

DUPLICATE



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Ref. No.: TMCB:AAG:2016-17: 158

Date: 19.01.2017

To
Prajapati Developers,
405/406/407, Persipolis Bldg.,
Plot No.74, Vashi,
Navi Mumbai – 400 703.

SANCTION LETTER

Dear Sirs,

: Your Request for Sanction of credit Facilities.

We invite reference to your request for credit facilities and are pleased to offer you, the credit facilities as per **Annexure-I** on the broad terms and conditions mentioned in **Annexure-I & II** of this letter.

2. Notwithstanding anything to the contrary stated or suggested herein, the outstanding indebtedness, whether actual or contingent, under these facilities is subject to liquidation by you, on first demand by us.

3. This letter is issued in duplicate. Please **return duplicate** copy duly signed by an authorized signatory in token of having accepted the terms and conditions.

Thanking you,

Yours faithfully,

(ARVIND KUMAR)
ASST. GENERAL MANAGER



Accepted all the terms of Sanction
For M/S Prajapati Developers

Partners/Authorised Signatories

A. LIMITS SANCTIONED:

(Rs. in crore)

Nature of Facility	Existing	Sanctioned	Margin	Effective ROI/ Commission **
Fund Based Limits				
Term Loan I	23.00	23.00	62.54%	4.70% over MCLR+BSS presently 13.50% p.a. (After effecting concession of 1.70%)
Term Loan II	0.00	12.16	59.97%	
Non-Fund Based Limits				
Bank Guarantee	0.05	0.05		
Total	23.05	35.21		

**** Rate of interest/spread is subject to change at the sole discretion of bank and as advised on time to time by the bank. Interest is leviable at monthly rest. MCLR+BSS is @8.80%. Bank has right to revise the pricing of term loan facility in event of downgrading in internal and/or external credit rating of the account.**

Concessions allowed are valid for one year from date of sanction, i.e. 17.01.2017, or next review date, whichever is earlier.

Please note that concessions allowed will be withdrawn, if the account could not be reviewed within 3 months from due date of review.

Bank reserves its rights to alter/modify/reduce and cancel concessions allowed at its sole discretion depending upon the conduct of account.

B. Other Approvals:

1. 1.70% concession in applicable ROI.
2. 50% concession in applicable Proposal Processing Charges for TL II.
3. Issuance of NOC @1500/- per flat, subject to;
 - i) Buyers of the flat/ their banker furnishing an undertaking that the entire proceeds of the flat will be credited into the designated escrow account with the branch.
 - ii) Our mortgage charge will be released on respective flat after receipt of entire sale amount. The firm to ensure that to obtain NOC from the bank before sale of flats/ shops.
 - iii) The firm to submit undertaking to the effect that first right of refusal for housing loan will be with our bank.
4. Continuation of utilization of booking money from escrow account, subject to;
 - i) The proposed margin contribution/ capital infusion be routed through escrow account.
 - ii) Project proceeds deposited in the escrow account exceeding the contribution required towards completion of project to be utilized towards repayment of the Bank's loan.
 - iii) The interest debited monthly in the loan a/c to be recovered from Escrow Account.



C. Security:

Security	Particulars
Principal	Term Loan I Exclusive charge by way of registered mortgage of project land i.e. 5002 sq. mtr. for Phase I and proposed building "Prajapati Magnum", Phase I Wing A & B at Plot No. 46 B, Sector 47, Dronagiri, Navi Mumbai. Term Loan II Exclusive charge by way of registered mortgage of project land i.e. 2093.40 sq. mtr. for Phase-II and proposed building "Prajapati Magnum", Phase II, Wing C, at Plot No 46 B, Sector 47, Dronagiri, Navi Mumbai.
Collateral	Exclusive charge by way of registered mortgage of remaining project land i.e. 5003.60 sq. mtr., at Plot No 46 B, Sector 47, Dronagiri, Navi Mumbai.

D. Repayment Terms:**Term Loan I:**

Term Loan I will be repayable in 3 quarterly installments of Rs.6.00 crore each and 1 installments of Rs.5.00 crore commencing from March, 2018. Door to door tenor being 48 months. Interest to be serviced as and when applied.

Term Loan II:

Term Loan II will be repayable in 12 monthly installments of Rs.1.01 crore each last being of Rs.1.05 crore commencing from July, 2019. Door to door tenor being 42 months. Interest to be serviced as and when applied.

E. Conditions for Term Loan I (Rs.23.00 crore):

- The firm to submit certificate from the builders architect for the cost incurred, supported by bills/ receipts and same will be vetted by bank's panel architect / valuer/LIE before release of further limit. Any shortfall in booking/ advance amount to be brought in by the promoters and the firm to submit suitable undertaking in this regard.
- Before each draw down;**
 - Branch will carry out site inspection to ascertain the progress of work compared to progress made vis-à-vis the implementation schedule and disbursement made in the account.
 - The firm to route all booking amount/own contribution through the escrow account and margin to maintain as per quarterly cash flow and cost of project. Any cash flow in excess of the projections will not be transferred to current account.
 - Branch will ensure that appropriate approval for construction of building is obtained to the extent of work completed and/or in progress/ to be constructed for which disbursement is requested, before release of further drawdown.
 - The firm to submit builders' architect certificate which is to be vetted by Bank's approved valuer before release of each drawn down.
 - The firm to submit quarterly certificate from firm's CA certifying cost and means of projects to ensure end use of funds.

F. Conditions for Term Loan II (Rs.12.16 crore):

- Promoter's own contribution for Phase II Project i.e. Prajapati Magnum (Wing C) to be increased to 20%.
- The Branch will appoint Lenders Independent Engineer for project.



3. The firm to submit certificate from statutory auditor of the firm regarding the amount incurred by the firm towards the project.
4. The firm to submit copy of building plan and all other statutory approvals/clearances relating to the project duly approved/sanctioned by the concerned authorities before release of limits.
5. The cost of construction will be vetted by the bank's approved architect/ LIE before release of limit.
6. Total area of construction and cost of the project will be vetted by our empanelled architect before disbursement.
7. The firm to submit the list of flats/ units already booked and not yet booked.
8. The firm to submit copy of all the permissions/ approvals / consents/ agreements / NOCs for Branch record and original for verification. The firm to submit certificate from Firm's architect certifying that all approvals/ permission required for construction are in place.
9. The firm to document the COD, drawdown schedule and repayment schedule and implementation schedule before disbursement of limit.
10. Disbursement of limit will be made through Escrow A/c based on completed work duly certified by the project architect and CA certificate about the expenses incurred and branch to verify end use of funds. The firm also to submit architect certificate at quarterly intervals to verify end use and also submit bills and receipts during quarterly site visit. All transactions of proposed project should be routed through escrow account only.
11. Promoter's contribution excluding land cost to be brought up front and margin of 59.97% should be maintained at each stage of disbursement.
12. The Firm to submit undertaking to the effect that first right of refusal for housing loan will be with our bank.

G. Charges:

Particulars	Charges
Processing Charges	Rs.9,33,375.00 + ST
Documentation Charges	Rs.40,000.00 + ST
Inspection Charges (Per Quarter/Visit)	Rs.10,000.00 + ST + (actual expenses)
Equitable mortgage charges	Rs.10,000.00 + ST
CERSAI Charges	As applicable + ST

H. Other Conditions:

1. Firm/Guarantors to execute necessary security documents for the sanctioned limits and to create stipulated charges on the assets offered as security.
2. Firm to create exclusive charge by way of registered mortgage of proposed building titled Prajapati Magnum Phase-II (Wing C).
3. The firm to submit all the undertakings/declarations and other documents as suggested by advocates in their report. Draft copy of mortgage deed to be finalized in consultation with the advocates and be vetted by legal department ZO.
4. All assets charged to the Bank should be kept comprehensively insured through National Insurance Company Limited (NICL) for full value at all times. The insurance cover note/policy should be in the name of Bank A/c the firm with Bank's Hypothecation Clause incorporated therein. The original policy to be lodged with the Bank.
5. Firm to undertake that cost overrun if any, to be met by promoters from their own source.
6. Agreement to sale of units to contain clause that "Superstructure constructed out of the finance provided by Bank of India and the land title rights and the super structure is mortgaged to Bank of India as security by way of first charge and the



mortgage charge will be released on the said units purchased by the prospective purchasers only after payment of (sale Price) directly to the Bank by the purchasers by way of A/c Payee Cheque/DD/Pay order favoring "Bank of India A/c Prajapati Developers. Ltd." and only on realization the charge on the subject flat will be released.

7. The firm to obtain adequate insurance cover for insurable Force Majeure risks duly incorporating Banks Hypothecation/Mortgage Clause.
8. Sale proceeds are to be routed through escrow account and the same should be utilized for the specific project only.
9. The firm should submit external credit rating before further disbursement and /or release of additional limit.
10. The firm to submit latest CBD-23 duly certified by CA based on balance sheet as on 31.03.2016 before release of further limits.
11. The Branch will obtain status report of Group Companies from their respective Bankers before release of limit.
12. The Branch will obtain interim search report on the assets charged to the bank before creation of mortgage and release of limits.
13. The firm to submit certificate from the builders architect for the cost incurred, supported by bills/ receipts and same will be vetted by bank's panel architect / valuer/LIE before release of further limit. Any shortfall in booking/ advance amount to be brought in by the promoters and the firm to submit suitable undertaking in this regard.
14. Branch will visit the site to ascertain the progress of the work compared to progress made vis-à-vis the implementation schedule and disbursement made in the account.
15. The firm to furnish stamped undertaking for compliance of following RBI guidelines:
 - i. The firm to disclose in the pamphlets/brochures etc. the name of the bank/branch to which the property is mortgaged.
 - ii. The firm has to append the information relating to mortgage while publishing advertisement of a particular scheme in newspaper/magazines etc.
 - iii. The agreement to sale shall include a clause that payment shall be made for the credit of the building developer's account with the lending bank.
 - iv. The firm would indicate in their pamphlets/brochures, that they would provide No Objection Certificate (NOC)/Permission of the mortgage bank for sale of flats/property if required.
16. Compliance of all other terms and conditions as per Annexure-II.



OTHER TERMS, CONDITIONS & COVENANTS, ETC. APPLICABLE TO THE Without prejudice to the demand nature of the advances, this credit facility will remain in force for a period of one year and is subject to annual review.

1. All the sanctioned/enhanced credit limit is to be utilised within a period of 6 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 and subject to recovery of our charges
2. The Company to execute necessary security documents for sanctioned/enhanced limits duly supported by Board Resolution and create and register stipulated charges with the authorities specified for the purpose within stipulated time limit before release of sanctioned/enhanced limits.
3. Guarantor(s) : All fund based and non-fund based facilities to be guaranteed (Joint & Several guarantee) by
 - a) Mr. Rajesh Prajapati.
 - b) Mr. Rakesh Prajapati.
 - c) Mrs. Sunita Rajesh Prajapati.
 - d) M/s Prajapati Construction Ltd.
 - e) M/s Prajapati Lawns Premises Pvt. Ltd.

The firm shall not pay any guarantee commission to the guarantors.

4. The release of credit facilities is also subject to vetting of security documents by the bank's approved advocate and bank's internal procedure of Credit Process Audit. The charges for vetting of documents by the Bank's advocate are payable by Company.
5. All the assets charged/to be charged to the Bank to be kept fully insured at all times against all risks (FRSD, Burglary, comprehensive risks etc.) and original Insurance cover note /policy in the name of the Bank a/c borrower Company with Bank's Hypothecation clause to be lodged with the Bank.
6. The company to submit all bills/receipts etc. as applicable to project expenditure. A certificate from bank's approved C.A/Architect/valuer towards expenses incurred on project/progress in implementation of project. Any escalation in the project cost to be met by the promoters/company from their own sources.
7. The Company to submit copy of statutory permissions/clearances like 'NOC' from Pollution Control Board and ensure for timely renewal of same from time to time.
8. Inspection will be done on quarterly basis (in rotation by consortium member banks) or and when required by the bank. The Bank has the right of deputing its



officials/person(s) (like qualified auditors or management consultants or technical experts) duly authorised 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 company's/firm's activities, the cost of which will be borne by the Company.

9. Term Loan I of Rs.23.00 cr is repayable in 3 quarterly installments of Rs. 6.00 cr each and 1 installments of Rs.5.00 cr. Repayment to start from March, 2018. Door to door tenor being 48 months. Term Loan II is repayable in 12 monthly installments of Rs.1.01 crore each last being of Rs.1.05 crore commencing from July, 2019. Door to door tenor being 42 months. Interest to be serviced as and when applied for both term loans. Prepayments will attract additional charges @ 0.50% p.a. on amount prepaid for residual period of the loan on simple interest basis.
10. Penal interest of 2% p.a. will be levied on the overdue amount for the period account remains overdrawn due to irregularities such as – non payment of interest immediately on application, non payment of instalments, reduction in drawing power/limit, excess borrowings due to over limit, devolvement of L/C, invocation of Guarantee etc. If the account continues to be overdrawn for a period of 90 days, the bank may consider initiation of other action also as deemed fit by the bank.
11. Any default in complying with terms of sanction within the stipulated time will attract penal interest of 1% p.a. from the date of expiry of such time.
12. 50% of applicable processing charges will be levied for TL II and applicable charges for existing TL I and BG limit. Inspection charges @ Rs.10,000/- + ST per quarter are payable. Out of pocket expenses incurred towards title verification and valuation of property/assets, inspections/ techno-economic appraisal of the project/unit will be recovered separately.
13. In case of default either in the payment of interest, the repayment of the principal amounts as and when due and payable or reimbursement of all costs, charges and the expenses when demanded, the company shall pay additional interest at the rate of 2% above the interest rate for the facilities on the overdue interest, costs, charges or expenses and/or from the respective due dates for payment and/or repayment.
14. The Company is required to submit QIS I, II & III returns. QIS I (showing estimates) is required to be submitted in the week preceding the commencement of the quarter to which it relates, QIS II (showing performance) within six weeks from the close of the quarter to which the statement relates and QIS III (half yearly operating statement) within two months from the close of the half-year. Any delay without specific approval from the bank will attract penal rate of 1%p.a. for the delayed period.
15. CMA data to be submitted at least one month before the due date of review. Any delay without specific approval from the bank will attract penal rate @1% p.a. In case CMA



data is not submitted for a continuous period of three months, the bank may take further action as deemed fit by the Bank.

16. The company to ensure submission of statement of Assets & Liabilities in Bank's format CBD – 23 (duly certified by a C.A.) along with copies of Income Tax and Wealth Tax returns/assessment orders of all the partners and guarantors every year.

17. The company's entire banking business (including merchant banking, Dividend and interest payments) should be routed through us/ members of the consortium proportionate to the sharing of the working capital facilities.

18. Company to declare/undertake to us:

- ✓ to supply to us, audited financial statements of the Company within 6 months from closure of financial year. Any delay in submitting these audited financial statements without our specific approval will attract penal interest @1%p.a. In case these statements are not received by us for a continuous period of 3 months, the bank may take further action as deemed fit by the bank.
- ✓ to provide to us promptly information (along with comments/explanations) about all material and adverse changes in your project/business, ownership, management, liquidity, financial position etc.
- ✓ that any liabilities or obligations under the facilities shall not, at any time, rank postponed in point and security to any other obligation or liabilities to other lending institutions or banks or creditors, unless expressly agreed or permitted by bank.
- ✓ not to create or permit to subsist any mortgage, charge (whether floating or specific), pledge, lien or other security interest on any of company's undertakings, properties or assets, without our prior consent in writing.

19. A stamped undertaking to be submitted in favour of the Bank to the following effects that during the currency of bank's credit facilities, the company/firm shall not, without our permission in writing:-

- ✓ effect any adverse changes in company's capital structure.
- ✓ formulate any scheme of amalgamation or merger or reconstruction.
- ✓ implement any scheme of expansion or diversification or capital expenditure except normal replacements indicated in funds flow statement submitted to and approved by the Bank;
- ✓ enter into any borrowing or non-borrowing arrangements either secured or unsecured with any other bank, financial institution, company, firm or otherwise or accept deposits in excess of the limits laid down by Reserve Bank of India.
- ✓ invest by way of share capital in or lent or advance funds to or place deposits with any other company/firm/concern (including group companies/ associates)/persons. Normal



trade credit or security deposit in the normal course of business or advance to employees can, however be extended.

- ✓ undertake guarantee obligations on behalf of any other company/firm/person.
- ✓ declare dividend for any year except out of profits relating to that year after meeting all the financial commitments to the bank and making all due and necessary provisions.
- ✓ make any drastic changes in its management set -up.
- ✓ approach capital market for mobilising additional resources either in the form of Debts or equity.
- ✓ sell or dispose off or create security or encumbrances on the assets charged to the bank in favour of any other bank, financial institution, company, firm, individual.
- ✓ re-pay monies brought in by the promoters, partners, directors, share holders, their relatives and friends in the business of the company by way of deposits/loans/share application money etc.

20. Company to declare the relationship, if any, of the directors of the company with the directors of the bank and senior officers of the bank.

21. The Bank reserves its right to appoint its nominee on Company's Board of Directors - part time/full time to oversee the functioning of the company/to look after bank's interests.

22. The company to take prior approval from bank for opening any account with any other bank/other branch of our bank.

23. Company is permitted to open/maintain following C/D accounts with other banks/branches of our bank for specified purposes subject to submission of bank statements of these accounts to us every month/quarter for our perusal. Company will be required to close these accounts as and when required by bank.

24. The company to submit a stamped declaration cum undertaking to the effect that :-

- ✓ the company or its directors/promoters/guarantors/associate concerns of the company are not on ECGC Caution list/specific approval list, RBI's defaulters/caution list, COFEPOSA defaulters list or our bank's defaulters list, and that no director of the company is disqualified u/s 274 of the Companies Act.
- ✓ No legal case of any nature has been filed against the company/its associates affecting the financial position substantially, and in case of any suit is/will be filed against the Company, the bank shall be kept informed;
- ✓ the company shall not induct a person who is/was a director in a company, which has been identified as a 'Willful defaulter' by the Bank, RBI or any Bank/FI, on company's Board and if such a person is found to be on the Company's Board, the company shall take expeditious and effective steps for removal of such person/s from Company's Board.

25. The credit facilities shall be utilised only for the purposes for which same are granted and said facilities shall not be 'diverted' or 'siphoned off' or used for any other purposes.



26. In case of default in the repayment of loans/advances/abovesaid facilities or in the repayment of interest thereon or any of the installment of Loan as per stipulated terms, or in the event of diversion or siphoning off or utilising the said facilities for any other purpose other than for which it is granted, the Bank and/or the Reserve Bank of India (RBI) will have an unqualified right to disclose or publish the name of the company or its directors as defaulters in such manner and through such medium as the Bank or RBI or such other agency authorised by them, in their absolute discretion may think fit.
27. Bank assumes no obligation whatsoever to meet company's further fund based or non-fund based requirements on account of growth in business or otherwise without proper revision and sanction of credit limits decided at the sole discretion of the bank. Further, if sanction terms are not complied with or if account is classified as Non-performing Asset (NPA), then bank may not allow further withdrawals in the account.
28. a) Notwithstanding what is stated herein above, we shall at any time and from time to time, be entitled to notify and charge interest/commission/charges at such notified rates and this letter shall be construed as if such revised rates were mentioned herein.
- a) Company shall pay to or reimburse all costs, charges, expenses (including charges between the attorney or counsel and bank and those of our internal legal adviser/officer and other experts, consultants or professionals), disbursements, taxes, fees, stamp duties etc. whatsoever, incidental or to arising out of the facilities, their negotiation, the preparation, execution, registration and stamping of the documents relating thereto, the preservation or protection of our rights and interests of the enforcement or realisation of any security or any demand or any attempted recovery of the amounts due from the company.
29. We shall be entitled to debit the amounts of all costs, charges and expenses to company's account and such amounts shall stand secured by all securities given to or created in our favour in connection with the facilities. Company shall indemnify and keep us fully and completely indemnified from time to time against the liabilities including all costs, charges and expenses stipulated herein whether debited to company's account or not.
30. Any failure to exercise or delay in exercising any of our rights hereunder or under any other documents will not act as a waiver of that or any other right nor shall any single or partial exercise preclude any future exercise of that right.
31. So long as any monies are due to us from the company under any of the facilities, we shall have a lien/charge for such amounts, credit balances, deposits, securities or other assets with, any of the branches of Bank of India or of its subsidiaries any where 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.

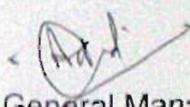


32. The Company shall not, except after prior written permission from us, make any alterations in company's constitution, controlling ownership or any documents relating to its constitution or any other material change in company's management or in the nature of its business or operations during the period of the subsistence of facilities.
33. The Bank reserves the right to discontinue any/all the credit facilities granted without giving any prior notice in case of non-compliance and/or breach of any of the terms and conditions based on which the facilities have been sanctioned and/or if any information/particulars/documents furnished , are found to be incorrect.
34. The Bank carries out the credit rating exercise every year when the facilities are reviewed. However, it reserves the right to carry out the credit rating exercise of the facilities at frequencies considered necessary and the rate of interest chargeable to the facilities would depend upon the rating obtained by the borrowing Company.
35. The Bank shall have the right to sell, transfer, assign or securitise the loan / advance sanctioned and disbursed to the Company.
36. The Company shall not undertake derivative transaction without our approval.
37. The Bank reserves the right to add, amend, alter, cancel and modify any of the terms and conditions stipulated herein above with or without any prior reference to the company. Further, the bank's general rules governing advances shall also apply. The company to abide by such terms and conditions as the bank may stipulate from time to time.

Accepted all the terms of Sanction
For M/s Prajapati Developers

For Bank of India

Partners/Authorised Signatories


Asst. General Manager

Guarantor	Signature
Mr. Rajesh Prajapati.	
Mr. Rakesh Prajapati.	
Mrs. Sunita Rajesh Prajapati.	
M/s Prajapati Construction Ltd.	
M/s Prajapati Lawns Premises Pvt. Ltd.	

