



संदर्भ सं./Ref.No.SL /2015/JHANSI/CS/2015

तारीख/Dated: 13.03.2015

**JHANSI BRANCH**

**LETTER OF SANCTION**

To  
M/s Sanfran Developer Private Limited

Vill. Marry, Kanpur- Gwalior Bye Pass Road, Jhansi.

Reg: M/s Sanfran Developers Private Limited – A/c at Jhansi Branch RO : Agra

Ref: As per FGMO sanction letter SL/33/FGMO/CS/2014 dated 09.03.2015 and other related correspondence.

We refer to above process note recommending for sanction of Term Loan Rs 25.00 Crore . In this regard, we are pleased to inform you that the competent authority has sanctioned the following facility.

Facility	Term Loan
Amount	Rs 25.00 crores
Purpose	To finance the cost of upcoming Residential Project named "SANFRAN ASHOK CITY" at Vill. Marry, Kanpur- Gwalior Bye Pass Road, Jhansi.
Rate of Interest	BR + 5.00%+ 0.25% (TP) p.a. i.e. at present 15.50%. Rests, subject to change in Base rate/credit rating/ norms and policy of RBI/Govt./Bank. Interest during the moratorium will be serviced as and when due.
Tenor/ Repayment	Door to Door 48 months ( Including Moratorium Period 24 months and repayment Period : 24 months)
Repayment terms	Term loan shall be repaid in total 8 quarterly installments (7 quarterly installments of Rs. 3.10 Cr. each and last installment of Rs. 3.30 Cr.)

	Particular	Amount (Rs. in Lacs)
1	March 2017	310.00
2	June 2017	310.00
3	Sept 2017	310.00

	4	Dec 2017	310.00		
	5	March 2018	310.00		
	6	June 2018	310.00		
	7	Sept 2018	310.00		
	8	Dec 2018	330.00		
Draw Dawn Schedule					
		2014-2015	2015-2016	2016-2017	Total
	Term Loan	1,000.00	1,000.00	500.00	2,500.00
	Equity	474.00	376.00	-	850.00
	Unsecured Loan	800.00	400.00	450.00	1,650.00
	Advance from Customers	273.00	1,109.00	1,455.00	2,837.00
	Total	2,547.00	2,885.00	2,405.00	7,837.00
	Civil Construction & Site Development	2,543.00	2,655.00	2,011.00	7,209.00
	Admin & Other Expenses	4.00	17.00	36.00	57.00
	Interest		213.00	358.00	571.00
	Total	2,547.00	2,885.00	2,405.00	7,837.00
Primary Security	Exclusive charge on project land & construction thereon situated at khasra no. 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 95, 97, 99/6, 254/4 and 254/5 at Vill. Marry, Kanpur- Gwalior Bye Pass Road, Jhansi alongwith Hypothecation on Plant & Machinery and other assets owned by the company related to the project. Mortgageable Land : 29077.43 Sq Mtr.  Property is in the name of the following persons :				

	S. No.	Land Owner	Khasra No.	Area in Hectare
	1.	Ms. Upasana Panjwani	99/6	0.312
	2.	Mr. Santosh Kr. Mishra	68, 95 & 97	0.358
	3.	Mr. Vrindavan	58, 62, 63, 64, 65, 66, 67, 71, 73, 74, 254/5	4.8200
	4.	Ms. Jaishree	58	0.405
	5.	Mr. Dinesh	70,72	1.198
	6.	M/S Sanfran Buildwell Private Limited	58, 59, 60, 61, 69	1.445
		Total		8.538
Collateral Security	1. Residential House No. 70, situated in Block –A, Sector -26, Noida District Gautam Budh Nagar- U.P. in the name of Mr. Santosh Kumar Mishra (Plot Area 69.20 Sq. Mtr. And Covered Area 239.30 Sq. mtr.)			
Margin	69.93 % (Term Loan of Rs. 25.00 Cr out of total project cost of Rs. 83.14 Cr.)- to be brought on pro-rata basis as per projections.			
Personal Guarantee	Sl.No:	Name	Networth (Rs. in Lacs)	
	1	Santosh Kumar Mishra	403.79	
	2	Jagdish Kumar Mishra	435.44	
	3	Jai Shree	288.03	
	4	Suresh Kumar	87.92	
	5	Upasna Panjwani	223.45	
	6	Vrindavan	1284.13	
	7	Dinesh Kumar	170.23	
	8	Chetan Srivastava	165.18	
Corporate Guarantee	✓ Sanfran Buildwell Private Limited having net worth of Rs. 19.56 Lacs as on 31.03.2014. ✓ Sanfran Ashok City : Partnership Firm  Corporate Guarantee of M/s Sanfran Buildwell Private Limited is subject compliance of provisions as per Companies Act 2013.			

Escrow Account and DSR account	The Company to maintain escrow and DSR account with us, of 6 months projected interest and one installment is to be maintained for close monitoring of the project.
Obligors:	All entities and / or such other person(s), both present and future who have entered into / executed / will enter into / execute the respective Project Documents in respect of the Properties / Projects during the tenure of the facility.
Project documents	Agreements / contracts / deeds / documents / writings / noting / power of attorney, authorizations, clearances, insurance policies, performance bonds, guarantees, undertakings, security documents entered into or to be entered into between the Borrower and the Obligors / executed or to be executed in favour of the borrower, in connection with lease / leave and license of the properties provided / provided to the Obligors by the Borrower, including the flowing documents (which expression shall, as the context may permit or require, mean any one of each of such lease document as amended from time to time, both present and future.
Processing Fee	As Applicable
Documentation charges	As Applicable
Default Interest	2% p a above the sanctioned rate on the overdue amount
Pre-payment penalty	No Pre Payment charges to be levied if pre paid from internal accruals or promoter's contribution or through DSR account.
All Other Charges	As applicable.
NOC	The Company shall seek NOC from the Branch for individual unit residential/commercial before execution of sale deed by depositing proportionate amount in the loan account. The Company shall also keep informed the Bank about progress of booking of residential units periodically. In case partial buyer of the flat willing to raise loan from another bank, final NOC shall be given only after receipt of full consideration.

**Special Conditions:**

1. Term Loan disbursement for the Project will be made in DER of 2:1 (Equity plus unsecured loan but excluding advance sale proceeds) at every stage of release.
2. The Branch shall obtain a certificate from Structure Engineer certifying that the plan is as per the guidelines of National Building Code and National Disaster Management Authority and an undertaking from the firm that they are complying the guidelines of National Building Code and National Disaster Management Authority (Cir.No.364/2013/BC).
3. Irrevocable instructions to be given to customers in the project to make payment into the Escrow / Collection account only. An undertaking to be taken in this concern.
4. Fund from Escrow account will be first utilized for settlement of immediate interest and principle due amount to banks.

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5. Board to be displayed in the project site stating that project is funded by Syndicate Bank.
6. Borrower can prepay the facility drawn without prepayment premium out of accelerated sales realization, but without borrowing from another Bank.
7. Cost overrun and debt shortfall / advance sale proceeds shortfall to be met by promoters from its own sources. An undertaking to this effect to be submitted.
8. No additional debt to be taken for this project without the consent of the Banks.
9. Release of Term Loan shall be based on satisfactory physical and financial progress of the project duly certified by empanelled valuer and Chartered Accountant respectively on quarterly basis and shall be in proportion to the progress of construction.

**Pre Release conditions:**

1. The sanction letter in duplicate shall be issued by the Branch and acknowledgement shall be obtained from the firm/Guarantors for having accepted the sanction terms including creation of securities in favor of bank, execution of documents, and all applicable costs payable as per Circular No. 2/11/BC.
2. Vetting of the legal opinion by RO: Law Cell, Agra is to be obtained before release of facility. Compliance of remark made by the RO: Law Cell is also completed before the release of the loan.
3. Details of customer advance received from customer supported by the Bank statement is to be obtained.
4. Branch shall obtain supplementary legal opinion and Non Encumbrance Certificate for the primary security from empanelled advocate of Jhansi and get the genuineness of original title deed to be compared by certified copy of the title deed before release of the Term Loan.
5. Branch shall obtain supplementary legal opinion and Non Encumbrance Certificate for the collateral security from empanelled advocate of Noida and get the genuineness of original title deed to be compared by certified copy of the title deed before release of the Term Loan.
6. Legal opinion on the consortium agreement dated 21.01.2015 is obtained and vetting of the same by RO: Law Cell is to be obtained before release of facility.
7. Board resolution shall be obtained resolving :
  - For having accepted the sanction terms.
  - Authorizing the directors for signing the loan documents on behalf of the company.
  - Authorizing the directors to mortgage/hypothecate the assets of the company.
  - Authorizing the directors to put the common seal of the Company.
8. The following undertaking shall be obtained from the Company:
  - Unsecured loans shall not be repaid during the currency of the credit facility.

- Company to undertake that no commission is paid by the company to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
  - The company shall undertake not to divert any funds to its associates.
  - The company shall undertake to deal exclusively with our bank for the specified project.
  - Company to give an undertaking to the effect that company and none of the directors of the company are figuring in the RBI Defaulters List, RBI Willfull defaulters List, SAL of ECGC, CIBIL List and Caution Advice of RBI.
9. Special Shareholders Resolution is to be obtained from borrower company M/s Sanfran Developer Pvt. Ltd as our Bank Loan of Rs 25.00 Crs is exceeding the Paid up capital and Reserve and Surplus of the company as per Audited Balance Sheet as on 31.03.2014.
10. Corporate guarantee shall be obtained from Sanfran Buildwell Private Ltd. **Corporate Guarantee of M/s Sanfran Buildwell Private Limited is subject compliance of provisions as per Companies Act 2013.**
11. Special Shareholders Resolution is to be obtained from M/s Sanfran Buildwell Private Limited Company for offering properties for UREM to secure the credit facilities to be released to M/s Sanfran Developers Private Limited and to stand as surety.
12. The Company shall close the current account with PNB Fort Jhansi and open escrow account with our Bank.
13. Branch shall ensure compliance of the observation made in RO: Agra Law and claim section letter on the legal opinion of the party.
14. Branch shall obtain a supplementary legal opinion for the intervening period and Supplementary legal opinion is to be vetted by RO: Agra Law and claim section and Branch shall ensure compliance of the same before release
15. Documentation formalities shall be completed. Loan documents shall be forwarded to RO: Agra Law & Claim Section for vetting. Branch shall ensure compliance observation made in RO: Law Cell vetting. Before releasing the facility the Branch shall obtain permission from Regional Office.

16. Branch submit Annexure-3 (latest guidelines issued by CO : RMD vide Circular No 009/2012/BC/RMD/02 dated 07.01.2012 and Credit Risk Policy Circular No 02/2013/BC) and **submit the point wise compliance of the pre release terms and conditions as stipulated and shall seek permission to release the amount/installment from RO.**
17. UREM is to be created as per legal opinion and CERSAI registration shall be done within 30 days of creation of UREM.
18. Pre release inspection is to be conducted. Lenders Engineer shall be appointed.
19. Estimated cost of construction and other project cost shall be got verified by the lenders engineer. All the releases will be made by obtaining necessary certificate from Chartered Accountant & Lenders Engineer.
20. All the necessary statutory approvals for the project and relevant guidelines shall be submitted.
21. Branch shall monitor the account effectively and the firm shall submit an undertaking all their transactions with group companies are genuine and purely based on normal business practices. No transfer of funds among themselves shall be undertaken without the consent of the bank.
22. The Company shall open an Escrow Account and all the sale proceeds / advance money / promoters' contribution / any other project related receipt shall be routed through the account. Irrevocable instructions to be given to customers (i.e. buyers of flats) in the project to make payment into the Escrow account only. Fund from Escrow account will be first utilized for settlement of immediate interest and principle due amount to banks. **DSR account of six months interest and one installment is to be maintained.**
23. The Company shall provide the list of flats already sold and flats where advances are taken. Flat wise list to be submitted in each category duly marked in the map indicating sold and available flat
24. Company shall maintain debt equity ratio at 2:1 and TOL/TNW below 4:1 (equity = promoters contribution) at every stage of release of TL.
25. Declaration as per Annexure 6 as per new Credit Policy (1/2013/BC) from the borrowers regarding interest of any member of the Board of Directors of the Bank / other Banks or any Senior Officer of our Bank / other Banks in their borrowal accounts.

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26. Company will give an undertaking that our Bank will have first right of refusal in case of Housing loan for flats of the captioned Project. An undertaking to this effect shall be obtained
27. Branch to confirm that all the loans availed from our and other banks in the personal names of the directors are regular.
28. Undertaking from the Company shall be obtained a sunder
  - a. That the funds shall be utilized only for the purpose specified and shall not be diverted for any other purpose.
  - b. To deal exclusively with our bank for the specified project

**Other terms & conditions:**

1. Branch/RO to conduct inspection of the project periodically and also before release of each tranche to ensure the progress of the project.
2. During the currency of Bank facility, the firm shall not without the written permission of the Bank undertake any adverse change in the equity structure, withdraw Unsecured Loan, change the management structure or any other action which is detrimental to the interest of the Bank.
3. The Firm shall undertake to
  - disclose our bank's name (being charge holders) in their pamphlets / brochures etc.
  - would append the information relating to mortgage while publishing advertisement of a particular scheme in news paper / magazines etc.
  - would indicate in their pamphlets / brochures that they would provide NOC / permission of our bank for sale of flat / property.
4. Branch/RO shall discuss with the firm regarding modalities for issuing NOCs for sale of individual units linking the collection of sale proceeds and repayment of proposed term loan.
5. Rate of interest is subject to change from time to time based on change in Base Rate and RAM Rating assigned and also changes in guidelines of the Bank/ RBI.
6. All the securities charged to the Bank to be insured adequately with Bank Clause.
7. Bank reserves the right to cancel /modify the sanctioned limits and/or the terms and condition thereof without assigning any reason.
8. Audited financial statements have to be submitted before the 7 months from the close of financial year. Failure to do so will attract penal interest of 0.50% for the delayed period.

9. The Company to submit certificate on an Annual Basis confirming all statutory dues including EPF dues have been paid (RBI Circular No. DBS/ CO/ PPD/ 12982/ 11.01.005/2011-12 dated 16.04.2012).
10. Branch will comply with guidelines relating to Monthly Monitoring Report as per Circular No 08/2014/BC/RMD.
11. The borrower shall be advised to –
- Make payments to staff, vendors and clients electronically except for office petty cash requirement.
  - Receive all payments electronically except when the cheques are drawn on banks which are not on NEFT/ RTGS.
  - Permit access to officials of the bank / authorized persons of Banks/ auditors to the books of accounts of the borrower to verify compliance of the requirements under (a) & (b) above
12. RO/Branch to ensure that all the Agreements which are due for renewal or to be entered into henceforth shall have this condition of 'Electronic Payments' as part of the Agreement.
13. Post release conditions shall be complied within the stipulated period as agreed by the Borrower in terms of Annexure I of BC Circular No. 9/2012 and compliance of the same (item-wise) shall be reported to RO for their review.
14. The Company to submit the periodic progress of :
- i. Work in progress
  - ii. Advances received
  - iii. Margin brought in
  - iv. Percentage of completion in relation to the sanctioned plan.
15. Processing charges, Documentation charges shall be collected as per guidelines in force.
16. All other terms & conditions to this type of advance to be followed as per Manual of Instructions and Circulars issued from time to time.

संयुक्त-सिंडिकेट  
For SYNDICATE BANK

O P DHIROLIYA

(BRANCH MANAGER)  
JHANSI 8694