve account of the Lender on daily basis. On every Tuesday and Friday, Lender shall transfer the money in the reserve account to its Bank account. The amount so credited will be adjusted towards interest due till date and next principal payment.

XI. Every quarter, expenses shall be verified by the Lender on the basis of bills submitted by the Borrower subsequent to the drawdown from the Escrow account.

XII. No Payment in any form to the Promoter or person related to the Promoter shall form part of Development Cost, Sales Expenses and Administrative Costs other than contracts with Promoter/persons related to Promoter as approved by the Lender.

XIII. Borrower will need a NOC from Lender to execute any Agreement to Sell for the unit.

XIV. The Borrower shall get the Collateral Security and Additional Security (if any) appraised by a reputed valuer, as confirmed by the Lender within 30 (thirty) days of each anniversary of this Agreement. The cost of such valuation should not be more than Rs 50,000 (Rs Fifty Thousand only)

**Representations and Covenants by the Borrower**

Customary representations, warranties and covenants as are standard in the transactions of this nature regarding the organization, capacity, consequence etc.

**Other Terms and Conditions**


The promoters of the Corporate Guarantors (as are holding shares at the date of this term sheet) shall not dilute their stake in the Borrower below their existing shareholding. Further, the promoters of the Borrower and Corporate Guarantors are not allowed to pledge their shares in the Borrower.

The Borrower and Corporate Guarantors shall share loan agreements of all their existing lenders during the due diligence process.

The Borrower shall not be eligible to take any further loans or borrowings or grant any corporate guarantee beyond a pre-agreed threshold during the currency of the loan without obtaining the NOC from the Lender.

The Borrower and Corporate Guarantors shall furnish to the lender the audited/unaudited information at the end of each quarter in the format provided.

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**Consequences of Default**

Any change in the project plan has to be pre-approved by the Lender.

Borrower shall ensure that it does not sell any area in the project at less than an all-inclusive price (excludes govt. dues such as Service tax, VAT, EDC, IDC etc.) of Rs. 3,000 per sq.ft. The saleable/constructed area of the project should be 21 lacs sq.ft.. In case of decrease in saleable area and/or sale price, the Borrower shall obtain a prior approval from the Lender. In case of increase in saleable area and/or sale price, the Borrower shall notify the Lender.

On and any time after Default, the Lender shall have the right to terminate its Commitments under the Agreements and take one or more of the following actions:

- I. declare unpaid Interest and all other amounts payable to be forthwith due and payable;
- II. Recall entire outstanding Term Loan Facility along with Interest and other charges;
- III. exercise rights to enforce all of the Security Interest created pursuant to the Security Documents and/or invoke the Guarantees;
- IV. Any person exercising substantial powers of management shall not be paid any commission in any year unless all the dues of the Lender in that year have been paid;
- V. All expenses incurred after default has occurred in connection with preservation of the Borrower's assets (as on date of default) and Collateral Security and collection of amounts due under this Agreement shall be payable by the Borrower;
- VI. Exercise such other remedies as permitted or available under Applicable Law in the sole discretion of the Lender.

**Due Diligence**

The transaction contemplated herein shall be subject to legal and financial due diligence by the Lender / its representatives / advisors to its satisfaction.


**Confidentiality & Non-Disclosure**

Each Party to this Term Sheet shall at all times keep confidential (and to procure that its respective associates, employees, sub-contractors and agents shall keep confidential) any confidential Information disclosed or made available by the other party in the course of completion of the transaction contemplated herein and shall not use or disclose such information except for the purpose of implementing the transaction contemplated herein or with the consent of the other Party (ies) or in accordance with the order of a court of competent jurisdiction.

The above obligation shall not be applicable to information which (a) is or becomes available in public domain without breach of its obligation by the receiving party under this Term Sheet (b) can be shown by the receiving party to the reasonable satisfaction of the disclosing party to have been known to the receiving party prior to it being disclosed by the disclosing party to the receiving party or (c) subsequently comes lawfully into the possession of the receiving party from a third party without any obligation of maintaining confidentiality.

Neither Party shall disclose to any person the contents of this Term Sheet or the fact of its execution or make any public announcement in respect of the same without the consent of the other party, except to the extent such disclosure or announcement is required to give effect to the transaction contemplated herein or is required under applicable laws or regulatory requirements.

For Stellar Spring Projects (P) Ltd.

  
Authorised Signatory



**Governing Law**

This Term Sheet and the Definitive Agreements shall be governed by and construed in accordance with the laws of India and courts at Delhi shall have exclusive jurisdiction over any matter arising from the same.

**Non-Binding Agreement**

This Term Sheet summarizes the principal proposed terms of borrowing to be made by the Borrower from the Lender. Other than this clause and the clauses entitled Confidentiality and Governing Law included herein (which are legally binding obligations of the signatories hereto), this Term Sheet shall not constitute a binding agreement among the parties hereto or a binding commitment of the Lender to grant the loan as proposed hereby, but rather is solely for the purpose of outlining the principal terms pursuant to which definitive lending and security agreements/ documents (collectively "Definitive Agreements") regarding the borrowing ultimately may be entered into between the Lender and the Borrower.

**Validity**

The Term Sheet shall be valid till July 07, 2014.

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**For DMI Finance Private Limited**

**Authorised Signatory**

**Date**

**For Stellar Spring Projects (P) Ltd.  
For Stellar Spring Project Private Limited**

  
**Authorised Signatory**

**Date**

Date	Cheque No.	Interest Due	Principal Due	TDS	Net Payment	Principal Balance
15-Sep-14	309201	163,655	-	16,365	147,289	81,827,390
15-Oct-14	309202	1,227,411	-	122,741	1,104,670	81,827,390
15-Nov-14	309203	1,227,411	-	122,741	1,104,670	81,827,390
15-Dec-14	309204	1,227,411	-	122,741	1,104,670	81,827,390
15-Jan-15	309205	1,227,411	-	122,741	1,104,670	81,827,390
15-Feb-15	309206	1,227,411	-	122,741	1,104,670	81,827,390
15-Mar-15	309207	1,227,411	-	122,741	1,104,670	81,827,390
15-Apr-15	309208	1,227,411	-	122,741	1,104,670	81,827,390
15-May-15	309209	1,227,411	-	122,741	1,104,670	81,827,390
15-Jun-15	309210	1,227,411	-	122,741	1,104,670	81,827,390
15-Jul-15	309211	1,227,411	-	122,741	1,104,670	81,827,390
15-Aug-15	309212	1,227,411	2,857,748	122,741	3,962,418	78,969,642
15-Sep-15	309213	1,184,545	2,900,614	118,454	3,966,704	76,069,028
15-Oct-15	309214	1,141,035	2,944,124	114,104	3,971,055	73,124,904
15-Nov-15	309215	1,096,874	2,988,285	109,687	3,975,472	70,136,619
15-Dec-15	309216	1,052,049	3,033,110	105,205	3,979,954	67,103,509
15-Jan-16	309217	1,006,553	3,078,606	100,655	3,984,504	64,024,903
15-Feb-16	309218	960,374	3,124,785	96,037	3,989,122	60,900,117
15-Mar-16	309219	913,502	3,171,657	91,350	3,993,809	57,728,460
15-Apr-16	309220	865,927	3,219,232	86,593	3,998,566	54,509,228
15-May-16	309221	817,638	3,267,521	81,764	4,003,395	51,241,707
15-Jun-16	309222	768,626	3,316,533	76,863	4,008,296	47,925,174
15-Jul-16	309223	718,878	3,366,281	71,888	4,013,271	44,558,893
15-Aug-16	309224	668,383	3,416,776	66,838	4,018,321	41,142,117
15-Sep-16	309225	617,132	3,468,027	61,713	4,023,446	37,674,090
15-Oct-16	309226	565,111	3,520,048	56,511	4,028,648	34,154,042
15-Nov-16	309227	512,311	3,572,848	51,231	4,033,928	30,581,194
15-Dec-16	309228	458,718	3,626,441	45,872	4,039,287	26,954,753
15-Jan-17	309229	404,321	3,680,838	40,432	4,044,727	23,273,915
15-Feb-17	309230	349,109	3,736,050	34,911	4,050,248	19,537,865
15-Mar-17	309231	293,068	3,792,091	29,307	4,055,852	15,745,774
15-Apr-17	309232	236,187	3,848,972	23,619	4,061,540	11,896,802
15-May-17	309233	178,452	3,906,707	17,845	4,067,314	7,990,095
15-Jun-17	309234	119,851	3,965,308	11,985	4,073,174	4,024,787
15-Jul-17	309235	60,372	4,024,787	6,037	4,079,122	0

Schedule 1  
Details of Post Dated Cheques  
Stellar Spring Projects (P) Ltd

(Amount in Rs.)

Date	Cheque No.	Interest	Principal	TDS	Net Payment
7/15/13	557439	21,60,000	-	2,16,000	19,44,000
8/15/13	552322	27,00,000	-	2,70,000	24,30,000
9/15/13	552323	27,00,000	-	2,70,000	24,30,000
10/15/13	552324	27,00,000	-	2,70,000	24,30,000
11/15/13	552325	27,00,000	-	2,70,000	24,30,000
12/15/13	552326	27,00,000	-	2,70,000	24,30,000
1/15/14	552327	27,00,000	-	2,70,000	24,30,000
2/15/14	552328	27,00,000	-	2,70,000	24,30,000
3/15/14	552329	27,00,000	-	2,70,000	24,30,000
4/15/14	557415	27,00,000	69,66,597	2,70,000	93,96,597
5/15/14	557416	25,95,501	70,71,096	2,59,550	94,07,047
6/15/14	557417	24,89,435	71,77,162	2,48,943	94,17,653
7/15/14	557418	23,81,777	72,84,820	2,38,178	94,28,419
8/15/14	557419	22,72,505	73,94,092	2,27,250	94,39,346
9/15/14	557420	21,61,594	75,05,003	2,16,159	94,50,437
10/15/14	557421	20,49,018	76,17,578	2,04,902	94,61,695
11/15/14	557426	19,34,755	77,31,842	1,93,475	94,73,121
12/15/14	557425	18,18,777	78,47,820	1,81,878	94,84,719
1/15/15	557424	17,01,060	79,65,537	1,70,106	94,96,491
2/15/15	557427	15,81,577	80,85,020	1,58,158	95,08,439
3/15/15	557428	14,60,302	82,06,295	1,46,030	95,20,567

4/15/15	557429	13,37,207	83,29,390	1,33,721	95,32,876
5/15/15	557430	12,12,266	84,54,330	1,21,227	95,45,370
6/15/15	557431	10,85,451	85,81,145	1,08,545	95,58,052
7/15/15	557432	9,56,734	87,09,863	95,673	95,70,923
8/15/15	557433	8,26,086	88,40,511	82,609	95,83,988
9/15/15	557434	6,93,479	89,73,118	69,348	95,97,249
10/15/15	557435	5,58,882	91,07,715	55,888	96,10,709
11/15/15	557436	4,22,266	92,44,331	42,227	96,24,370
12/15/15	557437	2,83,601	93,82,996	28,360	96,38,237
1/15/16	557438	1,42,856	95,23,741	14,286	96,52,311