FEDBANK

25th Mar, 2016

To,
Sanskrut Buildwell Limited Liability Partnership
4, Induspark Society,
Opp. Sundarvan, Satellite Road,
Ahmedabad-380015

Kind Attn.: Mr. Nilang Pravinchandra Vaidya

Dear Sir,

We are pleased to inform you that Fedbank Financial Services has sanctioned a Term Loan facility at your request, the details and terms and conditions of which are given below.

This sanction letter supersedes all our earlier correspondence in this regard. The terms and conditions set out below are indicative in nature and do not constitute a binding document:

Borrower	Sanskrut Buildwell Limited Liability Partnership
Co-Borrowers	Sanskrut Infrabuild LLP, Mr. Nilang Pravinchandra Vaidya, Mr. Ankit A. Savla
Facility Type	Term Loan
Facility Amount	Up to Rs. 5.00 Crores (Rupees Five Crores only)
Purpose of Loan	To be utilized for carrying out the construction work in present scheme "Emerald Residency" at Vejalpur, Ahmedabad and balance towards general corporate purpose.
Rate of Interest	Fedfina FRR as publically notified from time to time minus margin of 2.00% = 16.00%p.a.(FRR – Margin) or as applicable at the time of disbursement
Interest payment frequency	Payable on monthly basis.
Facility fee	1.00% of facility amount plus applicable taxes payable upfront
Period	36 months
Principal moratorium	12 months
Principal Repayment	In 23 monthly installments of Rs. 20.84 Lakh starting from the end of 12th month and 24th installment of Rs 20.68 Lakh
Disbursement Mode	In Tranches
Security	The Facility, all interests thereon, costs, charges, expenses and all other monies in respect thereof shall be secured by: • Charge by way of registered mortgage on land admeasuring 912 Sq. Mtr. of TPS 27 at survey no. 1309/2 admeasuring 1505 Sq. Mtrs. Of Mouje Village Vejalpur, Dist. Ahmedabad, in the name of project **EMERALD RESIDENCY** along with construction thereon and hypothecation of entire project receivables through escrow. (Scheme name: **EMERALD RESIDENCY)** • Lien on all units of the Project **EMERALD RESIDENCY**. In case borrower wants to sell the unit to any prospective purchaser, they would obtain an NOC from Fedfina to this effect. • Hypothecation of receivables from sold and unsold units in project "EMERALD RESIDENCY" with minimum stipulated cover of 1.75x on receivables to be maintained throughout loan tenor • Charge on escrow account to be opened for deposit of receivables from sold and unsold units in the Project to be hypothecated/ mortgaged to Fedbank. • Fixed Deposit to be opened with Federal Bank with lien marking in favor of Fedbank equivalent to 1 (one) month interest as Debt Service Reserve Account (DSRA) during the entire loan tenor • Post-dated cheque for service of interest during moratorium as well as EMI from operating account of the Applicant • Security PDC from Saving bank A/c of Mr. Nilang Vaidya and Mr. Ankit Savla • All property owners to be on loan structure • Adequate Insurance cover to be availed against the project after project

	commencement (proposed to be mortgaged) assigned in favour of Fedbank throughout the loan tenor.
Stipulated minimum selling rate for Agreement	Minimum Agreement to be done at Rs 4500 per square unit on saleable area for each unit (flat) Note: In event of borrower selling any unit below the above stipulated floor price, the difference amount shall be brought in upfront.
Security Cover	Security cover equivalent of minimum 1.75 times loan value throughout loan tenor. Valuation of the project to be done by empanelled technical and valuation agencies of Fedbank Financial Services Limited. If the valuation of the Security/Property drops below 1.75 times (based on the then existing market price) of the outstanding loan amount (margin call), then Borrower shall have 15 days to replenish the deficit or create security on additional assets in order to maintain the security cover specified above. In case the Borrower fails to replenish the deficit or create security on additional assets beyond the stipulated period of 15 days mentioned above in order to maintain the stipulated security cover of 1.75 times mentioned above, it will be considered as an Event of Default and the Lender will be free but not bound to sell Security/Property with a prior notice to the Borrower.
Other Conditions precedent to disbursement	• Due diligence through empanelled legal and technical/valuation agencies. • Clear and marketable title of land offered as security. • Undertaking to route receivables from the sold and unsold units in project "EMERALD RESIDENCY" through escrow account. • Registered mortgage of land and construction on the project "EMERALD RESIDENCY" at Vejalpur, Ahmedabad • Execution of facility documents as per the terms of sanction. • Submission of requisite documents for carrying out necessary due diligence for proposed facility amount. • Borrower's certification that there are no statutory dues overdue as on 29.02.2016 • Promoter's net-worth certificate from Chartered Accountant. • C.A. certificate carrying latest status of receivables, to confirm that the effective net receivable cover does not go below minimum stipulated norms. • Undertaking from borrower/ promoters that there shall be no dilution in stake of the firms/ companies without prior written consent of Fedfina. • Payment clearances proof of Land sale deed in name of Developer • Ownership proof of Land bank to be taken • All expenses pertaining to due diligence including the legal and valuation related expenses to be borne by the developer. • IndusInd Bank Term loans and CC facility to Mr. Nilang Vaidya and Mr. Ankit Savla total worth Rs 2.70 cr to be closed
Disbursement Milestones	(see table below)
Escrow mechanism	• The Borrower shall open, establish and maintain an escrow account for deposit of receivables from sold and unsold units. • Escrow account shall be maintained by the Borrower during the entire tenure of the Facility and shall not be closed without the prior written approval of Lender.

Disbursement Milestones:

Tranches	Amount (Rs.)	Construction Milestone
First	3.25 crores	Immediate (with Closure of IndusInd limits of promoters of Rs 2.70 cr)
Second	1.00 crores	After completion of first floor slab
Third	0.75 crores	After completion of 4th floor slab

	All costs, charges and expenses in connection with the aforesaid accounts shall be borne by the Borrower. • The sales receivables to be apportioned between the Borrower and Lender in the ratio 60:40 from the sales proceeds received from the units / receivables charged, subject to monitoring by lenders, adequate security cover and receivable cover being maintained and loan being regularly serviced. • Standing instruction to be given to escrow bank for apportioning the sales receivables in favor of Fedbank as mutually decided. • Lender reserves the right to step up recoveries through bank account
Prepayment charges	a) No prepayment penalty will be applicable in the event the principal amount prepaid is out of the receivables received from sale of mortgaged units or receivables hypothecated and routed through the escrow account. b) Prepayment from any sources other than (a) above is permitted subject to prepayment penalty of 4% of the principal amount prepaid.
Event of default	• Non service of loan facility as per sanction terms. • Breach of representation, warranty or covenant under the documentation. • Cross default of any existing facility with Fedbank. • Any instance of receivables out of mortgaged units not being routed through escrow account. • Security cover dropping below stipulated norms. • Any other event as specified in the facility agreement, including events of default as is customary for such facilities and as may be specified in detail in the facility agreement and / or the security documents.
Consequences of event of default	Any default including delay in making any payment under this facility would result in default interest being levied on outstanding amount overdue to the lender under the facility at a rate of 1% p.m. over and above the document interest rate. Upon the occurrence of an event of default, the Lender would have the unconditional and absolute right to enforce the security and take such other action that it deems fit for recovery. If event of default is not cured within 60 days, then the lender has the unconditional right but not obligation to auction the mortgaged assets to prepay/ repay part or all of the facility through auction and apply such proceeds towards repaying the facility amount and dues.
Documentation	• Loan agreement with the borrower together with required exchange of letters and undertakings etc. • Security documents for creating mortgage and hypothecation of receivables. • Post-dated cheques covering the facility amount along with security cheques • Cheques and ECS towards repayment of facility. • POA and undertakings as per legal requirements. • Escrow account related documentation and documentation for opening of fixed deposits under lien mark and standing instructions. • All other documents as maybe required to execute the transaction and as per the terms of sanction
Documentation Cost	• All costs on account of legal due diligence, title check, technical due diligence, documentation and any other costs incurred for purpose of said facility including post disbursal monitoring though empanelled agencies would be borne by the borrower (including applicable taxes and service tax).
Conditions subsequent to disbursement	• Providing Chartered Accountants certificate confirming end usage of funds within 90 days from the date of disbursement or before disbursement of next tranche (as per schedule above), whichever is earlier

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	• Providing copies of insurance policy confirming adequate insurance of project with assignment in favour of the Lender. • Providing periodic project sales & receivables statement in relation to Project • Providing annual audited financials of borrowing entity, security providers and guarantors on a timely basis. • Routing of sale proceeds/receivables from units mortgaged into the designated escrow account. • NOC from the Lender for sale of Mortgaged Units to be obtained before selling of the relevant Mortgaged Unit. • Sale agreement/Sale Deed of mortgaged units to carry a mention of said unit mortgaged with Fedfina and requirement to route sale proceeds through specified escrow account. • Fortnightly monitoring of escrow account to track routing of project receivables. • Regular visit of project by representative of Fedbank Financial Services Limited. • Display/Notice Board at Project Site mentioning Charge/Hypothecation of mortgaged units/project with Fedbank Financial Services Ltd
Termination and Survival	This sanction letter shall be valid and subsisting till 60 days from the date of this letter or till the execution of the documents in relation to the transaction, whichever is earlier.
Confidentiality	Parties agree and confirm that neither party shall use or disclose any information or any materials received from the other party regarding this sanction letter or any matter incidental to the Facility contemplated herein to any other person or entity other than (a) persons in their direct employment who have a need to have access to and knowledge of the confidential information and shall be used solely for the authorized purpose as envisaged herein and (b) the person to whom, and to the extent that, information is required to be disclosed by any applicable law or regulation. Each of the parties shall take appropriate measures by instruction and written agreement prior to disclosure to such employees to assure against unauthorized use or disclosure. Each party agrees to notify the other party immediately if it learns of any use of disclosure of the information in violation of the terms of this offer letter. Further, the parties agree that the obligations regarding confidentiality shall survive the terms of this sanction letter.

We look forward to a long lasting relationship with yourselves.

It is clarified that this sanction letter is merely a recording of the understanding between the parties and will not take effect unless and until all the documentation for the transaction is executed.

This Sanction Letter supersedes any earlier letter/s issued by Fedfina

Please sign the duplicate copy of this letter as a token of acceptance of our offer.

Thanking you

Yours truly,

For Fedbank Financial Services Ltd.

Authorized Signatory

I/We confirm and accept the above terms, conditions and contents and agree to execute the relevant documentation for the transaction as set out above.

For Sanskrut Buildwell Limited Liability Partnership

Authorized Signatory