

AKME STAR HOUSING FINANCE LIMITED

N.H.B. Registration No. 12/180.09
CIN: U45201RJ2005PLC0463



Akme Business Center (ABC)
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Ref. No.

Date :

M/S DCB Town Planner Pvt Ltd.
V&P Bhinder, Udaipur

No. Akme/
Date: 06.12.2017

Dear Sir,

SANCTION TERM LOAN OF RS. 55 LACS FOR YOUR PROJECT "MATRACHAYA APARTMENTS" AT BHINDER (UDAIPUR)

With reference to your application dated 25.11.2017 and subsequent correspondence resting therewith and discussions held, Akme Star Housing Finance Ltd (ASHFL) are pleased to sanction a term loan of Rs. 55.00 lacs for your "Matrachaya Apartments" project at Plot No. 3 & 4, Block-3, Rameshwaram Dham Residential Colony Near Nagarpalika Bhinder (Udaipur) on the following terms and conditions:

Terms and conditions of Term Loan	
1.Facility	Term Loan of Rs. 55.00 lacs.
2.Purpose	Construction and development of residential complex "Matrachaya Apatments" consisting of 16 flats at Plot No. 3 & 4, Block-3, Rameshwaram Dham Residential Colony Near Nagarpalika Bhinder (Udaipur) with a project cost of Rs. 116 lacs.
2A. Pre-disbursement conditions: -	
a.	Pre-disbursement inspection of the project site shall be conducted and adequacy of infrastructure facilities ensured.
b.	Credit opinion report from Bankers of the Company, on its promoters and other group companies/Firms shall be obtained before disbursement/ or in due course of the proposed loan.
c.	Prior to first disbursement, the promoters should have obtained prior permission from Govt. /local Govt. /other statutory authorities for the proposed project, wherever required. The Firm has to submit evidence of having cleared all statutory dues before disbursement.
d.	An affidavit- cum- undertaking would be obtained from the borrower that they shall not violate the sanctioned plan, construction shall be strictly as per the sanctioned plan and it shall be the sole responsibility of the executants to obtain completion certificate within three months of completion of construction, failing which the ASHFL shall have the power and the authority to recall the entire loan with interest, costs and other usual ASHFL charges.
e.	The borrower shall execute all necessary legally enforceable loan documents. Vetting of the same to be done as prescribed. Legal Title Search Report would be conducted for

	verifying that there are no prior charges (s) on the Company's assets in favour of ASHFL before disbursement of Loan and Valuation Report of the site / land, to the satisfaction of the ASHFL approved Empanelled lawyer/ Valuer to be submitted before disbursement and kept on record. A copy of the sanction plans of the building also to be obtained and kept on record before disbursement of the loan. It should be ensured before release of the facility that title deed of the project site/land is deposited with the ASHFL for the purpose of creation of mortgage charge & valid mortgage/joint mortgage charge is created.	
f.	Approval from the appropriate authorities for the entire project should be obtained before first disbursement.	
g.	The Borrowing firm will maintain equity (PUC and share premium) at the envisaged level before disbursement of TL.	
3. Rate of Interest	19.00% p.a. applicable on monthly rests and payable at monthly intervals subject to reset at Annual intervals..	
4. Default Interest	The Company shall pay penal interest at the rate of 3% p.m.. on the irregular amount in the event of non-payment of interest, principal, upfront fee or any other monies due on their respective dates, for the period of such default. during the currency of the Facility.	
5. Security- Primary	i. First exclusive charge by way of equitable mortgage of project land and all buildings constructed thereon (present and future) situated at Plot No. 3 & 4, Block-3, Rameshwaram Dham Residential Colony Near Nagarpalika Bhnder (Udaipur) admeasuring about 2326 square feet, standing in the name of Shri Shanti Lal Choubisa. ii. First exclusive charge by way of hypothecation of current assets/fixed assets of the proposed project of the company inclusive of all receivables, construction material, unsold constructed flats/Bungalows, etc. The constructed Bungalows/flats will be sold after obtaining NOC from ASHFL. iii. Post dated cheques for the entire sanctioned loan amount.	
Guarantee	SN	Name of the Guarantor
		Net Worth (Rs. in Cr)
	i	Shri Shanti Lal Choubisa
		2.88
	ii	Shri Suresh Chandra Choubisa
		0.7
	iii	Shri Narendra Shrimali
		0.95
	iv	Shri Dinesh Kumar Choubisa
		0.03
	v	Shri Rodi Lal Bhoi
		1.71
	vi	Smt. Dimple Choubisa
6. Repayment	The term loan shall be repayable in 24 EMI of Rs. 252044/- each commencing 15 months after first disbursement. The Pre EMI interest shall be payable as and when applied separately. Post dated cheques (PDCs) covering the instalments and interest has to be furnished.	

7.Upfront Fee	2.00% of the loan amount plus service tax.
8. Inspection charges	Rs. 2500/- per annum or actual expenditure made whichever is higher.
9.Review charges	0.10% of loan amount per annum.
10.Commitment Charges	The disbursements under the Facility shall be as per the draw down schedule to be provided by the Borrower with quarterly draw down schedule. Commitment fee of 1.20% p.a. on the amount undrawn beyond 60 days in variance with the quarterly Draw Down Schedule given by the Borrower will be levied. The fees shall be calculated on the basis of disbursements not made and the number of days deviated from the scheduled date
11.Prepayment Penalty	5% p.a. penalty on outstanding amount for residual period. However Pre-payment permitted without any pre-payment penalty if paid out of internal accruals or promoters own sources by giving notice of not less than 90 days.
12.Disbursement	Disbursement will be made by way of direct payment to suppliers or shall be on reimbursement basis as per work completion certified by the Architect/ Chartered Engineer and a certificate from Chartered Accountant of the company as to sources and uses of funds is submitted by the company to the satisfaction of the ASHFL. The disbursement shall be made as per progress of the project and in proportion to the promoter's contribution. Project DE ratio shall be maintained at the envisaged level at the time of disbursement stage by stage, it shall be ensured that disbursement should not be disproportionate to the progress of the project
13.Security Documents	Facility Agreement; ii. Guarantee Agreement; iii. Mortgage Deed and Other Ancillary documents. The cost of stamps and other charges in respect of the execution of documents would be on the account of the Borrower.
14.Insurance	The insurance policy should be taken out in the joint names of the Lenders (ASHFL clause) at the cost of the Firm and all the policies, cover notes, premium receipts etc. should be deposited with the ASHFL. The firm shall obtain adequate insurance cover in respect of all its tangible assets both during construction phase and operation phase and assign all insurance policies pertaining to the project in favour of ASHFL.
15.Inspection	At monthly Intervals by any official of the ASHFL at the cost of the borrowing company.
16. Period of sanction	3 months from the date of sanction. However, this letter of offer shall stand revoke d/ cancelled and shall be absolutely null and void if: i. Any material changes take place in the project for which this loan is sanctioned ; ii. If it comes to the light that any material fact or othr relevant aspect of the proposal was withheld, suppressed concealed or not made known to ASHFL.

17. Review of account	The account to be reviewed at least annually incorporating therein the actual cash flow vis-à-vis budget, physical and financial status of project. Applicable fees will be payable by the company
18. Issue of NOC for transfer of property title to the buyer	ASHFL will issue the NOC for transfer of title of the property share in favour of the buyers on deposit of sales proceeds in the TL account after maintaining 50% margin. However, title deeds of the property will not be handed over till the currency of Term Loan. In case such NOC is issued prior to complete disbursement of the term loan, sanctioned limit will be reduced proportionately.
19. Event of Default	The ASHFL may reserve the right to call up the Facility by giving a notice of 30 days upon the happening of any of the following event of Default (each an "Event of Default"):- a) Any installment of principal amount of or interest on the Facility remaining unpaid for a period exceeding thirty (30) days from their respective due dates. b) The Borrower committing any breach or default in the performance or observance of the material covenants of the Facility Agreement and such breach or default continues for a period of ninety (90) days after receipt of a notice from the lender. c) Execution or distress being enforced or levied against the whole or any material part of the Borrower's property and any order relating thereto is not discharged or stayed within a period of ninety (90) days from the date of enforcement or levy. d) The Borrower ceasing or threatening to cease to carry on its business for a continuous period exceeding ninety (90) days. e) A receiver being appointed in respect of the whole or any part of the property of the Borrower and such appointment is not stayed, quashed or dismissed within a period of ninety (90) days. The occurrence of any event or circumstance which is prejudicial to or imperils or depreciates the security given to the ASHFL and such event or circumstance continues to have an effect for a period in excess of ninety (90) days.
20. Other Conditions:	
i.	The unsecured loans from the promoters will remain subordinated to ASHFL's loan and the borrower and the promoters shall submit suitable letters to this effect along with a written undertaking that the un-secured loan will not be withdrawn during currency of ASHFL's Loan and no interest will be paid on these un-secured loans.
ii.	The cost of construction would be as ascertained /verified on the basis of a certificate from a Firm of Architects/CE empanelled with ASHFL. Actual expenses incurred would be verified on the basis of a certificate from a Firm of C.A. and the cost of land will be verified from the registration/agreement records before disbursement.
iii.	The costs recorded in various agreements with the builder and the property/ flat/ owners will form the main basis for the validation of the cost of the project. Reasonableness of the cost will be ascertained from chartered engineer on the panel of the ASHFL.
iv.	The total amount of ASHFL finance (as estimated from the projected cash flow/cash budget for the overall project) as well as the cumulative disbursement up to each stage of construction will be restricted to 50% of the gap after

	reducing from the total requirement of funds the advance received from the buyers of flats, credit from suppliers, statutory dues, etc. The balance will be met by the promoters.
v.	The Company would disclose in the Pamphlets /Brochures, Board at site etc. ASHFL's name as lender to the project.
vi.	The Company would append the information relating to mortgage while publishing advertisement in newspapers / magazines etc.
vii.	The Company would indicate in their pamphlets / brochures, that it would be required No Objection Certificate (NOC) / permission of the mortgage from ASHFL for sale of flats / property, if required.
viii	The ASHFL shall have the power to engage the services of any other building contractors to complete the project in case the borrower does not take steps to get it completed.
ix.	The promoter builder/developer is mandatorily required to adhere to National Building Code of India 2005 (NBC) formulated by The Bureau of Indian Standards on ongoing basis.
x.	Registration in respect of mortgage of security(s) with CERSAI as prescribed would be done before disbursement.
xi.	The Company will execute consent clause for disclosure of information and data to "Credit Information Bureau India Ltd" (CIBIL) and any other agency/ institution as prescribed.
xii.	The Company will Obtain all necessary statutory permissions from regulatory, governmental, environmental and other agencies. It shall provide copies of such permissions to the Bank for its record.
xiii	The Company will Provide an affirmation that all its permissions/MoUs/Agreements/deeds and other project documents executed by it are current and there is no dispute or default committed by any of the parties to such agreements
xiv	The Company will furnish an undertaking to the effect that if any of the major project commercial agreements are proposed to be materially modified during the currency of the facility; the said amendments shall be made only with the approval of the ASHFL. Such approval shall not be unreasonably withheld.
xv	The Company will agree that Inspection of the facilities will be carried out as decided by the ASHFL by their own officials or through persons/firm appointed by the ASHFL. The cost of inspection is to be borne by the borrower.
xvi	The Company will satisfy the ASHFL that the physical progress as well as the expenditure incurred on the project is as per the original schedule. To this end the firm will undertake to furnish to the ASHFL such information and data as may be required by the ASHFL.
xvii	The Company will agree that in case of default by the it in servicing of the debt as per due date/s, the ASHFL will have an unqualified right to disclose or publish the name of the company and its promoters/directors in such manner and through such medium as in their absolute discretion may think fit.
xviii	Satisfy the ASHFL that it has appointed technical, financial, marketing and other personnel of proper qualifications and experience for the key posts and that its organizational set-up is adequate enough to ensure smooth implementation of the project and subsequent operations.

xix	The following details shall be submitted by the borrower on monthly basis: i. Receipt and Payment statement; ii. Details of Flats booked / sold by way of agreement to sale, sale deed, registration of flats, etc during the month giving specific details of the flats and the payment terms. iii. Escrow Account statement; and iv. Progress in construction work.
xx.	Updated net worth of the Guarantors duly notarized to be submitted before disbursement.
xxi.	The Company shall annually submit their audited financial statements to ASHFL within 6 months from the date of respective financial year end.
xxii	Unsecured loans from the promoters / friends and relatives, if any as on date of the first disbursement under the loan will not be repaid until the term loans are fully repaid.

This sanction letter is sent in two copies. Please sign on the duplicate copy of this letter as a token of having accepted the terms and conditions of the sanction and return it to us for our records. Meanwhile, please also arrange to comply with the required pre conditions stipulated for documentations and disbursements.

Thanking You,
Yours faithfully,
For Akme Star Housing Finance Ltd.

Managing Director.

(Accepted terms and conditions of your sanction Letter no. dtc 06.12.2017)

For M/S DCB Town Planner Pvt Ltd

Authorised Signatory

Guarantor

Guarantor