RAJASTHAN FINANCIAL CORPORATION
Entrepreneur First

राजस्थान वित्त निगम
Udyog Bhawan, Tilak Marg, JAIPUR
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(Operation-1)

File No.RFC/F/LA-2(5679)/ 561

Dated: 02.02.2016

Shri Vikas Jain
C/o M/s Sankalp Buildmart Pvt. Ltd.
3 ka 10, Jawahar Nagar,
JAIPUR

Reg: Sanction of Loan.

Dear Sir(s)

1. With reference to your application for a loan of Rs. 1000.00 lac, we are glad to inform you that we intend to sanction a loan not exceeding Rs 876.00 lac (Rupees Eight Hundred Seventy Six Lac only) in your favour for your project at Jaipur for purchase of land (Direct payment to RHB) against land cost for construction of commercial cum residential complex at Sector-8/B, Rajasthan Housing Board, Pratap Nagar, Sanganer, Jaipur.

2. The above referred project has been estimated to cost and proposed to be financed as under:-

Cost of Project		**Means of Finance**	
Particulars	**Phase I**	**Particulars**	**Phase I**
Land	1979.96	Share Capital	390.00
Building	0.00	RFC Loan	876.00
Plant & Machinery	0.00	Other secured loan	-
Misc. Fixed Assets	0.00	Unsecured Loans(Intt. free)	713.96
Preliminary & Pre-operative Expenses	0.00	Advance booking from customers	-
Office Equipment & Furniture	0.00	Others	-
Working Capital Margin	0.00		-
TOTAL	**1979.96**	**TOTAL**	**1979.96**

3. The sanction is subject to the special terms & conditions mentioned in Annexure "D" (Conditions of Loan Proposal) alongwith our usual terms & conditions set out in Annexure "A & B" enclosed herewith which is to be deemed as part of this letter.
4. If these terms and conditions are acceptable to you, please send your confirmation at Branch Office.

5. We are also enclosing herewith a list of documents required before execution of loan documents alongwith information about our disbursement procedure as

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per Annexure "C". This is with a view to enable to take advance action in the matter.

6. Please note that this communication shall not give rise to any commitment on the part of the Corporation unless you communicate to the Corporation within 30 days from the date of this letter your confirmation of the acceptable of the terms and conditions and also unless the loan agreement and/or other documents are executed by you in such a form as may be required by the Corporation within three months from the date of the letter failing which sanction will be lapsed automatically.

Yours faithfully,

Manager(Op-1)

Encl: As above.
Copy of terms & conditions of proposal.

Terms and Conditions for the term loan to M/s Sankalp Buildmart Pvt., Ltd., Jaipur

A: Before Conveying Sanction

i) Processing Charges

(Amount in Rs)

-	The processing charges @ 0.50% of the loan amount i.e. on Rs. 876.00 Lac		438000.00
-	Service tax @ 14.5% (14% service tax and 0.5% as SBC) on Rs. 438000.00		63510.00
-	**TOTAL**		**501510.00**

B. **Pre documentation Conditions:**

i) **Amount of loan against fixed assets: Rs 876.00 Lacs** i.e. against Land measuring 2500 Sq. mtrs located at Plot No 8/B, Rajasthan Housing Board, Pratap Nagar, Sanganer Jaipur

2. **Purpose:**

The loan shall be utilized for purchase of land (Direct Payment to RHB) measuring 2500 sq. mtrs for construction of commercial cum residential complex at Plot No 8/B, Rajasthan Housing Board, Pratap Nagar, Sanganer Jaipur

3. **Repayment Period :**

i) The proposed term loan shall be repayable in 3.5 years including the moratorium period not exceeding 6 months.

ii) The company shall repay loan in 13 equated quarterly installments of **Rs. 89.10** lacs each against principal and interest through post dated cheques/ECS. The first installment (including principal and interest)

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shall fall due on the first day of the quarter i.e. March, June, Sept, Dec. falling immediately within the expiry of moratorium period i.e. 6 months from the date of first disbursement of loan. In case of any payment recoverable from borrower or payable to borrower, as the case may be, shall be adjusted in the last EQI. The above EQI has been calculated at the interest @ 17.00 % per annum. In case, the cheque is not realized, then BO shall obtain from borrower the enhanced amount of EQI including applicable rate of liquidated damages, prevailing at that time. The Branch shall recover interest for the moratorium period by calculating the interest manually and same shall be recovered through separate cheques. Post Dated Cheques (PDCs) for all the above installments shall be collected at the time of execution of loan documents.

4. **Rate of Interest:**

The Corporation shall charge rate of interest as prevailing at the time of 1st disbursement of loan. Presently, the rate of interest is @ 17.00 % p.a. payable in equated quarterly installments alongwith principal amount.

Re-set clause

The documented rate of interest shall be re-set every year after completion of one year from the date of execution of loan documents during currency of loan and corporation shall charge rate of interest prevailing at the time of reset of interest or existing rate of interest which ever is higher.

In case of default, the liquidated damages shall be charged as prevailing from time to time on the amount of default, for the period of default.

5. **Liquidated damages**

The liquidated damages @ 3.00% p.a. shall be charged on the amount in default for the period of default.

6. **The company shall furnish following undertakings:**

i)	That the company shall comply with all legal requirements and pay the yearly and other dues to run the unit i.e. obtaining NOC/License from local authority, RPCB and other departments, if so required.
ii)	That no part of land/Building shall be leased out/ rented out in future without the prior permission from the Corporation.
iii)	That no litigation in any court / tribunal / forum related to the property proposed to be mortgaged is pending and there is no dispute about the property and the property is free from all encumbrances.
iv)	That the company shall get the approved site plan/ approved plan for construction of residential complex from the competent authority and the construction of building shall be made as per the approved building plan/site plan and FAR allowed by competent authority. In case, there is any deviation, the same shall be got approved from the competent authority.
v)	That the company shall raise interest free unsecured loan to the extent of Rs. 453.96 lacs only from the directors/ share holders of the company and that too in conformity with the provisions of Companies Act. and shall not withdraw the same during the currency of corporation loan. This would be subordinate to the corporation loan.

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vi)	That the company shall fulfill all the terms and conditions stipulated by JDA/ RHB/ local authority approving building plan, building would be constructed within the time allowed by the approving authority and Company will take extension in time from the competent authority, if required.
vii)	That the company shall install a suitable Rain Water Harvesting System for water conservation.
viii)	That the company shall engage qualified and experienced personnel for the supervision of construction work and adequate safety measures shall be adopted for hazard resistance and protection. Life saving equipments and devices shall be kept ready for emergency use.
ix)	That the borrower hereby agrees to pay a penalty of Rs. 1000/- on its every dishonored cheque given by the borrower to the Corporation and the borrower further agrees and gives its consent that in case of non-payment of above penalty by the borrower the Corporation has every right to recover and debit the above amount in his loan account under the head of "other charges" of the Corporation without prejudice to all other legal rights of the Corporation available under the provisions of the Negotiable Instrument Act and/ or under the provisions of all other law in force.
x)	That the company shall display a board of 6' x 8' at site mentioning that the project has been financed by RFC and purchaser shall have to obtain NOC from RFC before purchasing area by them in the complex.
xi)	That all the directors of the company shall certify that there are no criminal / economic offence cases are / were reported against them and the company are pending.
xii)	That transparency and fair business dealings/ ethic shall be maintained with the prospective buyers/purchasers.
xiii	That the company will provide 3% employment to disable persons in the project.

7. The company shall furnish its consent to the Corporation that during the currency of loan, the Corporation may obtain / provide any credit information related to it from to the Credit Information Bureau of India Ltd.

8. The proposed loan of RFC shall be secured by creation of equitable mortgage by way of first charge on the land situated at Plot No 8/B, Rajasthan Housing Board, Pratap Nagar, Sanganer Jaipur measuring 2500 Sq.Mtrs with all existing and future fixed assets thereon.

9. All the directors of the company shall furnish personal guarantee for the repayment of loan and interest thereon with other charges.

10. No settlement of the account under this scheme shall be considered and no sacrifice shall be made by the corporation in respect of amount of principal and interest thereon.

11. The detailed examination of title shall be done at the time of furnishing the lease deed by the company from RHB for creation of Equitable Mortgage simultaneously with the payment to RHB (Seller of the Land) by the corporation. Meanwhile after sanction of the loan the corporation will issue an assurance letter in favour of RHB for making payment of Rs 876.00 directly to RHB against

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the balance cost of land in respect of the captioned plot and the documents shall be further verified from original at the time of payment to RHB / execution of loan documents.

12. The company shall comply all the terms and conditions of RHB demand letter & conditions of allotment letter dated 07.12.15 at Sl. No. 2 & 7 and shall arrange registered lease deed from RHB for creation of equitable mortgage after issuance of assurance letter from the Corporation against basic land cost subject to compliance of terms and conditions as per sanction letter of the Corporation.

13. The Branch official will invariably verify:

   (i) Payments made by auctioneer to the Housing Board.
   (ii) Site plan having clear cut approach road.
   (iii) Terms & conditions of perpetual lease deed likely to be executed more particularly land in question mortgageable to the financial institution.
   (iv) Action u/s 29 of SFCs Act is feasible.
   (v) After successful submission of requisite documents and creation of mortgage this information of mortgage may be entered in the record of Rajasthan Housing Board,
   (vi) So far as constitution of company, object clause of memorandum and article of association, list of directors, board resolution etc. may also be seen.

14. The company shall pay the balance cost of land except Rs 876.00 lacs to be released by the corporation, from its own sources to RHB and receipts of RHB in this behalf shall be produced by the company before execution of loan documents.

15. The company shall furnish a search report from CA/CS of ROC for present Directors of the company and charge created by the company if any, on the assets proposed to be mortgaged i.e Plot No 8/B, Rajasthan Housing Board, Pratap Nagar, Sanganer Jaipur and if any charge is found on the assets proposed to be mortgaged then it shall first be satisfied by the company.

16. The company shall increase the authorized Share Capital to the extent of Rs.~~650.00~~ 390.00 lac and Rs. ~~453.96~~ 713.96 lac as interest free unsecured loans.

C. PRE- DISBURSEMENT CONDITIONS:

17. The company shall arrange registered lease deed from RHB for creation of equitable mortgage in favour of the corporation simultaneously while releasing term loan of Rs 876.00 lacs by RFC.

18. Disbursement shall be made directly to RHB against basic land cost, however before release of the same the disbursing authority shall ensure that the company has paid balance payment to RHB towards land cost, interest and other charges before release of Rs 876.00 lacs by RFC to RHB and the cheques/ DD'S paid by the party are realized.

19. The loan amount can be availed within six months from the date of sanction conveyed. Beyond six months Upfront Fee @ 0.1% is to be deposited after taking written prior approval from the Appropriate Authority.

20. The cost of lease money, stamp duty, registration charges and other expenses shall be borne by the company from its own sources.

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21. The company shall have subscribed and paid up capital amounting to Rs. 390.00 ~~650.00~~ lac and Rs. 713.96 ~~453.96~~ lacs as Interest Free Unsecured Loans and submit Saroj CA certificate in the prescribed format of Corporation in this regard.

22. No disbursement would be considered against the assets acquired other than the assets considered in the approved project report unless the prior consent of the Corporation is obtained in writing.

23. Satisfactory CRs to be take before execution of loan documents:

CRs Received at H.O. Saroj

i). ~~Sh. Vikash Jain~~, Smt. Seema Jain & M/s Sankalp Buildmart Pvt. Ltd. - from HDFC Bank Ltd.

ii) Sh. Vikash Jain – from Kotak Mahindra Bank

24. Personal guarantee of Smt. Sushila Jain, director of M/s Ravi Narain Enterprises may also be taken.

25. All the directors of the company shall submit affidavit regarding immovable properties in the prescribed proforma alongwith certified photocopy of title documents from Notary public/magistrate.

26. In no case retirement of present director and release of their personal guarantee would be considered during currency of loan of the Corporation.

Appraisal Team :

1 Sh. V.N. Mathur, Manager(PCD-A&I)
2 Smt. Saroj Bagadia, Manager(Tech) Saroj
3 Sh. Nand Lal Meena, DM(F)

Recommendation of DGM(Op-1): Recommended.

Recommendation of GM(Ops): Approved.