

Date : 20<sup>th</sup> July 2015

The Directors

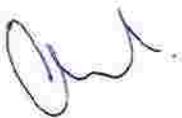
Sutlej Housing Private Ltd.  
Narang Manor, Ground Floor,  
15th Road, Plot 96B,  
Bandra West, Mumbai-400050

Kind Attn.: Mr. Tapan Shah

Dear Sir,

With reference to your request for financial assistance and subsequent discussions, for you funding proposal against Mumbai properties, we have pleasure in sanctioning you a loan amount of Rs. 920,000,000 (Rupees Ninety Two Crores only) subject to the following terms and conditions.

<b>Issuer / Borrower</b>	Sutlej Housing Private Limited
<b>Subscriber / Lender</b>	Various Investors
<b>Nature of Instrument</b>	Non Convertible Debentures (NCDs)
<b>Facility Amount</b>	Tranche 1 : INR 63 crs Tranche 2 : INR 29 crs
<b>Project</b>	Registered mortgage of 60% undivided interest of land area as well as structure thereon (present & future) pertaining to SHPL in plot bearing Survey Nos. C S No. 9/76, 12/76, 13/76, 14/76 and 18/76 at Dadar, Mumbai
<b>Purpose</b>	The proceeds of the facility to be utilized towards repayment of existing loans / credit facilities, meeting the project expenses and towards general corporate purpose.
<b>Tenure</b>	47 months from the date of first disbursement including moratorium
<b>Coupon</b>	18 % p.a. payable on quarterly basis at the end of each quarter. (Calculated on the basis of 365 days a year).
<b>Principal Repayment</b>	Repayment to be in equal quarterly installments starting from 30 <sup>th</sup> June 2017 for the entire facility. The entire facility to be closed on 30 <sup>th</sup> June 2019




Security	<p>The Facility, all interest thereon, costs, charges, expenses and all other monies in respect thereof shall be secured by:</p> <ul style="list-style-type: none"> <li>• First Pari Passu charge by way of registered mortgage of 60% undivided interest of land area as well as structure thereon (present &amp; future) pertaining to SHPL in plot bearing CTS no 9/76, 12/76, 13/76, 14/76, and 18/76 of Dadar – Naigaon Division, Mumbai.</li> <li>• Exclusive first charge on the receivables of Scheduled Receivables, Additional Receivables, all insurance proceeds, both present and future from project.</li> <li>• Personal Guarantee of Mr Amit Narang.</li> <li>• Pledge of shares of 100% (hundred percent) shareholding of the equity shares of the Issuer</li> <li>• Charge on the escrow account where receivables from sale of units of the project will be deposited.</li> <li>• Post dated cheques for principal repayment and quarterly interest payments on due dates as per the repayment schedule.</li> </ul> <p>The above mentioned security to be created within 15 days from the date of disbursement in favour of Security Trustee / Lender, in a form and manner satisfactory to the Security Trustee / Lender.</p> <p>The Borrower shall maintain security cover of 2 times of outstanding facility amount during the entire tenure of the facility. In case the value of the properties secured falls below the security cover specified above, the Borrower shall create security on additional assets in order to maintain the security cover specified above.</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 15 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 15 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> <p>DSRA / minimum balance of three month interest to be kept as undisbursed amount throughout the tenor of the facility for outstanding / disbursed loan facility.</p>





Escrow Account Mechanism	<p>The Borrower / Issuer shall open, establish and maintain an escrow account for deposit of money received from sale proceeds of sale portion of the said project. The escrow account shall be maintained and operated by the Borrower / Issuer during the entire tenure of the Facility and shall not be closed without the prior written approval of Lender / Subscriber. The Borrower / Issuer shall ensure that the sales receivables and all other receivables are deposited only in the aforesaid escrow account. All costs, charges and expenses in connection with the aforesaid accounts shall be borne by the Borrower/ Issuer.</p> <p>The Borrower/ Issuer shall ensure that the sales receivables and all other receivables are deposited only in the aforesaid escrow account. Allocation of money from escrow account to be done with prior approval of Lenders.</p>
Prepayment Charges	<p>No prepayment penalty will be applicable if the repayment of the facility is done out of verifiable sales receivables of the project routed through the Escrow Account at any time during the loan tenure.</p> <p>However, prepayment penalty of 1% of amount prepaid in first 12 months from the date of first disbursement and no prepayment charges after 12 months from the date of first disbursement will be charged in the event the Borrower prepays the facility out of funds received from any source.</p>
Interest for delayed payments / Default interest	<p>Additional interest @ 13% 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.</p> <p>The lender also reserves the right to call back the entire facility amount in case of event of default.</p>
Pre- disbursement conditions	<ul style="list-style-type: none"> <li>• Clear, Marketable, Unencumbered title of all the properties given as security for the facility.</li> <li>• 2 Valuation Report by empanelled Valuer of Lender.</li> <li>• Satisfactory CIBIL report in respect of partners and guarantors.</li> <li>• Signing of all the facility documents as suggested by empanelled lawyers, to the satisfaction of Lender.</li> <li>• Compliance of any other pre-disbursement conditions as may be incorporated in the Agreement/s.</li> </ul>



<p><b>Conditions Subsequent to Allotment</b></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>• Title Search report by empanelled Lawyer.</li> <li>• The Borrower shall maintain security cover of 2 times of outstanding facility amount during the entire tenure of the Facility.</li> <li>• In case the value of the Properties secured falls below the security cover specified above, the Borrower shall create security on additional assets in order to maintain the security cover specified above.</li> <li>• The receivable accrued from the project(s) to be routed through designated Escrow Account(s) to be opened with banks acceptable to the Lender.</li> <li>• A copy of provisional financials of Borrower 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>• CA certified Net-Worth certificate of the personal guarantors to be submitted with 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 favor of the Escrow Account to be opened by the Borrower.</li> <li>• The borrower to obtain NOC from IIFL before entering into any sale agreement for sale of units mortgaged to IIFL.</li> <li>• If the Property is sold (fully / partially) either with / without being developed, IIFL shall have the right to adjust the proceeds from sale of property against the Facility then outstanding.</li> <li>• Change in ownership structure of Borrower will not be allowed without informing and written approval of India Infoline Finance Limited.</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>• The borrower to disclose in the Pamphlets / Brochures / advertisements etc., the name(s) of the lender to which the property is mortgaged and should indicate that No Objection Certificate (NOC) / permission of the mortgagee entity for sale of flats / property will be provided.</li> <li>• ROC charge creation to be done within a period of 1 month of security creation</li> </ul>
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**Disbursement Conditions: -**

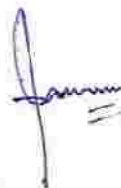
1. Request letter for the loan facility
2. Fully filled Application form with photographs duly affixed and signed &/or stamped wherever required by the Borrower & Co-borrower.
3. Disbursement Request form duly signed by Borrower
4. Clearance of Processing fees cheque / Processing Fee debit Authority letter
5. Latest list of directors & shareholders of the Borrower.
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 & board resolution on behalf of the Borrowers.
9. Board resolution of Borrowing company/ Co- Borrower companies / Corporate Guarantors for the loan facility, containing following terms: -
  - a. Approving the terms and execution of, and the transactions contemplated by, this Agreement and other Documents;
  - b. Authorizing the affixation of the common seal on loan agreement and other Documents, and/or other authorized executives to execute this Agreement and other 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 Agreement and other Documents.
10. A certified true copy of a resolution of the shareholders of the Borrower Company if required under the Companies Act, 1956, authorizing, inter alia, the borrowing contemplated under, and the execution of, this Agreement and other Documents. (In case of Public Limited Company or 100% subsidiary of Public Limited Company) u/s 293(1)(d) of the Companies Act 1956. For the company standing as guarantor, a resolution u/s 372 of Companies Act 1956 confirming that the said company can stand as a guarantor is required.
11. 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.
12. Demand Promissory Note.
13. Letter of Continuity for DP Note.
14. Facility documents as provided by Lender.
15. Self attested copy of latest annual return of Borrower / Co- Borrower /Guarantor Company along with ROC acknowledgement receipt.
16. Self attestation of all the photocopies (incl. KYC documents) by Borrower, Co- Borrower, Guarantor & authorized signatory/ies.
17. Submission of audited financials within 6 months from the end of latest financial year.
18. 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.
19. The loan 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.



20. IIFL is entitled to add to, delete or modify all or any of the aforesaid terms and conditions.
21. 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 installments at the request of the Borrower.
22. 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 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 Loan Amount) payable by you under the Loan Documents; and
  - c. Thirdly, towards the outstanding Loan Amount payable by you under the Loan 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. Borrower has to agree for adherence to the above National Building Code Specifications in the Projects.
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 Interest and / or other Payments required to be paid by the Borrower to the Lender.
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 Borrower and its group concerns / companies should not have defaulted with any of the lenders in the past. The Borrower has to give a Declaration and a Confirmation from their Auditors in this regard.
8. The Borrower shall not raise any loans/funding from any other source for the project without prior written consent from the Lender. Necessary declaration that there is no litigation pending or being process against the company /Director.
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 give the following irrevocable Instructions to the concerned bank(s) with reference to the said escrow account:
  - 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 India Infoline Finance Limited, 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 Loan agreement.

- 11. The Borrower 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 Loan, interest or other dues, the shortfall will be met through Inflow of fresh Funds therein by the Borrower in a manner & form as mutually acceptable to the Lender. The support shall be kept valid until full repayment of the entire loan amount with interest & all other dues.
- 12. An undertaking is to be obtained from the borrower that in the event of default for any particular month or there is any shortfall in payment of installment; they shall pay the due amount of installments from their own sources.
- 13. An undertaking to be obtained from the company that none of its director of its group companies is a director or specified near relation of a director of lending company and none of its directors or its group companies is a specified near relation of a senior employee of the lending company
- 14. Borrower to give a stamped affidavit cum undertaking from the directors that neither company nor any of its directors' name are appearing in the RBI defaulter list or any other financial institution
- 15. Company will include the following clause where the borrower is a limited or a private limited company;  
"The Borrower hereby undertakes that they should not induct a person who is a director on the Board of a company which has been identified as a willful defaulter and that in case, such person is found to be on the board of the Borrower Company, the borrower would take expeditious and effective steps for removal of the person from its Board"
- 16. The Lender will have the option to appoint their nominee as a member / observer to the Board of Directors of the Borrowing Company.
- 17. The Borrower & Co-Borrower shall not raise any debt or equity without the prior written consent of the Lender.
- 18. The Lender will have rights to scrutinize and audit the expenses, which are incurred in the project.
- 19. The Lender will have exclusivity of 3 months from issue of this term sheet for the transaction during which period the Borrower will not approach any other lender for the same.
- 20. 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.
  - b) In the sole judgment of IIFL any material fact has been concealed 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-applicant / guarantor is not to the satisfaction of IIFL in its sole & absolute discretion.
- f) If IIFL in its sole & absolute discretion considers that the Loan should be revoked for whatever reason it may so deem fit and proper.

21. This term sheet shall stand revoked & cancelled & shall be absolutely null & void 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 Borrower 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 company's books of accounts and to have the company'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 choice. Cost of such inspections will be borne by the Company
2. During the currency of the IIFL's credit facility, the Company will not, without the prior permission in writing –
  - a. Effect any changes in the Company'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, Company or Person
  - e. Monies brought in by principal share holders/directors/depositors will not be allowed to be withdrawn without permission
  - f. The Company should not make any major change in their management set up without the permission
  - g. Create any further charge, Lien or encumbrance over the assets and properties of the company charged to IIFL in favor 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 credit facility should be utilized for the specific purpose for which the same has been sanctioned and if IIFL has reason to believe that the Company has violated or apprehends that the Company 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 discretion

5. The Borrower 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 willful defaulter and that in case, such person is found to be on the board of the Borrower Company, the borrower 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 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. Company 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. The company will pass resolution under Sec. 293 (1)(d) of the company act 1956. A confirmation under section 292(5) of the companies Act would be obtained to the effect that the powers of the directors in respect of borrowing have not been restricted/ withdrawn in the General Body Meeting. Certified True copies of the Resolution to be submitted
3. IIFL shall have the right to down sell their loans to any other bank / financial institutions operating in India
4. 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.

Thank You

Yours Faithfully

For India Infoline Asset Management Company Ltd

  
Authorized Signatory



For Sutlej Housing Private Limited

  
Authorized Signatory

