



**47- NAVYUG MARKET,
GHAZIABAD MAIN BRANCH
GHAZIABAD**

LETTER OF SANCTION

Ref. No SL- 001/SKARDI/FEB/2015

Date: 27.02.2015

To,
M/s Skardi Realtech Pvt. Ltd.
Ghaziabad.

We have pleasure in conveying the sanction of the following credit facility to your Company, on the terms and conditions mentioned below.

Facility	Rupee Term loan																		
Limit	Rs. 34.00 crore (Rupees Thirty Four Crore only)																		
Purpose	For development of residential group housing project named “Skardi Greens” in land comprising 4732 sq meters owned by the company at a total project cost of Rs. 113.90 crore.																		
ROI	BR + 5.25%** including tenor premium Presently at 15.50% p.a**																		
Margin	70.14% (Including advance from customers).																		
Release	<p>Disbursement shall be made after ensuring 50% margin of promoters contribution upfront which comes to ` 14.29 crores excluding land and site development cost & release of our term loan shall be in stages in proportion to the balance margin money of Rs. 65.62 crore, (i.e. ` 14.29 crore by way of promoter’s contribution and ` 51.33 crore by way of advance from customers) to be brought in by the company.</p> <p>Minimum promoter’s contribution in form of equity at 10% of project cost excluding land & dev cost, i.e., at ` 11.39 crores to be brought and unsecured loan may be decreased accordingly.</p> <p>The loan shall be released in stages depending upon the progress of construction after satisfaction with respect to end use of the funds and progress of project vis a vis implementation schedule supported by CA certificate and lender’s engineer’s certificate.</p> <p>The proposed disbursement schedule** is as under:</p> <table><tr><td>Quarter</td><td>Disbursement Amount</td><td>Loan Amount</td></tr><tr><td>Up to Mar 2015</td><td>10.00</td><td>10.00</td></tr><tr><td>Apr – Jun 2015</td><td>6.00</td><td>16.00</td></tr><tr><td>Jul – Sept 2015</td><td>6.00</td><td>22.00</td></tr><tr><td>Oct – Dec 2015</td><td>6.00</td><td>28.00</td></tr><tr><td>Dec – Mar 2016</td><td>6.00</td><td>34.00</td></tr></table> <p>**The above schedule is subject to company bringing promoters contribution & advance money to the extent of stipulated margin as above.</p>	Quarter	Disbursement Amount	Loan Amount	Up to Mar 2015	10.00	10.00	Apr – Jun 2015	6.00	16.00	Jul – Sept 2015	6.00	22.00	Oct – Dec 2015	6.00	28.00	Dec – Mar 2016	6.00	34.00
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Processing Charges	1.25% of loan amount + Service Tax**																										
Security	1. UREM of 4732 sq meters of land and estimated construction therein with an estimated cost of Rs. 91.45 crores. 2. Cash Collateral of Rs. 85.50 lacs shall be obtained pending creation of mortgage of land admeasuring 475 sq mtrs having Karsa No. 395 situated in Village – Mehrauli, Ghaziabad and will be released after the creation of mortgage of balance land admeasuring 475 sq mtrs in favour of the bank.																										
Tenor	Door to door tenure of the loan is 34 months Moratorium period – 18 months																										
Repayment	<div>The principle shall be repaid in quarterly instalments (Ballooning basis) commencing from September 2016 as under:</div> <div><div>(Rs. In crore)</div><table><tr><th>Month</th><th>Amount per instalment</th><th>Total</th></tr><tr><td>September 2016</td><td>4.00</td><td>4.00</td></tr><tr><td>December 2016</td><td>4.00</td><td>8.00</td></tr><tr><td>March 2017</td><td>6.00</td><td>14.00</td></tr><tr><td>June 2017</td><td>6.00</td><td>20.00</td></tr><tr><td>September 2017</td><td>6.00</td><td>26.00</td></tr><tr><td>December 2017</td><td>8.00</td><td>34.00</td></tr><tr><td>Total</td><td>34.00</td><td></td></tr></table></div> <div>Interest to be serviced as and when due.</div>			Month	Amount per instalment	Total	September 2016	4.00	4.00	December 2016	4.00	8.00	March 2017	6.00	14.00	June 2017	6.00	20.00	September 2017	6.00	26.00	December 2017	8.00	34.00	Total	34.00	
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Total	34.00																										
Collateral securities:	NIL																										
Guarantors	<div>Personal Guarantee (Rs. in crores)</div> <table><tr><th>Name of Person</th><th>Net worth</th></tr><tr><td>1. Mr. Sanjay Sharma</td><td>7.02</td></tr><tr><td>2. Mr. Inderjeet Singh Arora</td><td>1.34</td></tr><tr><td>3. Mr. Chanderjeet Pathak</td><td>15.20</td></tr><tr><td>4. Mr. Lalit Narayan Jha</td><td>3.74</td></tr></table> <div>Corporate guarantee of M/s Divyansh Promoters & Developers Pvt. Ltd; M/s Atkins Infra Projects & Consultants Pvt. Ltd and M/s Ananta Developers Pvt. Ltd shall be obtained provided Companies Act 2013 permits the same.</div>			Name of Person	Net worth	1. Mr. Sanjay Sharma	7.02	2. Mr. Inderjeet Singh Arora	1.34	3. Mr. Chanderjeet Pathak	15.20	4. Mr. Lalit Narayan Jha	3.74														
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** A separate note will be placed before MCB for sanction of finer ROI and concession in processing charges.

RO/FGMO to ensure that there shall not be any impact on the project due to non transfer/ delay in transfer of land admeasuring 475 sq mtrs.

Pre Release Conditions:

1. Branch shall issue separate sanction letter to the company, incorporating all the sanction terms including all applicable costs as per Cir. No. 176/2013/BC and acknowledgement of the authorized person of the company shall be obtained for

- having accepted the sanction terms on the duplicate copy of the sanction letter and the same shall be kept with loan documents.
2. Proper Board Resolutions for the borrowings from the bank shall be obtained authorising availing the facilities from our bank for execution of documents and affixing common seal of the company.
 3. A special resolution under section 180 of the Companies Act 2013 empowering borrowings by the Company exceeding the limit of paid up share capital & free reserves, including existing borrowings shall be obtained.
 4. Documentation formalities shall be completed as per guidelines communicated from time and the guidelines contained in Cir No.9/2012/BC with regard to due diligence shall be scrupulously adhered to.
 5. Loan documents shall be got executed and security creation formalities shall be completed as per guidelines by obtaining pre-execution and post execution vetting of the documents by the advocate on the panel of the branch as well as RO Legal Cell.
 6. Branch/RO to ensure that all the terms/ requirements as per cir No 342/2014/BC are complied with.
 7. RO Legal Cell has to confirm that title of the land and development rights is clear and marketable and the said plot is free from any encumbrances.
 8. Branch/RO to ensure that all observations of RO Legal Cell shall be complied with before the release of facility.
 9. LIE shall be appointed before release of facility and progress report shall be obtained from LIE in respect of the progress of the project.
 10. Release shall be made as mentioned in release schedule after ensuring end use of the funds based on lender's engineer's report for progress of construction, CA certificate confirming infusion of promoter's margin towards the project and unit inspection by the branch officials.
 11. Branch/RO to ensure that all the legal clearances, approvals, license, approved plan etc required for the project shall be obtained/ renewed and placed on record. Branch/ RO have to obtain detailed estimate for construction and confirm that the cost estimated shall be found reasonable.
 12. The Company shall provide undertakings to:-
 - a) Any cost escalation / cost overrun shall be borne by the company from their own sources.
 - b) No commission shall be paid by the company to the guarantors for guaranteeing the credit facilities sanctioned by the Bank.
 - c) To permit the Bank officials to inspect, conduct periodical valuation of securities, comprehensive insurance.
 - d) The company shall disclose in pamphlets/ brochures etc., the name of our bank.
 - e) 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."
 - f) Company shall incorporate a clause in sale agreements to be entered into between the company and the buyers of the residential apartments that all payments by cheques/ demand drafts towards cost of the residential apartments would be drawn through the opened with our Bank
 - g) No Director of the company is disqualified under section 274(1)(g) of the Companies Act.

- h) That no legal case of any nature has been filed against the company and/ or its directors.
 - i) That the company shall not induct a person who is/ was a director in a company which has been identified as a "willful 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. Further, an affidavit from borrower, directors and guarantors shall be obtained that they are not defaulters to any Bank/FI's.
 - j) That no commission shall be paid to the guarantors to stand as such.
 - k) Bank will always be at liberty to stop making further advances or cancel the limits or such portion of the limits as bank deems fit at any time under intimation to the firm, without assigning any reason even though the said limits have not been fully availed and bank's right to cancel unconditionally full or part of the limits also extends to limits which were fully utilized earlier and now remain unutilized/ partially utilized.
 - l) Create charge on assets in favor of our bank by the time of first disbursement.
 - m) The borrower shall take adequate insurance cover as required and shall nominate our bank as payee against loss.
 - n) That none of the directors of the Company figure in the RBI defaulters list.
 - o) The borrower shall have undertaken that if advance from customers are not received as per projections, the promoters will infuse the shortfall from its own source for the completion of the project in each stage.
 - p) The company shall not allow the registration/sub let of any portion of the project without obtaining consent from the bank.
13. In respect of Unsecured borrowings, branch shall ensure following:
- 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 obtained from the borrower as per Annexure 10 of Credit Policy) 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.
14. Confidential credit report/exchange of information from existing Bankers in respect of group companies shall be obtained and found to be satisfactory
15. Branch shall ensure that the liabilities of the associate/group concerns with their Bankers are regular. Regularity certificate from the Bankers be obtained and kept on record.
16. Due Diligence Certificate from practicing Company Secretary to be obtained as per norms certifying that the Company complies with all the provisions of Companies Act 2013, including borrowing powers of the Company for the present loan facility.
17. Entire project related expenses / payments shall have to be routed through the Account to be maintained with our bank for the project. Branch shall obtain an undertaking letter covering the stipulation has to be obtained from the company.

18. Branch to obtain declaration as per Annexure 6 as per Cir No. 328/2010/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.
19. Branch/RO to visit the project site and place ADV 84 on record.
20. Branch shall ensure satisfactory report that the company and company's promoters are not appearing in CIBIL, CRILC, ECGC SAL, Defaulters list, Willful defaulter list, caution advice.
21. RO/Branch shall ensure the following before release of the facility:
 - a. Receipt of satisfactory evidence of having obtained all statutory approvals, permit and clearances required for the Project.
 - b. Confirmed that there is no Event of Default which has happened and has not been cured or waived in accordance with the terms of the relevant Project Agreements and all representations and warranties made by the Borrower or any of the project parties in each of the Project Agreements are true or correct;
 - c. Furnished report from the chartered accountant certifying the expenditure incurred and the means of financing thereof prior to seeking each tranche of disbursement;
 - d. Provide a certificate from Engineer that the physical progress as well as expenditure incurred on the Project is as per the original schedule. The Borrower shall agree and undertake to furnish to the Bank such information and data as may be required from time to time.
22. The Company shall submit suitable undertaking/declaration
 - Declaration as per Annexure 6 (as per Credit Policy Cir. No 001/2013/BC RMD) 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.
 - The Company should keep the bank informed of the happening of any event likely to have a substantial effect on their profits or business with the reasons thereof and the remedial steps taken.
23. ESCROW account to be opened for routing the releases, promoter's contribution, advances, payments of the company and branch to ensure that all the transactions related to the project are routed through ESCROW account.

Other Terms and Conditions:

1. First right of refusal for the prospective buyers of the property in the proposed construction rests with Syndicate Bank.
2. Project Implementation Progress Report shall be obtained every month both physical and financial duly certified by the Project Engineer / Chartered Accountant till completion of the Project and Br/RO shall monitor the same every fortnight.
3. Our Bank's charges to be registered with ROC within 30 days from the date of release of the facility.
4. The assets charged to the bank are to be comprehensively insured with the bank clause.
5. The bank shall be kept apprised of any circumstance adversely affecting the financial position of their unit encompassing production, profit etc. and remedial steps proposed to be taken by the borrower.

6. The company shall submit a certificate from its architect to the effect that NBC/NDMA guidelines have been complied with in designing the buildings.
7. Company shall at all time comply with National Building Code 2005 and National Disaster Management Guidelines, as may be prescribed from time to time and Copy of Building completion certificate shall be obtained and kept on record.
8. The company shall submit CA certificate for the capital expenditure incurred on the project.
9. Branch/ has to obtain Annexure 5 of our Credit policy from Chartered Accountant and confirm the genuineness of audited financial statements.
10. Branch to take steps to approve the project for Housing loan business and branches be identified for this purpose and be informed. Branch shall monitor the progress of the project on monthly basis and inform RO.
11. Branch to ascertain the Networth of all directors and guarantors with supportive documents and certify the same in ADV 80A of banks applicable format.
12. Primary / Collateral Securities taken as security for the credit facilities of the company, shall be adequately covered by Insurance, duly noting our Bank's interest in the policy.
13. Branch to ensure that properties mortgaged to us are registered/ altered in the CERSAI as per guidelines.
14. Borrower to obtain NOC from our Bank for sale of flats to the buyer and proportionate amount be deposited in the project loan for the units sold.
15. The Bank reserves the right to vary the ROI depending upon the market conditions and/or change in Risk rating and/or in case conduct of the account is not satisfactory.
16. The rate of interest stipulated is subject to change as and when there is change in Bank's Base Rate or spread or as per RBI directives or whenever there is change in the rating allotted to the borrower by the Bank or such other situation warranting the Bank to change the rate of interest.
17. The valuation of the properties charged to the bank shall be obtained once in two years from the valuer on the panel of the bank. Charges for the same shall be borne by the company.
18. The company shall pay penal interest at applicable rates on the total out standings in any one or more of the following defaults during the currency of the loan for the relevant period:-
 - a. Default in payment of interest or instalment to the bank
 - b. Non compliance of terms and conditions
 - c. Non submission of audited financial statements within the prescribed period.
19. The Bank reserves the right to cancel/alter/modify any or all of the above conditions, with the consent of the borrower at any point of time. Similarly, the Bank reserves the right to recall the advance, if the credit limits, sanctioned, are not utilized, for the purpose, it was meant for.
20. The company shall ensure that the audited financial statements submitted by the company are the latest and that they have filed the same with ROC. Suitable letter to be submitted by the company stating that they have filed the same with ROC. The company shall confirm that the DIN/CIN of the Directors/Company are correct and that the Director who will digitally signing Form for filing charge (Form CHG 1 - earlier Form 8) is not in defaulters list. The compliance of this condition may be supported by a Certificate from Company Secretary.

21. A certificate on annual basis to be submitted from the company's auditors stating that all statutory dues including EPF dues have been paid by the company.
22. The Bank or its authorized officials or other representatives will have the right to carry out periodical inspection or examine the books of the accounts of the Company and to have their offices/project sites/project assets inspected from time to time by officers of the Bank and/or outside consultants and the expenses incurred by the Bank in this regard will be borne by the Company.
23. MMR shall be submitted as per extant guidelines.
24. The borrower be advised to comply with the direction of ministry of finance, Government of India, vide notification no.31/3/2011-BO(part) dated 11.10.2011 as under:-
 - a) Make payments to staff, vendors and clients electronically except for office petty cash requirement.
 - 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 / auditors to the books of accounts of the borrower to verify compliance of the requirements under (a) & (b) above
25. Billboard/ Hoarding shall be put up on the site that the project is financed by Our Bank. Our Logo and Housing loan scheme shall be marketed in all publicity material of the proposed project, so that prospective purchasers can avail loan facility from Our Bank.
26. 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.
27. All other terms and conditions as applicable to above type of credit facilities as per MOI and various circulars issued from time to time shall be complied with.

Asst. General Manager