

Ref. No.: DCB/CF/2016-17/Shalimar Corp

Date: 28th November 2016

Shalimar Corp Limited ("Borrower")
Shalimar Titanium, 11th Floor, Vibhuti Khand,
Gomti Khand, Lucknow – 226010, U.P.

Dear Sirs

Sub: Sanction of Credit Facility

We refer to your application / the discussions we, DCB Bank ("DCB Bank" / "Bank") had with you and have pleasure in advising sanction of the following credit facility/ies subject to the terms and conditions detailed hereunder.

The sanction does not vest in any one, the right to claim any damage against the Bank for any reason whatsoever.

Nature of Facility	Sanctioned Limit (INR in Crores)	Rate of Interest	Tenor
Term Loan (TL)	35.00	12.50% p.a. i.e. 2.02% above the Bank's 1 year MCLR (presently at 10.48% p.a.).	36 months (including moratorium of 18 months).

The rate of interest is subject to change as may be notified by the Bank from time to time at its sole discretion and/or as per directives of R.B.I. Interest shall be charged from the date of first disbursement and shall be payable on the 1st of every month including the initial moratorium period of 18 months.

Specific Terms & Conditions

Processing Fees : 0.50% of the loan amount (plus applicable Service Tax, presently at 15%), payable upfront & non-refundable.

Purpose : Development of residential housing project namely 'Shree's Shalimar Mannat' at Khasra No. 52M, 53M, 54A, 55, 59, 105, 105M, 110, 110M, 111, 112-119, 121, 123M, 124, 125, 125M, 126, 127, 128, 131M, 139M, 140M, 141, 142, 143M, 144, Village Mohammadpur Chowki, Pargana Dewa, Tehsil Nawabganj, District Barabanki, Faizabad Road, Lucknow, U.P.

Security : a) Exclusive charge by way of hypothecation over the Borrower's share of entire present & future sale proceeds / receivables of the unsold

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Shalimar Corp Limited

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DCB Bank Limited

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Corporate & Registered Office: 6th Floor, Tower A, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai - 400013

units and existing sold/booked/alienated units of the above mentioned project.

- b) Exclusive charge by way of registered mortgage over the (i) entire land pertaining to immovable property situated at Khasra No. 52M, 53M, 54A, 55, 59, 105, 105M, 110, 110M, 111, 112-119, 121, 123M, 124, 125, 125M, 126, 127, 128, 131M, 139M, 140M, 141, 142, 143M, 144, Village Mohammadpur Chowki, Pargana Dewa, Tehsil Nawabganj, District Barabanki, Faizabad Road, Lucknow, U.P. & (ii) the Borrower's shares / rights over the flats / units constructed/to be constructed thereon.

The Borrower shall not demand satisfaction / vacation of the Bank's charge, created / to be created by way of registered mortgage till full repayment of the Bank's entire dues whatsoever towards any other credit facility/s / loans/s.

- Guarantees** : Personal guarantees of Mr. Kunal Seth, Mr. Mohd. Abdullah Masood, Mr. Khalid Masood, Mr. Masood Ahmad (Directors) & Mr. Sanjay Seth.
(The Guarantors shall not dispose-off/dilute/dispose-off their shareholding without prior written consent of the Bank at any point of time during the currency of the loan.)
The Borrower shall ensure that the shareholders with aggregate holding of 51% shall be Guarantors at all times currency of the loan).
- DSRA** : The Borrower shall maintain with the Bank a Debt Service Reserve Amount (DSRA) equivalent to 1 month interest (during moratorium period) and 1 month principal + 1 month interest (post moratorium period) during the currency of the loan.
- Post Dated Cheques** : The Borrower shall submit post dated cheques (PDCs) towards repayment of the amounts due under the loan.
- Designated Account** : The Borrower shall open a 'no-debit / non-cheque book' account with DCB Bank. The Borrower shall ensure that all proceeds from sale of flats / units / shops / premises in the said project are deposited in the said designated account. Debits from the account shall be allowed only at the Bank's approval and subject there being no overdue towards the loan and no pending compliance with the sanctioned terms. The Bank shall reserve the right to debit the designated account and recover the dues payable by the Borrower towards the loan in the event of any delay or default on part of the Borrower. The account shall be maintained during the entire tenure of the loan and shall not be closed without the written approval of the Bank.
- Disbursement** : Disbursement will be made as per stages of construction subject to satisfactory technical compliance and will be capped at 30% of cost of construction incurred + cost of construction to be incurred in next quarter (as certified by a Chartered Accountant) with stage wise DP not exceeding 60% of the construction cost.
The loan will be disbursed in multiple tranches in accordance with the

funding requirements of the project and basis satisfactory verification of sales, receivables and construction expenses details of the project by DCB Bank officials or designated agencies of DCB Bank (Not older than 3 months).

Disbursement will be in line with estimated cash flows and in proportion to progress of projects in terms of advance to contractors, construction, sales and other approvals.

Each disbursement request should be accompanied by:

- a. Architect/Engineer certificate confirming the stage of completion & that the construction is in compliance with approved plan and necessary approvals from Competent Authority.
- b. Chartered Accountant certificate confirming that the amount incurred are towards construction cost and are fully paid & are not reimbursement/repayment of monies to promoter/ group/ associates/ related parties.
- c. Chartered Accountant certificate confirming the demand raised have been as per the agreements for sale and the same has been collected or INR ____ is in arrears.

Repayment

- : Principal amount shall be repayable in 18 equal monthly installments starting after a moratorium of 18 months from the date of first disbursement.

Capitalization / principal repayment shall be done to the extent of (i) 20% of each sale proceeds (upto cumulative future collection of INR 40 Crores) & (ii) 30% of each sale proceeds (beyond cumulative future collection of INR 40 Crores).

In case the Borrower arranges for cash inflows into the projects, through sales, bookings, agreements to sale, sale deeds or alienation of interest in any way of the units, any other mode of obtaining advance against transfer of rights in the land or construction thereon, the repayment will be effected by the Borrower, through the designated account at the prescribed rate of 100% from the cash flows received from the sales receivables from present and future unsold units of the project.

If for any reason, the sale is below the stipulated rate, the Borrower will arrange to prepay the loan for the differential amount.

Other Terms

- : 1. The Bank shall, prior to disbursement, conduct a title search / legal opinion and valuation of the abovementioned property proposed to be mortgaged. The disbursement shall be permitted after satisfactory legal & valuation reports from the Bank's empanelled advocate and valuer.
2. The Borrower shall, prior to disbursement, submit:-
- Draft of sale agreement to be entered between the Borrower and the prospective buyers.
 - Copies of all statutory approvals, permission of construction, copy of plan duly approved, environment clearance, mortgage permission, height clearance, pollution under control clearance, etc.
 - Chartered Accountant certificate confirming the status of statutory

dues as on date.

- Chartered Accountant certified shareholding pattern and list of Directors (not older than 30 days).
 - Chartered Accountant certified latest net worth statements of Directors.
 - Affidavit-cum-Undertaking that they shall adhere to the approved construction plan and take prior written approval of the Bank in case any deviation.
 - Chartered Accountant certified cash expense report detailing cost of construction incurred (along with the source of finance), projected to be incurred in next quarter.
 - Chartered Accountant certified promoters' contribution.
 - Chartered Accountant certified statement confirming achievement of sales and sold/unsold details of flats / units (specifying separately for the sold flats / units:- flat / unit numbers, amount of money received against the same, building name, owner name, name of the financing institution/bank if any).
 - Chartered Accountant certified cash flow statement for entire tenor of the loan.
 - Promoter / Director certified cash flow statement indicating projected cash inflows from unsold units along with number of units.
 - Promoter / Director certified construction schedule.
- Post disbursement, the above statements shall be submitted on a half-yearly basis.
3. The Borrower shall, prior to disbursement, ensure that intimation shall be sent to their existing buyers of the flats / units instructing them to deposit their future installments in the designated account with DCB Bank.
 4. The Borrower shall ensure that intimation shall be sent to their prospective / future buyers of the flats / units instructing them to deposit their installments in the designated account with DCB Bank. There shall be no other account with any other bank for the said project.
 5. The following details shall be submitted by the Borrower at the periodically mentioned hereunder or whenever demanded by the Bank:-
 - (i) Receipts & Payments Statement (Monthly)
 - (ii) Details of the flats booked / sold by way of Agreement to Sale, Sale Deed, registration of flats, etc. during the month giving specific details of the flats and the payment terms (Quarterly)
 - (iii) Progress in construction work (Annually)
 6. The Borrower shall submit quarterly Chartered Accountant end use certificates.
 7. The Borrower shall ensure that any cost overrun/shortfall in fund for the project the same shall be met by the Borrower from further equity contribution / subordinate debt from the promoters or loan arranged by

the promoters without recourse to the project assets in a manner and to the satisfaction to the Bank. Similarly in event of reduction of project due to savings on account of taxes, price negotiations or otherwise, there would be pro rata reduction in all components of means of finance.

8. The Borrower's promoters shall ensure that the equity/quasi equity/unsecured loans brought specifically for the said project shall not be withdrawn till the completion of the project / repayment of DCB Bank's loan.
9. The Borrower shall ensure that the sale price of the flats / units shall not be less than INR 2,000/- per square feet.
10. The Borrower shall seek prior written approval of the Bank for any change in the said project.
11. The Borrower shall inform the Bank in case of any cancellation of booking. The Borrower's promoters shall bring-in funds, equivalent to the refunded amount, in the form of capital/unsecured loans and submit a Chartered Accountant certificate confirming the same.
12. The Borrower shall ensure that the inflows pertaining to the project will be used only for construction purpose and any excess inflow will be utilised towards reduction of DCB Bank's loan. Any cash flows after completion of the said project shall be used for repayment of DCB Bank's loan.
13. The Borrower shall disclose in the ATS/BBA that the above mentioned land and flats / units constructed / to be constructed thereon are mortgaged to DCB Bank and that they would obtain DCB Bank's NOC for sale of the flats / units.
14. The Borrower shall ensure that all hoardings / brochures/pamphlets/sale agreements of the project will disclose the name of DCB Bank as the lender to whom the property is mortgaged. The Borrower will put up a board at the worksite displaying that 'This Project is Approved and Financed by DCB Bank Ltd' and that they will provide NOC / permissions of DCB Bank Ltd for sale of flats / property if required.
15. The Borrower shall ensure compliance with the following RBI guidelines:-
 - o The builder (Borrower) shall indicate in their pamphlets / brochures, that they would provide No Objection Certificate (NOC) / permission of the mortgagee bank (DCB Bank) for sale of flats / property, if required.
 - o The builder (Borrower) shall disclose in their pamphlets / brochures, the name of the bank (DCB Bank) to which the property is mortgaged.
 - o The builder (Borrower) shall append the information relating to mortgage while publishing advertisement of the project in newspapers / magazines / etc.
16. The Borrower shall obtain NOC from DCB Bank for any loans to be raised for the said project, in future, till such time DCB Bank's dues are outstanding. The Borrower will obtain DCB Bank's written NOC

before raising any loans for the said project or permitting any charge to be registered against the said properties/ flats/ bungalows/ units/ plots mortgaged to DCB Bank.

17. The Borrower shall give DCB Bank the status of the "Preferred Finance Partner", whereby DCB Bank shall have the first right to consider housing loans of individual house purchasers.
18. The Borrower shall, in case the security cover falls below the minimum level of 2.0 times, repay proportionate loan amount to maintain the minimum security cover at all times.
19. The Borrower shall obtain and maintain all necessary statutory and non-statutory approvals/clearances required during implementation and/or operation of the project.
20. The Bank will match the NOCs issued with flats sold, and when there are cancellations the Borrower shall return the NOCs to the Bank for cancellation. The Bank shall reserve the right to withhold disbursement of subsequent tranche in case of delays on this count.
21. In case any of the flats / units in the said project are given on lease or rent, the same will be treated as sold property and entire proceeds of the particular unit as per the condition of release of mortgage will be applicable.
22. All payments by the Borrower shall be made free and clear of all present and future levies, withholdings or deductions of whatever nature and of any tax, whether it be of a withholding nature or otherwise. In the event any such amounts are required to be deducted from any payment, such payment shall be grossed up. Any stamp duty, levy or other form of charges applied shall be borne by the Borrower.
23. The Bank reserves the right to appoint and carry out audit of the Borrower's sales receivables, stock, cash flow, number of flats / units sold, etc. Cost shall be borne by the Borrower.
24. The Bank reserves the right to review the said project / loan on an ongoing basis, as it may deem fit, for monitoring sale trends / bookings and progress of the project.
25. The Bank reserves the right to recall all or part of the loan in case of decline in valuation, as determined by its empanelled agencies, of the project land.
26. The Bank reserves the right to recall all or part of the loan in the event of default in payment of any interest and/or principal for any month.
27. The Bank reserves the right to recall all or part of the loan in case the schedule of construction and sales is not adhered to as mentioned in the application submitted to the Bank. However, in the event, sales schedule as stipulated are not adhered to by the Borrower resulting into event of default being triggered, the Bank reserves its rights to enforce its security on such number of units by way of sale and/or auction as deemed fit and the Borrower / Mortgagor shall not raise any objections towards the same. The Borrower / Mortgagor undertake that in an event of default or nonpayment of loan, they will have no objection to DCB Bank transferring property rights/title of plot/flats to third party on as-is-where-is basis.

28. The Bank reserves the right to recall all or part of the loan if:-
(i) any material changes take place in the project for which this loan is sanctioned;
(ii) it comes to the light that any material fact or other relevant aspect of the proposal was withheld, suppressed concealed or not made known to DCB Bank.
29. The Bank reserves the right to review and revoke the balance / undrawn project loan at the expiry of 6 months from the date of sanction.

General Terms & Conditions

A. Documentation / Security creation:

DCB Bank has extended the aforesaid credit facility/ies based on the representations made by the Borrower and the furnishing of financial statements/KYC documents by the Borrower. The commitment to the said facility/ies is contingent upon:

- o absence of any material adverse change in the condition of the Borrower;
- o the Borrower and/or his/her/their/its associates/group companies/sister concerns not having defaulted under any financing obligations to any bank or financial institution in the past;
- o no litigation pending against the Borrower and/or Guarantor/s;
- o the Guarantor/s not issuing any guarantee for any other loans without prior written permission of DCB Bank, except for car loans, personal loans, home loans, education loans to be obtained for self and family members except for group concerns.

B. Review of facility:

The Bank reserves the right to review the said facility at any time and from time to time at its absolute discretion. Notwithstanding any other provisions of this letter and any other document, the Bank shall reserve the right to vary, terminate, reduce, suspend or cancel the said facility and/or cease to make available any further utilization of the said facility on an immediate basis at its absolute discretion and without any prior notice. The Bank reserves the right to add, amend, alter, cancel and modify any of the terms and conditions including pricing stipulated herein above with or without any prior reference to the Borrower. Further, the Bank's general rules governing advances shall also apply. The Borrower shall abide by such terms and conditions as the Bank may stipulate from time to time.

C. Penalty for Pre-closure / Pre-payment:

Penal charges @ 4.00% of the outstanding amount shall be payable in case of pre-payment / pre-closure / fore-closure / take-over of the loan. However, no penal charges shall be levied in case the loan is closed by the Borrower from its surplus cash flows of the project.

D. Conditions for utilization of facility/s:

The proceeds of the said facility/s shall be utilized for sanctioned purposes and not be diverted towards, either directly or indirectly, for investment in real estate, capital market/ capital market financing/ gold loan financing/ investments in shares, debentures, advances/inter-corporate loans & deposits to other companies (including subsidiaries & associates/group companies/sister concerns).

E. Others Terms:

E.1 The interest rate would be DCB Bank 1 year MCLR + spread as mentioned in the Sanction Letter.

The same will be subject to change as per changes in the DCB Bank's 1 year MCLR.

DCB Bank 1 year MCLR shall be decided by DCB Bank and may change from time to time. This information will be made available on DCB Bank's website www.dcbbank.com.

The rate of interest will be linked to the DCB Bank's 1 year MCLR and is subject to change in 1 year MCLR from time to time.

The reset of loans linked to 1 year MCLR will be done in a quarter in the month of May, August, November and February on dates specified on DCB Bank website www.dcbbank.com from time to time.

DCB Bank reserves the right to change the rate of interest *inter alia* in case of any of the following:

- delay in repayment,
- delay in regularisation of over limit,
- return of cheques (outward/inward),
- non-submission of stock statements,
- non-submission of documents requested by the Bank,
- delay in submission of documents for renewal of facilities,
- devolvement of Letter of Credit,
- invocation of Bank Guarantee,
- credit deterioration in another loan with the Bank,
- credit deterioration reported by another bank,
- name appearing in negative list / defaulter list of RBI, ECGC, etc.,
- inaccuracies in documents submitted to the Bank,
- routing of transactions to another bank account without the Bank's prior approval,
- reduction in sales turnover,
- any regulatory changes affecting the industry, and
- any other matter that is likely to affect the repayment capacity, timeliness, etc.

E.2 The Borrower should maintain adequate books of accounts, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.

E.3 The Bank reserves the right to sell, transfer, assign or securitize the facility/loan/advance sanctioned and disbursed to the Borrower.

E.4 The Borrower shall pay or reimburse all cost of services of solicitors/advocates, empanelled agencies for inspection/audit and valuation, ROC consultants, incurred in connection with the creation/ modifications/ registration of the security, compilation of search /status report etc. and all costs, charges, expenses (including charges between the attorney or counsel and the Bank and

those of the Bank's internal legal adviser/officer and other experts, consultants or professionals), disbursements, taxes, fees, stamp duties etc. whatsoever, incidental or to arising out of the facility/s, their negotiation, the preparation, execution, registration and stamping of the documents relating thereto, the preservation or protection of the Bank's rights and interests of the enforcement or realisation of any security or any demand or any attempted recovery of the amounts due from the Borrower. All taxes, duties and levies as applicable to a specific transaction shall be borne by the Borrower.

The Bank shall be entitled to debit the amounts of all costs, charges and expenses to the Borrower's account and such amounts shall stand secured by all securities given to or created in the Bank's favour in connection with the facility/s. The Borrower shall indemnify and keep the Bank fully and completely indemnified from time to time against the liabilities including all costs, charges and expenses stipulated herein whether debited to the Borrower's account or not.

- E.5** Payment of interest, commission, charges and other costs to the Bank shall be net of all statutory taxes/payments, applicable from time to time and all such statutory taxes / payments (service tax & education cess also included) due payable/to be borne by the Borrower will be in addition to fees, commission, charges, interest and other costs of the Bank.
- E.6** The Bank reserves its right to share information regarding the account with other banks / R.B.I. / C.I.B.I.L. / financial institutions and or any statutory body / authority in the normal course of business. This also includes the right to share information on the financial affairs of the account with any other bank/s / lender/s from whom the Borrower has availed/intend to avail any kind of facility – financial or otherwise. The Bank also reserves the right to demand and receive similar information from other bank/s / lender/s with whom the Borrower deals.
- E.7** In the event of the Borrower committing default in the repayment of instalment of facility/loan or payment of interest on due dates, the Bank shall have an unqualified right to disclose the names of the Borrower and/or its Directors / Partners / Proprietor to Reserve Bank of India (R.B.I.). The Borrower hereby gives its consent to DCB Bank and/or to R.B.I. to publish its name and the names of its Directors / Partners / Proprietor as defaulters in such a manner and through such medium as DCB Bank / R.B.I. in their absolute discretion may think fit. The aforesaid right shall be available to DCB Bank in addition to and not in derogation of any agreement or the general conditions as the case may be.
- E.8** The Borrower shall not induct a person who is a Director on the Board of a company which has been identified as wilful defaulter and that in case such a person is found to be on the Board the Borrower shall take expeditious and effective steps for his/her removal from the Board.
- E.9** The Borrower shall register particulars of charges with Registrar of Companies (RoC) within the mandatory period of 30 days failing which the Bank shall be constrained to register the Bank's charge with RoC (even though the Bank is not obliged to do so statutorily) and the necessary fees or additional fees and charges in this connection shall be borne by the Borrower.
- E.10** The Borrower hereby declares and undertakes that:-
- neither the Company nor any of the Directors/promoters nor any of the associates/sister concerns/group entities are on ECGC's caution list/specific approval list or RBI's defaulters list/wilful defaulters list/caution list or CIBIL's defaulters list or DCB Bank's defaulters list;

- no legal case / litigation / suit of any nature has been filed against the Company or the Directors/promoters or any of the associates/sister concerns/group entities, and in case of any such legal case / litigation / suit is filed the Bank shall be kept informed.
- no case / proceedings are pending against it on account of excise default under FEMA, Customs violations and Exchange control Regulations.

Further, if any such proceeding is initiated by any of such departments, information will be provided to the Bank immediately. In case this information is found to be incorrect at a later stage or non-reporting of any subsequent proceedings, the Bank shall be fully empowered to take criminal action/other suitable proceedings against the Borrower.

E.11 The Borrower hereby declares and undertakes that:-

- none of the Company's Directors is a specified near relative of any Senior Officer or Director of DCB Bank;
- none of the Company's Directors is a Director or a specified near relative of a Director of any Banking Company (including DCB Bank) and/or Director/s of subsidiaries / Trustees of mutual funds/venture capital funds set up by DCB Bank or other banks;
- no such Senior Officer or Director and no relative of such Senior Officer or Director of DCB Bank holds "Substantial Interest" as defined in section 5 (ne) of the Banking Regulation Act, 1949 in the Company nor is any such relative a guarantor of the Company.

(For the purpose of this declaration the "Relative" would and include any or all of the following persons: (a). Spouse, (b). Father, (c). Mother [Including Step-Mother], (d). Son [Including Step-Son], (e). Son's Wife, (f). Daughter [Including Step-Daughter] (g). Daughter's Husband, (h). Brother [Including Step-Brother], (i). Brother's Wife, (j). Sister [Including Step-Sister], (k). Sister's Husband, (l). Brother [Including Step-Brother] of the spouse, (m) Sister [Including Step-Sister] of the spouse).

E.12 The Borrower hereby declares and undertakes that no consideration in any form, including money has been paid/will be paid to the Guarantor/s and the Guarantor/s hereby confirm/s that no consideration in any form, including money, was taken/will be taken, in lieu of the personal guarantee extended/being extended by way of letter of guarantee, for the credit facility/s granted/proposed to be granted/continued to the Borrower.

E.13 The Bank assumes no obligation whatsoever to meet the Borrower's further (fund based or non fund based) requirements on account of growth in business or otherwise without proper revision and sanction of facility/s decided at the sole discretion of the Bank. Further, if sanctioned terms are not complied with by the Borrower or if the Borrower's account is classified as Non Performing Asset (NPA), then the Bank may not allow further withdrawals in the account.

E.14 Any failure to exercise or delay in exercising any of the Bank's rights hereunder or under any other documents will not act as a waiver of that or any other right nor shall any single or partial exercise preclude any future exercise of that right.

E.15 So long as any monies are due to the Bank from the Borrower under any of the facility/s, the Bank shall have a lien/charge for such amounts on all the Borrower's / Guarantors' credit balances, deposits, securities or other assets with, any of the branches of the Bank or of its subsidiaries any where in the world and upon the happening of any of the events of default

referred herein, the Bank shall be entitled to exercise a right of set off between the amounts due and payable to the Banks and the said credit balances, deposits, securities and other assets.

- E.16** The Borrower shall route advance payment including sales proceeds received from the said project through the 'no debit' account with DCB Bank. Opening of account with other banks for the said project will require prior approval from DCB Bank. No business of the Borrower shall be routed through other associate / group companies unless discussed with and approved by DCB Bank in writing.
- E.17** The Borrower shall submit to the Bank, its annual audited financial statements within 6 months from close of the related financial year. In case of delay/non-compliance within the cut-off date, the Bank shall reserve the right to recover penal charges @ 2.00% on the outstanding loan amount.
- E.18** DCB Bank will have a first charge on the profits of the Borrower, after provision for taxation and dividend where applicable, for repayment of installments under the loans granted / deferred payment guarantees executed by DCB Bank or other repayment obligation, if any, due from the Borrower to DCB Bank.
- E.19** DCB Bank reserves its right to appoint its nominee on the Borrower's Board of Directors - part time/full time to oversee the functioning of the Borrower/to look after DCB Bank's interests. The director's normal fees and expenses shall be borne by the Borrower.

F. Insurance:

Entire assets / properties charged to the Bank should be comprehensively insured against fire, earthquake, strike, riot and other risks prescribed by the Bank for full value in the name of the Borrower/property owner. As regards immovable properties, insurance should be to the extent of construction cost and should also cover risk against earthquake.

The original policies should be deposited with the Bank along with endorsement in the Bank's favour.

In case of non-submission/renewal of the insurance policies from time to time, the Bank shall reserve the right (without being obliged to do so) to insure the assets charged to the Bank, at the Borrower's cost even without issuing any notice in this regard and the premium so paid will be debited to the Borrower's account with the Bank.

G. Inspection:

The Bank reserves the right to audit / inspect, by its officers and/or its authorised representatives, at any time, the books of accounts, premises, projects, offices, stocks/book debts and other assets hypothecated/mortgaged to the Bank. Cost shall be borne by the Borrower.

H. Title Search / Valuation

The Bank shall call for title search report in respect of the mortgaged property/s, from its empanelled advocate, prior to disbursement and thereafter at such intervals as may be required by the Bank. Cost shall be borne by the Borrower.

The Bank shall call for valuation report/s in respect of the mortgaged property/s, from its empanelled valuers, prior to disbursement and thereafter once in 3 years or oftener if may be required by the Bank. Cost shall be borne by the Borrower.

The Borrower agrees for appointment of Chartered Accountants, Architects, Valuers and Advocates and or other agencies as may be necessary for review and monitoring of the project on a specific period (initially before seeking first disbursement and thereafter quarterly) and agrees that expenditure to be incurred for availing services from these agencies shall be borne by the Borrower. The Borrower will ensure/ that the issues raised by these agencies i.e. Chartered Accountants, Architects, Valuers and Advocates would be resolved by the Borrower to the satisfaction of the Bank.

I. General Management & Financial Covenants:

- I.1 The Borrower should have complied and will comply on an ongoing basis with all statutory obligations required under various acts applicable for the Borrower's activities, and the laws of the land.
- I.2 The Borrower should not without the prior approval of the Bank effect any major change in the shareholding pattern, management control, or make investments in fixed assets, in associates / group companies / sister concerns except to the extent projected in the data submitted to the Bank.
- I.3 The Bank shall be informed of all changes financial or others which may affect the working, business or capacity to repay the aforesaid facility/s sanctioned by the Bank to the Borrower as mentioned above, or interest thereon immediately on the happening of any such contingency or even before such contingency takes place as soon as the Borrower apprehends the happening of any such contingency.
- I.4 The Borrower shall keep DCB Bank informed of the happening of any event likely to have substantial effect on their profit or business, if for instance 6 (six) monthly production or sales are substantially less than what had been indicated to DCB Bank, the Borrower shall inform DCB Bank accordingly, with explanations and the remedial steps proposed to be taken.
- I.5 During the currency of Bank's advance, the Borrower should not, without prior consent of the Bank in writing:-
- a) effect any change in capital structure;
 - b) formulate any scheme of amalgamation or reconstitution;
 - c) undertake guarantee obligations on behalf of any other company / firm / entity / etc.;
 - d) allow the promoters / directors to alienate, transfer, dispose or dilute their share holding;
 - e) declare dividends for any year out of profits relating to the year if any of the financial commitments to the bank have not been duly met
 - f) create any further charge, lien or encumbrance / sell, assign, mortgage or otherwise dispose off over the assets and properties charged to DCB bank, in favor of any bank, financial institution, company, firm or person.
 - g) invest / deposit / lend funds to group / family members and relatives / other corporate bodies / firms / persons.
 - h) undertake any transaction within the group/related parties/companies which are no of accommodative nature.
 - i) embark upon any expansion / diversification / restructuring / alliance /mergers / acquisitions.

J. Penal Charges as under will be applicable in the following circumstances:-

Type of Default	Penal Charges
Delay in payment of interest / repayment of principal	24% p.a. of the irregular / overdue amount.
Non-compliance of sanctioned terms	24% p.a. of the outstanding amount.

K. Cross Default

In addition to any general lien or similar right to which the Bank is in law generally entitled, the Bank may in its discretion use and enforce its right of set-off and cross default between all the facility/ies sanctioned to the Borrower / indebtedness of the Borrower.

For the purpose of cross default, "indebtedness of the Borrower" means any indebtedness in respect of monies borrowed or liabilities contracted (including under guarantees, indemnities, hire purchase and leasing) of the Borrower towards the Bank and shall be deemed to include any indebtedness of any associate/affiliate/subsidiary of the Borrower or of an entity related to the Borrower or of an entity whose indebtedness is guaranteed by the Borrower.

The Borrower agrees and confirms that the Bank may at its absolute discretion appropriate any payments made by the Borrower under the said Term Loan towards any other indebtedness of the Borrower and such appropriation shall be final and binding upon Borrower, and the Borrower shall continue to remain liable to the Bank for payment of dues under the said Term Loan in respect of which such sums of money were so paid but were appropriated towards another facility/s or another agreement or transaction entered into by the Borrower or towards another indebtedness of the Borrower. In addition, Borrower hereby expressly gives the Bank the power to sell/transfer or otherwise dispose of any and all security created in favor of the Bank under the security documents or deposited with the Bank or under its possession or control and appropriate the same towards satisfaction of amounts due to the Bank on account of any facility / agreement / transaction entered into by the Borrower and/or any indebtedness of the Borrower. It is also agreed, acknowledged and understood by the Borrower that if the Borrower commits a default under the said Term Loan, then such default shall be deemed to be default of all the other facility/s availed of by the Borrower and of all the facility/s availed by the Borrower's associates/affiliates/subsidiaries and notwithstanding anything contrary elsewhere contained in any writing or otherwise, and the Bank shall regard all borrowings by the Borrower and the Borrower's associates/affiliates/subsidiaries as immediately due and payable and the Bank shall be entitled to recall all the facility/s granted to the Borrower and the Borrower's associates/affiliates/subsidiaries, lien or other security interest created and subsisting as on date towards recovery of its dues.

K. Validity:

This sanction is valid for acceptance for a period of 1 month from the date of this letter. The facility should be availed within this period, where after it needs to be revalidated or the Bank may, at its discretion, treat the sanction as withdrawn.

We shall be glad if you would please return the duplicate copy of this letter (enclosed) duly signed by your Authorised Signatory/ies and the Guarantor/s as a token of having accepted all the terms and conditions as stated herein above.

We look forward to a long and mutually beneficial relationship.

Yours sincerely,

For DCB Bank Limited

Vishal Jaiswal
Regional Sales Manager
Construction Finance

Anupam Choudha
Regional Head
Credit Administration



Accepted all the terms and conditions stipulated herein-----

Borrower:

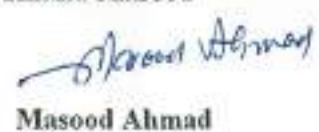
For Shalimar Corp Limited

Director(s) / Authorised Signatory(s)


Kunal Seth


Khalid Masood


Mohd. Abdullah Masood


Masood Ahmad


Sanjay Seth