

ANNEXURE 3A

TERMS OF DEBENTURES (TRANCHE 2)

1. DEBENTURES (CLASS B1)

3,200,000 secured, redeemable non-convertible debentures of the nominal value of 10/- each, aggregating to not more than Rs.32,000,000/- (Rupees Thirty Two Million Only) to be allotted in the manner provided in this Agreement. The Debentures shall be free from all Encumbrances or lien.

2. DEBENTURES (CLASS B2)

4,000,000 secured, redeemable non-convertible debentures of the nominal value of 10/- each, aggregating to not more than Rs.40,000,000/- (Rupees Forty Million Only) to be allotted in the manner provided in this Agreement. The Debentures shall be free from all Encumbrances or lien.

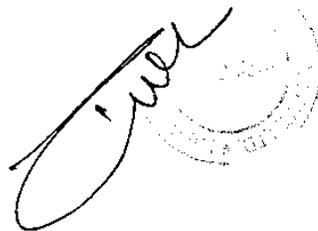
3. SECURITY

3.1 Debentures (Class B1) and Debentures (Class B2) shall and continue to be secured by:

- (i) First charge created by way of a registered or Equitable Mortgage by LGCL Urban Homes vide Memorandum of Entry-Mortgage by Deposit of Title Deeds dated December 14, 2018 registered as Document No. 4982 of 2018-19 in CD No.HLSD172 in the office of the Sub Registrar, Ulsoor, Bengaluru in favour of Debenture Trustee / the Debenture Holders on the Existing Property and Existing Project, both present and future.
- (ii) Out of the Unsold Units mentioned in Annexure 5 of the DSA, 8 (Eight) Unsold Units of Phase I of the Existing Project ("Specified Units 1)", more specifically mentioned in Annexure 5A which is attached hereto shall stand allocated towards Debentures (Class B1); And Out of the Unsold Units mentioned in Annexure 5 of the DSA, 10 (Ten) Unsold Units of Phase 2 of the Existing Project ("Specified Units 2)", more specifically mentioned in Annexure 5A which is attached hereto shall stand allocated towards Debentures (Class B2);

"Specified Units 1" and "Specified Units 2" shall collectively mean Specified Units".

- (iii) First charge by way of hypothecation created vide Deed of Hypothecation dated December 15, 2018 in favour of the Debenture Trustee / the Debenture

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Holders on all the Company's/LGCL Urban Homes'/other LGCL Group Entities' movable assets acquired for the purpose of or out of the cash flows, receivables, Existing Project Receivables, Future Project Receivables revenues (including booking amounts) arising out of or in connection with or relating to the Existing Project, Future Projects and all cash flows, receivables, book debts, actionable claims by whatever name called and all other inventories and assets, both present and future of the Existing Project and Future Projects.

- (iv) A first and exclusive charge created vide Escrow Agreement dated December 12, 2018 on the Debenture Holders' Escrow Account opened / to be opened by the Company /LGCL Urban Homes and/or other LGCL Group Entities with Escrow Bank for each of the Existing Project and Future Projects as per the Escrow Agreement and on all cash lying therein and all investments in respect thereof (in whatever form the same may be).
- (v) Exclusive charge on amounts equivalent to three months estimated interest on the amount disbursed for Debentures (Tranche 1) kept as Debt Service Reserve;
- (vi) Unconditional and irrevocable Personal Guarantee of Mr. Girish Puravankara executed vide Deed of Personal Guarantee dated November 20, 2018.
- (vii) Unconditional and irrevocable Personal Guarantee of Ms. Rashmi Puravankara.

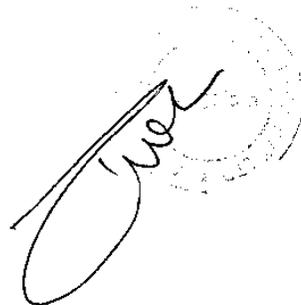
All the Security created for Debentures (Tranche 2) shall rank pari passu inter se with the Security and charge created for Debentures (Tranche 1).

#### 4. *Maturity Date*

- (i) The Maturity Date for Debentures (Class B1) shall be on 15<sup>th</sup> day of 21<sup>st</sup> (Twenty One) month and for Debentures (Class B2) shall be on 15<sup>th</sup> day of 27<sup>th</sup> (Twenty Seven) months, from the date of disbursement of first tranche of Debentures (Class B1) OR Debentures (Class B2), whichever is earlier;
- (ii) Specified Units 1 and Specified Units 2 will be sold by the LGCL Urban Homes by their respective maturity period.

#### 5. *Redemption Value:*

Redemption Value for Debentures (Class B1) shall be higher of Rs 52.0 mn or aggregate amount realised from sale of whole or part of the Specified Units 1 or deemed realizable from unsold Specified Units 1 computed at the Deemed Realisable Value (as defined herein). Any amount realised from sale of Specified Units 1, as and when sold, will be paid to Debenture Holders

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towards redemption of prorata amount of the respective Debentures (Class B1) alongwith proportionate Redemption Premium.

Redemption Value for Debentures (Class B2) shall be higher of Rs 65.0 mn or aggregate amount realised from sale of whole or part of the Specified Units 2 or deemed realizable from unsold Specified Units 1 computed at the Deemed Realisable Value. Any amount realised from sale of Specified Units 2, as and when sold, will be paid to Debenture Holders towards redemption of prorata amount of the respective Debentures (Class B2) and Redemption Premium.

The term "Redemption Premium" for this Clause shall mean any amount paid over and above the face value of Debentures (Class B1) or Debentures (Class B2).

(iii) If any of Specified Units 1 or Specified Units 2 have not been sold at the end of maturity period, outstanding Debentures (Class B1) or Debentures (Class B2), as the case may be, shall be redeemed at the deemed realizable value by Company and/or Guarantors at amount equivalent of value of unsold Specified Units 1 or Specified Units 2 taken as higher of (a) Rs 6.5 mn per unit or (b) average realization for sold Specified Units 1 or Specified Units 2, as the case may be or (c) average realization of all Units sold in Phase I and Phase II of the Existing Project during the previous six months as the case may be ("Deemed Realisable Value").

(iv) Debenture Holders will have right to instruct Company / LGCL Urban Homes to sell Specified Units to any person identified by Debenture holders at agreed terms and price

#### *6. Other Conditions:*

- (i) In case of refinancing of Debentures (Tranche 1) or Debentures (Tranche 2), Debenture (Class B1) and Debentures (Class B2) will be redeemed immediately at the time of refinance at the Redemption Value of Debentures (Class B1) and Redemption Value of Debentures (Class B2).
- (ii) In case of delay in redemption of Debentures (Class B1) and/or Debentures (Class B2) on respective Maturity Date(s), additional interest at the rate of 27% p.a. compounded monthly shall be payable on the outstanding amount of the Redemption Value of Debentures (Class B1) and Redemption Value of Debentures (Class B2) for the period of delay.

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