सिंडिकेटबैंक
SyndicateBank
Faithful. Friendly
A Govt. of India Undertaking
Branch: Ghaziabad Main, 47, Navyug Market, Ghaziabad, U P 201001
Phone: 0120 – 2790205, 2790145 (AGM) FAX: 0120 – 2796725

Date: 09.08.2014

LETTER OF SANCTION

M/s Varun Buildtech Pvt. Ltd.
104/7, Gyan Khand-II
Indirapuram, Ghaziabad

Dear Sir/s,

We have pleasure in conveying you sanction of term loan of Rs. 3.55 crores for your project "Varun Heights" on terms and conditions mentioned hereinbelow:

<table>
<tr><td>Facility</td><td>Short Term Loan - Commercial Real Estate</td></tr>
<tr><td>Amount</td><td>Rs. 3.55 crores (Rs. Three crores and Fifty Five lacs)</td></tr>
<tr><td>Purpose</td><td>To part finance the project "Varun Heights"</td></tr>
<tr><td>Rate of interest</td><td>BR+5% presently 15.25% p a.
Interest to be serviced every month</td></tr>
<tr><td>Primary security</td><td>First charge by way of UREM over project Land admeasuring 2658.60 sq. meters bearing Khasra No. 1048 khata No. 390 and Khasra No. 1049 Khata No. 1003 in the name of the company, being a part of the Officer City-2 being developed by M/s M. R. Proview Realtech Pvt. Ltd. in Raj Nagar Extension being part of village Noor Nagar, Pargana Loni, Ghaziabad.
First charge over the entire project assets (including buildings under construction amounting to Rs. 1526.16 lacs and construction materials kept at site), development charges and receivables including of advance booking money from customers.</td></tr>
<tr><td>Collateral security</td><td>NIL</td></tr>
<tr><td>Repayment terms</td><td>In 16 monthly installments commencing from Nov., 2015 as below:
<table>
<tr><th>Year</th><th>Particulars</th><th>Amount in lacs</th></tr>
<tr><td>Nov.2015 to March, 2016</td><td>Rs. 10 lacs each</td><td>50.00</td></tr>
<tr><td>April to July, 2016</td><td>Rs. 20 lacs each</td><td>80.00</td></tr>
<tr><td>August to Dec., 2016</td><td>Rs. 30 lacs each</td><td>150.00</td></tr>
<tr><td>Jan., 2017</td><td>Rs. 40 lacs each</td><td>40.00</td></tr>
<tr><td>Feb., 2017</td><td></td><td>35.00</td></tr>
<tr><td>TOTAL</td><td></td><td>355.00</td></tr>
</table></td></tr>
<tr><td>Guarantors</td><td>All the four directors in their individual capacity:
<table>
<tr><td>Sh. Naresh Tyagi</td></tr>
<tr><td>Sh. Naresh Kumar Tyagi</td></tr>
<tr><td>Sh. Sandeep Kumar Sharma</td></tr>
<tr><td>Sh. Vinod Sharma</td></tr>
</table></td></tr>
<tr><td>Project Margin</td><td>Promoter's contribution: 33.27% (on total project cost) & 25% (on project cost excluding land cost). 82.92% margin including Advance from customers on total project cost</td></tr>
<tr><td>Release</td><td>Release of the facility will be as per the progress of the project detailed as under after ensuring Debt equity ratio, exposure norms of the bank</td></tr>
</table>

	and TOL/TNW: Drawdown schedule / Bank loan / Margin July to Oct. 2014- 62.50/month / 250.00 / 287.38 Nov. 2014 to Jan, 2015 - 30.00/month / 90.00 / 103.45 Feb, 2015 / 15.00 / 17.26 TOTAL / 355.00 / 408.09
Prepayment charges	As applicable.
Default Interest	2.00% p.a. for defaulted period.
Processing charges	1.25% of loan amount + service tax.
Documentation Charges	'25000/- + service tax
Mortgage Charges	Rs. 15000+ Service Tax.
Other charges	As per extant guidelines as detailed in "all cost schedule" enclosed

Drawdown schedule	Bank loan	Margin
July to Oct. 2014- 62.50/month	250.00	287.38
Nov. 2014 to Jan, 2015 - 30.00/month	90.00	103.45
Feb, 2015	15.00	17.26
TOTAL	**355.00**	**408.09**

Other terms and conditions of sanction

Pre-release conditions:

1. The company shall pass the necessary resolution and a confirmation to be submitted to the effect that the power of the Directors in respect of borrowing has not been restricted / withdrawn in the General Body meeting. Certified true copy of the resolution to be submitted to the bank.
2. The Company shall undertake :
   a) Not to induct a person who is/was a Director in a Company which has been identified as a "Wilful Defaulter" by the Bank, RBI or any Bank/FI, on the Company's Board and if such a person is found to be on the Company's Board, the Company shall take expeditious and effective steps for removal of such person/s from the Company's Board.
   b) That none of their associate/group concerns are classified as wilful defaulters by other Banks/Financial Institution
   c) Not to effect any change in promoter Directors or in the core management team, nor any merger/acquisition/amalgamation shall be done without express permission of the Bank in writing.
   d) Not to undertake guarantee obligations on behalf of any other company, firm or person, other than in the ordinary course of business without Bank's written consent.
   e) Not to declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligation.
   f) Not to make any drastic changes in the capital structure and management set up without the bank's prior permission.
   g) Not to create any further charge, lien or encumbrance over the assets and properties of the Company to be charged to the Bank, in favour of any other bank, financial institution, company, firm or person, without prior consent of the Bank.
   h) Not to take up any expansion/diversification/modernization project, without obtaining prior permission from the Bank and without proper tie-up of funds. Similarly, no investment should be made in associate / allied / group concerns without the Bank's prior permission.
   i) To keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business.

j) To maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit to the Bank at regular intervals such statements as may be prescribed by the Bank in terms of RBI instructions issued from time to time or otherwise. The borrower shall give an undertaking that the Bank reserves the right to periodically inspect their records and books of accounts to ensure the correctness of information furnished by them. The Borrower shall also undertake that the lenders shall have a right to appoint any other independent consultants / agencies/ auditors etc as desired by them at any time during the tenor of the loan, the cost of which shall be borne by the Company.

k) To submit Audited Financial Statements etc. to the Bank within the stipulated period of time. The company will be liable to pay penal rate of interest in case of any delay in submission of the data in question.

l) To issue appropriate undertaking/affidavits/certificates as the Bank may require from time to time, certifying that the funds comprising of entire amount of loan/facility/sum due/amount outstanding in the account have been used exclusively for the purpose for which they were obtained and the same have not been diverted/siphoned and no misrepresentation has been caused of any kind or accounts falsified/any fraudulent transaction have been carried out etc.

m) That upon identification of aforesaid account as a wilful defaulter on account of any of the reasons stated above including any similar reason as stated above, that they would be debarred from availing institutional finance from our Bank and from floating new ventures for a period of 5 years from the date the name of wilful defaulter is disseminated in the list of wilful defaulter by RBI. The Company agrees that in case of any false/wrong information, the Bank may consider any legal proceeding, civil/criminal as may be necessary.

3. In respect of Unsecured borrowings:
   a) The Company shall submit an Undertaking that Unsecured borrowings will not be withdrawn during the currency of the bank finance, without prior written consent of the bank.
   b) A legally binding suitable letter/affidavit/agreement to be submitted by the borrower as per proforma on stamp paper, undertaking not to repay unsecured loans to the extent of amount considered as quasi equity, during the currency of bank finance.
   c) The interest paid on such borrowings shall not be higher than the interest on bank borrowings.
   d) These borrowings are raised from Shareholders/Directors/Promoters of the company and not from any third party.

4. The Company shall submit an Undertaking
   I. That no commission is to be paid to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrower. An undertaking to this effect shall be submitted by the borrowers as well as the guarantors.
   II. The company to authorize the lenders that in case of default the name of the borrowing company may be disclosed to Credit Information Agencies, such as CIBIL, etc. and in the RBI Defaulters list. Consent letter in this regard shall be submitted as per guidelines.

5. The Company shall submit a declaration :
   a) to the effect that they have not defaulted in payment of any statutory dues;
   b) In Annexure-6 prescribed by Bank.
   c) That the Company or its Directors/Promoters/Guarantors/Associate Concerns of the Company are not on ECGC Caution List/Specific Approval List, RBI's Defaulters

List/Caution List, or our Bank's defaulters list and that no Director of the Company is disqualified under Section 274 of the Companies Act.

d) That no legal case of any nature has been filed against the Company and/ or any of its Directors.

6. Documentation and creation of charge shall be completed as per the guidelines, before release.
7. The company shall create 1st charge on securities listed above favoring our bank.
8. All the required statutory clearances/ permission from the Govt. / Statutory Authorities/ Local Bodies shall be submitted to the bank.
9. Latest Physical and Financial progress certificate from Chartered engineer/Chartered Accountant shall be submitted certifying margin infused and cost of construction till date.
10. Regularity certificates from the concerned banks in respect of credit facilities availed by the borrower and the guarantors shall be furnished to the bank.
11. The company shall submit its architect's certificate to the effect that the design of structure of the proposed construction complies with the NBC/NDMA guidelines.
12. A lenders' Engineer shall be appointed for monitoring the project and he shall vet the estimated project cost, with special reference to estimated cost of building & civil works. All costs in this respect shall be borne by the company.
13. At least 49% of the promoters' margin shall be brought up front before release and CA certificate bifurcating the Share capital and unsecured loans brought by company towards the project shall be submitted.
14. The company shall have to give a declaration 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 the borrowal account.
15. The loan shall be released only if all the requisite approvals/ permissions from the Govt. / Statutory Authorities/ Local Authorities, as necessary are obtained.
16. Company shall undertake to meet cost escalation, if any, in the components of project cost, out of its own sources without recourse to the lenders/ fresh borrowing.
17. The company shall provide suitable undertaking to comply with the following:
    i. The company shall disclose in pamphlets/ broachers etc., the name of our bank.
    ii. The company shall append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/ magazines.
18. The company shall indicate in their pamphlets/ brochures that they would provide "No Objection Certificate/ Permission of mortgagee bank for sale of flats/ property, if required".
19. Details of the customers who have booked the flat shall be submitted. A CA Certificate confirming 70% booking of flat shall be submitted.
20. Latest Physical progress report shall be submitted.
21. The facility shall be availed within a period of 3 months from the date of sanction failing which the facility will lapse and any revalidation of the same will be considered at the sole discretion of the bank subject to applicable fees/charges. No charges recovered by the bank/ branch will be refunded in case the lapsed facilities are not revalidated.
22. Appropriate Resolution of Board shall be submitted accepting Sanction terms and authorising specific director/s to execute loan documents, creation of charge, affixing Common Seal of Company, registering charge with ROC/CERSAI etc.

Other conditions:

1. Securities shall be physically verified by the Concurrent Auditors of the Branch.

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2. The company shall apply NOC to the bank before executing sale deed of the said flats after depositing Rs.2.82 lacs in the escrow account for each flat to be adjusted in the term loan as per repayment schedule.
3. CA Certificate within 30 days of release of term loan shall be submitted certifying that the funds were utilized for the purpose for which it is sanctioned.
4. Release of the facility shall be as per progress of the project and based on cash flow statement accepted now. Release of the facility shall be in the ratio of means of finance as projected now. Any shortfall in Advance from customers shall be met by promoters from their own contribution. Compliance of exposure norms shall be ensuring at the time of every release. The bank shall ensure that at the time of every release DER is complying as per the benchmark parameters.
5. Quarterly basis physical progress report shall be submitted by the company certified by Lender engineer appointed by the bank.
6. Inspection shall be done periodically as per the guidelines. The bank has the right to depute its officials/person(s) (like qualified auditors or management consultants or technical experts) duly authorized by the bank to inspect the unit assets, books of accounts/records etc from time to time. Also the bank may appoint at its sole discretion stock/concurrent auditors, valuers, consultants for specific jobs relating to company's activities, the cost of which will be borne by the company.
7. All the assets charged/to be charged to the Bank are required to be kept fully insured at all times against all risks and original Insurance cover note/policy in the name of the Bank a/c borrower Company with Bank's Hypothecation clause to be lodged with the bank.
8. Company shall submit an undertaking that they shall not avail loan from other Banks/financial institutions without prior permission from the Bank.
9. Company to ensure compliance with the following guidelines of GOI :
   a. Make payments to staff, vendors and clients electronically, except for office petty cash requirements;
   b. Receive all payments electronically, except when the cheques are drawn on Banks which are not on NEFT/RTGS;
   c. Permit access to officials of the Bank / Authorised persons of the Bank / Auditors to the books of accounts of the Company to verify compliance of the requirements under (a) and (b) above and non-compliance of the above stipulations shall be treated as 'Major Default'.
   d. All the agreements with the Company which are due for renewal or to be entered into henceforth shall have the above condition of 'Electronic Payments' as part of the Agreement.
10. Applicable Penal Interest shall be charged, over & above the applicable ROI:
   a) For non-submission of audited financial statements within 7 months from the financial year closure date to the date of submission of financial statement. Branch shall ensure collection of the same;
   b) For any delay in repayment of interest or installment. The bank reserves the right to recall the advance in case of any default of installments/interest;
   c) Non-Creation / delay in creation of mortgage / charge on the securities offered for the credit facilities;
   d) Any other eventuality / situation to be decided by the Bank.
11. The bank may at its sole discretion disclose such information to other banks, financial institutions, and such other institution with regard to credit facilities granted to borrower as per extant guidelines of the bank.

the borrower that they have adhered to all guidelines/safety standards of NBC/NDMA apart from constructing as per the approved plan, to be submitted to the bank.

13. During the currency of Bank's credit facilities , the borrower shall not without prior approval of the bank in writing
    a. Effect any change in the capital structure, management, organizational set up, or declare dividend.
    b. Formulate any scheme of amalgamation/merger/ acquisition/ reconstruction.
    c. Undertake any new project / expansion scheme.
    d. Invest by way of share capital in /or loan or advance funds to or place deposits with any other concern. Normal trade credits or security deposits in the usual course of business or advances, credits etc. are however, not covered by these covenants.
    e. Enter into borrowing arrangement either secured or unsecured with any other bank/FIs, Companies or otherwise.
    f. Undertake any guarantee obligation.
    g. Make any drastic change in the management set up.
14. The borrower has to keep the bank informed about any circumstances adversely affecting the financial position of their production, sales, profit etc. such as labour problem, power cut etc. and the remedial steps proposed to be taken by the borrower.
15. Bank reserves the right to cancel/ modify the sanctioned limits and/or the terms and condition thereof without assigning any reason. Bank also reserves the right to recall the dues any time without assigning any reason.
16. So long as any monies are due to us from the company under any of the facilities, the bank shall have a lien/ charge for such amounts on company's all credit balances, deposits, securities or other assets with any of the branches of Syndicate Bank or of its subsidiaries anywhere in the world and upon the happening of any of the events of default referred herein, we shall be entitled to exercise a right of set off between the amounts due and payable to us and the said credit balances, deposits, securities and other assets.
17. All other terms and conditions as applicable to similar type of advance as per our MoI/circulars issued from time to time in addition to other operational guidelines contained in Bank's Credit Policy, Risk policy shall be strictly adhered to.
18. All the transactions of the project to be routed through the account maintained with our bank only

Please return us back a copy of this sanction letter immediately duly acknowledging the receipt thereof and conveying acceptance of terms of sanction. Also, please furnish your compliance with all the pre release terms and conditions of sanction in order to get the facility disbursed.

Please feel free to contact us in case you need any further information, clarification or assistance.

Thanks and regards.

Yours truly,

Chief Manager

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Annexure

'ALL COST' SCHEDULE

Following is the list of tentative Charges / Fees applicable to your account:

1.	Applicable interest rate on sanctioned facilities	As detailed above
2.	Additional interest on:	
	≈ Non-creation of mortgage	1% pa
	≈ Non-submission of audited financial statements within the prescribed limit	1% pa
	≈ Non-obtention of external rating	1% pa
3.	Penal interest for:	
	• Non-submission /delayed submission of stock statement / CCR Forms	1% pa
	• Diversion of Funds	As per guidelines
	• Temporary extension of validity of credit limits	0.75% pa upto 3 months 1.75% pa beyond 3 months
	• Overdue loan amount	2% pa
	• Non submission of renewal proposal/ Additional information/ requirement on the renewal proposal for the period up to 3 months from the date of expiry of limits till date of receipt of proposal with provisional / without provisional extension	1% upto 3 months 2% beyond 3 months
	• For delayed period beyond 30 days from the date of calling for additional information / requirements on renewal proposal	2% over the applicable normal rate
4.	Discounting Charges	BR + 6.75% pa
5.	Commission on guarantees	2.50% pa on performance guarantee and 3.25% on financial guarantee
6.	Commission on Letter of Credit / Letter of Comfort	0.60% of amount of LC
7.	Legal Fees	Actuals
8.	Valuation Charges	Actuals
9.	Credit Verification Charges	As per guidelines
10.	Processing Charges / Upfront fee	Rs. 400 per lac on working capital facility and 1.25% of loan amount in case of term loan facility plus service tax
11.	Documentation Charges	Rs.25000/- plus S. Tax
12.	Inspection Charges	Actuals
13.	Notice Charges	Actual out of pocket expenses
14.	Charges for search report / Filing of Charges with ROC	Actuals
15.	Charges for periodical search (further EC) with Revenue Authorities	As per guidelines
16.	Prepayment Charges	2% of outstanding in case of Takeover by other banks/FIs