बैंक ऑफ़ बड़ौदा Bank of Baroda

SME (MMER)/CREDIT/06/ **21.02.13**

M/s. Morya Developers
H-1, RH-4, Sector 5,
Vashi Navi
Mumbai -400703

We refer to your request for credit facilities and pleased to inform you that the same has been sanctioned on 21.02.13 for a period of 12 months i.e. up to 20.02.14 (due date of review) on terms and conditions as per Annexure D

(Rs.in lacs)

Limits	Existing	Sanctioned
FB- Demand Loan	0.00	450.00
Total Fund Based	**0.00**	**450.00**
NF Limits	0.00	0.00
TOTAL EXPOSURE	**0.00**	**450.00**

Please note that:-

1. The Bank reserves the right to discontinue the facilities/advance/loans or withhold /stop any disbursement/s without assigning any reasons / giving any notice, in case of non-compliance/breach/of any of the terms and conditions stipulated therein and from time to time as also in the relevant documents or any information/particulars furnished to us found to have been incorrect or in case any development or situations wherein in the opinion of the bank its interest will be/is likely to be prejudicially affected by such continuation or disbursement.

2. Bank reserves the right to withdraw, modify or amend the terms and conditions of advance and bank would not be bound to disburse full amount of advance in the event of any failure on the part of the borrower in satisfying any of the terms and conditions stipulated.

3. In case you commit default in repayment of the loan/credit facilities, interest, additional interest or any other dues that may arise out of the loan amount/financial assistance, the bank reserves the right to disclose or publish the names of the company, directors of the company, individuals as a defaulter, in such manner and through such media as the bank/Reserve Bank of India in their absolute discretion may think fit.

4. This sanction is valid for four months from the date of sanction.

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We request you to please acknowledge the copy of this letter along-with the guarantors of the facilities in token of having accepted the terms and conditions of sanction and hand over the same to the Branch.

Yours faithfully,

(J.G.Ramteke)
Assistant General Manager
SME Loan Factory MMER

Terms & Conditions accepted.
Accepted

MORYA DEVELOPERS

Proprietor

SME Loan Factory (MMER)
Bank of Baroda, Gr. Floor, A Wing, Devdarshan Building, Station Road, Bhandup (West),
Mumbai 400 078 - TEL/FAX-022-2596 0749 / 2596 0750
email: cpc.sme.mumbaimetroe@bankofbaroda.com

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C.C to: The Chief Manager, Bank of Baroda, Vashi branch

For information and with a request to handover the original sanction letter against the acknowledgement of the borrower and guarantors and to note the following:

Important Conditions before disbursement :

a. Branch to keep on record all necessary and relevant statutory permissions from regulatory, governmental, environmental and other agencies. Firm shall provide copies of such permissions to the bank for its record. Branch to ensure that all requisite licences/approvals, commencement certificate are obtained from the firm from competent authorities before disbursement.

b. The firm shall given an undertaking that they will bring additional funds in case of delay in receipt of advances from sale of bungalows, to the satisfaction of lenders.

c. While making disbursement of Demand loan, branch to ensure that margin of 54.76% is maintained at each stage of disbursement.

d. Certificate from the Bank's approved/Govt. Registered Architect/Valuer certifying the cost of the project and progress of construction (if any) prior to disbursement of the demand loan at each stage

e. Branch to obtain copy of commencement certificate of construction from the firm before disbursement of term loan issued by competent authority.

f. In order to ensure that the Firm serves the interest & installments in time on due dates, all payments received from the buyer(s) of bungalows in the above projects will be lodged by the firm into an Escrow Account to be maintained at the Branch.

g. Branch to carry out inspection of the site as per drawdown schedule before disbursement and ascertain & satisfy the progress of work completion.

h. Mortgage documents as and when created/extended should also be got verified by Legal Dept. at Regional Office and their **'Clean'** Verification Certificate is to be kept on Branch's record.

I. Processing charges Rs.4.50 lacs + Service Tax, inspection charges and other incidental charges are to be recovered as per extant guidelines. CIBIL Charges of Rs.900/- and consumer charges of Rs.50.00 + service tax to be recovered as per extant

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guidelines. Escrow charges amounting to Rs.1.00 lacs plus service tax to be recovered as per extant guidelines.

j. The Branch to confirm compliance of terms and conditions/documentations/rectification of irregularities if any, recovery of processing charges, and seek authority from sanctioning authority for disbursement of limits.

k. Branch should note our charges by way of equitable mortgage of properties with Central Registry under the provisions of SERFAESI Act 2001 as per Bank's extant guidelines.

J.G.Ramteke)
Assistant General Manager
SME Loan Factory MMER

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Terms & Conditions **Annexure D**

Advance A/c: M/s Morya Developes – Vashi Branch

1.	Nature of facility	**Demand Loan (Fresh)**
2.	Proposed Limit	Rs.450.00 lacs
3.	Purpose	Construction of Semi Detached Bungalows situated at Gut No 171,172,173, Deolgaon Raja Road, at Dhavedi, Taluka and Dist Jalna
4.	Margin	Disbursement of demand loan, branch to ensure that margin of 54.76% is maintained at each stage of disbursement.
5.	Rate of Interest	Applicable ROI: At 7.00% above Base Rate (i.e.17.25%) p.a. with monthly rests (present Base Rate -10.25%) **Concessional ROI** - At 5.25% above Base Rate i.e. 15.50% p.a. at present with monthly rests (present Base rate being 10.25% p.a.) approved by approved by Committee of General Manager of Retail and SME Banking vide sanction letter No.BCC:SME:105:153 dated 10.0113: (Base Rate + 5.25% = 15.50% p.a.) for the period of -12- months or review whichever is earlier. Rate of Interest subject to change in Base Rate of the Bank / Credit Rating of the firm.
6.	Period	33 months subject to annual review (Including moratorium period of 18 months)
7.	Repayment	To be repaid in 5 quarterly instalments of Rs.90.00 lacs each – from September 2014 Interest to be services separately as & when applied.
8.	Documents/Security	1. Demand Promissory Note executed by the firm and its Proprietor in his personal capacity 2. Letter of Installment with acceleration clause. 3. Undertaking for retaining profit in the business. 4. Composite Hypothecation Agreement hypothecating Construction material. 5. No lien on the Semi detached bungalows to be constructed out of the Term Loan. 6. Equitable mortgage of land and construction thereon situated at Gut No 171,172,173, Deolgaon Raja Road, at Dhavedi, Taluka and Dist Jalna admeasuring 80000 sq.mtrs belonging to Mr.Anant Mukundrao Kulkarni 7. Equitable mortgage of of Gut No.364 (P) Plot No.3 open Plot bearing GP No.372/3 situated at Deolgaon Raja Road at Gondegaon Village, Tal &

		Dist Jalna admeasuring 5774.60 sq.mtrs belonging to Mr.Anant Mukundrao Kulkarni as collateral security. 8. Undertaking in respect of subordination of unsecured loan till the currency of our Bank's loan. 9. LDOC 134, 136 &136A
	Other conditions	a) The borrower shall provide a certificate from Chartered Accountant to the satisfaction of the bank, certifying end use of Demand loan availed from the bank and contribution/margin brought in by the borrower. b) The borrower shall provide MIS on the project at quarterly intervals providing information inter-alia, on physical progress, expenditure incurred on the project, source of financing and adherence to the project implementation schedule
	Insurance	a) Assets charged to the Bank are to be insured for full value with usual bank clause. Insurance to cover risks such as fire, riot, earthquake etc preferably under our Bancassurance scheme currently with National Insurance Company Limited. A copy of the insurance policies (s) is to be submitted to the bank. b) The borrower shall arrange for comprehensive project insurance during the course of project implementation and the bank should be noted as Loss Payee for the insurance.
	Inspection	Inspection of assets charged/site to the bank will be carried out at the time of phase wise disbursement intervals as decided by the bank by its own officials or through persons/firm appointed by bank. The cost of inspection is to be borne by the borrower.
	Prepayment	In case Demand loan is prepaid, prepayment premium @0.50% p.a. on the Demand loan amount prepaid, for the period of prepayment shall be charged.
	Disbursement	1. The loan shall be released based on Cash flow and the progress in the project upon submission of Chartered Accountant certificate in having incurred the expenditure. 2. The bank reserves the right to withhold disbursement of loan at any time if in its opinion, there occurs any event that adversely affects the viability of the project or there has been any event of default under any agreement/MOU/other document executed by the borrower for the purpose of the project, including but not limited to the loan agreement.

		3. Disbursement under Demand Loan shall be made, directly to suppliers against the borrowers authority. Stamped receipts/invoices for the payments made, to be submitted by the borrower within a reasonable period. 4. The Branch to ensure that all requisite licences/ approvals are obtained by the company from the competent authorities before the start of disbursement

Important Conditions before disbursement :

a) Branch to keep on record all necessary and relevant statutory permissions from regulatory, governmental, environmental and other agencies. Firm shall provide copies of such permissions to the bank for its record. Branch to ensure that all requisite licences/approvals, commencement certificate are obtained from the firm from competent authorities before disbursement.

b) The firm shall given an undertaking that they will bring additional funds in case of delay in receipt of advances from sale of bungalows, to the satisfaction of lenders.

c) While making disbursement of Demand loan, branch to ensure that margin of 54.76% is maintained at each stage of disbursement.

d) Certificate from the Bank's approved/Govt. Registered Architect/Valuer certifying the cost of the project and progress of construction (if any) prior to disbursement of the demand loan at each stage.

e) Branch to obtain copy of commencement certificate of construction from the firm before disbursement of term loan issued by competent authority.

f) **In order to ensure that the Firm serves the interest & installments in time on due dates, all payments received from the buyer(s) of bungalows in the above projects will be lodged by the firm into an Escrow Account to be maintained at the Branch.**

g) Branch to carry out inspection of the site as per drawdown schedule before disbursement and ascertain & satisfy the progress of work completion.

h) Mortgage documents as and when created/extended should also be got verified by Legal Dept. at Regional Office and their **'Clean'** Verification Certificate is to be kept on Branch's record.

i) Processing charges Rs.4.50 lacs + Service Tax, inspection charges and other incidental charges are to be recovered as per extant guidelines. CIBIL Charges of Rs.900/- and consumer charges of Rs.50.00 + service tax to be recovered as per extant guidelines. Escrow charges amounting to Rs.1.00 lacs plus service tax to be recovered as per extant guidelines.

j) The Branch to confirm compliance of terms and conditions/documentations/rectification of irregularities if any, recovery of processing charges, and seek authority from sanctioning authority for disbursement of limits.

k) Branch should note our charges by way of equitable mortgage of properties with Central Registry under the provisions of SERFAESI Act 2001 as per Bank's extant guidelines.

OTHER TERMS AND CONDITIONS:

1. The firm to open an Escrow account with the Vashi branch to route the entire transactions pertaining to this project.

2. The borrower shall submit to the Bank (with in a period of 30 days) a certificate from its Statutory Auditors regarding actual utilization of the proceeds of the loan.

3. The branch should note lien with concern revenue authorities on the mortgaged properties immediately after creation of mortgage

4. **Borrower to maintain minimum balance of Rs.90.00 lacs in Escrow A/c which is quarterly installment to ensure regular payment of demand loan installments onwards.**

5. The firm will have to make good any shortfall in the Escrow Account, to meet quarterly interest and installments, at the end of each quarter from its other projects/operations

6. The firm will also furnish a monthly statement of bungalows booked, amount received, amount deposited in the escrow account in respect of each bungalow.

7. The firm shall confirm that it has not borrowed any loan or advance from any other source for the same purpose.

8. The branch to ensure proper end use of the funds and there should be no diversion of disbursed funds to other/group companies.

9. The loan shall not be utilized for any purpose other than for which it is sanctioned and, in particular, shall not be utilized for subscription to, or purchase of, shares/debentures.

10. The firm will given an undertaking that they will bring additional funds in case of delay in receipt of advances from sale of bungalows to the satisfaction of lenders.

11. NOC from lenders for sale of bungalows will be obtained. Branch is authorized to issue NOC subject to that the account must be regular and the instalment/interest are being paid as per sanction and the borrower shall obtain necessary sanction of power, water, fuel etc from the relevant authorities to the satisfaction of the bank.

12. Branch to keep on record confidential report of associate concern from their bankers and should satisfy upon the same.

13. No fresh loan or borrowing should be obtained by the firm during the currency of the proposed loan, without prior written consent of the bank.

14. Borrower to infuse capital during the year 2012-13 & 2013-14 as projected in CMA Data and raise unsecured loan The firm will submit CA certificate certifying capital introduction by proprietor at the time of disbursement. The unsecured loan should not be repaid in full or part unless the bank loan is repaid fully.

15. The firm shall agree that in the event of the firm committing default in the repayment of the loan or payment of interest / dividend on due dates, Bank shall have an unqualified right to disclose the name of the firm and its Partners as defaulters to the Reserve Bank of India (RBI). The firm shall give its consent to Bank and / or RBI to publish its name and the names of Partners as defaulters in such manner and through such medium as Bank / RBI in their absolute discretion may think fit.

16. The firm shall agree that Bank shall have right of disclosure of all or any such information and data relating to the firm including the information or data relating to any credit facility availed of/to be availed of by the firm and default, if any committed by the firm, in discharge of the firm's such obligation as Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Limited (CIBIL) or any other agency authorized in this behalf by Reserve Bank of India (RBI).

17. In the event of cost overrun, the firm shall not resort to Bank for financing the over-run in cost.

18. The bank may exercise its right to charge penal interest @2%as per our internal guidelines on firm's failure to adhere to financial discipline which inter - alia include the following:-

    a) Default in compliance of borrowing covenants.
    b) Non / late submission of financial data / other information.
    c) Overdue in the Demand loan Account

19. The firm to insure mortgaged property/building/gala/flat, etc. fully under "Bancassurance" to cover all necessary risks including fire/riot/strike/terrorist risks, at all times and to submit the original policy/ies duly assigned in the Bank's favour and/or made out in the name of the Bank.

20. CMA data and other relevant data to be furnished three months before due date of review of facilities.

21. The bank will have right to examine at all times, firm's books of account and to have the firm's Residential project inspected from time to time by officers of the bank and/or qualified auditors and/or technical experts and/or management

consultants or other persons of bank's choice. Cost of such inspections shall be borne by the firm.

22. Rate of interest/commission/other bank charges is subject to revision at the sole discretion of the bank and/or RBI guidelines from time to time.

23. The firm to submit two copies of the Audited Balance Sheet, Profit and Loss Ac/ Trading A/c etc., along with relevant schedules with in six months from the close of the accounting year, or three month before the due date of review which is earlier.

24. During the currency of the bank's credit facilities, firm shall not, without the prior approval of the bank in writing :-

25. Effect any change in their capital structure.

26. Enter into any contractual obligation of a long term nature affecting the firm financially to a significant extent.

27. Permit any transfer of the controlling interest or make any drastic change in the Management setup.

28. Divert/utilize bank's funds to other sister/associate/group concerns.

29. Moneys brought in the firm in form of unsecured loans will not be allowed to withdrawn till the currency of Demand Loan. An undertaking to this effect to be obtained and kept on record.

30. Disbursements of demand loan as far as possible shall be routed through designated account opened with the branch along with proportionate promoters contribution/based on Chartered Accountant's Certificate/Architect's/ Chartered Engineer's certificate regarding progress of the project.

31. The Bank reserves the right to cancel/modify the sanctioned limit and/or other terms and conditions thereof without assigning any reason. The Bank also reserves the right to recall the dues any time without assigning any reason.

32. The firm shall keep the Bank advised of any circumstances adversely affecting the financial position of its construction, sales, profit etc. such as labour problem, power cut, etc. and remedial steps proposed to be taken by the firm.

33. The firm to inform the Bank about any report/notice from Sales Tax, Income Tax or any other Govt. Authority and all the important issues like suspension of business activity, fire in the factory/office/godown, strike, any court verdict or any other things which is likely to affect production and/or bank's interest immediately, explaining reasons leading to such and the steps taken/proposed to be taken by the Firm.

34. The Borrower to undertake to sub-ordinate Unsecured Loans upto Rs.93.88 lacs from family members/friends/relatives/group companies during the Currency of Bank finance/facilities.

35. In case Demand Loan is prepaid, prepayment premium @ 0.50 % p.a. on the Demand Loan amount prepaid, for the period of prepayment, shall be charged.

36. Penal interest shall be charged @ 2% p.a. over and above the normal rate in case of default in compliance, of any of the terms and conditions of sanction.

37. An undertaking to be obtained from the borrower/Proprietor(s) that they have not defaulted in payment to any bank/financial institution nor any money suit is pending in any court for recovery of amount lent by any bank/financial institution.

38. Branch to comply with all sanction terms and seek authority from sanctioning authority for disbursement of limits.

39. Branch to ensure that Bank's board to be displayed at site.

40. The borrower shall adhere to National Building Code of India 2005 and if required branch may avail the services of approved architect / valuer / engineer for ensuring adherence to NBC by the borrower.

41. Firm should repay the quarterly instalments of Demand Loan strictly as per the terms and conditions and infuse additional funds from own sources in case of escalation in project cost due to delay or any other reason.

42. Sale agreement to be executed by the firm with its customers should incorporate that all the payments to be made favouring Bank of Baroda Escrow A/c M/s.Morya Developers.

43. Mortgage charge on bungalows/saleable area/premises will be released only after full sale consideration as per the sale agreement has been received by the bank to the ESCROW A/c maintained by the firm. In the meanwhile NOC to be issued to the Banker's of prospective purchases of premises agreeing to cede charge on receipt of full sale consideration in the Escrow account.

44. Even though the above mentioned facilities are granted for a period of 12 months, the bank reserves the right to discontinue the facilities /withhold /stop any disbursement , without giving any notice, in case of non compliance/ breach of any of the terms and conditions stipulated herein and from time to time as also in the relevant documents or any information/particulars furnished to us found to be incorrect or in case of any development or situations wherein in the opinion of the bank ,its interest will be /is likely to be prejudicially affected by such continuation or disbursements.

45. This sanction shall remain valid for 4 months from the date of sanction

MORYA DEVELOPERS

Proprietor