

**Terms of transaction with QVC Realty Developers Pvt Ltd for
Sobha International City, G99 and The Hills**

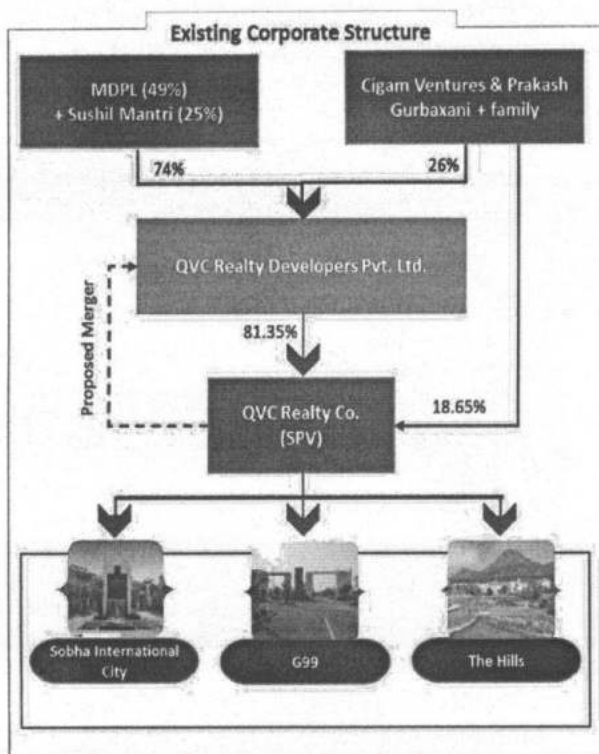
• **Transaction**

QVC Realty Co. ("Project SPV" or "Project holding company") is developing on its own and through joint venture three projects namely Sobha International city – Gurgaon (Project 1), G99 - Gurgaon (Project 2) and The Hills – Bangalore (Project 3) ("Project 1", "Project 2" & "Project 3" jointly referred to as "Project")

• **Project Details:**

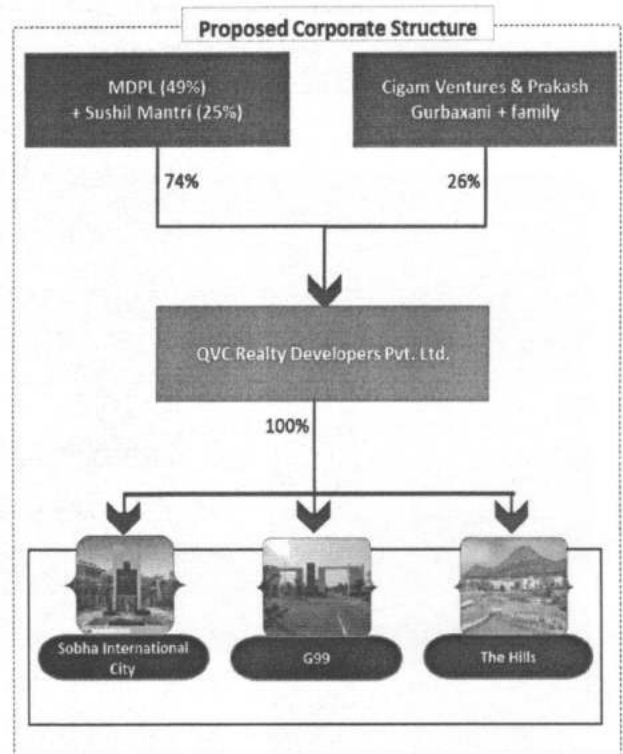
Project name	Sobha International City ("I City")	G 99	The Hills
Location	Gurgaon	Gurgaon	Bangalore
Micro-market	Sector 106, 108, 109, Dwarka expressway	Sector 99, Dwarka expressway	Nandi Hills
Development type	Township -Villa Development	Township - Plotted Development	Residential – Villa, Plotted development
Developer	Sobha Developers Ltd	QVC and Uppal Group	QVC
Project Structure	JDA Completed units to be received from Sobha	JV 50-50 area sharing with Uppal	Owned Land and development rights
QVC's role	Sales of units earmarked to QVC	Co-development of project and sales of plots earmarked to QVC	Own development
Project Saleable area (mn sq.ft.)	4.5	2.15	1.9
QVC's share of saleable area (%)	15.88%	50%	100%
QVC's share of saleable area (mn sq.ft.)	0.72	1.07	1.9
Unsold Inventory details	Villas – 41	Plots -39	Villas – 2 Plots – 8 Balance land – 33.88 acres

- Refer to Annexure I for Land holding/Development rights structure and detailed area distribution of the Project
- QVC Realty Developers Pvt Ltd. ("QVC" or "HoldCo" or "Company") holds 81.35% in the Project SPV
- The Company, Mr. Sushil Mantri (incl. Mantri Developers Pvt Ltd ("MDPL") hereinafter referred as "Sushil Mantri group") and Mr. Prakash Gurbaxani (incl. Mrs. Monika Gurbaxani, Cigam Ventures Pvt. Ltd hereinafter referred as "Prakash Gurbaxani group" are seeking investment of INR 200 cr ("Investment")) from ASK Real Estate Special Situations Fund – I ("ASK" or "Investor")
- **Project execution responsibility:** Project execution responsibility including all aspects of Project development including seeking approvals, construction, sales and marketing will be done solely by the QVC / Project SPV through its JV partners, wherever applicable and marketed under its brand name/Joint branding with JV partners ("QVC" or "QVC realty")
- Merger is proposed between QVC and Project SPV. Merger to be completed within [●] months from the date of 1st investment. Current and Proposed corporate structure is given below:



MDPL/Mantri: Mantri Developers Pvt Ltd

Cigam: Cigam ventures



Commercial terms :

- ASK's investment will be in the form of Optionally Convertible Debentures (OCDs). These OCDs will have a coupon of 10% p.a. and such coupon shall be payable based on availability of surplus cash flows in the Project
- **Project Completion:** Project to be completed within the time period committed to the villa / plot buyers for compliance under RERA, wherever applicable
- **Downside Protection:** ASK's investment would have preferred IRR of 20%
- **Waterfall structure:** Pre-tax cash flow surpluses of the project to distributed between ASK and QVC in the following manner:

Cash flow distribution			
	IRR to ASK	ASK	QVC
First hurdle – Preferred to ASK	20%	100%	0%
Post IRR of 20% to ASK		0%	100%

- **Term of the OCDs** – 5 years from the date of first investment
- **Call option:** Call option to QVC at the end of 24 months from the date of 1st investment and onwards till 36 months to redeem ASK's investments at IRR of 20% except in case of EOD; and
- **Put option:** Put Option to ASK at the end of 36 months from the date of 1st investment at XIRR of 20% and XIRR of 24% (EOD return) in case of EOD.

(Handwritten signature)

Security for OCDs:

- First charge by mortgage and hypothecation;
 - Sobha International City:
 - All unsold units including land thereon
 - Hypothecation of present and future receivables
 - G99:
 - All unsold plots
 - Hypothecation of present and future receivables
 - The Hills:
 - All unsold plots and villa
 - Project land and Development rights
 - Hypothecation of present and future receivables
- Corporate Guarantee of QVC to the extent of EOD
- Pledge of 100% equity shares in demat form of Project SPV, Company and CCPS and any debentures held by Sushil Mantri group and Prakash Gurbaxani group; and

Other terms:

- **Board of Directors:** Equal representation of ASK & Sushil Mantri group/Prakash Gurbaxani group on the Board of Directors of Project SPV and Company
- **Cheque Signatory:** All receivables to be deposited in Project SPV's designated account (Project Collection A/c) and Investor will be joint signatory to all the bank accounts of the Project SPV and QVC
- Detailed operation of bank accounts with view of RERA shall be detailed in the definitive agreements
- QVC/Project SPV to provide a monthly project expense statement showing utilization of funds
- QVC/Project SPV to provide detailed project budget and annual budget and the same will be monitored by Investor at periodic basis
- QVC/Project SPV to share all relevant project related information with ASK and in the format (if any) shared by ASK
- **Affirmative voting rights:** ASK will have affirmative voting rights on all critical project matters including appointment of vendors, cost, sales/ collection strategy etc; and
- Appointment of Big 4 audit firm acceptable to Investor as statutory auditor of the Project SPV



Events of default (EODs):

1. Respective Projects are not **approved** within the following timelines from the date of first investment;

Project Name	I City	The Hills
Timelines (Months)	Phase 3 and 4: 18 months	Phase 2: 12 months Phase 3: Conversion: 12 months Construction approval: 24 months

2. Minimum QVC's share of total free sale -saleable area should be atleast:

Project Name	I City	G99	The Hills
Saleable area (sq.ft.)	7,27,226	1,19,228 sq.yd.	12,11,487

3. Minimum QVC's share of unsold - saleable area should be atleast:

Project Name	I City	G99	The Hills
Saleable area (sq.ft.)	3,04,580	19,567 sq.yd.	49,786

4. Diversion of funds from Project SPV and QVC
5. Any litigation, breach, termination in respective JDA / JV / Collaboration agreements with Chintels, Sobha, Uppal; and
6. Other EODs customary to transaction of this nature

Consequences of Event of default (EOD)


- ASK to have Put option at IRR of 24% ("EOD Return")
- Upon failure to honour Put Option, enforcement of security and other consequences customary to transaction of this nature; and
- Step-in rights to ASK, if sales and collection are less than that stated under 'clause 5 of EOD' clause

Conditions Precedent

- Clear and Marketable title to the satisfaction of Investor
- Detailed financial, legal, technical and corporate diligence of the Project to be done by the Investor and cost of such diligence to be borne by Project SPV / Company
- Filing of merger documents with NCLT for proposed merger between QVC and Project SPV; and
- Other CPs customary to transaction of this nature (to be detailed in definitive agreements).

Other Agreement terms: Customary to transaction of this nature and past Investment agreements of ASK

For ASK Property Investment Advisors Pvt. Ltd.

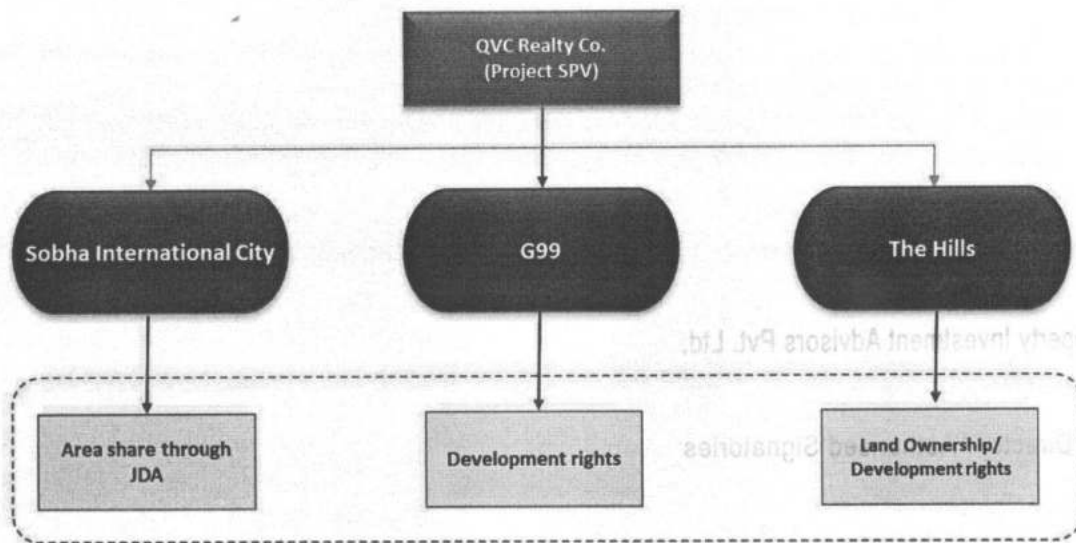

Bhavin Jain
Director / Authorised Signatories

Name - Bhavin Jain

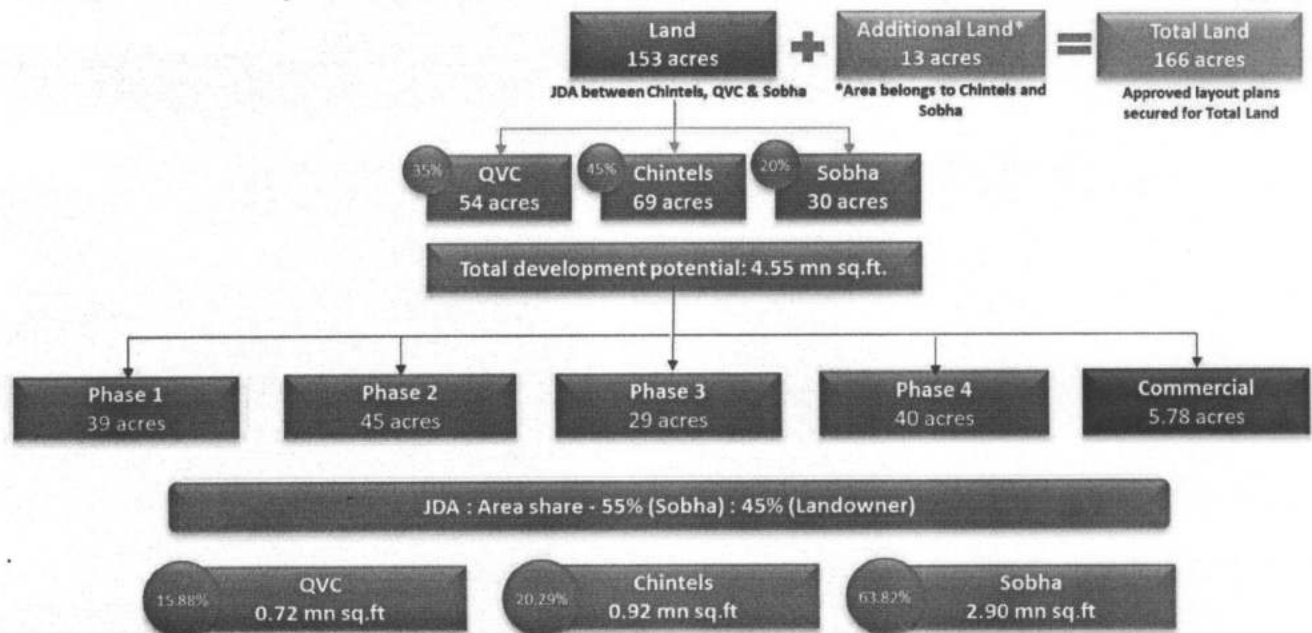
Designation - Principal - Investments

Annexure I

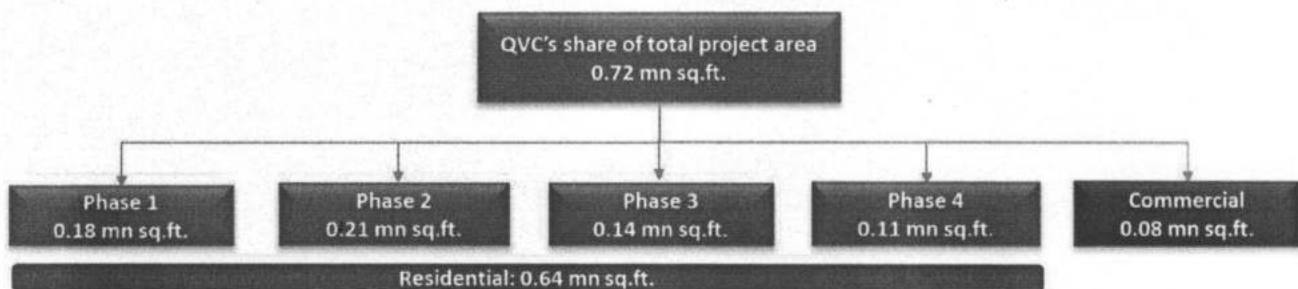
Project Land / Development rights holding structure



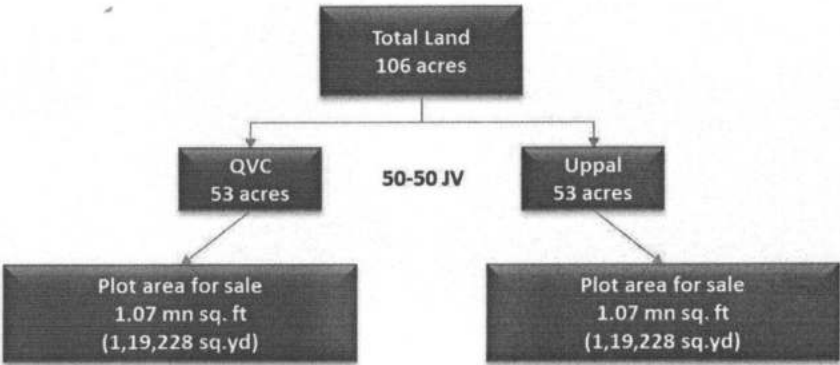
Sobha International City – Area overview



*The additional land was brought in by Chintels. Chintels and Sobha are the only partner's as QVC does not have any economic interest in that land



G99 – Area overview



The Hills – Area overview

