

**DMI CAPITAL PRIVATE LIMITED**

Registered Office: Express Building, Third Floor, 9-10, Bafekar Shah Zafar Marg, New Delhi-110002
 Phone: 41204444, Fax: 411 0851201, corporate@dmicapital.in
 L65120032013PTC252176

Sanction Letter

Date January 2, 2018

Parties -

Advisor DMI Capital Private Limited
Issuer Panchsheel Buildtech Pvt Ltd
Initial Subscriber DMI Finance Pvt. Ltd.

Background

1. The Issuer is engaged in the business of promotion, development and construction of real estate.
2. The Issuer has approached the Advisor for seeking a financial assistance for an amount of Rs 139.0 crore (One Thirty Nine Crores only) ("Rupee Investment") against security of land, building and cashflows of project Panchsheel Greens 1, situated at Sector 15, Greater Noida (First charge with GNIDA), Panchsheel Pebbles, situated at Vaishali, Ghaziabad and land situated at Sector 16, Greater Noida adjacent to Panchsheel Greens 2.
3. The Advisor will organise and be responsible for coordinating and commissioning necessary legal and technical due diligences
4. The Advisor has identified the Initial Subscriber and the Initial Subscriber is willing to invest in listed debentures of the Issuer as per the broad terms and conditions specified in this In-Principle Sanction Letter.

The Transaction

Rupee Investment The Initial Subscriber shall invest of Rs. 139.0 crore (One Thirty Nine crores only) in listed debentures of the Issuer as per the terms and conditions stated below for a period of 60 months.

- Purpose**
1. Upto Rs. 46 cr towards refinance of existing debt of Kotak Mahindra Prime Limited
 2. Rs. 35 cr towards construction of Panchsheel Greens
 3. Rs. 17 cr towards refinance of existing debt of Kotak Mahindra for Panchsheel Pebbles
 4. Rs. 28 cr towards construction of Panchsheel Pebbles
 5. Rs. 13 cr towards refinance of CSL and mortgage of additional land security

The utilization is also 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 debentures are fully redeemed, pay to the debenture holder, interest on the principal amounts of the debentures outstanding from time to time at the rate of 15.0% p.a. The interest shall be paid in monthly installments commencing from day of disbursement.

For PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorised Signatory

Signature

Signature

Signature

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UEN: 121403201327(C:252)76

Repayment	Principal will begin amortizing after month 24 from the day of disbursement and thereafter, payments will be made in equated monthly installments
Penal Interest	Penal interest at the rate of 10% p.a. in addition to the applicable interest rate shall be charged on all outstanding principal amounts and the defaulted amount.
Additional Interest	If conditions of an event of default other than the default in the payment of any due amount exist, the lender, at its sole discretion, may choose to impose an additional interest of 3% p.a. on all outstanding amounts instead of invoking default for the period during which the conditions persist
Interest tax, other levies and duties	All rates of interest mentioned in this In-Principle Sanction Letter 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 Issuer to the Lender over and above the rates mentioned herein above.
Processing Fees	The Issuer shall pay to the Advisor a onetime non-refundable and non-adjustable processing fee of 1.0% of the total investment amount. Applicable taxes will be charged extra will be paid each time such fee is being paid.
Expenses	All expenses related to advisors for diligences (legal, technical, valuation, financial) and any other expenses related to diligences shall be borne by the Issuer. Such expenses shall not be adjusted against the Processing Fee. The Issuer shall pay a refundable deposit to the Initial Subscriber on signing of this Sanction Letter. All expenses shall be paid by the Initial Subscriber on behalf of the Issuer from the refundable deposit as and when such diligence expenses shall be due. Any unutilized amount shall be refunded to the Issuer. In case, there is any shortfall in the deposit vis-à-vis diligence expenses, then the Issuer shall pay the shortfall.
Prepayment	<p>The Issuer may prepay the outstanding amount of the debentures in full or in part at any time after 24 months, subject to the following conditions.</p> <ol style="list-style-type: none"> In the event the Issuer has issued a minimum of thirty (30) days prior written notice to the Lender, the Issuer shall prepay subject to a prepayment penalty of 2% (two percent) of the amount prepaid and an amount equal to Interest Loss Amount. Interest Loss Amount shall be calculated as Interest which would have been payable on the Principal Amount Prepaid for the Notice Shortfall Period. Notice Shortfall Period shall mean the number of days by which the prepayment notice falls short. No prepayment penalty is applicable on amount Swept by Lender from sale proceeds of Project deposited in escrow.
Security	The investment along with interest thereon, further interest, penal interest, costs, expenses and all other money, whatsoever, shall be secured by

- Equitable legal mortgage of land, building and cashflows of project Panchsheel Greens 1, situated at Sector 16, Greater Noida (First charge with GNIDA).

For PANCHSHEEL GREENS PVT. LTD.

Director/ Authorised Signatory

*Girish**R.D. Girish**Mr. Kumar**P. Doshi*



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- ii) Equitable legal mortgage of land, building and cashflows of project Panchsheel Pebbles, situated at Vaishali, Ghaziabad
- iii) Additional land parcel situated at Sector 16, Greater Noida, adjacent to Panchsheel Greens 2.

This security cover for the Rupee Term Loan Facility shall, at all time, be not less than 1.8 times of the outstanding amount.

Once the Issuer starts developing/selling the project, Net Realizable Value ("NRV") cover has to be maintained. This NRV cover shall, at all time, be not less than 1.8 times of the outstanding amount.

NRV shall be computed as follows:

Amount receivable from sold units Add Market Value of Unsold Units Less Cost to be incurred on development and sales

Market Value of unsold units shall be computed on the basis of historical average sales price

- iv) 100% pledge of shares of the JRS Conbuild Pvt. Ltd.
- v) Corporate Guarantee of Valuent Infradevelopers Pvt. Ltd.
- vi) Personal Guarantee of Mr. Ashok Chaudhary, Mr. Rahul Kumar Singhwal and Mr. Anuj Kumar
- vii) Post Dated Cheques from Issuer and Guarantor(s)
- viii) Cross collateralize with existing security under Valuent Infradevelopers Pvt. Ltd.
- ix) Kindly refer to Annexure III for Escrow Mechanism. The Issuer shall open a lien marked Escrow Accounts for each phase of the both the projects with a scheduled bank, approved by the Initial Subscriber, and all the receivables of the project shall be deposited in that account. All collections for the project shall be made by the Issuer in the Escrow Account.

Details of such account shall be mentioned in the Agreement to Sell/Builder Buyer agreement entered by the Issuer. Issuer will send a letter to all existing Customers and Home Loan Lenders to ensure all future payments are made in the escrow account only. Issuer will submit proof of such communication to Initial Subscriber.

Issuer will open a 'RERA Escrow Account along with 'Developer Escrow Account' and 'Project Escrow Account' for each phase of both the projects. All expenses related to the project will be met out of the said account. For all project related expenses, Lender will transfer money from Escrow account to the 'Project Current Account' based on the Business Plan only. Issuer will not use the money from the 'Project Current Account' for any purpose other than the 'Project Expenses' as approved in the Business Plan.

For PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorized Signatory

Raj
Singhwal

Raj
Singhwal

AC
Mukherjee

Singhwal

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CIN: U67120DL2013PTC255175

Please note the waterfall mechanism for payment towards land & construction expenses in detailed in Annexure III. The total payment which would be released from Project Escrow account & Developer Account would be at the discretion of the Lender and towards Construction expenses and applicable taxes.

Every month, expenses shall be verified by the Lender on the basis of construction cost incurred and bills submitted by the Issuer subsequent to the drawdown from the Escrow account.

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.

On quarterly basis, technical evaluation of the project shall be undertaken by the Initial Subscriber/its representatives. All costs relating to such evaluation shall be borne by the Issuer.

- i) Issuer shall agree to quarterly sales and construction schedule as detailed in Annexure I. In case of more than 20% deviation in sales or collection for a quarter, Initial Subscriber will have a right to sell the units at Minimum determined by the Lender.
- ii) Issuer will need a provisional NOC from the Debenture Trustee to execute any Agreement to Sell for the unit. Final NOC in respect of a unit will be issued after receiving final payment in respect of the unit in the identified escrow account
- iii) Demand Promissory Note for the repayment amounts of interest and Principal.
- iv) For the projects offered as security, all the units which are sold post facto and seek a home loan the lender/or its related entities will have the first right of refusal. The lender/related entities will respond within a time line of 5days from application.
- v) Succeeding 3 months of payment to Lender shall be kept undisbursed as DSRA. In case of shortfall, funds from escrow account or the company are to be utilized for creation of DSRA.
- vi) The Issuers shall get the Collateral Security and Additional Security (if any) appraised by a reputed valuer, as confirmed by the Initial Subscriber, within 30 (thirty) days of each anniversary of this Agreement.

Representations and Covenants by the Issuer

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 other terms and conditions are as under –

- i) The promoters of the Issuer (as are holding shares at the date of this Sanction Letter) shall not dilute their stake in the Issuer below their existing shareholding. Further, the promoters of the Issuer are not allowed to pledge their shares in the Issuer.

For PANCHSHEEL BUILDTECH PVT. LTD.

ii) The Debenture Trustee shall have the right to appoint an observer on the Board of the issuer

Director/ Authorised Signatory

Rishabh

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Please note the waterfall mechanism for payment towards land & construction expenses in detailed in Annexure III. The total payment which would be released from Project Escrow account & Developer Account would be at the discretion of the Lender and towards Construction expenses and applicable taxes.

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For PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorised Signatory

[Signature]

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 UST1200020037/C232736

- iii) Combined peak debt across Valuent Infradevelopers Pvt. Ltd. and Panchsheel Buildtech Pvt. Ltd. under this investment to be restricted to Rs. 200 crore.
- iv) The Issuer shall share loan agreements of all their existing lenders during the due diligence process.
- v) The Issuer shall not be eligible to take any further loans or borrowings or grant any corporate guarantee without obtaining the NOC from the Lender.
- vi) The Issuer shall furnish to the lender the audited/unaudited information at the end of each quarter in the format provided.
- vii) No change in Auditors of the Company shall be allowed without prior approval of the Lender
- viii) All notices, agenda, explanatory notes of Board meetings to be shared with the Lender
- ix) No termination of construction contractor for the project shall be allowed without prior approval of the Lender, provided the contract value shall be more than Rs. 25 lacs
- x) Any change in the project plan has to be pre-approved by the Lender
- xi) Issuer shall ensure that it does not sell any area at less than an all-inclusive price (excludes govt. dues such as EDC, IDC, applicable taxes etc.) of Rs. 3,000 per sq.ft for Panchsheel Greens 1 and Rs. 5,300 per sqft for Panchsheel Pebbles.
- xii) The investment shall be made in multiple tranches subject to compliance to Conditions/Covenants as detail in Annexure II
- xiii) The Issuer would endorse the Insurance Policy of the Collateral in favor of the lender.

**Consequences of
Default**

On and any time after Default, the Debenture Trustee 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 amount 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) The Debenture Trustee shall have the right to appoint nominee director(s); on the Board of the Issuer at the cost of Issuer;

For PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorised Signatory

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- v) The Debenture Trustee shall have right to review the management set-up or organization of the Issuer and require the Issuer to restructure it as may be considered necessary, if in the opinion of the Lender the business of the Issuer is conducted in a manner opposed to public policy or in a manner prejudicial to the interest of Lender. Further 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;
- vi) Debenture Trustee shall have the option to convert the entire or any portion of the outstanding Term Loan Facility and any interest receivable thereon into equity shares of the Issuer, as determined by a reputed third party valuer, appointed by the Lender.
- vii) All expenses incurred after default has occurred in connection with preservation of the Issuer's assets (as on date of default) and Collateral Security and collection of amounts due under this Agreement shall be payable by the Issuer;
- viii) Exercise such other remedies as permitted or available under Applicable Law in the sole discretion of the Lender.
- ix) Not recall the loan at its sole discretion but impose Additional Interest as defined earlier.

Due Diligence

The transaction contemplated herein shall be subject to legal and financial due diligence by the Lender / its representatives / advisors to its satisfaction. The terms of this Sanction Letter shall be valid for 15 days from signing of this Sanction Letter. The Definitive Agreements have to be closed within 7 days of signing this Sanction Letter.

Confidentiality & Non-Disclosure

Each Party to this In-Principle Sanction Letter 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 In-Principle Sanction Letter (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 In-Principle Sanction Letter 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 PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorised Signatory

*girdhar**RVS*
*girdhar**AC*
*Munimur**Diya Kumar*



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The above restrictions shall cease to apply to the Lender in the event a financing transaction is consummated between parties.

Governing Law	This In-Principle Sanction Letter 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 In-Principle Sanction Letter summarizes the principal proposed terms of borrowing to be made by the Issuer 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 In-Principle Sanction Letter 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 Issuer.
Communication details of Issuer	<p>Name: Mr. Ashok Chaudhary Email id: Address: H 163, Sector 63, Noida Phone: +919650080293</p> <p>Name: Mr. Manish Gupta Email id: headfinance@panchsheelgroup.com Address: H 163, Sector 63, Noida Phone: +919560098415</p>
Validity	The Sanction Letter shall be valid till January 20, 2018

For PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorized Signatory

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Manish Gupta



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U65132DL2011PTC0352115

For DMI Capital Private Limited

Authorised Signatory

Date:

Mr. Ashok Chaudhary

Date:

For Panchsheel Buildtech Pvt Ltd.

Authorised Signatory

Date:

Director/ Authorised Signatory

Mr. Anuj Kumar

Date:

Mr. Rahul Kumar Singhwal

Date:



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ANNEXURE I

BUSINESS PLAN FOR PANCHSHEEL PEBBLES

Quarter End	Area Sold	Collections (Rs .crore)	Cumulative Area Sold (sqft)	Cumulative Collections (Rs. crore)
Mar-18	7,500	1	7,500	1
Jun-18	7,500	3	15,000	4
Sep-18	8,525	5	23,525	9
Dec-18	10,000	3	33,525	11
Mar-19	10,000	3	43,525	14
Jun-19	10,000	6	53,525	21
Sep-19	10,000	15	63,525	36
Dec-19	10,000	7	73,525	42
Mar-20	10,000	12	83,525	54
Jun-20	10,000	11	93,525	66
Sep-20	20,000	10	113,525	76
Dec-20	20,000	10	133,525	86
Mar-21	20,000	10	153,525	96
Jun-21	20,000	10	173,525	106
Sep-21	20,000	10	193,525	117
Dec-21	20,000	10	213,525	127
Mar-22	16,355	15	229,880	142

For PANCHSHEEL BUILDTECH PVT. LTD.

Director/ Authorised Signatory

Rish Singhwal

DC Munim

S. Singh



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UG7120012013PTC252176

BUSINESS PLAN FOR PANCHSHEEL GREENS 1

Quarter End	Area Sold	Collections (Rs. crore)	Cumulative Area Sold (sqft)	Cumulative Collections (Rs. crore)
18-Mar	10,000	1	10,000	1
18-Jun	15,000	10	25,000	11
18-Sep	20,000	12	45,000	23
18-Dec	20,000	15	65,000	38
19-Mar	30,000	17	95,000	55
19-Jun	30,000	19	125,000	74
19-Sep	30,000	28	155,000	102
19-Dec	30,000	28	185,000	130
20-Mar	35,000	11	220,000	141
20-Jun	35,000	11	255,000	151
20-Sep	35,000	11	290,000	162
20-Dec	35,000	20	325,000	182
21-Mar	45,000	14	370,000	195
21-Jun	45,000	14	415,000	209
21-Sep	50,000	15	465,000	224
21-Dec	57,500	22	522,500	246
22-Mar	64295	24	586,795	270

For PANCHSHEEL BUILDTECH PVT. LTD.

Res

Director/ Authorised Signatory

RCS Singh

AC Singh

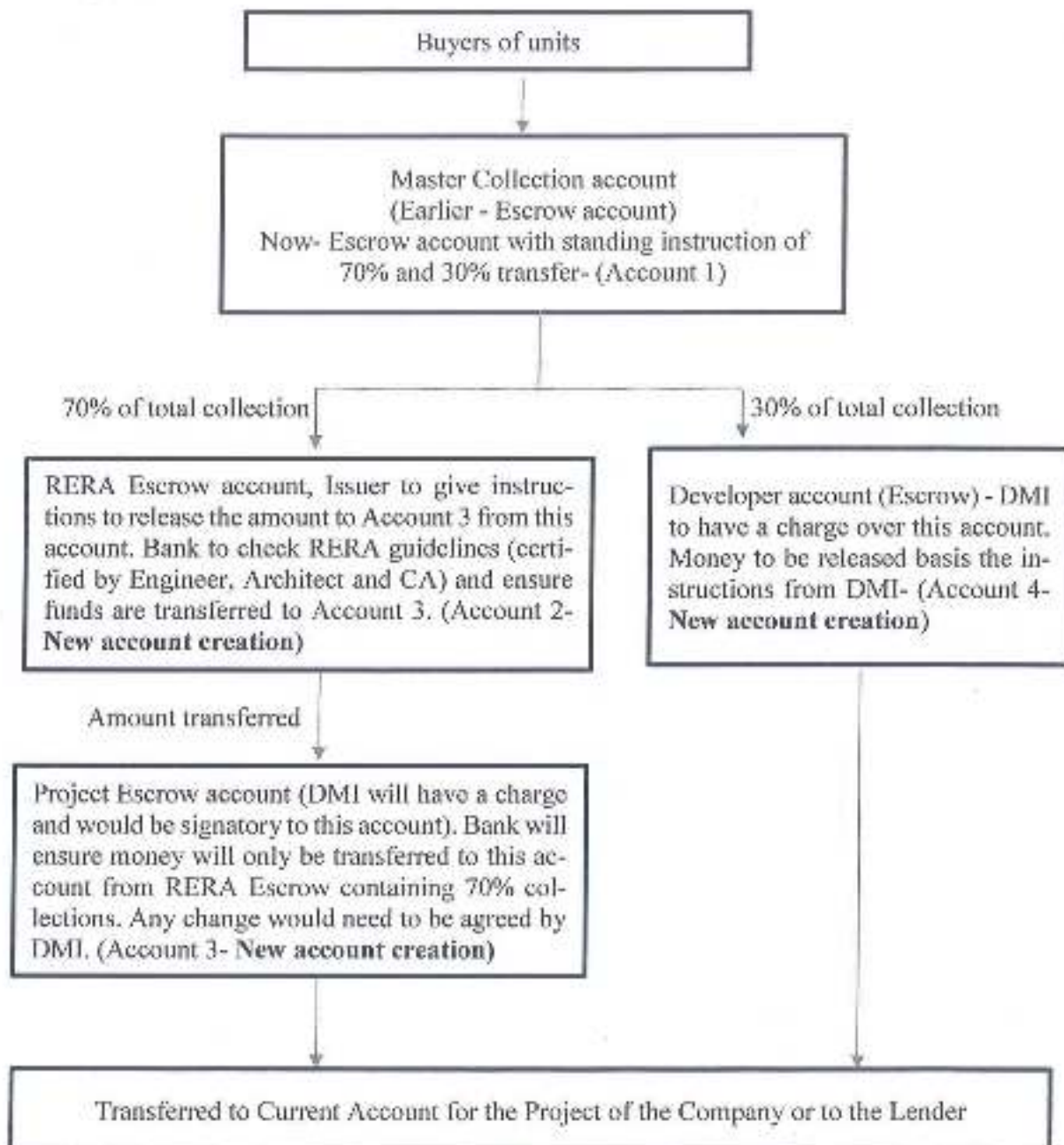


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ANNEXURE III

Escrow Account functioning



For PAK... CH PVT. LTD.

R.M.

Director/ Authorised Signatory

R.M. Singh

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