

LARGE CORPORATE BRANCH
SECTOR-17-B
CHANDIGARH



25-03-2014

M/s N.H. Matcon,
Vill. Gazipur,
Zirakpur, Distt. Mohali.
PUNJAB

Dear Sir,

Reg: Your request for sanction of TL from our Bank.

We are pleased to inform you that at your request, our bank has sanctioned the Term Loan of Rs.8.00 crore for take over of existing T L from Punjab & Sind Bank sanctioned for construction of Phase I of 'Aero Homes' in favour of your firm on the terms and conditions as per Appendix-I.

Please convey the acceptance of terms and conditions of sanction and convey us the date for completion of necessary documentation and other formalities for availing the credit facilities.

Assuring you of our best services always.


CHIEF MANAGER

Nature, Terms and Conditions – A/c N.H. Matcon.

1. Nature: Term Loan (Fresh) – Takeover from P&SB.
2. Purpose: Development of Group Housing Project at village Gazipur, Zirakpur (Pb.)
3. Amount: Rs. 8.00 crore (Rupees Eight Crore only).
4. Rate of Interest: BR+5% i.e. 15.25% pa with monthly rests and subject to change from time to time as per Bank's extant guidelines and at the sole discretion of the Bank.
5. Upfront Fee: As applicable ie. 1.25% .
6. Margin: 25% minimum w.r.t. Hard Cost and subject to maintenance of stipulated Promoters' Contribution and Project/Security Margins.

7. Security:

Principal:

Sr. No.	Description	Area	Owner
1	Land bearing Sale Deed No. 57 Dated 04/04/2011 Bearing Khewat khatouni No. 17/34 Khasra No 42//10(4-0),11(4-0) total 08 Bighas out of which 1/2 Share situated at Vill Gazipur ,Zirakpur	4 Bigha	Nitin Bansal
2	Land bearing Sale Deed No. 13650 Dated 11/11/2011 Bearing Khewat khatouni No. 17/34 Khasra No 42//1(4-0) total 04 Bighas out of which 1/2 Share situated at Vill Gazipur ,Zirakpur	2 Bighas	M/s N.H. Matcon
3	Land bearing Sale Deed No. 12532 Dated 11/11/2011 Bearing Khewat khatouni No. 17/34 Khasra No 42//10(4-0),11(4-0) total 08 Bighas out of which 2/8 Share situated at Vill Gazipur ,Zirakpur	2 Bighas	M/s N.H. Matcon
4	Land bearing Sale Deed No. 12531 Dated 11/11/2011 Bearing Khewat khatouni No. 17/34 Khasra No 42//10(4-0),11(4-0) total 08 Bighas out of which 2/8 Share situated at Vill Gazipur ,Zirakpur	2 Bighas	M/s N.H. Matcon
5	Land bearing Sale Deed No.10593 Dated 30/09/2011 Bearing Khewat khatouni No. 36/105 Khasra No 42//2(4-0), 9(4-0), 12(4-0) total 12 Bighas out of which 40/240 Share situated at Vill Gazipur ,Zirakpur	2 Bighas	Nitin Bansal
6	Land bearing Sale Deed No.10356 Dated 27/09/2011 Bearing Khewat khatouni No. 36/105 Khasra No 42//2(4-0), 9(4-0), 12(4-0) total 12 Bighas out of which 40/240 Share situated at Vill Gazipur ,Zirakpur	2 Bighas	Nitin Bansal
		14 Bigha	



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7	Land bearing Sale Deed No. 9404 Dated 12/09/2012 Bearing Khewat khatouni No. 36/105 Khasra No 42/2(4-0), 9(4-0), 12(4-0) total 12 Bighas out of which 80/240 Share situated at Vill Gazipur Zirakpur	4 Bighas	M/s N.H. Matcon
8	Land bearing Sale Deed No. 9512 Dated 14/09/2012 Bearing Khewat khatouni No. 36/105 Khasra No 42/2(4-0), 9(4-0), 12(4-0) total 12 Bighas out of which 1082/4800 Share situated at Vill Gazipur Zirakpur	2 Bighas 14 Biswa 2 Biswasi	M/s N.H. Matcon

LATERAL SECURITY:-

S. No.	Security Description	Area	Ownership
9	3 No. commercial plots situated at Gazipur, Zirakpur registered vide sale deed No.13641,13642,13643 dated 08.12.2011	125 sq yards each (Total land msg 375 sq yards)	Sh. Sunny Bansal
10	6 No. commercial plots situated at Gazipur, Zirakpur registered vide sale deed No.13644,13645,13646,13647,13648 and 13649 dated 08.12.2011	125 sq yards each (Total land msg 750 sq yards)	Sh. Nitin Bansal
11	3 No. commercial plots situated at Gazipur, Zirakpur vide sale deed No.13636,13637,13638 dated 08.12.2011	125 yards each (Total land msg 375 sq yards)	Sh. Hunny Bansal
12	Plot at Vill. Budhlada Tehsil Budhlada Distt. Mansa, Punjab	1 kanal 14 marla	Sh. Sunny Bansal
13	Plot at Vill. Budhlada Tehsil Budhlada Distt. Mansa, Punjab	2 kanal 1 marla	Sh. Sunny Bansal
14	Plot at Vill. Budhlada Tehsil Budhlada Distt. Mansa, Punjab	2 kanal	Sh. Sunny Bansal
	TOTAL		

**8. Personal/
Corporate
Guarantees**

The account to be guaranteed by the following: (Rs. in crore)

Name	NMs As on 31.03.13	IPs As on 31.03.13	CRs Dated
1) Sh. Nitin Bansal	9.45	12.80	13.3.2014
2) Sh. Sunny Bansal	4.08	4.05	13.3.2014
3) Sh. Hunny Bansal	4.15	3.75	13.3.2014



- 9.Repayment Schedule** 14 equal monthly installments of Rs. 57.12 lakh each commencing from Nov 2014 with last installment falling due in Dec 2015. Interest during the implementation/ moratorium period & thereafter to be serviced/ recovered as & when levied.
- 10.Penal Interest** Penal interest @ 2% pa over & above the normal applicable ROI shall be charged for any delay in the repayment of interest and/ or installment and for non creation of primary security within the prescribed period. The bank reserves the right to recall the advance in case term loan installments/ interest is not paid by the company.
- 11.Prepayment** Prepayment penalty @ 2% of loan amount prepaid to be charged if the loan is prepaid from a source other than the project accruals.
- 12.Insurance** Assets charged to the Bank to remain comprehensively insured against all construction/ operational/ other risks at company's cost and relative policies/ copies of policies to kept on branch records.
- 13.Financial Covenants** The company to maintain DER and TOL/ TNW ratio within permissible levels.

- The project under-taken should be devoid of litigations and valid & enforceable securities can be created.
- Party to undertake that (i) the Firm is in a position to timely raise promoters' contribution for completion of the project as per the envisaged implementation schedule, (ii) at least 35% of equity and quasi – equity to come up front and (iii) release of term loan will be in proportion to raising of promoters' contribution.
- The company to undertake to obtain all required consents/ approvals timely for completion of the project
- The company to obtain credit rating at its own cost from an external agency approved by the Bank within 3 months of sanction failing which, penal interest of 2% to be charged.
- The promoters/ company to undertake to make good any shortfall in cash accruals for timely servicing of its term debt obligations towards to the Bank.
- Submit the developments to closely monitor the project for timely completion thereof and also for taking corrective measures as & when warranted.
- The company must undertake and maintain ESCROW a/c with our Bank and route all cash flows through the same for completion of the project and servicing of Bank's term loan. The company must also undertake not to divert the cash flows of the project to any other project.
- Before release of Term Loan is considered, submit conduct of accounts of the company's associate/ allied/ group concerns with their respective bankers.
- Undertake that cost of acquisition/ purchase price of assets and cost of construction is reasonable & competitive and suppliers are reputed.
- Promoters' contribution will be linked to hard costs and Induction/ proof of promoters' contribution to be validated by CA's certificate.



-The company to undertake to meet the shortfall, if any, in respect of advances from customers, from its own sources, for timely completion of the project as per envisaged implementation schedule.

-The company should have the insurance of the superstructure done with OF&GI under referral scheme.

-The Company must also approach the bank for Retail Housing Business from prospective buyers.

-Our Term Loan will not to be utilized for purchase of land.

-End use of funds to be verified/satisfied by the bank

Overall terms and Conditions:

1. Term Loan will be released only after creation of valid mortgage of the project land and execution of necessary security documents.
2. Term Loan to be disbursed by way of direct payment to P&S Bank only.
3. Escrow account for the project to be opened with us and entire sale proceeds/ realizations to be routed through the said account. Party to give monthly statement of booking made/ payment received, which should tallied with cash flow of account.
4. 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 to be obtained from the borrowers as well as guarantors.
5. The bank reserves its right to appoint lenders engineers at company's cost for monitoring the project during its implementation period.
6. The Bank shall have the right to withdraw or modify all/ any of the sanctioned conditions or stipulate fresh conditions, under intimation to the borrower. Borrower shall undertake to give their acceptance to these stipulations.
7. Margins, rates of Interest and service charges are subject to revision from time to time at the sole discretion of the Bank.
8. The Bank shall charge penal interest under the following circumstances:-
 - a. Default in repayment of Term Loans installments/ interest/ other charges.
 - b. Default in observance of borrowing covenants/ terms & conditions of the sanction.
 - c. Any other eventuality/ situation to be decided by the bank.
9. The borrower shall execute all necessary legally enforceable loan documents as per bank's guidelines. Documents will be drafted/ vetted by banks' approved counsel(s) at borrower's cost.



10. In case the company commits default in the repayment of loan/ advance or in the payment of interest thereon or any of the agreed installments of the loan on due date, the bank, NHB, CIBIL and/ or Reserve Bank of India will have an unqualified right to disclose or publish the names of the concern and its proprietor as defaulters in such manner and through such medium as the bank/ RBI/ CIBIL/ NHB in their absolute discretion may think fit.
11. The company to (a)give consent for disclosure of information/ data to CIBIL and any other Agency authorized in this behalf by RBI regarding credit facilities availed by them/ to be availed by them (b)undertake that CIBIL and other Agency so authorized may process the information/ data disclosed by the bank in the manner as deemed fit by them.
12. The company shall agree that the bank will always be at liberty to stop making further advance (s) or cancel the credit facility(ies) at any time without previous notice and without assigning any reason even though the said limit(s)/ credit facility(ies) has/ have not been fully availed of.
13. The company to undertake to meet the cost overrun, if any out of their own resources.
14. During the currency of bank's credit facilities, the company will not without the prior approval of the Bank in writing:
 - a. Affect any change in their capital structure which may affect our interest adversely.
 - b. Formulates any scheme of amalgamation or reconstruction.
 - c. Undertake any new project or expansion or modernization scheme or make any capital expenditure other than those estimated/ projected in the project report without obtaining our approval. Similarly no investment shall be made in Sister/ Associate/ Allied/ Group concerns without prior permission of the Bank.
 - d. Enter into borrowing arrangement either on secured basis or unsecured basis with any other bank/ financial institution.
 - e. Undertake guarantee obligations on behalf of any other borrower/ organization.
 - f. Sell assign mortgage alienate or otherwise dispose or any of the assets of the borrowing company charged to the us.
 - g. Enter into any contractual obligation of a long-term nature affecting the borrower financially to a significant extent.
 - h. Permit any transfer of the controlling interest or make any drastic change in the managements set up.
 - i. Create any charge/ lien/ encumbrance over its undertaking or any part thereof in favour of any financial institution/ Bank/ Person/ Firm.
 - j. Diver/ utilize Bank's funds to other sister/ associate/ group concerns or for purposes other than those for which the credit facilities have been sanctioned.
15. The company will submit to the bank such financial statements as may be required by the bank from time to time apart from the set of such statements to be furnished by the company to the bank as on the date of publication of the company's annual accounts.
16. The company shall give acceptance of terms & conditions as per letter of sanction, which will form part of documentation.




17. The borrower shall meet any increase in cost of project/ contingencies from their own sources and before disbursement of term loan shall give an undertaking to this effect.
18. Inspection charges, upfront fee, documentation charges and other charges to be recovered as per Bank's schedule of charges.
19. The borrower will keep the Bank informed of the happening of the event likely to have substantial affect on their project.
20. The bank at its sole discretion may disclose any information to any institution(s) in connection with the credit facilities granted to the borrower.
21. The company shall submit the required information for quarterly review within 10 days of the close of the quarter.
22. Certificate from Bank's approved counsel confirming proper and valid execution of documents/ securities to be obtained and kept on branch records.
23. Before release of the credit facility, Submit the conduct of a/cs of group concerns with their respective bankers which should be satisfactory and the a/cs in standard assets.
24. Unsecured loans raised from friends, relatives and directors etc. not to be withdrawn during the currency of Bank's loan and shall be subordinate to bank borrowings.
25. The company has to contribute upfront its margin as per the terms of sanction and at each stage of disbursement; the company must bring its contribution pro-rata to ensure that the upfront contribution brought in terms of sanction is always available over & above the pro-rata contribution.
26. Due diligence on the firm and their promoters to be got done at party's cost.
27. Party to undertake that before issue of a final NOC at the time of registry minimum 35% of sale consideration of the flats in question will be deposited in the party's Term loan account with the bank and the stipulated debt equity ratio will be maintained.



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28. Our bank will have the first right of refusal for retail housing loans for flats.
29. The party will close all current accounts before release of credit facilities except with Indian Overseas Bank, Sector-7C, Chandigarh which will be closed within 2 months from the date of sanction. Closure certificate for all the said accounts to be obtained and held on record.
30. The party to deposit overdue amount with P&SB before takeover and deposit post dated cheques for repayment of our Term Loan of Rs. 8.00 crore to BO: LCB Chandigarh.
31. All other terms and conditions applicable to such type of advances shall be applicable with.


Manager


Chief Manager

29/3/14