



# R.R. BUILDERS

Office : 5-A, City Palace, Near Old Kailash Dairy, T.P. Nagar, Baghpat Road, Meerut.

Site : Mihir Heights, Near Delhi Public School, Baghpat Road, Meerut

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*The land has been mortgaged to Syndicate Bank  
Contd Branch Meerut. Against Project financing the copy  
of sanction letter is enclosed herewith.*



MEERUT CANTT BRANCH  
167 M Bouthay Bazar  
Meerut Cantt

संज्ञ सं./Ref.No.SL /RRB/MRTC/CS/2014

दिनांक/Dated: 10-02-2015

**LETTER OF SANCTION**

To

M/s R R Builder  
MEERUT

We refer to you application for sanction of term loan of Rs 740.00 lacs. In this regard we are pleased to inform you that the competent authority has sanctioned the following facility under exclusive Banking arrangement on the terms and conditions mentioned below:

**Credit facility:**

Facility	Term Loan
Amount	Rs 740.00 lacs
Purpose	To finance the cost of upcoming Real Estate Project named "Mihir Heights" at Khasra No 76, 82 and 84, Vasu Green Rajasva, Village Maliyana, Baghpat Road, Meerut.
Rate of Interest	BR+5.00%+0.25% above Base Rate i.e. 15.50% p.a. at present, payable at monthly rests, subject to change in Base rate/credit rating/ norms and policy of RBI/Govt./Bank. Interest shall be serviced on monthly basis as and when due.
Tenor/ Repayment	Door to Door Tenor - 48 Months Moratorium Period - 24 Months Repayment Period - 24 Months  First 6 monthly principal instalments of Rs 15.00 lacs each Next 8 monthly principal instalments of Rs 30.00 lacs each Last 10 monthly principal instalments of Rs 41.00 lacs each
Primary Security	Equitable Mortgage of land admeasuring 2900.00 sq. Mts. situated at KH, No. 76, 82 and 84, Vasu Green Rajasva, Village Maliyana, Baghpat Road, Meerut in name of M/s R R Builders valued at Rs.188.50 lacs. Exclusive charge on future project building, Plant & Machinery and other assets owned by the Company related to the project.
Collateral Security	UREM of residential house H No 11, Moh - Basant Kunj, Baghpat Road, Meerut admeasuring 355.56 sq yds in the name of Smt Niroj Devi w/o Late Sh Rajendra Prasad valued at Rs.204.97 lacs



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Release	Project loan release 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.					
Drawdown	<b>Particulars</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>
	Capital	450.00	450.00	475.52	508.23	483.03
	Unsecured Loan	39.34	75.00	75.00	75.00	75.00
	Advance from Customers	37.58	511.31			
	Bank Loan	275.00	740.00			
	<b>TOTAL</b>	<b>801.92</b>	<b>1776.31</b>	<b>550.52</b>	<b>583.23</b>	<b>558.03</b>
Margin	The Branch shall follow above schedule					
Personal Guarantee	Term Loan margin 58.33 % of total project cost Mr. Rahul Mittal Mr. Rahul Goel Mrs. Mahi Mittal Mrs. Neeroj Devi (All partners in their individual capacity) NIL					
Corporate Guarantee Escrow Account and DSR account	Firm to open an escrow and DSR account with our Bank for close monitoring of the project Branch shall maintain DSR account of six months interest					
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 'Borrower' / Entities during the tenure of the facility.					
Project documents	Agreements / contracts / deeds / documents / writings / notes / 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	No Pre Payment charges to be levied if pre paid from internal accruals or promoter's contribution or through DSR account.					

*(Handwritten signature)*



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All Other Charges

As applicable.

**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.
2. The Branch shall obtain 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 from the firm that they are complying the guidelines of National Building Code and National Disaster Management Authority (Cir.No.364/2013/BC).
3. Irrevocable instructions to be given to customers in the project to make payment into the Escrow / Collection account only. An undertaking to be taken in this concern.
4. Fund from Escrow account will be first utilized for settlement of immediate interest and principle due amount to banks.
5. Board to be displayed in the project site stating that *project is funded by Syndicate Bank.*
6. Borrower can prepay the facility drawn without prepayment premium out of accelerated sales realization, but without borrowing from another Bank.
7. 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.
8. No additional debt to be taken for this project without the consent of the Banks.
9. 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 in proportion to the progress of construction.
10. Bank will have the first right of refusal of the housing loan proposal and shall give NCR for the loans to be availed from other banks.
11. Branch to appoint lender's engineer to report on project status on quarterly basis.
12. Contractual Insurance shall be obtained by the party and a copy of the same shall be submitted to RO/FGMO

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**Pre Release conditions:**

- ✓ The sanction letter in duplicate shall be issued by the Branch and acknowledgement shall be obtained from the firm/Guarantors for having accepted the sanction terms including creation of securities in favor of bank, execution of documents and all applicable costs payable as per Circular No. 2/11/BC.
- ✓ The following undertaking shall be obtained from the Firm:
  - Unsecured loans shall not be repaid during the currency of the credit facility.
  - Firm to undertake that no commission is paid by the firm to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
  - The firm shall undertake not to divert any funds to its associates.
  - The firm shall undertake to deal exclusively with our bank for the specified project.
  - Firm to give an undertaking to the effect that firm and none of the directors of the firm are figuring in the RBI Defaulters List, RBI Willful defaulters List, SAL of ECGC, CIBIL List and Caution Advice of RBI.
- ✓ The Firm shall open escrow account with our Bank.
- ✓ Branch shall ensure compliance of the observation made in RO: Meerut Law and claim section letter on the legal opinion of the party.
- ✓ Branch shall obtain a supplementary legal opinion regarding the following:
  - Title deeds are genuine.
  - There is no variation in original and certified copy of the title deeds.
  - Search of the intervening period shall be obtained.
  - Supplementary legal opinion is to be vetted by RO: Meerut Law and claim section and Branch shall ensure compliance of the same before release.
- ✓ Documentation formalities shall be completed. Loan documents shall be forwarded to RO: Meerut Law & Claim Section for vetting. Branch shall ensure compliance observation made in RO: Law Cell vetting. Before releasing the facility the Branch shall obtain permission from Regional Office.
- ✓ Branch to issue Annexure-3 (latest guidelines issued by CO: RMD vide Circular No. 009/2012/BC/RMD/02 dated 07.01.2012 and Credit Risk Policy Circular No. 02/2013/BC) and RO Meerut to ensure that all the observations are complied with and documents are vetted.
- ✓ UREM is to be created as per legal opinion and CERSAI registration shall be done within 30 days of creation of UREM.



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- ✓ Pre release inspection is to be conducted.
- ✓ All the necessary statutory approvals for the project and relevant guidelines shall be submitted.
- ✓ Legal Clearance – Branch to confirm that all certified copy has been obtained from Sub Registrar for all the Link documents
- ✓ Branch shall monitor the account effectively and the firm 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.
- ✓ The firm shall open an Escrow Account and all the sale proceeds advances from 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 of six months interest is to be maintained.**
- ✓ Firm shall provide the list of flats already sold and flats where advances are taken. Flat wise list to be submitted in each category duly marked in the map indicating sold and available flat
- ✓ Firm shall maintain debt equity ratio at 2:1 and TOL/TNW below 4:1 (equity = promoters contribution) at every stage of release of TI.
- ✓ Declaration as per Annexure 6 as per new Credit Policy (2013-14) 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 borrowed accounts.
- ✓ Firm will give an undertaking that our Bank will have first right of refusal in case of Housing loan for flats of the captioned Project. An undertaking to this effect shall be obtained
- ✓ Branch to confirm that all the loans availed from our and other banks in the personal names of the partners are regular.
- ✓ Undertaking from the firm shall be obtained a sunder
  - That the funds shall be utilized only for the purpose specified and shall not be diverted for any other purpose.
  - To deal exclusively with our bank for the specified project



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**Other terms & conditions:**


- ✓ The Branch shall ensure that the party will bring additional capital of Rs. 15,00,00,000 (Total Rs.450,00lacs ) and unsecured loan of Rs.39,34lacs during FY 2014-15. The party shall also bring balance of unsecured loan amounting to Rs.35,66lacs during FY 2015-16. The Branch shall strictly follow the draw down schedule as mentioned above.
- ✓ The Branch shall conduct periodic inspection of project as per guidelines and be satisfied about the progress of the project.
- ✓ Firm to undertake to obtain the necessary approvals/clearances required for the project from time to time.
- ✓ Branch/RO to conduct inspection of the project periodically and also before release of each tranche to ensure the progress of the project.
- ✓ During the currency of Bank facility, the firm 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.
- ✓ The Firm 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.
- ✓ Branch/RO shall discuss with the firm regarding modalities for issuing NOCs for sale of individual units linking the collection of sale proceeds and repayment of proposed term loan.
- ✓ 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.
- ✓ All the securities charged to the Bank to be insured adequately with Bank Clause.
- ✓ Bank reserves the right to cancel /modify the sanctioned limits and/or the terms and condition thereof without assigning any reason.

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- ✓ Audited financial statements have to be submitted 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.
- ✓ The firm to submit certificate on an Annual Basis confirming all statutory dues including EPF dues have been paid (RBI Circular No. DBS/ CO/ PPD/ 12982-11.01.005/2011-12 dated 16.04.2012).
- ✓ Branch will comply with guidelines relating to Monthly Monitoring Report as per Circular No 08/2014/BC/RMD.
- ✓ The borrower 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
- ✓ RO/Branch to ensure that all the Agreements which are due for renewal or to be entered into henceforth shall have this condition of 'Electronic Payments' as part of the Agreement.
- ✓ Post release conditions shall be complied within the stipulated period as agreed by the Borrower in terms of Annexure 1 of BC Circular No. 9/2012 and compliances of the same (item-wise) shall be reported to RO for their review.
- ✓ The Firm 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.
- ✓ Processing charges, Documentation charges shall be collected as per guidelines in force.
- ✓ All other terms & conditions to this type of advance to be followed as per Manual of Instructions and Circulars issued from time to time.

  
For Syndicate Bank  
REGD. OFF. MEERUT  
SENIOR BRANCH MANAGER