

Ref. No. GHT/ADV/498

Dated: 13.10.2011

BRANCH: Gariahat, KOLKATA

**SANCTION LETTER**

01.	Name & Address of the Borrower	<b>M/s Magnacon Electricals India Limited (MEIL)</b> Regd. Office: - Plot No.-5, Block BN, Sector V, Salt Lake Electronics Complex, Kolkata.			
02.	Names & Net worth of the Guarantor	a. Personal Guarantee of Sri Ravindra Chamaria and Sri G.S.Bajoria. b. Corporate Guarantee of M/s Geeta Intelligent Properties India Pvt. Ltd. (GIPIPL) c. Personal Guarantee / Corporate Guarantee of the followings, having controlling stakes in GIPIPL, the holding Company of MEIL :- 1. M/s Forum Real Estate Pvt. Ltd. 2. M/s Forum Retail & Entertainment Pvt. Ltd. 3. M/s CTC Investments Pvt. Ltd. 4. Sri Ramesh Agarwalla 5. Sri Vishal Agarwalla 6. Ms. Kumud Agarwalla 7. Sri Gokul Agarwalla			
03.	Nature of Present Proposal	To approve modified financial model of the project and revalidation of Term Loan limit for a further period of six months			
04.	Purpose of sanction	<b>Term Loan :</b> For construction of an IT Park (Building) at Plot No.-5, Block BN, Sector V, Salt Lake, Kolkata at a Project Cost of Rs.214.73 Crore. <b>Letter of Credit:</b> For procurement of capital goods for the project.			
05.	Nature of Funded facility and amount of sanction.	(Amt. Rs. in Crores)			
		<b>Facility</b>	<b>Consortium</b>	<b>Our Share</b>	<b>Margin</b>
		Rupee Term Loan (RTL)	-	78.00	63.67 % of the estimated total project cost of Rs.214.73 Cr.
06.	Interest rate reset on RTL	Interest Rate spread to be reset every year on the anniversary of COD. The 1 <sup>st</sup> reset shall be made after one year from COD.			
07.	Nature of Non-Funded facility and amount of sanction.	(Amt. Rs. in Crores)			
		<b>Facility</b>	<b>Consortium</b>	<b>Our Share</b>	<b>Margin</b>
		Letter of Credit (As sub-Limit within the Term Loan)	-	(20.00)	10 % # (Cash/FDR)
		As per circularised instruction			
		#Margin for LC shall be increased gradually from 10 % to 63.67 % i.e. up to the level of the stipulated margin for the Term Loan before the due date for retrial of bills under LC.			
08.	Nature of LC :	Inland / Foreign on DP/DA basis with maximum usance period up to two years.			

Account : M/s Magnacon Electricals India Limited

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09.	<b>Other conditions applicable for LC</b>	All exchange control formalities/FEMA/RBI/FEDAI Guidelines shall be observed.						
10.	<b>Period of Sanction and due date for next review.</b>	<b>Term Loan: 8 years and 9 months</b> <b>Date of next review: On or before 29.09.2012</b>						
11.	<b>Project Implementation Period</b>	Two years						
12.	<b>Moratorium Period</b>	Three months moratorium after construction is completed (upto September 2013)						
13.	<b>Terms of Repayment</b>	After the moratorium period, repayment for the Term Loan shall be made in the following manner :-  (Amt. Rs. in Cr.)						
	<b>Quarter/FY</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
	<b>June</b>	0.00	3.00	3.00	3.00	3.00	3.00	3.00
	<b>Sept.</b>	0.00	3.00	3.00	3.00	3.00	3.00	3.00
	<b>December</b>	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	<b>March</b>	3.00	3.00	3.00	3.00	3.00	3.00	3.00
	<b>Total</b>	<b>6.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>	<b>12.00</b>
	<b>Grand Total</b>	<b>Rs.78.00 Crore</b>						
	<b>Interest on T/L shall be serviced on monthly basis, as and when due.</b>							
14.	<b>Upfront fee</b>	75 % of the normal charge (ie. 1% of the loan amount)						
15.	<b>Prepayment charges for Term Loan</b>	A pre-payment penalty @1% + applicable taxes will be levied on the pre-paid amount. However, the borrower may prepay the outstanding principal amount of the loan, in full or part, with interest accrued thereon upto the date of prepayment without payment of pre-payment charges, if such prepayment is made at the time of resetting of interest rate reset by giving prior written notice of one month. Further, payment can also be made before the due date without paying the prepayment penalty, if the same is arranged out of the loan raised against rent securitisation from the members of the proposed consortium						
16.	<b>Other charges:</b>	Documentation charges: Rs.10,000/- Mortgage charges: Rs.15,000/- +Service Tax thereon						
17.	<b>Security</b>							
	<b>Primary</b>	Exclusive charge on the entire assets of the Company, both present & future, including mortgage charge on land & building of the Project.						
	<b>Collateral/ Other comfort</b>	1. Assignment of project related documents, contract right interest; insurance contracts etc. 2. Exclusive charge on the Trust & Retention Account (TRA)/ DSRA.						
18.	<b>Pre-disbursement Conditions :</b>							
	(i)	All the requisite statutory clearances viz. Environment Clearance & Pollution Clearances etc have been obtained.						
	(ii)	The Company will bring-in at least 50 % of Promoter's Contribution upfront as also it will provide the source of equity before release of fund. The promoter's contribution shall be routed through the Company's accounts with the leader of the consortium for the proposed project or through any of the term lenders as agreed by the member banks.						
	(iii)	At the time of financial closure and before release of fund, COD and the draw down schedule shall be finalised.						
	(iv)	A certificate from a Chartered Accountant shall be required to certify the sources and uses at the time of each drawl.						
	(v)	Processing fee /Upfront fee and all other requisite fees viz. documentation, mortgage charges etc. shall be realized before release of fund.						

	<p>(vi) Company to ensure that our charge shall be registered with ROC within the statutory period.</p> <p>(vii) It should also be ensured that all the mortgages are registered with Central Registry under SARFAESI (Central Registry) Rules 2011.</p> <p>(viii) The fund will be disbursed after completion of joint documentation by seeking approval from Head Office through PDCPAR &amp; Legal Audit Report.</p>
<b>19.</b>	<p><b>Other Terms &amp; conditions :</b></p> <p>(i) Escalation of the project cost, if any, shall be borne by the Company / promoters from their sources. An undertaking to this effect shall be obtained.</p> <p>(ii) Disbursement of Term Loan shall be made in favour of suppliers only as far as practically possible and complying with the guidelines of the bank in this regard.</p> <p>(iii) The bank may appoint lenders legal council at the cost of the borrower.</p> <p>(iv) Bank may engage a reputed consultant preferably from our panel to act as Lenders' Independent Engineers (LIE) at the cost of the borrower for monitoring of the entire project and for providing the following consultancy services at the cost of the Company:-</p> <ol style="list-style-type: none"> <li>i. Data collection at site</li> <li>ii. For advising them on technical parameters/details related to the project</li> <li>iii. Evaluation of proposals and pre-award activities</li> <li>iv. Vendor engineering review services</li> <li>v. Engineering co-ordination</li> <li>vi. Project Management services</li> <li>vii. Monitoring the progress of the project implementation</li> <li>viii. For submission of periodical reports to the bank,</li> </ol> <p>(v) Debt Equity Ratio for the project shall not be more than 2:1 at any point of time throughout implementation of project.</p> <p>(vi) During the pendency of loan, dividend shall not be declared without the consent of our bank.</p> <p>(vii) The company would maintain a Debt Service Reserve Account (DSRA) equal to one quarters debt service requirement to be built up gradually in 6 months after COD.</p> <p>(viii) The project shall comply with the National Building Code.</p> <p>(ix) The credit facilities of the Company shall got to be rated from an approved rating agency within three months from the date of 1<sup>st</sup> drawal of loan facility from our Bank. Beyond that 1 % additional interest shall be levied in the account.</p> <p>(x) The company to ensure that the name of the promoters/guarantors and the Company do not appear in the defaulter list in CIBIL.</p> <p>(xi) The unit shall be visited by the branch officials from time to time during the course of implementation of the proposed project and also thereafter.</p> <p>(xii) All the assets charged to the Bank shall be insured as per the extant guidelines of the Bank.</p> <p>(xiii) N.E.C. of land, proposed to be mortgaged, would be obtained from the Bank's empanelled lawyer.</p> <p>(xiv) Valuation of the land for the project shall be made as per the extant guidelines of the Bank.</p> <p>(xv) Documents have to be executed in form and substance acceptable to the Bank.</p> <p>(xvi) Company to create primary security to the satisfaction of the Bank.</p> <p>(xvii) An Escrow /Trust &amp; Retention Account (TRA) shall be opened with our Bank into which the borrower shall deposit all the cash flow from/to the project to be utilised in a manner and priority as stipulated in TRA.</p> <p>(xviii) The borrower shall settle all issues raised by the legal counsel (LLC) &amp; Lenders Independent Engineer (LIE) to the satisfaction of the Bank.</p> <p>(xix) The borrower shall ensure that equipment, if any, proposed to be installed for the project complies with the pollution control &amp; Industrial safety requirements.</p>



	<p>(xx) Lender shall have the right to down sell their loan to any other Banks/financial institution operating in India.</p> <p>(xxi) Considering that the equity requirement of the Project is Rs. 67.53 crore, the authorized share capital of MEIL shall be suitably increased.</p> <p>(xxii) The sanction is valid for a period of six months from the date of sanction. If sanctioned facilities are not availed off fully or partly during this period, the same would be treated as automatically cancelled and would require revalidation from the Bank. The Bank reserves the right to revalidate the same on merits and also to amend the terms of sanction at its sole discretion, without assigning any reason/s whatsoever.</p> <p>(xxiii) The company would maintain a Debt Service Reserve Account (DSRA) equal to one quarter's debt service requirement to be built up gradually in six months after COD.</p> <p>(xxiv) The group Companies will ensure that the funds earmarked for the "Infinity Magnacon Project" should be spent only towards the above project. A suitable undertaking shall be obtained from the Company which will make investment in MEIL for providing the required margin for the project.</p> <p>(xxv) All other terms &amp; conditions as proposed in the "Project Information Memorandum" shall be applicable.</p>
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(H.C. Malik)  
Assistant General Manager