

M/s S L Group & Associates.

Loans Deptt RO Bareilly

Sent: 31 December 2015 19:15:58

To: OBC Moradabad (0279)

Cc: Arvind Jain

ROB/LOAN/

28/12/2015

The Branch Incumbent

B/O: **Moradabad**

Dear Sir,

Reg: M/s S L Group & Associates.

With reference to your recommendations on the above subject, we enclose herewith sanction of the following credit facilities in their favour:-

Nature of Facility	Amount of limits sanctioned as follows:-
Term loan - Fresh	Rs. 19.50 Crores (Rs. Nineteen Crore Fifty Lac only)
Cash Credit (Hyp.)-Fresh	Rs.50.00 lac (Rs. Fifty Lac only)

You are advised to carefully go through the terms and conditions of the sanction. Please communicate the terms of sanction to the borrower along with printed copies of the standard terms and conditions of sanction governing such advances. The communication to the borrower be sent in duplicate and one copy of the same be got noted from the borrower in token of having accepted the terms and conditions of the sanction.

The sanction credit facilities must not be released without:-

- 1) Upfront on Term Loan and Process fee on CC limit and other charges shall be recovered from the borrower as per norms.
- 2) All the statutory approvals should be in place and should be verified by LIE before disbursement of limits at each stage. The company shall provide copies of such permissions to the Bank for its record.
- 3) NEC from two panel advocate and valuation of the property from two panel valuer shall be obtained.
- 4) The borrower shall undertake to follow the NBS code as per BIS specification.
- 5) Firm to undertake that unsecured loans from promoters /friends/family members forming part of promoters contribution shall not be withdrawn till the currency of bank finance. The sme shall be subordinated to Bank finance.
- 6) Firm to submit copies of receipts of charges paid by the firm to Govt (i.e Licenses, conversion fees, EDC , IDC etc) to be submitted.
- 7) Firm's all Current accounts with other Banks be closed.
- 8) All documents including sale deed, shall be got vetted by Bank's legal retainer at RO.
- 9) Branch shall obtain CRs from other lenders to the Firm and confirm that accounts are standard.
- 10) Legal opinion, Non-encumbrance certificate in respect of property to be mortgaged as primary security shall be obtained in the prescribed format and effective & valid mortgage shall be created before disbursement of credit facilities. The facilities shall be released only after all the securities are properly charged and all documentation formalities completed.
- 11) Branch Certificate of Compliance shall be submitted to RO prior to release of facilities and cleared.
- 12) Disbursement shall only be made for meeting construction & related activity and an undertaking to this effect shall be obtained from the borrower.
- 13) The firm shall undertake:
 - The Firm would disclose in the pamphlets/Brochures etc. the names of the banks to whom the property is mortgaged.
 - The Firm would append the information relating to mortgage while publishing advertisement of

a particular scheme in Newspaper/Magazines.

- The Firm should indicate in their pamphlets/Brochures, that they would provide No Objection Certificate (NOC)/permission of the Mortgagee Bank for sale of flats/property if required.
- 14) Branch shall ensure to obtain an undertaking from the firm that during the currency of bank loan, firm shall maintain the financial ratios as per estimates/projections.
 - 15) The firm should provide an undertaking that in case of any cost overrun and shortfall in advance receipts from prospective customers towards the project, shall be met with from own sources without any resources to the lenders.
 - 16) An undertaking may be obtained to the effect that the firm shall not invest proceeds from the subject project in any other concern including associate concerns till the currency of Bank's finance.
 - 17) The firm shall undertake to obtain all requisite clearances /approvals/license required for the uninterrupted implementation of the project. An undertaking shall also be obtained to comply with all terms & conditions stipulated by various government authorities.

The following points should be complied with:-

- 1) The loan shall be disbursed only for project construction related activities and shall not be utilized for repayment of any loan already availed by the firm. A certificate from chartered Accountant should be submitted to the branch duly confirming the end use of funds.
- 2) The borrower shall approach our Bank for their retail loans requirement in future.
- 3) The credit facilities shall be availed within a period of six months of the date of sanction failing which sanction shall lapse.
- 4) The firm shall submit physical and financial status of the project in every stage of release of bank loan duly approved by LIE and a certificate on sources and end use of funds to be submitted by a Chartered Accountant acceptable to the Bank on quarterly basis ensuring that pro rata promoters contribution is infused.
- 5) Term Loan will be disbursed in phases as per the project implementation schedule/draw Down Schedule after ensuring induction of funds in shape of capital and advance from buyers as per projections.
- 3) In case of Non compliance of Terms & conditions of sanction penal interest of 1% p.a. shall be levied.
- 7) The Bank reserves the right to withhold disbursement of the loan at any time if in its opinion, there occurs any event that adversely affects the viability of the project or there has been an Event of Default under the Loan Agreement.
- 3) Valuation of properties to be done by two panel valuers.
- 9) Disbursement of term loan component will be restricted as per the requirement shown in cash flow statement and in accordance with the proposed means of finance and based on the progress of the project stage wise.

Yours Faithfully,

Deputy General Manager

Annexure -7

FACILITY WISE TERMS & CONDITIONS OF SANCTION:

Name of the Account: M/s S L Group & Associates
Branch: Moradabad (Sol ID-0279)

Name of the Account	M/s S L Group and Associates
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Branch

Moradabad

Facility NO. 1:-

Facility	Term loan - Fresh																																									
Purpose	Construction and development of residential house under Affordable Housing Project, namely "GREEN ORCHID" situated at Plot No 1, Sector-13, New Moradabad on land admeasuring 9529.51 Square Meter																																									
Facility Amount	Rs. 19.50 Crores (Rs. Nineteen Crore Fifty Lac only)																																									
Tenure of Term Debt	Door to door tenor of 17 Quarter. Draw Down schedule:- <table><tr><td>Financial Year</td><td>Q1</td><td>Q2</td><td>Q3</td><td>Q4</td><td>Total</td></tr><tr><td>2015-16</td><td></td><td></td><td>3.00</td><td>3.00</td><td>6.00</td></tr><tr><td>2016-17</td><td>4.00</td><td>3.00</td><td>1.00</td><td>1.00</td><td>9.00</td></tr><tr><td>2017-18</td><td>1.00</td><td>1.00</td><td>1.00</td><td>1.00</td><td>4.00</td></tr><tr><td>2018-19</td><td>0.50</td><td></td><td></td><td></td><td>0.50</td></tr><tr><td>Total</td><td>5.50</td><td>4.00</td><td>5.00</td><td>5.00</td><td>19.50</td></tr></table>						Financial Year	Q1	Q2	Q3	Q4	Total	2015-16			3.00	3.00	6.00	2016-17	4.00	3.00	1.00	1.00	9.00	2017-18	1.00	1.00	1.00	1.00	4.00	2018-19	0.50				0.50	Total	5.50	4.00	5.00	5.00	19.50
Financial Year	Q1	Q2	Q3	Q4	Total																																					
2015-16			3.00	3.00	6.00																																					
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2017-18	1.00	1.00	1.00	1.00	4.00																																					
2018-19	0.50				0.50																																					
Total	5.50	4.00	5.00	5.00	19.50																																					
Moratorium Period	7 Quarters from the date of first disbursement																																									
Repayment Period	10 Qtly Installment starting from June 2018.																																									
Applicable Interest Rate	3.50% (Bank's spread) over Base Rate (present BR of the bank is 9.70%) which works out to 13.20% at present with monthly rests, subject to changes in BR/ Spread from time to time. Penal Interest @ 2 % p.a. over & above the rate on overdue portion shall be charged. ROI is subject to change as per rating at annual review/renewal as Bank policy from time to time.																																									
Margin	Out of total project cost of Rs. 58.82 Crores margin is of Rs. 39.32 Crores i.e. Rs. 15.00 Crores by way of promoter's contribution (including Unsecured Loans) and Rs. 23.82 Crores by way of advance from customers and Term loan of Rs. 19.50 crores . However, minimum margin of 40% by way of promoter's contribution of Rs.15.00 Crore shall be ensured upfront.																																									
Review charges	As per Bank's schedule of charges changes from time to time. Annual review of account																																									
Upfront fee	1.00% of Term Loan amount plus applicable taxes																																									
Security- Primary	1st Exclusive charge by way of equitable mortgage of project land i.e. Housing Project, namely "GREEN ORCHID" situated at Plot No 1, Sector-13, New Moradabad on land admeasuring 9529.51 Square Meter through its partners along with proposed construction of residential project with estimated cost of Rs. 40.67 Crores. (Detailed as per Schedule -A) - Equitable mortgage of building and other construction thereon - A first charge /assignment in favor of bank of the Escrow Account. - Exclusive hypothecation charge over other movable assets related to the project.																																									
Collateral	As per schedule-B																																									
Prepayment Penalty	The Borrower shall at any time have the option to prepay the lenders, in part or in full, the debt together with all interests, prepayment premium and other																																									

	charges and monies due and payable to the Bank up to the date of such prepayment, on payment of prepayment premium equal to 2% of the amount prepaid. However, no penalty will be payable in case of following: If the pre-payment is effected at the instance of the Bank. If the prepayment is from the surplus cash flow generated out of sale proceeds of flats.																																										
Commitment charge	As per Bank's schedule of charges																																										
Repayment	Repayable in 10 Qtly Installment starting from June 2018 after moratorium period of 7 quarters from the date of first disbursement as per detailed below: <table><tr><th>Year</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Total</th></tr><tr><td>2016</td><td>-</td><td>-</td><td>-</td><td>-</td><td>0.00</td></tr><tr><td>2017</td><td>-</td><td>-</td><td>-</td><td>-</td><td>0.00</td></tr><tr><td>2018</td><td>-</td><td>2.00</td><td>2.00</td><td>2.00</td><td>6.00</td></tr><tr><td>2019</td><td>2.00</td><td>2.00</td><td>2.00</td><td>2.00</td><td>8.00</td></tr><tr><td>2020</td><td>2.00</td><td>2.00</td><td>1.50</td><td></td><td>5.50</td></tr><tr><td>Total</td><td>4.00</td><td>6.00</td><td>5.50</td><td>4.00</td><td>19.50</td></tr></table> Interest shall be payable as & when due even during the moratorium period.	Year	Q1	Q2	Q3	Q4	Total	2016	-	-	-	-	0.00	2017	-	-	-	-	0.00	2018	-	2.00	2.00	2.00	6.00	2019	2.00	2.00	2.00	2.00	8.00	2020	2.00	2.00	1.50		5.50	Total	4.00	6.00	5.50	4.00	19.50
Year	Q1	Q2	Q3	Q4	Total																																						
2016	-	-	-	-	0.00																																						
2017	-	-	-	-	0.00																																						
2018	-	2.00	2.00	2.00	6.00																																						
2019	2.00	2.00	2.00	2.00	8.00																																						
2020	2.00	2.00	1.50		5.50																																						
Total	4.00	6.00	5.50	4.00	19.50																																						
Escrow Mechanism	ESCROW account shall be maintained with our Bank. All the booking amounts/receivables in respect of project will be received by Cheque/Demand Draft/NEFT/RTGS favouring A/c M/s S L group and in Escrow Account. The Escrow account with us shall be opened before disbursement of limits. Stamped undertaking shall be obtained from borrower in this regard.																																										
Insurance	The Borrower shall insure the buildings, for the value equivalent to the cost of construction above the plinth level estimated to be constructed in the next 12 (Twelve) months, against any loss or damage by, fire, earthquake, as covered under "Building under construction Policy." Comprehensive insurance cover, having usual Bank clause will be obtained.																																										
Mandatory Prepayment	The Borrower shall utilize the following amounts as and when received for prepaying / liquidating the outstanding dues of the bank. Such additional repayment would be used for the last installments. Prepayment premium / penalty shall not be payable for mandatory prepayment. (a.)any liquidated damages received by the Borrower under the Project Agreements; (b.)any amount available with the Borrower out of the proceeds received under the Insurance Contracts over and above the amounts utilized for repairs / replacements of insured assets including works in progress;																																										
LIE	Lenders' Independent Engineer (LIE) from Bank's Empanelled Engineers of repute and having sufficient in-line work experience will be appointed at the																																										

	f the borrower on or before disbursement of the TL. The LIE will submit its initial status report on physical progress of the Project, which inter alia, shall include (a.)Physical details of various components of the project. (b.)Verification of cost of various components of the project. (c.)Verification of cost already incurred on the Project - a C.A. certificate to be obtained for the same. (d.)Examination of various approvals / permissions required for the proposed project. Verification of approvals / permissions so obtained till date and its applicability / adequacy / sufficiency for the project parameters. The LIE will submit its preliminary report before disbursement of TL covering the above aspects in detail. The LIE will submit its physical progress report on quarterly basis. Overall scope of work of LIE will be decided in consultations with the Borrower firm. All the charges, fees etc payable to LIE will be on the account of the Borrower firm.
NOCs for sale of flats	The NOCs will be issued to the buyers subject to maintenance of Security cover of 2.94:1. The Bank reserves the right to hold the NOCs for such sale in case the stipulated security cover is not maintained.
Other Project conditions	The Borrower agrees that if as a result of the review, the Bank determines that the borrower has not implemented/is not likely to implement the project within the project cost and / or the completion date, the Bank may stipulate additional conditions including strengthening of management set up, change in means and terms of financing and other measures that may be required for better project management and are beneficial to the project viability. Any change in equity structure having material adverse impact on the Company should be undertaken with prior intimation to the Bank.
Financing of Housing Loan	All branches of Bareilly Region are authorized to financing of housing loan without any tie-up arrangement
Pre disbursement condition	1) Upfront on Term Loan and Process Fee on CC limit and other charges shall be recovered from the borrower. 2) All the statutory approvals should be in place and should be verified by LIE before disbursement of limits at each stage. The company shall provide copies of such permissions to the Bank for its record. 3) NEC from two panel advocate and valuation of the property from two panel valuer shall be obtained. 4) The borrower shall undertake to follow the NBS code as per BIS specification. 5) Firm to undertake that unsecured loans from promoters /friends/family members forming part of promoters contribution shall not be withdrawn till the currency of bank finance. The sme shall be subordinated to Bank finance. 6) Firm to submit copies of receipts of charges paid by the firm to Govt (i.e Licenses, conversion fees, EDC , IDC etc) to be submitted. 7) Firm's all Current accounts with other Banks be closed. 8) All documents including sale deed, shall be got vetted by Bank's legal retainer at RO. 9) Branch shall obtain CRs from other lenders to the Firm and confirm that accounts are standard. 10) Legal opinion, Non-encumbrance certificate in respect of property to be mortgaged as primary security shall be obtained in the prescribed format and effective & valid mortgage shall be created before disbursement of credit facilities. The facilities shall be released only after all the securities

	are properly charged and all documentation formalities completed. 11) Branch Certificate of Compliance shall be submitted to RO prior to release of facilities and cleared. 12) Disbursement shall only be made for meeting construction & related activity and an undertaking to this effect shall be obtained from the borrower. 13) The firm shall undertake: • The Firm would disclose in the pamphlets/Brochures etc. the names of the banks to whom the property is mortgaged. • The Firm would append the information relating to mortgage while publishing advertisement of a particular scheme in Newspaper/Magazines. • The Firm should indicate in their pamphlets/Brochures, that they would provide No Objection Certificate (NOC)/permission of the Mortgagee Bank for sale of flats/property if required. 14) Branch shall ensure to obtain an undertaking from the firm that during the currency of bank loan, firm shall maintain the financial ratios as per estimates/projections. 15) The firm should provide an undertaking that in case of any cost overrun and shortfall, in advance receipts from prospective customers towards the project, shall be met with from own sources without any resources to the lenders. 16) An undertaking may be obtained to the effect that the firm shall not invest proceeds from the subject project in any other concern including associate concerns till the currency of Bank's finance. 17) The firm shall undertake to obtain all requisite clearances /approvals/license required for the uninterrupted implementation of the project. An undertaking shall also be obtained to comply with all terms & conditions stipulated by various government authorities.
Post disbursement condition	1) The loan shall be disbursed only for project construction related activities and shall not be utilized for repayment of any loan already availed by the firm. A certificate from chartered Accountant should be submitted to the branch duly confirming the end use of funds. 2) The borrower shall approach our Bank for their retail loans requirement in future. 3) The credit facilities shall be availed within a period of six months of the date of sanction failing which sanction shall lapse. 4) The firm shall submit physical and financial status of the project in every stage of release of bank loan duly approved by LIE and a certificate on sources and end use of funds to be submitted by a Chartered Accountant acceptable to the Bank on quarterly basis ensuring that pro rata promoters contribution is infused. 5) Term Loan will be disbursed in phases as per the project implementation schedule/draw Down Schedule. 6) In case of Non compliance of Terms & conditions of sanction penal interest of 1% p.a. shall be levied. 7) The Bank reserves the right to withhold disbursement of the loan at any time if in its opinion, there occurs any event that adversely affects the viability of the project or there has been an Event of Default under the Loan Agreement. 8) Valuation of properties to be done by two panel valuers. 9) Disbursement of term loan component will be restricted as per the

	requirement shown in cash flow statement and in accordance with the proposed means of finance and based on the progress of the project stage wise.
Sponsor Undertaking	Any overrun in the project cost shall be met with by the firm from own sources. The Firm will furnish an undertaking to the effect that the project construction will be National Building Code-2005 compliant The Firm/ LIE will certify compliance of the above on completion of the project. The firm should provide an undertaking to infuse from promoters sources for any cost overrun and also for any shortfall in advance receipts from prospective customers towards the project without any recourse to the lenders.
Other Terms & Conditions	(1) The loan shall be utilized for the purpose for which it is sanctioned and it should not be utilized for – • Acquisition of Land • Subscription to or purchase of shares/debentures • Extending loans to subsidiary companies/associates or for making inter-corporate deposits. • Any speculative purposes. (2) The firm shall forward to the Bank provisional Balance Sheet and Profit & Loss account within 120 days of year end and Audited accounts within 6 months of year end.

Facility NO.2:-

Nature of Facility	Cash Credit (Hyp.)
Limit	Rs.50.00 lac (Rs. Fifty Lac only)
Security	Hypothecation of stocks of raw materials, stock-in-process, finished goods, stores & spares and receivables
Collateral Security	As per Schedule-B
Margin	25%
Insurance	The assets created out of banks' advance (besides promoter's contribution) shall be insured for full value by the borrower / branch and all expenses in this regard (including timely renewal of the insurance cover) shall be borne by the borrower.
Rate of Interest/ Penal Interest	3.50% (Bank's spread) over Base Rate (present BR of the bank is 9.70%) which works out to 13.20% at present with monthly rests, subject to changes in BR/ Spread from time to time. Penal Interest @ 2 % p.a. over & above the normal rate on overdrawn portion shall be charged.
Term of Sanction	One year
Any other condition	
Other terms & conditions: 1. Credit In Accounts a) In such cases, where remittances by the borrower are pooled with one bank/consortium leader, an express consent from that bank/lead bank should be obtained for immediate transfer of our bank's share of recovery to us.	

2. Inspection of Securities

- a) Inspection of stocks charged to the Bank and that of the borrower's books/ records shall be conducted periodically by an authorized official of the bank. All expenses in this respect shall be borne by the borrower.

3. Stock and Book Debts

- a) Goods charged to the Bank shall be valued at cost or market price/ realizable value / controlled price, whichever is lower.
- b) The stocks shall be properly stored in a godown with free access to the Bank officials at all times.
- c) The borrower shall furnish a stock statement on the prescribed format by 3rd week of each month and the drawing power shall be calculated by maintaining the margin prescribed in the sanction. In case of items covered by Selective Credit Control, margin shall be as per RBI guidelines.
- d) The borrower shall certify that the book debts have arisen out of genuine trade transactions and no credit facility has been availed against these book debts from any other source.
- e) Statement of book debts duly certified by statutory auditor / Chartered Accountant of the borrower shall be obtained on quarterly / half yearly basis (as applicable).

4. Drawing Power

- a) Bad and doubtful debts and/ or where any cause of action/ dispute has arisen or debts older than the stipulated period shall not be taken into account while calculating drawing power.
- b) D.P. shall not be allowed against the following:-
- Obsolete Stocks
 - Stocks released to the borrower against trust receipt in case of Letter of Credit established on DA basis till the bills are retired by the borrower.
 - Debtors more than 180 days old.
 - Book debts of associate / group concerns, except those arising out of genuine trade transactions.
 - Drawing Power shall be calculated strictly in accordance with the guidelines in force.

Other Approvals

Financing of Housing Loan	All branches of Bareilly Region are authorized to financing of housing loan without any tie-up arrangement
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- The Builder / Developer must refer their home buyers to our bank for availing Housing Loan.
- The bank will have the first right of refusal in all such referred cases.
- The builders must incorporate our bank's name & logo in their advertisement

Schedule-B**1st exclusive charge Equitable /Registered Mortgage of Immovable Properties:**

Description (Res./Com./ Agr. Land) and address	Total Area sq. ft/yd/ meters	Name(s) of Owner(s)	Value (Rs. in lac)			Date & basis of valuation
			Last sanction RV	Present		
				MV	RV	
Residential House No. 543 Ward No.-27 Prem Nagar	125.40 SQM	Sh. Sunil Kumar Gupta	NA	71.00	63.90	23.12.2015 by Dhawan Associates.

Kothiyat, Bulandshahar						
Residential building cum plot situated at Panni Nagar, Chand Pur Road, Bulandshahar	314.68 SQM	Smt Kamlesh W/o Anang Pal	NA	106.00	95.40	23.12.2015 by Dhawan Associates.
No. 313, First Floor, Third Block, Race Course Valley, Race Course Dehradun	145.60 SQM	Anil Tomar	NA	71.25	64.12	09.12.15 by Arvind Kaneri
TOTAL				248.25	223.42	

OTHER TERMS AND CONDITIONS:

- 1) The firm shall obtain external credit rating from any one of RBI approved agencies within six months from the date of sanction failing which additional interest @ 1% p.a. shall be levied in the account till the submission of the same.
- 2) Other usual terms and conditions applicable to such type of credit facilities shall be complied with.
- 3) All photocopies of papers submitted by the borrower for the purpose of the loan should be authenticated by a duly authorized official of the borrower and should be verified by branch.
- 4) Non-compliance of sanctioned terms and conditions will attract additional interest of 1% p.a. on the outstanding of fund based and Non-fund based limits.
- 5) Limits sanctioned shall be strictly used for the stipulated purpose only. Branch shall ensure end use of funds.
- 6) Firm shall undertake to comply with all RBI stipulations/policy guidelines.
- 7) Bank reserves the right to appoint appropriate technical person(s) for audit/verification from time to time at the cost of the borrower.
- 8) The firm shall furnish information/statements as may be required by the Bank from time to time.
- 9) The firm shall make disclosure of all litigation cases to the Bank. The bank reserves the right to add or modify any terms of sanction as and when deemed necessary.
- 10) Branch shall undertake periodic review of the project on quarterly basis.
- 11) LIE shall be appointed and the components of project cost shall be vetted by them. LIE report on both physical and fiscal progress of the project shall be obtained and ensure that the progress of the project is as per schedule.
- 12) All requisite permissions/approvals shall be obtained from the respective authorities and kept on record.
- 13) LIE shall undertake periodic review of the project on quarterly basis.
- 14) All requisite permissions/approvals shall be obtained from the respective authorities and kept on record.
- 15) **Branch to monitor the account on quarterly basis.**
- 16) **LIE's report & CA Certificate be submitted on quarterly basis within 1 month from completion or before disbursement.**
- 17) The Builder / Developer must refer their home buyers to our bank for availing Housing Loan.
- 18) The bank will have the first right of refusal in all such referred cases.
- 19) The builders must incorporate our bank's name & logo in their advertisement

Deputy General Manager