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Ref No: 0803/8504/HZ LKO/2015/SN

Dated 09.11.2015

To,
M/s Earthcon Constructions Pvt. Ltd.

PAN : AABCE5693F

CIN No:- U45201DL2005PTC132632

Registered Office :- T-70, Sec-7, Jasola Vihar, New Delhi.

Office Address : B-11, Sector-01, Noida-201301

Dear Sir,

We are pleased to communicate the sanction made by the Competent Authority of the following Credit facility to you on the terms and conditions mentioned below. Any breach of the limits or any of the terms and conditions relating thereto will be considered unauthorized. The Sanction Letter is valid for 90 days from the date of issue and sanctioned under the following terms and conditions mentioned below.

The conditions of Commercial Real Estate are to be complied with and following deviations are permitted:-

- 1. Margin requirements & Prudential Exposure Norms:** - Company will infuse share capital in pro-rata basis to comply with exposure norms. Disbursement to be scheduled accordingly.
- 2. TOL/TNW & DER:** - TOL/TNW & DER of past years are on very higher side. You have to ensure that TOL/TNW & DER is within norms in future

Credit Facility:-

Facility	Term Loan	
Amount	Rs 30.00 crores (Rupees Thirty Crores only)	
Purpose	For Construction & Development of PHASE-I (i.e. TOWER-D & TOWER-E) of a Residential Group Housing Project "URBAN VILLAGE" situated at Plot No. E1/GH- 1, Amarpali Yojna, Hardoi Road, Lucknow. (Taken on lease from UPAVP)	
Revised Project Cost/ Means of Finance	Revised Project Cost (Rs. in lacs)	
	Particulars	Amount
	Land Cost	-
	Construction Cost	7,740.00
	Administrative expenses	280.00
	Selling & Marketing expenses	395.00
Architect / Consultant fee	85.00	



	Interest / Financing Cost	808.50
	TOTAL	9,309.00
	Revised Means of Finance (Rs. In lacs)	
	Particulars	Amount
	Debt – Term Loan	3,000.00
	Equity Contribution	1,500.00
	Quasi Capital (Loans, Internal accruals etc.)	1,500.00
	Customer Advances	3,308.50
	TOTAL	9,309.00
Rate of Interest	BR + 5.00% +0.25% i.e. 14.95 % at present. Rests, subject to change in Base rate/credit rating/ norms and policy of RBI/Govt./Bank. Interest during the moratorium will be serviced as and when due.	
Tenor	Door to Door 42 months (Including Moratorium Period 24 months and repayment period of 18 months)	
Repayment terms	The loan shall be repaid in 6 quarterly installments of Rs. 5 crs. each commencing from Dec, 2017 to March, 2019 along with interest accrue. However, the date of first repayment will be documented at the time of execution of final documentation.	
Primary Security	<p>UREM with 2nd Charge on proposed project land & building located at Plot No. E1/GH-1, Amarpali Yojna, Hardoi Road, Lucknow ad-measuring area 24355.22 sq. mtr. Land acquired on lease basis from Uttar Pradesh Awas Vikas Parishad in name of Company.</p> <p>Legal Opinion : Legal Opinion of the above Primary Securities is obtained from Adv. Ajay Vijh dated 11.03.2015.</p> <p>Valuation : The 1st Valuation of the above immovable property has been undertaken by M/s A.A. 'N' Associates dated 23.10.2015 (inspection done on 15.10.2015) having market value of Rs. 76.92 Crs and distress value of the said property is of Rs. 65.38 Crs (Land & building constructed thereon) For calculation of primary security coverage we are deducting the dues which is to be to UPSIDC i.e. Rs 65.38 Crs (Realisable value)- Rs 31.00 Crs (Dues payable to UPSIDC) = Rs 34.38 crs</p> <p>Second Valuation for the above immovable property is under Progress the same will be obtained before release. A Pre Release Condition to this effect is stipulated.</p> <p>Hypothecation of entire building material, equipments, book debts and all current assets both present & future related to the project valued Rs. 77.40 Cr.(as per Project Cost)</p>	
Collateral Security	NIL	



Drawdown	Branch shall obtain specific drawn down for the entire loan at the documentation					
	Particular	2015-16	2016-17	2017-18	2018-19	Total
	Equity	750.00	750.00	0.00	0.00	1500.00
	USL/Internal s	475.00	750.00	275.00	0.00	1500.00
	Customer Advance	402.05	1850.15	1070.05	0.00	3322.25
	Bank loan	1500.00	1500.00	0.00	0.00	3000.00
	Total	3127.05	4850.15	1345.05	0.00	9322.25
Release	➤ Release shall be made in different tranches depending upon the progress of the project depend on the satisfaction of the Branch.					
Margin	Term Loan margin 67.82 % of total project cost					
Personal Guarantee	1. Sh. Shadab Khan, in his individual capacity. 2. Sh. Tanweer Obaid, in his individual capacity. 3. Sh. Mohd. Shoaib, in his individual capacity.					
Corporate Guarantee	NIL					
Escrow Account	The Company shall open an Escrow Account and all the sale proceeds / advance money / promoters' contribution / any other project related receipt shall be routed through the account. Irrevocable instructions to be given to customers (i.e. buyers of flats) in the project to make payment into the Escrow account only. Fund from Escrow account will be first utilized for settlement of immediate interest and principle due amount to banks.					
DSR account	Company to open a DSR account with our Bank. Branch shall maintain DSR account of three months interest and for principal repayment DSRA equivalent one instalment to be created before commencement of principal repayment.					
NOC	<ul style="list-style-type: none"> ➤ Branch shall issue NOC for registering the flats/units in the name of the buyers/purchaser, subject to receipt of entire sale proceeds to the credit of Escrow Account with our Bank and proportionate sales realization shall be adjusted towards principal amount taking into account the total saleable area of the project. ➤ Branch/RO shall take into account the operational issues and put in place a monitoring arrangement so that the project monitoring, recovery of the loan and security maintenance is properly done. Branch / RO officials shall make periodic unit visit as per the extant guidelines. ➤ NOC from UPAVP shall be obtained at the time of mortgage of Primary Security i.e. Plot No. E1/GH- 1, Amarpali Yojna, Hardoi Road, Lucknow. 1st charge shall lie with UPAVP until payment of lease instalments by company to UPAVP. A certificate from 					



	UPAVP shall be obtained regarding upto date payment of lease amount. Also, UPAVP shall be informed about our bank's sanction Term loan of Rs 30.00 Crs			
Obligors:	All entities and / or such other person(s), both present and future who have entered into / executed / will enter into / execute the respective Project Documents in respect of the Properties / Projects during the tenure of the facility.			
Project documents	Agreements / contracts / deeds / documents / writings / noting / power of attorney, authorizations, clearances, insurance policies, performance bonds, guarantees, undertakings, security documents entered into or to be entered into between the Borrower and the Obligors / executed or to be executed in favour of the borrower, in connection with lease / leave and license of the properties provided / provided to the Obligors by the Borrower, including the flowing documents (which expression shall, as the context may permit or require, mean any one of each of such lease document as amended from time to time, both present and future.			
Upfront fee	As applicable			
Documentation charges	As applicable			
Default Interest	2% p a above the sanctioned rate on the overdue amount			
Pre-payment penalty	Tenor @	Minimum period	Penalty within the minimum period	Penalty beyond the minimum period
	All tenors	50% of the tenor	2% on amount prepaid.	1% on the amount prepaid.
All Other Charges	As applicable.			
CIBIL/Mortgage/CERSAI & Inspection	As applicable			
Legal /Valuation Charges	Actual			

Processing	Documentation	CIBIL	Mortgaged Charges	Inspection Charges
₹4275000.00	₹ 28090.00	₹ 1365.00	₹ 17100.00	₹ 4494.00 PA

Special Conditions:

1. Term Loan disbursement for the Project will be made in DER of 2:1 (Equity plus unsecured loan but excluding advance sale proceeds) at every stage of release. Exposure norms to be complied at each stage.
2. The company shall submit a certificate from Structure Engineer certifying that the plan is as per the guidelines of National Building Code and National Disaster Management Authority and an undertaking shall be submitted by the



- Company that they are complying the guidelines of National Building Code and National Disaster Management Authority (Cir.No.364/2013/BC).
3. Company shall submit an undertaking of their consent that Irrevocable instructions shall be given to customers in the project to make payment into the Escrow / Collection account only.
 4. Company shall submit an undertaking that Funds from Escrow account will be first utilized for settlement of immediate interest and principle due amount to the bank.
 5. Board shall be displayed by the company in the project site stating that project is funded by Syndicate Bank.
 6. *The entire building shall be insured with Bank's clause and during the period of construction "under construction" policy shall be submitted by the company.*
 7. The company can prepay the facility drawn without prepayment premium out of accelerated sales realization, but without borrowing from another Bank.
 8. Cost overrun and debt shortfall / advance sale proceeds shortfall to be met by promoters from its own sources. An undertaking to this effect to be submitted by the company.
 9. An undertaking shall be submit by the company that "No additional debt to be taken for this project without the consent of the Bank".
 10. Release of Term Loan shall be based on satisfactory physical and financial progress of the project duly certified by empanelled valuer and Chartered Accountant respectively on quarterly basis and shall be in proportion to the progress of construction and shall be in proportion to the progress of construction.
 11. *An undertaking to be submitted by the company for the contribution of margin money as stipulated in the sanction letter is to be made by its Promoters at every release and at every stage and also they shall not divert the funds.*
 12. *An undertaking to be submitted by the company for source of margin money going to be contributed by them before release of the credit facility as a common prudence.*
 13. *Company shall submit an undertaking that all the dues pertaining to UPAVP shall be paid in time as per the repayment schedule envisaged in the Lease agreement from their own sources and there shall be no overdues.*
 14. The Company shall prior to first disbursement under the sanctioned facility or any part thereof:
 - a. Open a current account with our Bank as per applicable terms & conditions.
 - b. Along-with the Directors of the Company and their immediate families, open savings account as per applicable terms & conditions with our Bank and shall Endeavour to treat our Bank as their preferred Banker.
 - c. Authorize our Bank to source/ canvass for salary accounts of their employees in the form acceptable to our Bank

Pre Release conditions:



1. Company shall submit acknowledgement from its authorized directors for having accepted the terms of sanction including the applicable processing and other charges payable.
2. The following undertaking shall be obtained from the Company:
 - o Company to undertake that no commission is paid by the Company to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
 - o The Company shall undertake not to divert any funds to its associates.
 - o The Company shall undertake to deal exclusively with our bank for the specified project.
 - o Company to give an undertaking to the effect that Company and none of the directors of the Company are figuring in the RBI Defaulters List, RBI Wilfull defaulters List, SAL of ECGC, CIBIL List and Caution Advice of RBI. Branch must verify the same before releasing the facility.
3. The Company shall open current account and ESCROW account with our Bank and **close its running current account with IDBI Bank and a Certificate to be obtained regarding it.**
4. ***In Approval Letter given by UPAVP Architectural & Planning department dated 31.08.2015, the Company has been permitted to build 33135.44 sq.mts built up area i.e. double basement+ stilt floor+ service floor only in first phase.***
The company shall submit revise approval copy to built-up double basement+ stilt floor+ 18 floors in first phase before release of the facility.
5. The company shall submit the transfer deeds for transfer of shares, if any, post incorporation.
6. ***The Company has to increased additional capital - paid up capital & unsecured loan as per projections.***
7. ***Special Resolution*** to be submitted by the company M/s Earthcon Constructions Pvt. Ltd as our Bank Loan of Rs 30.00 crs is exceeding the Paid up capital and Reserve and Surplus of the company as per Audited Balance Sheet as on 31.03.2015
8. ***The company shall give consent for exchanging information and confidential opinion as per RBI format with existing bankers/FI's.***
9. As value of property is more than Rs.10.00crore, ***Second Valuation*** of the security shall be obtained at the cost of company.
10. Documentation formalities including affixing of common seal of the company shall be completed before release.
11. Company shall submit certificate either signed by the statutory auditor or company secretary regarding borrowing power of the company in compliance with section 180 of the Companies Act, 2013.
12. All the required resolutions/approvals as required under the provisions of Companies Act, 2013 shall be submitted.
13. UREM is to be created as per legal opinion and Our Charge with ROC shall be registered within 30 days from the date of documentation and



- Search cum Status Report shall be obtained after registration of the charge with ROC.
14. Company shall arrange Joint inspection of the project to be conducted by Branch/RO before the release of the facility.
 15. The company shall submit the CA certificate for the amount spent on the project and sources of the finance for the same as on latest date.
 16. The company shall submit the regularity statements/certificate of all the borrower company/group/associate/sister concerns and directors before release.
 17. The company shall submit quotations/Bills/Invoices pertaining to the project before release of the facilities.
 18. The company shall submit specific draw down schedule at the time of documentation.
 19. Company shall submit copies of the all the required statutory/non statutory approvals required for the project before release.
 20. The company shall submit the details of the No of Units/Flats already sold and the amount of advance money received etc., flat wise category wise before release.
 21. Block wise construction position/schedule, time limits for completion shall be provided. DCCO etc., shall be finalized and properly documented at the time of documentation
 22. Company shall submit an undertaking all their transactions with group companies are genuine and purely based on normal business practices. No transfer of funds among themselves shall be undertaken without the consent of the bank.
 23. Company shall maintain debt equity ratio at 2:1 and TOL/TNW below 4:1 (equity = promoters contribution) at every stage of release of TL and exposure norms to be complied.
 24. The company shall submit a declaration in the prescribed format (Annexure 6) 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.
 25. Company will give an undertaking that our Bank will have first right of refusal in case of Housing loan for flats of the captioned Project.
 26. The company shall submit consent to the bank appointing A Lenders' Independent Engineer (LIE) of repute and having sufficient in-line work experience. The LIE would monitor / report progress at periodic intervals and certify project completion activities. LIE shall verify the Present status of project w.r.t. to project cost incurred, approved Building plan, civil estimates, infrastructure availability etc., and examine requirements of various statutory approvals and validate the Project cost
 27. The company shall submit that all the loans availed from other banks in the personal names of the directors are regular.
 28. Undertaking from the Company shall be obtained as under:
 - o That the funds shall be utilized only for the purpose specified and shall not be diverted for any other purpose.
 - o To deal exclusively with our bank for the specified project

Other terms & conditions:

1. Branch shall submit Audited Balance Sheet every year duly signed by CA.



2. Company to undertake to obtain the necessary approvals/clearances required for the project from time to time and submits us for our records.
3. The company shall arrange inspection of the project periodically and also before release of each tranche to ensure the progress of the project.
4. During the currency of Bank facility, the Company shall not without the written permission of the Bank undertake any adverse change in the equity structure, withdraw Unsecured Loan, change the management structure or any other action which is detrimental to the interest of the Bank. (a) A legally binding suitable letter/affidavit agreement to be obtained from the borrower as per proforma furnished (Annexure-I) in Cir. No.286/2014, dated 11.09.2014 on stamp paper of requisite value, undertaking not to repay unsecured loans to the extent of amount considered as quasi equity, during the currency of the bank finance. b) The rate of interest on such borrowings shall not be higher than the rate of interest on bank borrowings.)
5. The Company shall undertake to
 - disclose our bank's name (being charge holders) in their pamphlets / brochures etc.
 - would append the information relating to mortgage while publishing advertisement of a particular scheme in news paper / magazines etc.
 - would indicate in their pamphlets / brochures that they would provide NOC / permission of our bank for sale of flat / property.
6. The Company shall discuss with the Branch / RO regarding modalities for issuing NOCs for sale of individual units linking the collection of sale proceeds and repayment of proposed term loan.
7. Company shall submit undertaking letter regarding confirmation to be provided on completion of the building that they have adhered to all guidelines/safety standards of NBC/NDMA apart from constructing as per the approved plan.
8. Every release shall be supported by the Chartered Accountant Certificate showing financial progress i.e. the utilization of funds upto last release along with margin and advance money and LIE Report showing the physical progress of the project.
9. The Term Loan of Rs. 30.00crs. from our Bank shall be utilised only for the purpose for which it is sanctioned i.e., to part finance the project for financing group housing project- Tower D & E of "URBAN VILLAGE" only. Branch / RO ensure the same by closely monitoring the progress of the project
10. Company shall submit CA certificate in support of the end utilization of proceeds stating that, the Company has utilized the funds for productive development/construction activity of "URBAN VILLAGE" Project and not for activity connected with speculation in real estate, on completion of the project
11. Audited financial statements have to be submitted by the company before the 7 months from the close of financial year. Failure to do so will attract penal interest of 0.50% for the delayed period.



12. The Company to submit certificate on an Annual Basis on Companying all statutory dues including EPF dues have been paid (RBI Circular No. DB S/ CO/ PPD/ 12982/ 11.01.005/2011-12 dated 16.04.2012).
13. The company shall be advised to –
 - Make payments to staff, vendors and clients electronically except for office petty cash requirement.
 - Receive all payments electronically except when the cheques are drawn on banks which are not on NEFT/ RTGS.
 - Permit access to officials of the bank / authorized persons of Banks/ auditors to the books of accounts of the borrower to verify compliance of the requirements under (a) & (b) above
14. Post release conditions shall be complied within the stipulated period as agreed by the Borrower in terms of Annexure I of BC Circular No. 9/2012 and compliance of the same (item-wise) shall be reported to RO for their review.
15. The Company to submit the periodic progress of :
 - i. Work in progress
 - ii. Advances received
 - iii. Margin brought in
 - iv. Percentage of completion in relation to the sanctioned plan.
16. Processing charges, Documentation charges shall be paid as per guidelines in force.
17. Rate of interest is subject to change from time to time based on change in Base Rate and RAM Rating assigned and also changes in guidelines of the Bank/ RBI.
18. All the securities charged to the Bank to be insured adequately with Bank Clause.
19. Bank reserves the right to cancel /modify the sanctioned limits and/or the terms and condition thereof without assigning any reason.
20. All other terms & conditions to this type of advance to be followed as per Manual of Instructions and Circulars issued from time to time.
21. In case of default by the company in repayment of the loan(s) and interest thereon as per due date/s, the Lenders/their partners and/or the Reserve Bank Of India / Credit Information Bureau (India) Ltd., (CIBIL) will have an unqualified right to disclose or publish the name of the company and its partners in such manner and through such medium as the lenders/their directors or Reserve Bank Of India/ CIBIL in their absolute discretion may think fit.
22. This sanction will be valid for 3 months from the date of Sanction.
- 23.

Your's faithfully,
For SYNDICATE BANK


Chief Manager

We accept all the terms and Conditions mentioned in the Sanctioned Letter