



Date : 03<sup>rd</sup> April 2017

M/s Rajesh Habitat Pvt Ltd

139, Seksaria Chambers, 2nd Floor, N M Road Fort, Fort, Mumbai-400023.

(hereinafter the "Borrower")

Kind Attention: Mr. Pratik Patel

Subject: Sanction Letter

Dear Sir,

1. Please refer to your application for financial assistance.
2. We are, at your request, agreeable to extend to you the below mentioned credit facilities, subject to the terms and conditions set out in the Annexure I hereto.
3. In case the above terms and conditions are acceptable to you, we request you to return the duplicate copy of this sanction letter duly signed in token of acceptance of the terms and conditions specified herein within 7 days from the date of this letter.
4. Please note that this communication should not be construed as giving rise to any binding obligation on the part of the Lender unless (a) you have returned the duplicate copy of this sanction letter duly signed by you in token of acceptance hereof and (b) execution of definitive agreement for the credit facilities.

Yours faithfully,

Agreed and accepted by the Borrower:

M/s Rajesh Habitat Pvt Ltd

(Authorized Signatory: Mr. Pratik Patel)



Date: 03<sup>rd</sup> April 2017





#### Annexure I

The following summary of terms and conditions (the "Term Sheet") provides indicative terms and conditions for the transaction contemplated herein. This Term Sheet is not meant to be, nor should it be construed as a commitment for the transaction. The Term Sheet is intended to outline basic points of business understanding around which the transaction would be constructed. It does not attempt to describe all the terms and conditions that would relate to the transaction nor do the terms suggest specific documentation phrasing. The closing of any financial transaction would be subject to various conditions precedent, including without limitation, the conditions set forth in this Term Sheet and internal approvals. This Term Sheet contains a statement of present intention on the part of the parties and it is not intended to create a legal, binding obligation until the specific documentation has been duly executed and delivered.

Issuer / Borrower	M/s Rajesh Habitat Pvt Ltd
Subscriber	Various Investors
Facility	Secured Non Convertible Debentures
Purpose of the Facility	The proceeds of the facility shall be utilized <ul style="list-style-type: none"> <li>a. Towards payment of JDA consideration (including stamp duty expenses) and any reimbursement thereon for proposed project at Borivali East</li> <li>b. Balance towards project related expenses and working capital requirement of the projects of the group.</li> </ul>
Facility Amount	Upto INR 50 Crores in various tranches. (subject to minimum 2.00x times security cover)
Tenure & Moratorium	Tenure of up to 48 months from the date of first disbursement with a principal moratorium of 24 months from the date of first disbursement.
Rate of Interest	16 % p.a. payable quarterly at the end of each quarter. (Calculated on the basis of 365 days a year).
Principal Repayment	Repayment in 8 equal quarterly installments payable at the end of each quarter starting from the end of 27th month.
Redemption Premium	"Redemption Premium" shall mean the total Redemption Premium payable at a minimum of 20.50% (Twenty and half Percent) per annum on the repayment instalments of the Principal Amounts which in aggregation is Rs. 10,25,00,000/- (Rupees Ten Crores Twenty Five Lakhs only) assuming full disbursement of the Subscription Amounts. In case the facility is not fully disbursed the Redemption Premium would reduce proportionately, provided however the Issuer will ensure that the Redemption Premium payable on the Debentures is paid at such rate so as to ensure that the Redemption Premium is at least 20.50% (Twenty and Half Percent) per annum calculated at XIRR basis;





## ASSET MANAGEMENT

Security	<p>The Facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof shall be secured by:</p> <ol style="list-style-type: none"> <li>Pari Passu charge by way of Registered Mortgage on 72.5% development rights assigned to Rajesh Habitat Pvt Ltd by way of registered JDA dated 17th February, 2017 between M/s Yash Developers and M/s Rajesh Habitat Pvt Ltd of the proposed project on land plot admeasuring 9834.03 sq mts bearing CTS no 515A (pt), 515B (pt) &amp; 509 of Village Kanheri, Final Plot No. 14A of T.P.S.- II Borivali, near ST Bus Depot, M. G. Road, Sukarwadi, Borivali (E), Mumbai 400066.</li> <li>Pari Passu charge on RHPL's group share of Scheduled Receivables, Additional Receivables, all insurance proceeds, both present and future from the above mortgaged properties.</li> <li>Pari Passu charge on Escrow Account where receivables from sales of the above mortgaged units will be deposited.</li> <li>Personal Guarantee of Rajesh Patel &amp; Harish Patel.</li> <li>100 % Share Pledge of RHPL.</li> </ol> <p>Any other documents as suggested by our lawyers as mutually agreed.</p> <p>The aforesaid security shall be created in favor of Debenture Trustee before the first disbursement, in a form and manner satisfactory to the Lender. Minimum security cover of 2.00x times to be maintained at all times during the tenor of the loan.</p> <p>Minimum 3 months' interest on the facility amount is required to be kept in the Escrow Bank account marking lien in favor of Trustee during the entire tenor of the facility.</p>
Security Margin Coverage	<p>If the valuation of the Security/Property drops below 2 times (based on the then existing market price) of the outstanding loan amount (margin call), then Borrower shall have 7 working days to replenish the deficit or create security on additional assets in order to maintain the security cover specified above.</p> <p>In case the Borrower fails to replenish the deficit or create security on additional assets beyond the stipulated period of 7 working days mentioned above in order to maintain the stipulated security cover of 2 times mentioned above, it will be considered as an Event of Default and the Lender will be free to sell Security/Property without any prior notice to the Borrower.</p>
Escrow Account Mechanism	<ul style="list-style-type: none"> <li>The Borrower shall open, establish and maintain an escrow account for deposit of money received from sale proceeds of mortgaged projects as mentioned in security clause.</li> <li>Trustee reserves a right to set up a standing instruction (SI) to transfer daily the funds routing through the Escrow account to be transferred to debenture holders.</li> <li>All the monies, transferred to escrow ac, shall be used towards the Facility sanctioned to the borrower in the following order – firstly towards repayment of overdue, if any and secondly towards payment of interest and balance if any, third would be utilized towards repayment of outstanding principal of the Facility sanctioned to the borrower.</li> <li>Allocation of money from escrow account to be done with prior approval of Investor/Subscriber.</li> </ul>





## ASSET MANAGEMENT

Prepayment option & Charges	<ul style="list-style-type: none"> <li>• Prepayment is permitted subject to prepayment penalty of 2% of the principal amount prepaid within 12 months of first tranche of disbursement; the penalty will be 1% of the principal amount prepaid from 13th to 24th month and 0.5% of the principal amount prepaid from 25th month onwards from the date of first tranche of disbursement.</li> <li>• No prepayment premium will be applicable if the repayment of the facility is done out of the sales receivables of the project routed through the Escrow Account.</li> <li>• Borrower to give prior notice of minimum 15 days prior to foreclosing the facility amount.</li> </ul>
Additional Interest in case of Default.	Additional interest @ 20% p.a. over and above the coupon rate, compounded quarterly, for defaulted/delayed period on the interest/Installments due (calculated from due date till date of payment) will become payable.
Pre-disbursement conditions	<ul style="list-style-type: none"> <li>• Clear, Marketable, Unencumbered title of all the properties given as security for Facility.</li> <li>• ROC Search Report of the Borrowers to be on record</li> <li>• 2 Valuation Reports by Panel Valuers</li> <li>• Title Search report by empanelled Lawyer.</li> <li>• Satisfactory CIBIL report in respect of the Borrower and Guarantors.</li> <li>• Signing of all the Facility documents as suggested by empanelled lawyers, to the satisfaction of Lender.</li> <li>• The receivables accrued from the Project to be routed through designated Escrow Account to be opened with bank and on the terms and conditions acceptable to the Lender</li> <li>• CA certificate required for promoters' contribution in the Project and cost incurred till date on the Project.</li> <li>• Creation and perfection of Security in favour of Lender in the form and manner satisfactory to the Lender</li> <li>• Certified true copies of the constitutional documents and necessary authorization of the Borrower and Co Borrower to the satisfaction of the Lender</li> <li>• Payment of all fees and charges (including but not limiting to stamp duty and registration charges) by the Borrower</li> <li>• Receipt of Borrower's most recent audited accounts and auditor's report and un-audited accounts</li> <li>• A copy of provisional financials and audited financials of Borrower, Co Borrower and Guarantors to be submitted</li> </ul>





## ASSET MANAGEMENT

<p>Conditions Subsequent to Disbursal</p>	<ul style="list-style-type: none"> <li>• The funds to be used only for the purpose it is being disbursed and not to be used for any other purpose.</li> <li>• The Borrower shall maintain security cover of 2.0 times of outstanding Facility amount during the entire tenure of the Facility.</li> <li>• Compliance of any other pre-disbursement conditions as may be incorporated in the Facility Agreement</li> <li>• In case the value of the Security falls below the security cover specified above, the Borrowers shall create security on additional assets in order to maintain the security cover specified above.</li> <li>• The Lender reserves the right to stipulate any further condition precedents as it may consider necessary or desirable</li> <li>• A copy of provisional financials of Borrowers and Personal Guarantors will be submitted within 3 months from the end of each financial year &amp; audited financials within 6 months from the end of each financial year.</li> <li>• The Project sale agreements with the prospective customers would incorporate a condition that the booking money / payments need to be made in favour of the Escrow Account to be opened by the Borrower in relation to the Facility.</li> <li>• Change in shareholding / partnership / ownership structure of the Borrowers will not be allowed without informing and written approval of IIFL.</li> <li>• The Lender shall have the option to call back the Facility or take suitable action in case the borrower defaults in repayment of any other dues outstanding with IIFL or its group companies.</li> <li>• Promoters' contribution in the Project to be maintained at all the time and should not be withdrawn during the entire tenure of the loan.</li> <li>• The Borrower to disclose in the pamphlets / brochures / advertisements etc. in relation to any allotment or sale of the Project or any part thereof, the name(s) of the Lender to whom the property is mortgaged and should indicate that No Objection Certificate (NOC) / permission of the mortgagee entity for sale of flats / property will be required.</li> <li>• CA certified End-use certificate of our Facility Amount to be provided within 3 months of disbursal.</li> <li>• RUC charge creation to be done within a period of 1 month of security creation, if applicable.</li> </ul>
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## ASSET MANAGEMENT

Events of Default and consequences	<p>Customary to the financing of this nature and including without limitation:</p> <ol style="list-style-type: none"> <li>1. payment default;</li> <li>2. breach of any terms or conditions of the transaction documents;</li> </ol> <p>The Lender shall have the right to stipulate in the transaction documents such other event of default as they may deem fit.</p> <p>Consequences of default:</p> <p>Customary to the financing of this nature and including without limitation:</p> <ol style="list-style-type: none"> <li>1. accelerate and recall the Facility (or part thereof) prior to its due date,</li> <li>2. right to convert the debt into equity; and</li> <li>3. Enforcement of any other right available to the Lender in law or contract.</li> </ol> <p>The Lender shall have the right to stipulate in the transaction documents such other event of default as they may deem fit</p>
Ranking	<p>The obligations of the Borrower in respect of the Facility shall at all times rank at least pari-passu with all its other present and future obligations</p>

### Disbursement Conditions: -

1. Request letter for the loan Facility
2. Fully filled Application form with photographs duly affixed and signed &/or stamped wherever required by the Borrower & Co-borrower.
3. Disbursement Request form duly signed by Borrowers.
4. Clearance of Processing fees cheque / Processing Fee debit Authority letter
5. Latest list of directors & shareholders of the Borrowers.
6. CA certified net worth statement of Guarantors.
7. PDCs towards Interest & Principal repayment
8. Signature verification of director / all the authorized signatory/ies, who will sign the loan documents & necessary authorizations (including but not limited to board resolutions) on behalf of the Borrowers.
9. Required authorizations from the Partners/board of the Borrowers for the Facility, containing following terms:
  - a. Approving the terms and execution of, and the transactions contemplated by, this Sanction Letter and other transaction documents in relation to the Facility;
  - b. Authorizing the affixation of the common seal on transaction documents, and/or other authorized executives to execute this Sanction Letter and other transaction documents; and
  - c. Authorizing a person or persons, on its behalf, to sign and/or dispatch all documents and notices to be signed and/or dispatched by it under or in connection with this Sanction Letter and other transaction documents.





## ASSET MANAGEMENT

10. A letter/ certificate regarding end use of funds and an undertaking stating that funds will not be used / diverted for any speculative purpose, except for the working capital needs of the company.
11. Demand Promissory Note.
12. Letter of Continuity for Demand Promissory Note.
13. Facility/transaction documents as provided by Lender.
14. Self attested copy of latest annual return of Borrowers along with ROC acknowledgement receipt.
15. Self attestation of all the photocopies (incl. KYC documents) by Borrowers, Guarantor & authorized signatory/ies.
16. Submission of audited financials within 6 months from the end of latest financial year by the Borrowers.
17. Notwithstanding anything stated elsewhere in this letter or otherwise, IIFL reserves the right to cancel the Facility in part or full and demand repayment of all monies due there under without assigning any reason whatsoever.
18. The Facility and interest shall be paid as stated above. However, IIFL may in its sole discretion alter the rate of interest suitably and prospectively if unforeseen or extraordinary changes in the money market conditions take place.
19. IIFL is entitled to add to, delete or modify all or any of the aforesaid terms and conditions.
20. IIFL reserves the right, in its sole discretion and on such terms as to pre-payment charges, etc., as it may prescribe permit prepayment / acceleration in payment of instalments at the request of the Borrower.
21. Further, kindly note that the Lender reserves its right to appropriate the amounts received from you towards payment/repayment of the amounts due under the loan/transaction documents in the following order of priority
  - a. Firstly, towards costs and expenses, if any, incurred/to be incurred by the Lender;
  - b. Secondly, towards additional interest, default interest, interest and/or other amounts (other than outstanding Facility Amount) payable by you under the transaction documents; and
  - c. Thirdly, towards the outstanding Facility Amount payable by you under the transaction documents.

### Other Terms & Conditions :-

1. Bureau of Indian Standards has formulated National Building Code (NBC) of India 2005, providing Guidelines for regulating the Building Construction Activities. Borrowers agree for adherence to the above National Building Code Specifications in the Project.
2. All documentation charges (including stamp duty), legal and valuation charges shall be borne by the Borrower.
3. If there is any Interest Tax levied by the Government of India or any other Authority under the Interest Tax Act 1974 or under any other Law, the Borrower shall reimburse to the Lender any such Tax imposed or levied by the Government of India or any other Authority on the Lender on Interest and / or other Payments .
4. It is the Borrower's responsibility to ensure that the mortgaged properties be duly insured at their own cost & expenses, for all risk & the same to be assigned in favour of the Lender.
5. The title of the properties to be clear, marketable, unencumbered & the same to be satisfactory & acceptable to the Lender. The Search in the ROC & In the Sub-Registrar's Office to be done & the same should be satisfactory.
6. NOC to be obtained from other Financial Institutions and / or Banks from where / whom the Borrower might have taken loans for any other projects in the borrowing company, if such an approval is stipulated in the agreement / arrangement with them.
7. The Borrowers and its group concerns / companies should not have defaulted with any of the lenders in the





## ASSET MANAGEMENT

past. The Borrowers has to give a Declaration and a Confirmation from their Auditors in this regard.

8. The Borrowers shall not raise any loans/funding from any other source for the Project without prior written consent from the Lender. Necessary declaration to be provided to the Lender that there is no litigation pending or being process against the Borrowers.
9. The Borrower shall have full authority to monitor, including auditing all transactions through such Escrow Account in such manner as it may deem necessary.
10. The Borrower shall provide irrevocable instructions to the Escrow Account bank, prior to the disbursement (and at any other time as may be required by the Lender) for giving the absolute right to operate the Escrow Account in a manner as the Lender may deem fit. Such right shall without limitation include:
  - a. That the bank(s) will be authorised to send to the Lender statements pertaining to the Escrow Account directly at such frequency as the Lender may require at anytime.
  - b. That the Lender shall have the right to cause the bank to freeze the Escrow Account at any time without Borrowers confirmation & that on the request of the Lender the bank shall after freezing the Escrow Account or otherwise transfer the balance in the Escrow Account in the account of the Lender, as instructed by the Lender, without having to obtain any further Instruction from the Borrower in case of event of default.
  - c. That the bank will abide by any instruction that the Lender may give to the bank in connection with the escrow account without any reference to the Borrower.

The Borrower shall procure & produce to the Lender a written confirmation of the above from the bank prior to execution of the Facility agreement.

11. The Borrowers will also undertake & confirm that in the event the cash flow in the Escrow Account is not sufficient to service the principal repayment of the Facility, Interest or other dues, the shortfall will be met through Inflow of fresh funds therein by the Borrowers in a manner & form acceptable to the Lender. The support shall be kept valid until full repayment of the entire Facility amount with interest & all other dues.
12. The Borrowers undertake / confirm that Borrowers that in the event of default for any particular month or there is any shortfall in payment of instalment; they shall pay the due amount of Instalments from their own sources.
13. The Borrowers undertake / confirm that none of its partners/director of its group companies is a director or specified near relation of a director of IIFL and none of its directors or its group companies is a specified near relation of a senior employee of IIFL.
14. Borrowers to give a stamped affidavit cum undertaking from the directors that their name are not appearing in the RBI defaulter list or any other financial institution
15. The Lender will have the option to appoint their nominee as a member / observer to the partnership of the Borrower and to the Board of Directors of the Co Borrower.
16. The Borrower & Co-Borrower shall not raise any debt or equity without the prior written consent of the Lender.
17. The Lender will have rights to scrutinize and audit the expenses, which are Incurred in the Project.
18. The Lender will have exclusivity of 3 months from issue of this Term Sheet for the transaction during which period the Borrowers will not approach any other lender for the same.
19. IIFL shall be entitled to revoke the sanction of the Facility, inter-alia in any of the following circumstances: -
  - a) If there is any material change in the Purpose/s for which the loan/Facility has been sanctioned.







## ASSET MANAGEMENT

- b) In the sole judgment of IIFL any material fact has been concealed by the Borrowers and/or become subsequently known.
- c) Any statement made by or on behalf of the Borrower's application or otherwise is incorrect, incomplete or misleading.
- d) There is default under or a breach of the terms and conditions of the Facility or any other loan/Facility offered by IIFL Group to the Borrower(s) and/or Co-Borrower(s) / Guarantor(s).
- e) The legal / technical report on the property or any other verification report on the Borrower Co Borrower / Guarantor is not to the satisfaction of IIFL in its sole & absolute discretion.
- f) If IIFL in its sole & absolute discretion considers that the Facility should be revoked for whatever reason it may so deem fit and proper.

20. The Lender shall have the absolute right to revoke or cancel this Term Sheet if:

- a. There are any material changes in the proposal;
- b. Any material fact concerning the Borrower's profits, etc., or ability to repay, or any other relevant aspect of it is withheld, suppressed, or concealed or not made known to us;
- c. Any Statement made by the Borrowers is found to be incorrect or untrue;
- d. Any Information as may be required by the Lender from time to time pertaining to the Property is not furnished in the form prescribed / approved by the Lender; and
- e. For any reasons as the Lender deems fit.

### Standard Covenant forming part of Terms and Conditions:

- 1. IIFL will have the right to examine at all times, the Borrowers books of accounts and to have the Borrower's Project sites inspected from time to time by officer(s) of IIFL Group and/or qualified auditors or concurrent auditors and/or technical experts and/or management consultants or other persons of IIFL's choice. Cost of such inspections will be borne by the Borrower
- 2. During the currency of the IIFL's credit Facility, the Borrowers will not, without the prior permission in writing
  - a. Effect any changes in the Borrower's capital structure
  - b. Formulate any scheme of amalgamation or re-construction or restructuring of any kind
  - c. Invest by any way of share capital in, or lend or advance funds to, or place deposits with any other concern : (normal trade credit or security deposits in the normal course of business or advance to employees, can, however, be extended)
  - d. Undertake guarantee obligations on behalf of any other Company or Person
  - e. Monies brought in by partners/principal share holders/directors/depositors of the Borrower and/or Co Borrower will not be allowed to be withdrawn without permission of IIFL.
  - f. The Borrowers should not make any major change in their management set up without the permission of IIFL.
  - g. Create any further charge, lien or encumbrance over the assets and properties of the Borrowers charged to IIFL in favour of any other banks, financial institution company, Company or Person.
  - h. Sell, assign mortgage or otherwise dispose off any of the fixed assets charged to IIFL
- 3. The Facility should be utilized for the Purpose for which the same has been sanctioned and if IIFL has reason to believe that the Borrower has violated or apprehends that the Borrower are about to violate the said condition, IIFL will have the option to exercise its right to recall the entire loan or any part thereof at once.
- 4. IIFL reserves the right to modify/add any other terms and conditions as it may deem fit absolutely at its





## ASSET MANAGEMENT

discretion

5. The Borrower/s should undertake that they should not induct a person who is a director on the Board of a company which has been identified as a wilful defaulter and that in case, such person is found to be on the board of the either of the Borrowers Company, the Borrower/s would take expeditious and effective steps for removal of the person from its Board. The aforesaid undertaking may be obtained by way of separate letter/ duly executed by Borrower/s on non-judicial stamp paper
6. Guarantor will submit an undertaking: "I / We have stood as guarantor(s) in respect of the Loan in the name of Borrower. I/We undertake that I/We shall remain liable for all the out standings in the above said accounts till the dues are repaid in full along with interest, cost etc. or till IIFL releases me/us in writing from the above said liability".
7. IIFL reserves the right to stop further disbursements without assigning any reason at its sole discretion

### Special Covenants

1. Borrowers to furnish undertaking to the effect that none of their directors and promoters are appearing ECGC SAL, RBI caution list, RBI defaulters list & none of its directors including promoter director has defaulted in the payment dues of any bank. A director with identical name appearing in the defaulter's list should submit an affidavit (to be signed before the executive magistrate) conforming that he is not the same person whose name is appearing in the defaulter's list.
2. IIFL shall have the right to down sell their loans to any other bank / financial institutions operating in India
3. Borrower(s) and/or Guarantor should give their consent for disclosure of credit information to CIBIL/RBI in terms of directions issued by RBI.

If this Terms & conditions are accepted to you, kindly sign the Acceptance Copy thereof in token of your acceptance and return to us immediately. We look forward to your acceptance of this sheet to expedite the conclusion of this transaction and the disbursement hereunder.

For India Infoline Asset Management Ltd

Authorized Signatory



M/s Rajesh Habitat Pvt Ltd

Authorized Signatory

