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REF: FGMO/SK/CD/SL-015/2014

DATE: 16/09/2014

To
The Asst General Manager,
Udaipur Mid Corporate Branch,
Udaipur

Sub: M/s Pearl Construction & Developers-- Sanction of Real Estate Term Loan of Rs.15.00 crores

With reference to the subject cited above, we are pleased to inform you that the Competent Authority has sanctioned the real estate term loan on the terms and conditions mentioned against them as under:

Particulars	Recommendation
Facility	Commercial Real Estate Project/Term Loan under Sole Banking Arrangement.
Amount	TL I – Rs.1250.00 lakhs TL II – Rs.250.00 lakhs (To be released from FY 2016-17)
Purpose/Project	- For construction of 189 flats at Khasra No. 464,465,466M, 467, 2579/466 Plot No 1 total area 95175 sq. ft. at revenue village Manvakheda, Udaipur. - For construction of 64 flats at revenue Village Dewari, Khasra No. 2640 to 2644 total area 12341 sq.ft. Plot No. 1, for EWSL & LIG.
Margin/Promoter's Contribution	73.29% (Total of Promoter's contribution and Advance from customers)
Tenor (Door to Door)	34 Months from the August, 2014 to May 2017.
Rate of Interest	Base Rate+ 5.00% p.a. (floating) presently 15.25% p.a. Interest to be paid as and when due. R.O/Branch has recommended for finer ROI. The same is required to take up separately with competent authority at C.O. Hence we will forward the same separately.
Processing Charges	75% of the applicable charges
Documentation Charges/Mortgage Charges	As applicable
Upfront Equity	50% of the Equity for the Project which is to be brought in prior to any disbursement under the term loan.
Pre-Payment Charges	As per extant guidelines
Personal Guarantee	a) All the partners in their individual capacity b) Personal Guarantee of Paras Rajagrahiya ADV – 80A of all the guarantors shall be obtained and Net worth shall be certified by the chartered accountant. Latest ITAO of all

	the guarantors shall be obtained. R.O/Branch shall analyse all the documents in respect of the net worth of the guarantors.
Penal Interest	Failure in timely repayment of loan installments & or servicing of interest, penal interest at the rate of 2% per annum over and above the applicable ROI and/or at such rate to be decided by the bank from time to time. Penal interest should also be charged as per bank's guidelines for any breach of financial discipline or non-compliance of the terms of sanction.
Moratorium and Repayment period	TL – I – Moratorium period upto June 2016. After that it will repaid in 9 monthly instalment of Rs.1.39 crores. TL – II – Release will be made from FY 2016-17 and amount of Rs.2.50 crores will paid in 2 equal instalment of Rs.1.25 crores on April 2017 and May 2017.
Release of Term loan	Release of Term loan will directly to “Escrow Account” only subject to satisfactory progress report & ensuring end use of funds.
Insurance	The assets created out of the Bank's funds and other movable/immovable fixed assets and stocks charged to banks as security will be comprehensively insured for the full value against risk of loss due to fire or any other risk pertaining to assets duly endorsed in favour of Syndicate Bank.

Security: Particulars of securities are as follows:-

Proposed	
Description	Value (Releasable value)
PRIMARY SECURITY-	
- First charge on all moveable & immoveable assets of the firm. - Escrow of all the receivables generating out of the proposed project. - UREM of residential land Khasra. No. 464,465,466M, 467, 2579/466 at plot No 1 total area 95175 sq. ft. at revenue village Manvakhera (Sector 4 Hiran Magri)* - UREM of residential land at revenue Village Dewari, Khasra No. 2640 to 2644 total area 12341 sq.ft. Plot No. 1, (Rajasthan) - Plot no. 667, Sector-II, Hiran Magri, Udaipur in the name of Mr. Balvinder Singh Hoda admeasuring area 2400 square feet. The approximate market value of the property is Rs. 1.00 Crore.@	45.47 crore (Construction cost) 18.84 Crore 0.67 Crore 1.00 crore (approx)
Total	65.98 Crore

*Second Valuation report from our panel valuer shall be obtained. It should not be lower than Rs.18.84 crores. In case if it is coming less than Rs.18.84 crores than the gap shall be fill up by taking the additional collateral.

@ Legal opinion and valuation report shall be obtained from our panel advocate and panel valuer. Mortgage shall be created as per R.O: Law cell clearance. Inspection shall be made before release of the facility.

Following Deviations are to be permitted. As per the powers conferred to FGMLCAC vide cir no. 287/2013 dt 26.10.2013

- a) Deviation of bringing promoter's contribution upfront.
- b) Deviation in Exposure Norms. But Branch/R.O to ensure that all time whenever facility is release exposure norms of 2 times of TNW are complied.

DOCUMENTATION: Branch to follow the guidelines for release of the credit facility as per Circular No. 009-2012-BC-RMD-02 dated 07-01-2012. Branch shall obtain permission from R.O before release of the facility.

Release of facility/Drawdown Schedule:

Release of the facility will be as per the progress of the project. However, specific drawdown schedule as per the cash flow statement shall be obtained. R.O/Branch shall ensure that exposure norms are complied at any point of time/at the time of any release.

Pre-release terms & conditions:

1. **A separate sanction letter shall be issued to the borrower, incorporating all the sanction terms including all applicable costs as per cir. No.2/11/BC and acknowledgement of the authorized person of the firm shall be obtained on the duplicate copy of the sanction letter.** The "All Cost" Schedule shall be provided to the party along with the sanction letter.
2. Documentation & Mortgage formalities shall be completed as per extant guidelines and the guidelines with regard to KYC & due diligence shall be scrupulously adhered too.
3. Branch to obtain credit confidential opinion report from existing bankers of the firm and also obtain closure certificate of current account as per no. 276/2013/BC. All direct & indirect liability in the name of partners shall be regularized strictly and CERSAI search report shall be downloaded before release of facility.
4. Branch to obtain regularity certificate for all loans availed from different- different banks in the individual capacity of partners. CIBIL report shall be taken and verified. R.O/Branch shall doubly sure about the regularity of facility in the personal name of partners. Branch shall obtain ADV80A and Latest ITAO for all Guarantors and net worth shall be assessed based on the supportive documents enclosed with their net worth statement.
5. The Firm shall undertake :
 - a) That the Firm shall not induct a person who is/was a Director in a Company which has been identified as a "Wilful 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 Firm shall take expeditious and effective steps for removal of such person/s from the Firm.
 - b) That none of their associate/group concerns are classified as wilful defaulters by other Banks/Financial Institution
 - c) Not to effect any change in Partnership firm or in the core management team, nor any merger/acquisition/amalgamation shall be done without express permission of the Bank in writing.
 - d) Not to undertake guarantee obligations on behalf of any other company, firm or person, other than in the ordinary course of business without Bank's written consent.
 - e) Not to make any drastic changes in the capital structure and management set up without the bank's prior permission.
 - f) Not to create any further charge, lien or encumbrance over the assets and properties of the Firm to be charged to the Bank, in favour of any other bank, financial institution, company, firm or person, without prior consent of the Bank.
 - g) Not to take up any expansion/diversification/modernization project, without obtaining prior permission from the Bank and without proper tie-up of funds.

Similarly, no investment should be made in associate / allied / group concerns without the Bank's prior permission.

- h) To keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business.
 - i) To maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit to the Bank at regular intervals such statements as may be prescribed by the Bank in terms of RBI instructions issued from time to time or otherwise. The borrower shall give an undertaking that the Bank reserves the right to periodically inspect their records and books of accounts to ensure the correctness of information furnished by them. The Borrower shall also undertake that the lenders shall have a right to appoint any other independent consultants / agencies/ auditors etc as desired by them at any time during the tenor of the loan, the cost of which shall be borne by the Firm.
 - j) To submit Audited Financial Statements etc. to the Bank within the stipulated period of time. The Firm will be liable to pay penal rate of interest in case of any delay in submission of the data in question.
 - k) To issue appropriate undertaking/affidavits/certificates as the Bank may require from time to time, certifying that the funds comprising of entire amount of loan/facility/sum due/amount outstanding in the account have been used exclusively for the purpose for which they were obtained and the same have not been diverted/siphoned and no misrepresentation has been caused of any kind or accounts falsified/any fraudulent transaction have been carried out etc.
 - l) That upon identification of aforesaid account as a wilful defaulter on account of any of the reasons stated above including any similar reason as stated above, that they would be debarred from availing institutional finance from our Bank and from floating new ventures for a period of 5 years from the date the name of wilful defaulter is disseminated in the list of wilful defaulter by RBI. The Firm agrees that in case of any false/wrong information, the Bank may consider any legal proceeding, civil/criminal as may be necessary.
6. In respect of Unsecured borrowings, branch/R.O shall ensure following:
- a) The Firm 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 proforma (**Annexure of Credit Policy 10**) 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 Partners/Promoters of the Firm and not from any third party.
7. The Firm shall submit an Undertaking
- a) No commission to be paid by the borrowers to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers. An undertaking to this effect shall be submitted by the borrowers as well as the guarantors.
 - b) The Firm to authorize the lenders that in case of default the name of the borrowing Firm may be disclosed to Credit Information Agencies, such as CIBIL, etc. and in the RBI Defaulters list. Consent letter in this regard shall be submitted as per guidelines.
8. The Firm shall submit a declaration :
- a) To the effect that they have not defaulted in payment of any statutory dues;
 - b) In Annexure-6 prescribed by Bank.

- c) That the Firm or its Partners/Guarantors/Associate Concerns of the Firm are not on ECGC Caution List/Specific Approval List, RBI's Defaulters List/Caution List, or our Bank's defaulters list.
 - d) That no legal case of any nature has been filed against the Firm and/ or any of its Partners.
9. Branch to ensure that all requisite permissions from statutory government authority for construction of proposed flats shall be obtained.
 10. Branch to obtain legal clearance from the law cell in respect of the mortgage property; mortgage shall be created as per the legal opinion and law cell clearance. Branch to obtain a certificate from the panel advocate that he has obtained the certified copies of the title documents from the SRO and there is no discrepancies between Original & certified Copies of documents. Branch shall obtain latest NEC/second search report from empanelled advocate of branch and also obtain NOC for creation of mortgage from UIT, Udaipur if necessary.
 11. Project Loan is CRE term loan and for monitoring inflow & outflow of fund, an Escrow a/c will be maintained with our bank and all the booking/sale proceeds of individual units will be routed through the Escrow a/c. Firm shall maintain adequate %age of booking/ sales proceeds at every stage and release of proposed loan will directly to "**Escrow Account**" only in tranches subject to satisfactory progress report for ensuring end use of funds supported by CA certificate & visit of branch officials.
 12. An Undertaking shall be obtained from the firm that external rating will be obtain from any approved external rating agency within three months from the date of release. Failure to comply with this condition will result in charging of 1% penal interest for entire period of delay in submission.
 13. Branch to obtain two valuation reports from different empanelled valuers of the branch and reasonability of valuation shall be ascertained from the market sources.
 14. R.O/Branch shall inspect securities, due diligence shall be made and confirm that the valuation is reasonable and acceptable. ADV 84 duly certified shall be placed on record.
 15. Branch to obtain CA certificate for infusion of fresh capital in the project and genuineness of the same shall be ascertained. Disbursement shall be made available only after compliance of CRE norms in term of margin and Internal exposure norms. Disbursement shall be made as per the cash flow statement submitted by the firm. Branch shall ensure at the time of each release that the funds is infused by the firm and advance from customers is also received by the firm as per the Cash flow statement. Any short fall in Advance from customers as per cash flow statement will be met by the firm.
 16. Branch to note that disbursement towards building construction shall be release only after ensure that earlier disbursement has been fully utilized and satisfactory visit of the building.
 17. Any cost escalation / cost overrun / Time overrun in the project cost shall be borne by the firm from their own sources. An undertaking letter is to be obtained from the firm to the effect that the supplier is not an associate / allied concern of the firm and the supplies of goods / machinery are made as per quotations and the same are genuine.
 18. The firm shall agree that in case of a default in repayment of Debt or payment of interest thereon on due dates, the Lender and/or the Reserve Bank of India (RBI) will have an unqualified right to disclose the name of the firm and its proprietor as defaulters in such manner and through such medium as the Lender and the RBI, in their absolute discretion may think fit.
 19. The firm to submit an undertaking letter agreeing that the 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 extend to limits which were fully utilized earlier and now remains unutilized / partially utilized. In this connection, Branch may refer to Annexure-9 of Credit Risk Policy Cir. 002/2013.

20. Branch has to obtain following undertaking letter from the borrower:-
- a. That the credit facility shall be utilized for the business purpose for which the facility has been sanctioned and amount shall not be utilized for any speculative purpose or the prohibited purpose.
 - b. To deal with us exclusively and all current accounts facility enjoying with other Bank shall be closed before release of facility.
 - c. To open an Escrow a/c with our bank and all the booking/sale proceeds of individual units shall be routed through the Escrow a/c and shall maintain 10% of booking/ sales proceeds at every stage.
 - d. Firm shall incorporate a clause in sale agreements to be entered into between the firm and the buyers of the residential apartments that all payments would be drawn in favour 'Syndicate Bank A/c ""'. All such payments will be collected through Escrow account to be opened with our bank.
21. Branch / RO to ensure securities offered are in good & marketable condition.
22. The firm shall submit its architect's certificate to the effect that the design of structure of the proposed construction complies with the NBC/NDMA guidelines in terms of circular No. 364-2013.
23. A lenders' Engineer shall be appointed for monitoring the project and he shall vet the estimated project cost, with special reference to estimated cost of building & civil works. Before release of the facility branch/ RO shall satisfy themselves, as to the reasonability of the estimated cost of building & civil works based on Lenders' Engineer report. All costs in this respect shall be borne by the Firm. Quarterly progress report of the project shall be submitted by firm. Branch to obtain valid satisfactory proof for payments to creditors for construction expenditure already incurred. Direct release shall be made to the suppliers in case of purchase of equipments and any cost more than the cost of equipment projected by firm will be borne by the firm. An undertaking in this regard shall be obtained.
24. Before release, the firm shall have to give a declaration 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 the borrowal account.
25. Firm shall submit the Audited Financial Statement for the FY 2013-14 before release of the facility to confirm the infusion of capital as per Provisional balance sheet as on 31.03.2014.
26. Firm shall undertake that any NPA/OTS is not sanctioned to them by any Bank/FIs
27. Firm shall undertake that any court case is not initiated by other Bank/FIs against them.
28. The Firm shall provide suitable undertaking to comply with the following:
- i. The Firm shall disclose in pamphlets/ brochures etc., the name of our bank.
 - ii. The Firm shall append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/ magazines.
29. The Firm shall indicate in their pamphlets/ brochures that they would provide "No Objection Certificate/ Permission of mortgagee bank for sale of flats/ property, if required".
30. Details of the customers who have booked the flat shall be obtained. A CA Certificate confirming booking of flat shall be obtained.
31. Latest Physical progress report shall be obtained.
32. Latest CA Certificate certifying the cost incurred and means of finance infused till date shall be obtained. R.O/Branch shall verify the same with cash flow submitted by company and release the funds accordingly.
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33. 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.

Post-release terms and conditions:-

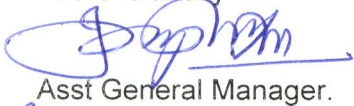
- 1) Securities obtained are to be physically verified by the Concurrent Auditors of the Branch.
- 2) CA Certificate within 30 days of release of term loan shall be obtained and branch shall ensure the funds utilized for the purpose it is sanctioned.
- 3) Release of the facility shall be as per progress of the project and based on cash flow statement accepted now. Release of the facility shall be as per the inflows projected in the cash flow statement. Any shortfall in Advance from customers shall be met by promoters from their own contribution. Compliance of exposure norms shall be ensuring at the time of every release. R.O/Branch shall ensure that at the time of every release DER is complying as per the benchmark parameters.
- 4) Quarterly basis physical progress report shall be submitted by the Firm certified by Lender engineer.
- 5) In respect of properties offered as collateral:
 - A) Genuineness certificate to be obtained after verification of original documents and with comparison of certified copy of property documents
 - B) Branch shall ensure valid creation of mortgage /extension of the same as per legal opinion of the panel lawyer and as per vetting by RO/LCS.
 - C) ADV 84 – Details of mortgage properties to be obtained yearly.
 - D) NEC and Tax Paid receipts shall be obtained immediately after creation of mortgage with our Bank
6. Inspection shall be done periodically as per the guidelines. The bank has the right to depute its officials/person(s) (like qualified auditors or management consultants or technical experts) duly authorized by the bank to inspect the unit assets, books of accounts/records etc. from time to time. Also the bank may appoint at its sole discretion stock/concurrent auditors, valuers, consultants for specific jobs relating to Firm's activities, the cost of which will be borne by the Firm.
7. All the assets charged/to be charged to the Bank are required to be kept fully insured at all times against all risks and original Insurance cover note/policy in the name of the Bank a/c borrower Firm with Bank's Hypothecation clause to be lodged with the bank.
8. Firm shall submit an undertaking that they shall not avail loan from other Banks/financial institutions without prior permission from the Bank.
9. Party shall open an Escrow a/c with our bank and all the booking/sale proceeds of individual units shall be routed through the Escrow a/c. Branch shall ensure to maintain 10% of booking/ sales proceeds at every stage in Escrow a/c.
10. Branch to ensure that our security coverage shall be maintained adequately (not less than 2 times) and there should not be any dilution in security coverage before issuing NOC to borrower for selling the flats to buyers.
11. Billboard/ Hoarding shall be put up on the site that the project is financed by Syndicate Bank.
12. Branch to explore the possibility to extend housing loans to individuals for purchasing the flats on merits by following bank's guidelines.
13. Branch to obtain a certificate from the borrower's auditors on an annual basis to the effect that all statutory dues including EPF dues have been paid by the borrower in terms of cir. no. 001/2013/BC.
14. Firm to ensure compliance with the following guidelines of GOI :
 - a. Make payments to staff, vendors and clients electronically, except for office petty cash requirements;

- 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 / Authorised persons of the Bank / Auditors to the books of accounts of the Firm to verify compliance of the requirements under (a) and (b) above and non-compliance of the above stipulations shall be treated as 'Major Default'.
 - d. All the agreements with the Firm which are due for renewal or to be entered into henceforth shall have the above condition of 'Electronic Payments' as part of the Agreement.
15. Applicable Penal Interest shall be charged, over & above the applicable ROI:
- a) For non-submission of audited financial statements within 7 months from the financial year closure date to the date of submission of financial statement. Branch shall ensure collection of the same;
 - b) For any delay in repayment of interest or installment. The bank reserves the right to recall the advance in case of any default of installments/interest;
 - c) Non-Creation / delay in creation of mortgage / charge on the securities offered for the credit facilities;
 - d) Any other eventuality / situation to be decided by the Bank.
16. The bank may at its sole discretion disclose such information to other banks, financial institutions, and such other institution with regard to credit facilities granted to borrower as per extant guidelines of the bank.
17. The Firm shall submit all bills/receipts etc., as applicable to project expenditure to the bank. A certificate from CA/Architect/Valuer/Chartered Engineer towards expenses incurred on project/progress in implementation of project to be submitted periodically & completion certificate on completion of the work.
18. On completion of building, confirmation from Architect/Structural Engineers along with that of the borrower that they have adhered to all guidelines/safety standards of NBC/NDMA to all guidelines/safety standards of NBC/NDMA apart from constructing as per the approved plan, to be obtained by branch and kept on record
19. During the currency of Bank's credit facilities, the borrower shall not without prior approval of the bank in writing
- a. Effect any change in the capital structure, management, organizational set up, or declare dividend.
 - b. Formulate any scheme of amalgamation/merger/ acquisition/ reconstruction.
 - c. Undertake any new project / expansion scheme.
 - d. Invest by way of share capital in /or loan or advance funds to or place deposits with any other concern. Normal trade credits or security deposits in the usual course of business or advances, credits etc. are however, not covered by these covenants.
 - e. Enter into borrowing arrangement either secured or unsecured with any other bank/FIs, Companies or otherwise.
 - f. Undertake any guarantee obligation.
 - g. Make any drastic change in the management set up.
20. The borrower has to keep the bank informed about any circumstances adversely affecting the financial position of their production, sales, profit etc. such as labour problem, power cut etc. and the remedial steps proposed to be taken by the borrower.
21. Bank reserves the right to cancel/ modify the sanctioned limits and/or the terms and condition thereof without assigning any reason. Bank also reserves the right to recall the dues any time without assigning any reason.
22. Yearly external rating from one of the approved rating agencies to be submitted by the Firm.
23. All inspection/audit charges, documentation/legal charges etc., in connection with the credit facility to be borne by the borrower.



24. 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.
25. During the currency of loans, the Borrower's assets offered as security for the Facility should be kept fully insured against fire and such other risks as may be required by the Lenders. Insurance policies should contain the name of the Lenders as loss payees.
26. Branch to get the AFS for all the group concerns and ensure that there is no interlocking of funds between the associates.
27. Branch to ensure that the facility sanctioned is utilized for the purpose for which they are sanctioned and not for any speculative or prohibitive purposes including capital market / real estate business. Branch shall verify the genuineness of the financial statements, certificates and assessment orders submitted by the borrowers without fail. Genuineness of the auditors shall be got verified as per guidelines of the Credit Policy 2010 and confirm to RO.
28. Branch shall monitor the account and ensure that the company routes all genuine business transactions through the account. Branch to ensure that there is no interlocking of funds between the group concerns.
29. So long as any monies are due to us from the Firm under any of the facilities, the bank shall have a lien/ charge for such amounts on company's all credit balances, deposits, securities or other assets with any of the branches of Syndicate Bank or of its subsidiaries anywhere in the world and upon the happening of any of the events of default referred herein, we shall be entitled to exercise a right of set off between the amounts due and payable to us and the said credit balances, deposits, securities and other assets.
30. All other terms and conditions as applicable to similar type of advance as per our Mol/circulars issued from time to time in addition to other operational guidelines contained in Credit Policy 2013 shall be adhered to.

Yours faithfully



Asst General Manager.

C/c: The Dy General Manager, R.O : JAIPUR

C/c: The General Manager, HO: OMD, Manipal

C/c: The Dy General Manager, R I : Delhi