



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, V-10, Bahadur Shastri Marg, New Delhi-110002
T: +91 11 41204144, F: +91 11 43451281, compliance@dmicapital.in
145712000, 2012/P/17232175

Sanction Letter

Date November 27, 2017

Parties -

Advisor DMI Capital Private Limited

Borrower Valuent Infradevelopers Pvt Ltd

Lender DMI Finance Pvt. Ltd.

Background

1. The Borrower is engaged in the business of promotion, development and construction of real estate.
2. The Borrower has approached the Advisor for seeking a financial assistance for an amount of **Rs 81.0 crore** (Eighty One Crores only) ("**Rupee Term Loan Facility**") against **security of** land, building and cashflows of project Panchsheel Pratishtha, situated at Sector 75, Noida (First charge with NOIDA).
3. The Advisor will organise and be responsible for coordinating and commissioning necessary legal and technical due diligences
4. The Advisor has identified the Lender and the Lender is willing to grant the Rupee Term Loan Facility as per the broad terms and conditions specified in this In-Principle Sanction Letter.

The Transaction

Rupee Term Loan Facility The Lender shall grant to the Borrower a Rupee Term Loan Facility of Rs. 81.0 crore (Eighty One crores only) as per the terms and conditions stated below for a period of 60 months.

Purpose Upto Rs. 61.8 crore to repay existing debt of PNB Housing Finance Limited, DSRA etc. and balance towards construction of the project including land payments, if any. The utilization is also subject to some restrictions including 1) no dues to promoters, directors or any other entities/persons related to promoters or directors may be repaid with this money, and 2) this money shall not be utilized in investing in the stock market or acquiring the securities of another company except in the normal course of the business of real estate development.

Interest The Company shall, until the Rupee Term Loan Facility is fully repaid, pay to the Lender, interest on the principal amounts of the Rupee Term Loan Facility outstanding from time to time at the rate of **15.0% p.a.** The interest shall be paid in **monthly** instalments commencing from day of disbursement.

Repayment Principal will begin amortizing after month 24 from the day of disbursement and thereafter, payments will be made in equated monthly instalments

Penal Interest Penal interest at the rate of 10% p.a. in addition to the applicable interest rate shall be charged on all outstanding principal amounts and the defaulted amount.

For DMI Capital Private Limited

For Valuent Infradevelopers Pvt. Ltd.



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

T: +91 11 4 204444, F: +91 11 43851281, compliance@dmicapital.in

LAWYERS: 201 CPIC 252126

Additional Interest	If conditions of an event of default other than the default in the payment of any due amount exist, the lender, at its sole discretion, may choose to impose an additional interest of 3% p.a. on all outstanding amounts instead of invoking default for the period during which the conditions persist
Interest tax, other levies and duties	All rates of interest mentioned in this In-Principle Sanction Letter are exclusive of interest tax and/or any such other levies / duties. Such interest tax / other levies / duties, if any, applicable, shall be payable by the Borrower to the Lender over and above the rates mentioned herein above.
Processing Fees	The Borrower shall pay to the Advisor a onetime non-refundable and non-adjustable processing fee of 1.0% of the sanctioned Rupee Term Loan Facility. Applicable taxes will be charged extra will be paid each time such fee is being paid.
Expenses	All expenses related to advisors for diligences (legal, technical, valuation, financial) and any other expenses related to diligences shall be borne by the Borrower. Such expenses shall not be adjusted against the Processing Fee. The Borrower shall pay a refundable deposit to the Lender on signing of this Sanction Letter. All expenses shall be paid by the Lender on behalf of the Borrower from the refundable deposit as and when such diligence expenses shall be due. Any unutilized amount shall be refunded to the Borrower. In case, there is any shortfall in the deposit vis-à-vis diligence expenses, then the Borrower shall pay the shortfall.
Prepayment	The Borrower may prepay the outstanding amount of the Rupee Term Loan Facility in full or in part at any time after 24 months, subject to the following conditions: - In the event the borrower has issued a minimum of thirty (30) days prior written notice to the Lender, the Borrower shall prepay subject to a prepayment penalty of 2% (two percent) of the amount prepaid and an amount equal to Interest Loss Amount. - Interest Loss Amount shall be calculated as Interest which would have been payable on the Principal Amount Prepaid for the Notice Shortfall Period. Notice Shortfall Period shall mean the number of days by which the prepayment notice falls short. - No prepayment penalty is applicable on amount Swept by Lender from sale proceeds of Project deposited in escrow.
Security	The Rupee Term Loan Facility along with interest thereon, further interest, penal interest, costs, expenses and all other money, whatsoever, shall be secured by Equitable legal mortgage of land, building and cashflows of project Panchsheel Pratishtha, situated at Sector 75, Noida (First charge with NOIDA). This security cover for the Rupee Term Loan Facility shall, at all time, be not less than 1.78 times of the outstanding amount. Once the Borrower starts developing/selling the project, Net Realizable Value ("NRV") cover has to be maintained. This NRV cover shall, at all time, be not less than 1.8 times of the outstanding amount.



NRV shall be computed as follows:

Amount receivable from sold units *Add* Market Value of Unsold Units *Less* Cost to be incurred on development and sales

Market Value of unsold units shall be computed on the basis of historical average sales price

- ii) 100% pledge of shares of the Borrower
- iii) Corporate Guarantee of Panchsheel Buildtech Pvt. Ltd. and JRS Conbuild Pvt. Ltd.
- iv) Personal Guarantee of Mr. Ashok Chaudhary and Mr. Anuj Kumar
- v) Post Dated Cheques from Borrower and Guarantor(s)
- vi) Kindly refer to Annexure III for Escrow Mechanism. The Borrower shall open a lien marked Escrow Account (Valuent Infradevelopers Pvt Ltd _Panchsheel Pratishtha _Collection Escrow Account) with a scheduled bank, approved by the Lender, and all the receivables of the project shall be deposited in that account. All collections for the project shall be made by the Borrower in the Escrow Account.

Details of such account shall be mentioned in the Agreement to Sell/Builder Buyer agreement entered by the Borrower. Borrower will send a letter to all existing Customers and Home Loan Lenders to ensure all future payments are made in the escrow account only. Borrower will submit proof of such communication to Lender.

Borrower will open a 'RERA Escrow Account by the name of Panchsheel Pratishtha' along with 'Developer Escrow Account' and 'Project Escrow Account'. All expenses related to the project will be met out of the said account. For all project related expenses, Lender will transfer money from Escrow account to the 'Project Current Account' based on the Business Plan only. Borrower will not use the money from the 'Project Current Account' for any purpose other than the 'Project Expenses' as approved in the Business Plan.

Please note the waterfall mechanism for payment towards land & construction expenses in detailed in Annexure III. The total payment which would be released from Project Escrow account & Developer Account would be at the discretion of the Lender and towards Construction expenses and applicable taxes.

Every month, expenses shall be verified by the Lender on the basis of construction cost incurred and bills submitted by the Borrower subsequent to the drawdown from the Escrow account.

No Payment in any form to the Promoter or person related to the Promoter shall form part of Development Cost, Sales Expenses and Administrative Costs.

On quarterly basis, technical evaluation of the project shall be undertaken by the Lender/its representatives. All costs relating to such evaluation shall be borne by



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

T: +91 11 43444444 F: +91 11 43444444 compliance@dmicapital.in

DDTIDDL20112700252179

- i) Borrower shall agree to quarterly sales and construction schedule as detailed in Annexure I. In case of more than 20% deviation in sales or collection for a quarter, Lender will have a right to sell the units at Minimum determined by the Lender.
- ii) Borrower will need a provisional NOC from Lender to execute any Agreement to Sell for the unit. Final NOC in respect of a unit will be issued after receiving final payment in respect of the unit in the identified escrow account
- iii) Demand Promissory Note for the repayment amounts of interest and Principal.
- iv) For the projects offered as security, all the units which are sold post facto and seek a home loan the lender/or its related entities will have the first right of refusal. The lender/related entities will respond within a time line of 5days from application.
- v) Succeeding 3 months of payment to Lender shall be kept undistributed as DSRA. In case of shortfall, funds from escrow account or the company are to be utilized for creation of DSRA.
- vi) The Borrowers shall get the Collateral Security and Additional Security (if any) appraised by a reputed valuer, as confirmed by the Lender, within 30 (thirty) days of each anniversary of this Agreement.

Representations and Covenants by the Borrower

Customary representations, warranties and covenants as are standard in the transactions of this nature regarding the organization, capacity, consequence etc.

Other Terms and Conditions

The other terms and conditions are as under –

- i) The promoters of the Borrower (as are holding shares at the date of this Sanction Letter) shall not dilute their stake in the Borrower below their existing shareholding. Further, the promoters of the Borrower are not allowed to pledge their shares in the Borrower.
- ii) The Borrower shall share loan agreements of all their existing lenders during the due diligence process.
- iii) The Borrower shall not be eligible to take any further loans or borrowings or grant any corporate guarantee without obtaining the NOC from the Lender.
- iv) The Borrower shall furnish to the lender the audited/unaudited information at the end of each quarter in the format provided.
- v) No change in Auditors of the Company shall be allowed without prior approval of the Lender
- vi) All notices, agenda, explanatory notes of Board meetings to be shared with the Lender



- vii) No termination of construction contractor for the project shall be allowed without prior approval of the Lender, provided the contract value shall be more than Rs. 25 lacs
- viii) Any change in the project plan has to be pre-approved by the Lender
- ix) Borrower shall ensure that it does not sell any area at less than an all-inclusive price (excludes govt. dues such as EDC, IDC, applicable taxes etc.) of Rs. 4,500 per sq.ft.
- x) The loans will be disbursed in multiple tranches subject to compliance to Conditions/Covenants as detail in Annexure II
- xi) The Borrower would endorse the Insurance Policy of the Collateral in favor of the lender.

Consequences of Default

On and any time after Default, the Lender shall have the right to terminate its Commitments under the Agreements and take one or more of the following actions:

- i) declare unpaid interest and all other amounts payable to be forthwith due and payable;
- ii) Recall entire outstanding Term Loan Facility along with interest and other charges;
- iii) exercise rights to enforce all of the Security Interest created pursuant to the Security Documents and/or invoke the Guarantees;
- iv) The Lender shall have the right to appoint nominee director(s) on the Board of the Borrower at the cost of Borrower;
- v) The Lender shall have right to review the management set-up or organization of the Borrower and require the Borrower to restructure it as may be considered necessary, if in the opinion of the Lender the business of the Borrower is conducted in a manner opposed to public policy or in a manner prejudicial to the interest of Lender. Further any person exercising substantial powers of management shall not be paid any commission in any year unless all the dues of the Lender in that year have been paid;
- vi) Lender shall have the option to convert the entire or any portion of the outstanding Term Loan Facility and any interest receivable thereon into equity shares of the Borrower, as determined by a reputed third party valuer, appointed by the Lender.
- vii) All expenses incurred after default has occurred in connection with preservation of the Borrower's assets (as on date of default) and Collateral Security and collection of amounts due under this Agreement shall be payable by the Borrower;
- viii) Exercise such other remedies as permitted or available under Applicable Law in the sole discretion of the Lender.



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

T: +91 11 41786111, F: +91 11 41785128, compliance@dmicapital.in
L67120DC2013PTC0252176

Due Diligence

The transaction contemplated herein shall be subject to legal and financial due diligence by the Lender / its representatives / advisors to its satisfaction. The terms of this Sanction Letter shall be valid for 15 days from signing of this Sanction Letter. The Definitive Agreements have to be closed within 7 days of signing this Sanction Letter.

Confidentiality & Non-Disclosure

Each Party to this In-Principle Sanction Letter shall at all times keep confidential (and to procure that its respective associates, employees, sub-contractors and agents shall keep confidential) any confidential information disclosed or made available by the other party in the course of completion of the transaction contemplated herein and shall not use or disclose such information except for the purpose of implementing the transaction contemplated herein or with the consent of the other Party (ies) or in accordance with the order of a court of competent jurisdiction.

The above obligation shall not be applicable to information which (a) is or becomes available in public domain without breach of its obligation by the receiving party under this In-Principle Sanction Letter (b) can be shown by the receiving party to the reasonable satisfaction of the disclosing party to have been known to the receiving party prior to it being disclosed by the disclosing party to the receiving party or (c) subsequently comes lawfully into the possession of the receiving party from a third party without any obligation of maintaining confidentiality.

Neither Party shall disclose to any person the contents of this In-Principle Sanction Letter or the fact of its execution or make any public announcement in respect of the same without the consent of the other party, except to the extent such disclosure or announcement is required to give effect to the transaction contemplated herein or is required under applicable laws or regulatory requirements.

The above restrictions shall cease to apply to the Lender in the event a financing transaction is consummated between parties.

Governing Law

This In-Principle Sanction Letter and the Definitive Agreements shall be governed by and construed in accordance with the laws of India and courts at Delhi shall have exclusive jurisdiction over any matter arising from the same.

Non-Binding Agreement

This In-Principle Sanction Letter summarizes the principal proposed terms of borrowing to be made by the Borrower from the Lender. Other than this clause and the clauses entitled Confidentiality and Governing Law included herein (which are legally binding obligations of the signatories hereto), this In-Principle Sanction Letter shall not constitute a binding agreement among the parties hereto or a binding commitment of the Lender to grant the loan as proposed hereby, but rather is solely for the purpose of outlining the principal terms pursuant to which definitive lending and security agreements/ documents (collectively "Definitive Agreements") regarding the borrowing ultimately may be entered into between the Lender and the Borrower.

Communication details of Borrower

Name: Mr. Ashok Chaudhary
Email id:
Address: H 163, Sector 63, Noida
Phone: +919650080293

For Valuent Infradevelopers Pvt. Ltd.

Authorised Signatory



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002
T: +91 11 4204444, F: +91 11 43451261, compliance@dmicapital.in
US702700175037900282136

Name: Mr. Manish Gupta
Email id: headfinance@panchsheelgroup.com
Address: H 163, Sector 63, Noida
Phone: +919560098415

Validity The Sanction Letter shall be valid till November 30, 2017

For DMI Capital Private Limited


Authorised Signatory

Date: November 27, 2017

For Valuent Infradevelopers Pvt. Ltd.


Authorised Signatory

Date: November 27, 2017


Mr. Ashok Chaudhary

Date: November 27, 2017


Mr. Anuj Kumar

Date: November 27, 2017



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002

T: +91 11 41206444, F: +91 11 43851381, gm@dmicapla.in

ISO 12008:2011 FC 252176

ANNEXURE I

BUSINESS PLAN FOR PANCHSHEEL PRATISHTHA

Quarter End (YY-MM)	Area Sold (sq. ft.)	Collections (Rs. crore)	Cumulative Area Sold (sqft)	Cumulative Collections (Rs. crore)
18-Mar	30,000	14.2	30,000	14.2
18-Jun	15,000	14.4	45,000	28.6
18-Sep	15,000	16.8	60,000	45.4
18-Dec	15,000	13.9	75,000	59.3
19-Mar	15,000	14.8	90,000	74.1
19-Jun	20,000	23.7	110,000	97.8
19-Sep	20,000	9.3	130,000	107.1
19-Dec	20,000	9.3	150,000	116.4
20-Mar	20,000	9.3	170,000	125.7
20-Jun	25,000	11.6	195,000	137.3
20-Sep	25,000	11.6	220,000	148.9
20-Dec	35,000	16.3	255,000	165.2
21-Mar	35,000	16.3	290,000	181.5
21-Jun	35,000	16.3	325,000	197.8
21-Sep	26,820	19.4	351,820	217.2
21-Dec	6,860	3.2	358,680	220.4

For Valiant Infra Developers Pvt. Ltd.

Authorised Signatory

For Valiant Infra Developers Pvt. Ltd.

Authorised Signatory

For DMI Capital Private Limited

Authorised Signatory



DMI CAPITAL PRIVATE LIMITED

Registered Office: Express Building, Third Floor, 9-10, Bahadur Shah Zafar Marg, New Delhi-110002
 E: (91) 11 41251041, 22119111 23851244, compliance@dmicapital.in
 U67120DL2013PTC252176

ANNEXURE II

DISBURSEMENT SCHEDULE

Disbursement	Purpose	Milestone/CP
Tranche 1 - INR 61.80 crore	1. INR 58.57 crore - Towards PNBHFL Takeover 2. INR 3.23 crore - Towards PF & DSRA	1. OSV of title documents with PNBHFL 2. Execution of all Definitive Agreements 3. Balance Confirmation from PNBHFL
Tranche 2 - INR 1 crore	1. INR 1 crore - Towards payment of Authority (NOIDA) farmer dues	1. NOC from PNBHFL 2. Conditional PTM
Tranche 3 - INR 4 crore	1. INR 4 crore - Towards Construction Finance of "Panchsheel Pratishtha"	1. Perfection of mortgage 2. Pledge of shares in physical form 3. Operational escrow account 4. Adherence to business plan
Tranche 4 - INR 14.20 crore	2. INR 14.20 crore - Towards Construction Finance of "Panchsheel Pratishtha"	1. Pledge of shares in demat form 2. Listing of debentures 3. Adherence to business plan

For DMI Capital Private Limited
(Signature)
 Authorised Signatory

For Valuent Infradevelopers Pvt. Ltd.
(Signature)
 Authorised Signatory

(Signature)



ANNEXURE III

Escrow Account functioning

