

Ref: PNBHF / CF / CCB-15/2015-16

04.12.2015

To,
M/s. Shree Riddhi Siddhi BuildWell Limited (SRSBL),
2nd Floor, Padam Plaza, Sector 16-B,
Awastha Vikas,
Sikandra Yojna, Agra.

Subject: - Construction Finance of INR 20.00 crore to M/s. Shree Riddhi Siddhi BuildWell Limited (SRSBL)

This is in reference to the loan application of the captioned proposal. We are pleased to inform that Construction finance of INR 20.00 crore is sanctioned to you for residential project "Padam Pride Phase 2" located at Agra (Uttar Pradesh) subject to the following terms & conditions:

Borrowing Entity	M/s. Shree Riddhi Siddhi BuildWell Limited (SRSBL).
Project Address	16-B, Awastha Vikas, near Padam Plaza, Agra, Uttar Pradesh.
Purpose of Loan	Construction & Development of the residential project "Padam Pride Phase II".
Loan Amount	INR 20.00 crore (INR Twenty Crore) only. (Total Exposure INR 45.08 crore).
Loan Term	36 months from the date of first disbursement including principal moratorium period of 12 months. (PNBHFL may accelerate repayment based on review at any point of time).
Rate of Interest (Floating)	13.50% p.a. linked with PNBHFR (PNBHFR minus 100 bps); Present PNBHFR is 14.50% p.a. Interest will be calculated on monthly rest basis and shall be payable on monthly basis.
Fees	1% of Loan Sanctioned + Service Tax as applicable.
Security	<ul style="list-style-type: none"> Extension of charge by way of equitable mortgage of land admeasuring 10,619 square meters & structure thereon of the project "Padam Pride Phase-I" located at Sector 16-B, Awastha Vikas, near Padam Plaza, Agra, Uttar Pradesh. Extension of charge by way of Equitable mortgage of land admeasuring 9,618 square meters & structure thereon of the project "Padam Pride Phase-II" located at Sector 16-B, Awastha Vikas, near Padam Plaza, Agra, Uttar Pradesh. <p>(Security coverage of minimum 1.50 times of the loan outstanding to be maintained at any point of time).</p> <ul style="list-style-type: none"> Hypothecation of all current and future receivables from the project "Padam Pride Phase I & 2" of approximately INR 135.01 crore. (Receivables coverage net of project expenses of minimum 2 times of outstanding loan to be maintained). Personal Guarantee of Mr. Pramod Kumar Jain, Mr. Ankur Jain and Mr. Anuj Jain.

	<ul style="list-style-type: none"> 26% of pledge of shares of SRSBL to be extended for the current facility. Modification of charge with ROC.
Utilization of Funds	For Construction of residential project "Padam Pride Phase II".
Additional Interest	Additional Interest @ 2% per month on delayed interest and principal installments (Calculated from due date till the date of payment).
Prepayment Charges	The minimum pre-payment charge will be @ 3% of the loan outstanding as on the date of pre-payment and shall be levied in case of migration of the loan to another institution. There will be no prepayment charges for repayment of loan through sale proceeds of Padam pride Phase I and Phase II or through own sources.
Pre disbursement Conditions	<ul style="list-style-type: none"> Clear, Marketable, Unencumbered title to the property provided as security. Enforceability certificate from the appointed law firm/Internal legal counsel. A formal agreement (MOU) for retail loans giving preference to PNBHFL. Requisite Building Plan Approvals & all other Statutory Approvals required for Commencement of Padam Pride Phase II to be in place. Verification of the following by Chartered Accountant appointed by PNBHFL (expenses will be paid by SRSBL): <ul style="list-style-type: none"> i. the amount spent in the project; ii. Means of Finance of the amount spent; iii. Bookings made in the Project; iv. Advances received from customers. Affidavit Cum Undertaking from that SRSBL will not violate the sanction plan approved by competent authority and that the construction shall be strictly as per sanction plan. Board resolution of the company to avail the loan from PNBHFL and authorizing a full time executive to execute documents. All loan documents shall be vetted by an empanelled advocate/Internal Legal Counsel before release of loan amount at Borrower's cost. Compliances required under the Companies Act, 1956 and 2013 for the borrowings by a public/ private company. Credit rating of minimum BB- to be obtained from RBI approved rating agency. Credit report of existing lenders to be obtained. Modification of charge with ROC. Registration/modification of Charge with Central Registry (CERSAI) on project land. Pending documents from existing facility, if any to be complied.
Disbursement	<p>Disbursement of loan will be made as per drawdown/ cash flows based on (attached):</p> <ul style="list-style-type: none"> The Progress of Project Construction. Project Debt Equity to be maintained at less than 1.50 times during the entire tenure of loan. Area to be sold. Customer advance to be received.

Other Conditions

- Quarterly progress report along with sales, collection and inventory report to be submitted as per PNBHFL format within 30 days from end of the quarter.
- Half yearly audit of the said project by an auditor appointed by PNBHFL at the cost of the borrowing entity.
- PNBHFL reserves the right to appoint Security Trustee and the expenses have to be borne by SRSBL.
- PNBHFL name should be displayed at conspicuous parts of the site mentioning that the project is financed by PNBHFL.
- CA Certificate has to be submitted within a period of 45 days for the utilization of funds at each stage of disbursement.
- Submission of the revised approved plans (if any) to PNBHFL.
- Submission of revised external credit rating as and when due, within 90 days of it falling due.
- HFC / Bankers are to be informed about PNB HFL's charge on the said project in case any TPA has been already signed by the builder for individual housing finance availed by the prospective buyers. SRSBL to ensure that all the cases which have been financed by other lending institutions, the remaining consideration are to be routed through PNBHFL ESCROW account only. SRSBL to maintain proper records of the same and submit on quarterly basis within 30 days from the end of quarters.
- SRSBL will inform all the buyers of units sold/to be sold suitably that the amount towards demand raised has to be deposited in the designated PNBHFL Escrow account.
- The receivables from sold & unsold flats will be deposited in PNB Escrow account. Escrow account shall be monitored by PNBHFL.
- NOC for sale of units will be issued by PNBHFL as under:

S. N.	No. of units	Saleable area (square meters)	NOC Charge per square meter (INR)
Phase I	Unsold 34 units	8,011.26	INR 15,000
Phase II	First 50 units.	9,869.00	Free of charge
Phase II	Remaining 92 units	18,435.53	INR 12,916.
Total		36,315.79	

- SRSBL to disclose in the Pamphlets/ Brochures/ Buyer Agreement that the project is funded by PNBHFL.
- Revised threshold limit from withdrawal from escrow shall be INR 50 crore (excludes PNBHFL loan).
- SRSBL to publish disclosure in advertisement that the project land is mortgaged to PNBHFL.

Undertaking from the Borrower:

- That any time & cost overrun / shortfall in cash flow in this project to be borne by SRSBL/promoters.
- That the funds brought in by SRSBL in the form of unsecured loans will not be withdrawn during the currency of PNBHFL loan (if any).



	<ul style="list-style-type: none"> • That during the currency of PNBHFL loan neither any liability nor any third party interest would be created by them in respect of the project/s where the PNBHFL funds are to be utilized. • That all the assets charged to PNBHFL have to be fully insured against all risks during the currency of PNBHFL's loan. At your instructions, PNBHFL agrees to release part of disbursement towards insurance premium towards Construction All Risk (CAR) as a part of the cost of the project from the loan amount sanctioned. • That PNBHFL's loan will not be used for any unauthorized construction / development on the project site. • That the unsecured loans shall not be withdrawn / repaid during the period of PNBHFL loan. • That the surplus derived from Phase I of the project to be utilized towards construction of Phase II and repayment of PNBHFL loan. Balance receivables from Phase I will continue to remain hypothecated till closure of the entire loan.
Payment of Interest / Repayment of Loan	<p>Entire loan is repayable in 24 equal monthly principal instalments of INR 83,33,334 commencing after principal moratorium of 12 months from the date of first disbursement.</p> <p>The entire project receivables from sold and unsold units of the "Padam Pride Phase II" estimated INR 98.88 crore shall be deposited in designated PNB Escrow account to be opened by SRSBL.</p> <ul style="list-style-type: none"> • The Interest and Principal repayment to be made from Escrow Account. The receipts should include the balance payments receivable from sold units prior to the proposed loan with PNBHFL. • PNBHFL can review the cash flows and may accelerate/modify the repayment schedule.

General Terms & Conditions:

- SRSBL will maintain Debt equity of less than 2:1 (including quasi equity) during the tenure of loan.
- Cross Default Clause:** In case the borrower / allied concerns/ promoters default in respect of any other loan availed from PNB HFL, then the account shall be considered in default and same is to be placed on alert/caution by doing close monitoring.
- Material/Adverse Change Clause:** If there is any material/adverse change with regard to diversification by the borrower in to some other business/unrelated activity or diversion of fund/change in management etc. prior permission to be obtained from PNBHFL.
- Suitable undertaking from the borrower / guarantor** that no suit has been filed by any bank/financial institution against them or any of firm/companies in which they are partners/directors/guarantors. Further, no account of the Borrowing companies/ group companies/firms has been declared NPA/settled by giving rebate/OTS by any bank/FI. It is also to be ensured that none of the above persons are in of the caution/defaulters list.
- The borrower would keep PNBHFL informed of the happening of the event likely to have substantial effect on the profit/business or circumstances adversely affecting the financial position of the company, its subsidiaries/ group companies/companies in which it has

invested, including any action taken by creditors against the said companies, legally or otherwise.

- F. Billboard/ Hoarding shall be put up on the site that the project is financed by PNBHFL. PNBHFL's Logo and Housing loan schemes shall be marketed in all publicity material of the proposed project, so that prospective purchasers can avail individual housing loan facility from PNBHFL.
- G. PNBHFL official or other authorized person of PNBHFL shall be permitted to visit the site and carry out any inspection / or examine the book of accounts till the currency of the loan.
- H. PNBHFL has the right to alter or modify any condition or stipulate fresh condition under intimation to the party.
- I. SRSBL will comply for adherence of National Building Code (NBC) specifications; formulated by Bureau of Indian Standards.
- J. PNBHFL may at its sole discretion disclose any information to any institution(s) in connection with the credit facilities granted to the borrower.
- K. During the currency of the loan, the borrower shall not, without the prior permission in writing:
 - 1. Affect any change in their capital structure, which may affect PNBHFL's interest adversely.
 - 2. Formulates any scheme of amalgamation or reconstruction.
 - 3. Undertake guarantee obligations on behalf of any other borrower/organization.
 - 4. Declare dividends for any year, if the account of the borrowing company with PNBHFL is running irregular or if the company is in losses or any of the terms and conditions of the sanction remain non-complied with by the borrower.
 - 5. Sell, assign, mortgage, alienate or otherwise dispose or any of the assets of the borrowing company charged to PNBHFL.
 - 6. Enter into any contractual obligation of a long-term nature affecting SRSBL financially to a significant extent.
 - 7. Undertake any activity other than those indicated in the object clause of the memorandum of association of the company.
 - 8. Permit any transfer of the controlling interest or make any drastic change in the managements set up.
 - 9. Divert / utilize our funds to other sister /associate /group concern.
- L. In case the borrower commits default in the repayment of loan/advance or in the payment of Interest thereon or any of the agreed installments of the loan on due date the company, CIBIL and/or NHB/Reserve Bank of India will have an unqualified right to disclose or publish the names of the company and its directors as defaulters in such manner and through such medium as the company/RBI/NHB in their absolute discretion may think fit.
- M. Audited financials to be submitted within 6 months from the end of each financial year.
- N. The sanction is valid for 90 days from the date of letter.

Kindly sign the duplicate copy of this letter in token of your acceptance and return the same along with demand draft towards the upfront fee. Any other terms and conditions not included in this sanction letter but contained in the loan agreement shall be treated as part of this sanction.

We look forward to your acceptance of this offer in order to expedite the conclusion of this transaction and disbursement hereunder. Please contact us to complete the loan documentation for disbursement of the loan.

For PNB Housing Finance Limited



Authorised Signatory

We, **M/s. Shree Riddhi Siddhi BuildWell Limited (SRSBL)**, hereby confirm and accept the terms & conditions herein written:

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Authorised Signatory

Enclosures:

Annexure 1: Quarterly Cash Flow of the Project "Padam Pride Phase 2".

Annexure 2: Sale Plan of the Project "Padam Pride Phase 2".

