

ALIPORE BRANCH  
8B, ALIPORE ROAD  
1<sup>st</sup> FLOOR  
KOLKATA-700027  
WEST BENGAL



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Ref No : 212/SL/9594/2015

Date: May 29, 2015

The Director  
M/s H. R. Infracon Limited  
216, M G Road  
Kolkata



**Kind Attn: Sri Ajay Mall**

Dear Sir,

**Sub: Sanction of Term Loan.**

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With reference to your proposal on the fresh Term Loan, we are pleased to inform that the Competent Authority has sanctioned the credit facility. The details of the credit facility sanctioned and the terms and conditions thereof are furnished below:

Facility	Term Loan
Limit	Rs. 7.00 Crores (Seven crores only)
Purpose	For construction of residential apartment under the name "EMJAY GROUP" in Kolkata.
ROI	BR + 5% i.e. 15.25% at present as per cir no - 420-2014-BC-RMD-36 date - 09-12-2014-as per Synd 4 presently.
Margin	74% i.e. Rs. 19.96 Cr
Release	<b>To be released within 6 months of sanction and as per the work in progress.</b>
Processing Charges	As applicable
Primary Security	<ol style="list-style-type: none"><li>Equitable mortgage of Land at 71, New Chord Road, Shyamnagar Bhatpara Municipality, District: 24 Parganas (North), P.S.: Jagatdal measuring 4.5 acres having market value of Rs. 1791.34 Lakhs (1089.72 + 701.62) land is valued as per Valuation of our Panel Valuer M/s RM Engineers (LEAST) and building is valued as per Valuation of our Panel Valuer M/s BKDA (LATEST)</li><li>First charge over all cash flows of the Project (Shyam Residency) including cash flows arising out of sales, leasing of area and all other cash flows.</li><li>First charge over the Escrow Account through which the entire cash flows of the Project would be routed.</li></ol>
Collateral securities:	NIL
Guarantee	Personal Guarantee : <ol style="list-style-type: none"><li>Mr. Mukul Mohan Mall</li></ol> Corporate Guarantee : <ol style="list-style-type: none"><li>HR Global Finance Ltd</li><li>HR international Ltd</li></ol>

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<b>Tenor</b>	31 Months
<b>Moratorium</b>	13 Months
<b>Repayment</b>	The Principal Amount of said term loan will be repaid in 4 equal quarterly installments of 175 Lakhs starting after moratorium period of 13 Months and after full disbursement of loan. Interest will be serviced Monthly.
<b>Prepayment</b>	2% prepayment penalty if taken over by any other Bank/FI.
<b>Penal Interest</b>	Non-payment of dues on the due date will attract penal interest @2% p.a.
<b>Escrow Mechanism</b>	<p>The Borrower shall open, establish and maintain Escrow Account for deposit of Scheduled Receivables from the Project. The Borrower shall further open a Current Account (CA) with our bank</p> <p>The operations of the current accounts are as explained below:</p> <ol style="list-style-type: none"> <li>All the Scheduled Receivables of the Project should be deposited in Escrow Account;</li> <li>All the expenses for the Project to be made through Current Account (CA);</li> <li>Inflows to the CA may be from the Escrow Account based on the requirement of the Borrower;</li> </ol> <p>The Escrow Account shall operate as follows in order of priority:</p> <ol style="list-style-type: none"> <li>Any statutory payments, as and when due, may be made;</li> <li>Balance funds shall be first used towards debt servicing (interest and / or principal or both), if due at that time;</li> <li>In case the DSR Account is used for interest servicing in any month in part / full, balance funds shall be first utilized to maintain the amount required for DSR Account, as defined;</li> <li>Balance funds shall be transferred to CA to meet Project expenses;</li> <li>Balance funds to meet accelerated repayment, if any.</li> </ol> <p>The aforesaid accounts shall be maintained and operated by the Borrower during the entire tenure of the Facility and shall not be closed without the prior written approval of Bank. All cost, charges and expenses in connection with the aforesaid accounts shall be borne by the Borrower.</p> <p>During the tenure of the Bank's facility the cash inflows to the Project from sales/sales advance or by any other means should only be used for the development of the Project within the stipulated Project cost or servicing of the Bank's facility.</p>
<b>Borrower Undertakings</b>	<p>The Borrower to give undertaking to the following effect, prior to disbursement:</p> <ol style="list-style-type: none"> <li>It will not raise any further borrowings for the Project without the prior permission of the Lender in writing;</li> </ol> <p>All Scheduled Receivables related to Project would be routed through Escrow Account maintained with our bank</p>
<b>Pre-disbursement Conditions</b>	<ol style="list-style-type: none"> <li>The terms of sanction are to be communicated to the borrower separately in writing along with the schedule of charges and after acknowledgement and acceptance the facility shall be arranged. The "All Cost" Schedule shall be provided to the party along with the sanction letter.</li> <li>A copy of the Resolution passed by the Board of Directors of the Company : <ol style="list-style-type: none"> <li>Accepting the terms and conditions of the Sanction;</li> <li>Authorising Official / Director for execution of documents;</li> <li>Affixing Common Seal of the Company;</li> <li>For creating charge on the assets of the Company in terms of the sanction;</li> </ol> Be submitted to be kept on record.</li> <li>Documentation formalities shall be completed as per guidelines communicated from time and the guidelines contained in Cir No.9/2012/BC with regard to due diligence shall be scrupulously adhered to.</li> <li>Loan documents shall be got executed and security creation formalities shall be completed as per guidelines by obtaining pre-execution and post execution vetting of the documents by the advocate on the panel of the branch as well as RO Legal Cell.</li> <li><b>Branch to obtain no dues certificate from TATA Capital Ltd. And regularity certificate from HDFC Bank.</b></li> <li>Release shall be made as mentioned in release schedule after ensuring end use of the funds based on lender's engineer's report for progress of construction, CA certificate confirming infusion of promoter's margin towards the project and unit inspection by the branch officials.</li> <li>Branch/RO to ensure that all the legal clearances, approvals, license, approved plan etc shall be obtained/ renewed. Branch/ RO have to obtain cost vetting by the empanelled valuer for construction and confirm that the cost estimated shall be found reasonable.</li> <li>The Company shall provide undertakings for the following: <ol style="list-style-type: none"> <li>Any cost escalation / cost overrun shall be borne by the company from their own sources.</li> </ol> </li> </ol>

- b) No commission shall be paid by the company to the guarantors for guaranteeing the credit facilities sanctioned by the Bank.
- c) To permit the Bank officials to inspect, conduct periodical valuation of securities, comprehensive insurance.
- d) The company shall disclose in pamphlets/ brochures etc., the name of our bank.
- e) The company shall indicate in their pamphlets/ brochures that they would provide "No Objection Certificate/ Permission of mortgagee bank for sale of units/ property, if required."  
The company to submit a proof, within 30 days from the date of the first disbursement of adherence to these undertakings.
- f) Company shall incorporate a clause in sale agreements to be entered into between the company and the buyers of the residential apartments that all payments by cheques/ demand drafts towards cost of the residential apartments would be drawn through the account opened with our Bank
- g) No Director of the company is disqualified under section 274(1)(g) of the Companies Act.
- h) That no legal case of any nature has been filed against the company and/ or its directors.
- i) That the company shall not induct a person who is/ was a director in a company which has been identified as a "willful defaulter" by the bank, RBI or any Bank/FI, on the company's Board and if such a person is found to be on the company's Board, the company shall take expeditious and effective steps for removal of such person/s from the company's Board.
- j) Bank will always be at liberty to stop making further advances or cancel the limits or such portion of the limits as bank deems fit at any time under intimation to the firm, without assigning any reason even though the said limits have not been fully availed and bank's right to cancel unconditionally full or part of the limits also extends to limits which were fully utilized earlier and now remain unutilized/ partially utilized.
- k) To inform the bank of any major change in commercial terms of the EPC/Construction contract of the project during construction. Any replacement of the major project contractors will be subject to consent from facility agent, which consent shall not be unreasonably withheld and promptly decided.
- l) Arrange for additional funds from promoters sources in case of any cost over-run.
- m) Create charge on assets in favor of our bank on documentation.
- n) The borrower shall take adequate insurance cover as required and shall nominate our bank as payee against loss.
- o) That none of the directors of the Company figure in the RBI defaulters list.
- p) The borrower shall have undertaken that if advance from customers are not received as per projections, the promoters will infuse the shortfall from its own source for the completion of the project in each stage.
- q) The company shall not allow the registration/sub let of any portion of the project without obtaining consent from the bank.
- r) To submit a certificate from the architect that the Project is compliant with National Building Code (NBC-2005) and National Disaster Management Authority (NDMA) guidelines in line with Reserve Bank of India directives.
- s) Declaration as per Annexure 6 (as per Credit Policy Cir. No 001/2013/BC RMD) from the borrowers regarding interest of any member of the Board of Directors of the Bank / other Banks or any Senior Officer of our Bank / other Banks in their borrowal accounts.
- t) The Company should keep the bank informed of the happening of any event likely to have a substantial effect on their profits or business with the reasons thereof and the remedial steps taken.
9. Confidential credit report/exchange of information from existing Bankers in respect of group companies shall be obtained and found to be satisfactory
10. Branch shall ensure that the liabilities of the associate/group concerns with their Bankers are regular. Regularity certificate from the Bankers be obtained and kept on record.
11. Due Diligence certificate from Company Secretary to be obtained as per norms, to comply with the provisions of Companies Act 2013, including borrowing powers of the company.
12. ESCROW account to be opened for routing the releases, promoter's contribution,

<p>Other Conditions</p>	<p>advances, payments of the company and branch to ensure that all the transactions related to the project are routed through ESCROW account.</p> <ol style="list-style-type: none"> <li>13. Branch to obtain and kept on record the CA certificate on the expenditure incurred as on recent date and the sources of funding the same may be furnished in the tabular format along with comments.</li> <li>14. Entire project related expenses / payments shall have to be routed through the Account to be maintained with our bank for the project. Branch shall obtain an undertaking letter covering the stipulation has to be obtained from the company.</li> <li>15. Branch to obtain declaration as per Annexure 6 as per Cir No. 328/2010/BC from the borrowers regarding interest of any member of the Board of Directors of the Bank / other Banks or any Senior Officer of our Bank / other Banks in their borrowal accounts.</li> <li>16. Branch to visit the project site and place ADV 84 on record.</li> <li>17. Branch shall ensure satisfactory report that the company and company's promoters are not appearing in CIBIL, CRILC, ECGC SAL, Defaulters list, wilful defaulter list, caution advice.</li> <li>18. Branch shall ensure the following before release of the facility:       <ol style="list-style-type: none"> <li>a. Receipt of satisfactory evidence of having obtained all statutory approvals, permit and clearances required for the Project including license for setting up of group housing colony, height clearance zoning plan and building plan.</li> <li>b. Confirmed that there is no Event of Default which has happened and has not been cured or waived in accordance with the terms of the relevant Project Agreements and all representations and warranties made by the Borrower or any of the project parties in each of the Project Agreements are true or correct;</li> <li>c. Furnished report from the chartered accountant certifying the expenditure incurred and the means of financing thereof prior to seeking each tranche of disbursement;</li> <li>d. Provide a certificate from Engineer that the physical progress as well as expenditure incurred on the Project is as per the original schedule. The Borrower shall agree and undertake to furnish to the Bank such information and data as may be required from time to time.</li> </ol> </li> <li>19. Guarantor Company shall submit duly certified copy of the resolution passed by its Board, authorizing its Director(s)/ Officer(s) to sign the Corporate Guarantee Bond for the facilities sanctioned to the borrower,</li> <li>20. Entire security creation formalities to be done upfront prior to disbursement.</li> <li>21. In respect of Unsecured borrowings for the project, branch shall ensure following:       <ol style="list-style-type: none"> <li>a) The Company shall submit an Undertaking that unsecured borrowings will not be withdrawn during the currency of the bank finance, without prior written consent of the bank.</li> <li>b) A legally binding suitable letter/affidavit/agreement to be obtained from the borrower as per proforma (Annexure 10 of Credit Policy) on stamp paper, undertaking not to repay unsecured loans to the extent of amount considered as quasi equity, during the currency of bank finance.</li> <li>c) The interest paid on such borrowings shall not be higher than the interest on bank borrowings.</li> <li>d) These borrowings are raised from Shareholders/Directors/Promoters of the company and not from any third party.</li> </ol> </li> <li>22. Execute all documents, undertaking and comply with such other conditions like opening specific accounts as may be required by the stipulated terms and conditions;</li> <li>23. Obtain all necessary statutory permissions from regulatory, governmental, environmental and other agencies. It shall provide copies of such permissions to the Bank for its record;</li> <li>24. Borrower to submit an Engineer's / Architect's / LIE Certificate certifying that all requisite permissions / approvals from the competent authorities to undertake the Project have been obtained, as required for the start of the construction of the Project.</li> <li>25. Provide an affirmation that all its permissions/ MOUs / Agreements/deeds and other Project documents executed by it are current and there is no dispute or default committed by any of the parties to such agreements;</li> <li>26. Submit a CA certificate providing the details of already incurred expenses on Project, the details of customer advances already received, Promotes Contribution and advance money received if any brought into the Project;</li> <li>27. The Borrower need to provide an undertaking that the Bank's Facility will not be used for any activity not eligible for Lender's credit as per RBI guidelines issued from time to time;</li> <li>28. Company to provide an undertaking that it agrees to:       <ol style="list-style-type: none"> <li>(i) An undertaking to be obtained from the company that the promoters' loans would be subordinate to Lender's facilities, and no interest / principle would be paid during the currency of Lender's facilities (the same may be accrued for payment after the</li> </ol> </li> </ol>
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	<p>tenor of our loan). A C.A. certificate to this effect needs to be provided by the company every six months.</p> <p>(ii) The Bank shall appoint a Lenders Engineer / Monitoring Agency to satisfy regarding the physical progress as well as the expenditure incurred on the projects. To this end the company shall undertake to furnish to the Bank such information and data as may be required by the Bank. The report to be obtained within 20 days from the end of each quarter, till the Bank's Facilities are outstanding. The report to also comment on physical progress (actual vis-à-vis scheduled), expenditure (actual vis-à-vis scheduled and in correlation with the actual physical progress), means of finance, status of sale and advances received till date (including cancellations, if any).</p> <p>29. Branch shall visit the unit before release of the facility and be satisfied with the progress of the project.</p>
<p><b>Other Conditions</b></p>	<ol style="list-style-type: none"> <li>1. First right of refusal for the prospective buyers of the property in the proposed construction rests with Syndicate Bank.</li> <li>2. Project Implementation Progress Report shall be obtained every month both physical and financial duly certified by the Project Engineer / Chartered Accountant till completion of the Project and Br/RO shall monitor the same every fortnight.</li> <li>3. Our Bank's charges to be registered with ROC within 30 days from the date of release of the facility.</li> <li>4. The assets charged to the bank are to be comprehensively insured with the bank clause.</li> <li>5. The bank shall be kept apprised of any circumstance adversely affecting the financial position of their unit encompassing production, profit etc. and remedial steps proposed to be taken by the borrower.</li> <li>6. The company shall submit a certificate from its architect to the effect that NBC/NDMA guidelines have been complied with in designing the buildings.</li> <li>7. Company shall at all time comply with National Building Code 2005 and National Disaster Management Guidelines, as may be prescribed from time to time and Copy of Building completion certificate shall be obtained and kept on record.</li> <li>8. The company shall submit CA certificate for the capital expenditure incurred on the project.</li> <li>9. Branch has to obtain Annexure 5 of our Credit policy from Chartered Accountant and confirm the genuineness of audited financial statements.</li> <li>10. Primary / Collateral Securities taken as security for the credit facilities of the company, shall be adequately covered by Insurance, duly noting our Bank's interest in the policy.</li> <li>11. Branch to ensure that properties mortgaged to us are registered/ altered in the CERSAI as per guidelines.</li> <li>12. Borrower to obtain NOC from our Bank for sale of flats to the buyers and proportionate amount be deposited in the Escrow Account/ project loan for the units sold.</li> <li>13. The Bank reserves the right to vary the ROI depending upon the market conditions and/or change in Risk rating and/or in case conduct of the account is not satisfactory.</li> <li>14. The rate of interest stipulated is subject to change as and when there is change in Bank's Base Rate or spread or as per RBI directives or whenever there is change in the rating allotted to the borrower by the Bank or such other situation warranting the Bank to change the rate of interest.</li> <li>15. The valuation of the properties charged to the bank shall be obtained once in two years from the valuer on the panel of the bank. Charges for the same shall be borne by the company.</li> <li>16. The company shall pay penal interest at applicable rates on the total out standings in any one or more of the following defaults during the currency of the loan for the relevant period:-       <ol style="list-style-type: none"> <li>a. Default in payment of interest or instalment to the bank</li> <li>b. Non compliance of terms and conditions</li> <li>c. Non submission of audited financial statements within the prescribed period.</li> </ol> </li> <li>17. The Bank reserves the right to cancel/alter/modify any or all of the above conditions, with the consent of the borrower at any point of time. Similarly, the Bank reserves the right to recall the advance, if the credit limits, sanctioned, are not utilized, for the purpose, it was meant for.</li> <li>18. The company shall ensure that the audited financial statements submitted by the company are the latest and that they have filed the same with ROC. Suitable letter to be submitted by the company stating that they have filed the same with ROC. The company shall confirm that the DIN/CIN of the Directors/Company is correct and that the Director who will digitally signing Form for filing charge (Form CHG 1 - earlier Form 8) is not in defaulters list. The compliance of this condition may be supported by a Certificate from Company Secretary.</li> <li>19. A certificate on annual basis to be submitted from the company's auditors stating that all statutory dues including EPF dues have been paid by the company.</li> <li>20. The Bank or its authorized officials or other representatives will have the right to carry out periodical inspection or examine the books of the accounts of the Company and to have their offices/project sites/project assets inspected from time to time by officers of the Bank</li> </ol>

	<p>and/or outside consultants and the expenses incurred by the Bank in this regard will be borne by the Company.</p> <p>21. MMR shall be submitted as per extant guidelines.</p> <p>22. The borrower be advised to comply with the direction of ministry of finance, Government of India, vide notification no.31/3/2011-BO(part) dated 11.10.2011 as under:-</p> <ol style="list-style-type: none"> <li>Make payments to staff, vendors and clients electronically except for office petty cash requirement.</li> <li>Receive all payments electronically except when the cheques are drawn on banks which are not on NEFT/ RTGS.</li> <li>Permit access to officials of the bank / auditors to the books of accounts of the borrower to verify compliance of the requirements under (a) &amp; (b) above</li> </ol> <p>23. Billboard/ Hoarding shall be put up on the site that the project is financed by Our Bank. Our Logo and Commercial loan schemes shall be marketed in all publicity material of the proposed project, so that prospective purchasers can avail loan facility from Our Bank.</p> <p>24. The facility shall be availed within a period of 3 months from the date of sanction failing which the facility will lapse and any revalidation of the same will be considered at the sole discretion of the bank subject to applicable fees/charges. No charges recovered by the bank/ branch will be refunded in case the lapsed facilities are not revalidated.</p> <p>25. All other terms and conditions as applicable to above type of credit facilities as per MOI and various circulars issued from time to time shall be complied with.</p>
<p>NOC for future sale / release of Lender's charge on residential/ commercial units</p>	<ol style="list-style-type: none"> <li>The sale agreement with buyers (after date of first disbursement) of the units in project, should mention a clause to the effect that the payments for the project would be deposited in the separate designated account opened with our bank for this purpose. The proposed clause to be added to the sale agreement is as given below:          "The Purchaser/Sub-lessee understands and acknowledge that the said premises has been mortgaged by the _____ &lt;&lt;&lt;Lessee&gt;&gt; to Bank for securing the Loan availed by the said _____ &lt;&lt;&lt;Developer&gt;&gt; for the purpose of construction of the said premises and the Purchaser/Sub-lessee takes notice that he/she/they is/are required to obtain a No Objection Certificate from our bank for creation of any encumbrances on the said premises. The Purchaser agrees and undertakes that he/she/they shall not create any encumbrances over the said premises till such time an NOC in writing is received from our bank"</li> <li>The Company shall obtain NOC from our bank prior to sale/sub-lease of units in the project. Request for such NOC to contain an undertaking from Borrower confirming that the issuance of NOC would not lead to breach of the Financial Covenants, or any Event of Default. NOC format provided in the Annexure;</li> <li>Company to incorporate the corresponding Escrow Account / Designated Account numbers in its sale/sub-lessee agreements.</li> </ol>
<p>Events of Default</p>	<p>Each of the following shall, inter alia, constitute an Event of Default under the Financing Agreements:</p> <ol style="list-style-type: none"> <li>Payment Default;</li> <li>Breach of other obligations;</li> <li>Breach of Financial Covenants;</li> <li>Misrepresentation;</li> <li>The Borrower fails to deposit its Scheduled Receivables proceeds from the Business into the Escrow Account / Designated Account;</li> <li>Mis-utilization of Facility;</li> <li>Cross default;</li> <li>Winding-up or dissolution of Borrower, unless voluntary winding up or dissolution approved by Lender;</li> <li>Composition/ compromise by Borrower with creditors generally;</li> <li>Insolvency of Borrower (within the meaning of section 434(1) of the Companies Act 1956);</li> <li>Cessation of business of Borrower;</li> <li>Security Documents not legal valid and binding;</li> <li>Default with respect to any project documents which may have a material adverse effect;</li> <li>Compulsory acquisition, nationalization or expropriation of assets of the Borrower;</li> <li>Material adverse change;</li> <li>Insolvency and related events;</li> <li>Unlawfulness;</li> <li>Repudiation.</li> </ol> <p>Upon the occurrence of any of the above Events of Default that is capable of remedy, a cure period of 45 days shall be applicable from the date of the occurrence of such event.</p> <p>In case of non-compliance of the stipulated terms including pre-disbursement conditions of this</p>