

To,
Mr Santosh Patil & Mr Hrishikesh Summanwar
Partners, Saarthak Constructions (Partnership Firm)
09, Kamdhenu, Dsouza Colony, College Road,
Nashik-422005

Date-19th March, 2019

Kind Attn:

Dear Sir,

With reference to your application for financial assistance and further to our recent discussions we set out below the broad terms and conditions of the proposed facility ("Facility") (Housing Development Finance Corporation Limited is hereinafter referred to as the "Lender").

1	Borrower	Saarthak Constructions (Partnership Firm)
2	Facility Amount	Rs. 5,00,000,00/- (Rupees Five Crores Only) ("Facility")
3	Purpose	CONSTRUCTION FINANCE (CF) For the construction of a residential / commercial project "SaarthakGarima" situated at Plot 5+6+7+8, Sr No 227/A/2/1, AmbadShiwar, Nashik (hereinafter referred to as the "said Project").
4	Drawdown	CONSTRUCTION FINANCE 1. The Lender may disburse the Facility in one or multiple tranches inter alia depending on the progress of construction of the Project and on such other terms and conditions as stipulated by the Lender. 2. Request for drawdown / disbursement shall be made at least 3 days in advance. 3. If drawdown does not commence within 30 days from the date of this letter, all the terms of this letter shall be subject to review by the Lender. 4. Disbursement shall be subject to full operationalization of the escrow account opened / established with the escrow bank. 5. Subsequent drawdown / disbursements shall be subject to utilization of the Facility / any part thereof or the previous amounts disbursed for the Purpose.
5	Term	CONSTRUCTION FINANCE 48 months / days from the date of first disbursement / drawdown of the Facility / tranche.
6	Availability /	CONSTRUCTION FINANCE

HDFC House, Sharanpur Link Road, Nashik 422 005. Tel: 6606000. Fax: 0253 - 2570256.

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Corporate Identity Number: L70100MH11977PLC019916



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Santosh Patil
PARTNER

Hrishikesh Summanwar
PARTNER

	Drawdown Period	Unless otherwise agreed to by the Lender in writing, the Borrower shall be entitled to seek drawals / disbursements only upto 48 Months from the date of first drawdown / disbursement.
7	Repayment	CONSTRUCTION FINANCE (CF) The Borrower shall repay a certain percentage of all sales receipts / realizations / Receivables (as defined hereinafter) from sold and unsold units in the said Project towards principal repayment from the 1st month from date of 1st disbursement at the Lender's option. This percentage is subject to review on a quarterly basis based on the Lender's formula. However, the Borrower shall ensure that the maximum principal outstanding from the date of first disbursement of the Facility does not exceed the amounts as Detailed in annexure I attached herewith Or earlier at the Lender's option
8	Security	The Borrower and/or such other persons ("Security Provider") shall at the request of the Borrower create Security/ Security Interest as follows: (a) Mortgage / Charge / Security Interest over Plot No 5+6+7+8, Sr No 227/A/2/1, Ambad Shiwar, Nashik, admeasuring 3065.89 Sq meter together with construction thereon both present and future. (b) Charge / Security Interest over all Receivables (including without limitation booking amounts, lease rentals, licensee fees, cashflows, revenues etc. howsoever arising from, out of, in connection with or relating to the said Project / said Premises / said Property / Secured Properties. Charge / Security Interest on the Accounts (as defined hereinafter). Charge / Security Interest on insurance policies / Insurance proceeds pertaining to the said Project / said Premises / said Property. (Hereinafter referred to / collectively referred to as the "Secured Properties") (c) Personal Guarantee by all partners of Saarthak Constructions namely 1. Mr Santosh Patil 2. Mr Hrishikesh Summanwar 3. Mrs Pallavi Patil 4. Mrs Vandana Summanwar (all of the above is hereinafter collectively referred to as the "Security")

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9	Ranking and Priority of the Security	Exclusive mortgage / charge / Security Interest over the Secured Properties.
10	Security Cover	As determined by the Lender from time to time.
11	Applicable Rate of Interest	The applicable rate of interest ("Applicable Rate of Interest") shall be linked to the Lender's Construction Finance Prime Lending Rate (HDFC CFPLR). The HDFC CFPLR as on date is 11.50% per annum and the Applicable Rate of Interest on the Facility shall be 12.75% per annum (i.e. HDFC CFPLR plus 125bps Spread). The Borrower shall pay interest on the principal amount of the Facility that is disbursed and outstanding at the due dates at the Applicable Rate of Interest, plus tax or other statutory levy, if any. Provided that the Applicable Rate of Interest shall be reset at each reset date based on the then prevailing HDFC CFPLR rate and the Borrower shall thereafter be required to pay interest at such revised rate pursuant to reset. Provided further that the Lender in its sole discretion may call upon the Borrower to pay the interest on such other dates, as the Lender may deem fit. Provided further that the last interest installment shall be paid simultaneously with the last installment of the principal amount of the Facility. Applicable Rate of Interest and all other charges payable in terms of this Agreement shall be computed on the basis of a year of 365 days and shall be rounded off to the next rupee in a situation where the Applicable Rate of Interest is charged as simple interest. Applicable Rate of Interest and all other charges payable in terms of this Agreement shall be computed on the basis of a year of 360 days and shall be rounded off to the next rupee where the Facility is repayable in Equated Monthly Installments / Monthly Installments. "Applicable Rate of Interest" shall mean Lender Benchmark Rate or Construction Finance Prime Lending Rate as may be fixed or revised from time to time plus/minus Spread. "Spread" shall mean the difference between the Applicable Rate of Interest and HDFC CFPLR. "Reset Date" shall mean 1st of every calendar month from which interest at the Applicable Rate of Interest is calculated and becomes applicable on the Borrower.

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		the Lender may, at its sole discretion, charge interest on the Facility at the Weighted Average Rate of interest on the disbursements made out of the Facility. For the purpose of this clause "Weighted Average Rate" means the weighted mean of the Applicable Rate of Interest in relation to the Facility. The Lender may in its sole discretion prospectively increase / decrease / change the Spread suitably in the event of unforeseen or exceptional or extraordinary changes in the money market conditions taking place or occurrence of an increased cost ("Increased Cost") situation.
12	Fees	CONSTRUCTION FINANCE The Borrower shall pay to the Lender on the acceptance of this sanction letter, a non-refundable processing / administrative fee calculated @ 1.10% of Facility amount + applicable taxes and statutory levies – to be paid up front. The fee shall be non-refundable and independent of disbursement and/or cancellation of the Facility by the Borrower.
13	Additional Interest	In case of default/delay in repayment of principal amount of the Facility on the due date/s, the Lender shall without prejudice to other rights and remedies that it may have, charge Additional Interest at the rate of 5% per annum over and above the Applicable Rate of Interest or 18% per annum whichever is higher on such defaulted/delayed amount for such delayed number of days. In case of default/delay in payment of EM/MI and/or interest on the Facility / outstanding amounts on the due dates, the Lender shall without prejudice to other rights and remedies that it may have, charge Additional Interest at the rate of 18% per annum on such defaulted/delayed amount for such delayed number of days.
14	Commitment Charges	As determined by the Lender from time to time.
15	Prepayment Charges	CONSTRUCTION FINANCE The Borrower shall have the option to prepay the Facility or part thereof without any prepayment charges / penalty in the following situations only provided that an irrevocable notice to prepay the Facility or a part thereof has been given by the Borrower to the Lender within 15 days from the date of reset of spread: (a) at the Reset Dates (b) Where the Borrower proposes an initial public offer (IPO) (c) Where the Borrower proposes a real estate investment trust (RIET). (d) On the occurrence of an Increased Cost situation. (e) Where the Borrower is desirous of prepaying the Facility or part thereof out of surplus Receivables arising out of the Project / Secured Properties Facility. Except as mentioned herein, if the Borrower wishes to prepay the Facility or any part thereof, it may do so with payment of prepayment charges / prepayment penalty calculated @ 2% of the Facility or part thereof prepaid subject to the Borrower giving at least 15 days prior written

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		notice to the Lender.
16	Escrow Bank	HDFC Bank ("Escrow Bank")
17	Security Trustee	NA
18	Representations, Warranties and Covenants	Those usually found, applicable or relevant for / to transactions of this kind, more particularly set out in the definitive agreements / contracts proposed to be executed for the Facility.
19	Receivables	In the event the cash flows / receivables ("Receivables") in the Accounts are not sufficient to service the Facility, interest or other related dues, the shortfall shall be met through infusion of fresh funds (either as subordinated debt or equity) therein by the Borrower or promoters / sponsors in a manner and form acceptable to the Lender. This support / shortfall undertaking shall be kept alive until repayment of the entire Facility together with interest and all other related dues. The equity infused and/or debt brought in shall rank subordinate and subservient to the Facility together with all its related dues for all purposes and intents and shall not be repaid / withdrawn prior to payment / repayment of the Facility together with all its related dues.
20	Accounts	The Borrower / Security Provider shall open, establish and maintain such segregated accounts (collectively "Accounts") as stipulated by the Lender [including without limitation, escrow and designated accounts, DSR (as defined hereinafter) etc.] with the Escrow Bank and enter into an agreement ("Accounts Agreement") in such form and manner and on the terms and conditions as stipulated by the Lender in relation to establishment, maintenance and operation of the Accounts. The Borrower / Security Provider shall give / issue such irrevocable instructions as set out in the Accounts Agreement or otherwise as stipulated by the Lender from time to time, to the Escrow Bank with reference to operation and maintenance of the Accounts.
21	Debt Service Reserve	A debt service reserve ("DSR") equivalent to 3 months of peak EMI / MI / interest or such other amounts may be stipulated by the Lender from time to time shall be set aside / created upfront or at a future date as and when called upon to do so by the Lender, in such form and manner as may be acceptable to the Lender. If, at any time, the amount maintained in the DSR is utilized to make payments under the Facility as a result of shortfall in the cash flows or Receivables, the Borrower shall immediately replenish and/or cause the Security Provider to immediately replenish the DSR within such number of days as stipulated in the definitive contracts, to the extent of the amounts so utilized. The Borrower shall have the option of maintaining DSR in the form of a limit ("DSRA Limit") and ensure that at all times, a portion of the available commitment, equal to the DSRA Limit remains undistributed for the purpose of meeting any shortfall in discharge of the Borrower's

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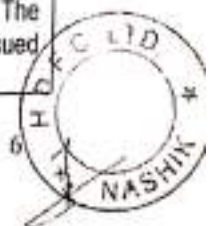

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		payment obligations under the Facility. The Lender however, shall have no obligation to disburse any amounts under the Facility upto the DSRA Limit.
22	Events of Default	Those usually found for transactions of this kind, more particularly set out in the definitive agreements / contracts proposed to be executed for the Facility.
23	Costs & Expenses	All costs, expenses, charges, fees and all out of pocket expenses (including without limitation advocate fees, stamp duty, registration fees, valuation charges, inspection charges, audit fees, Security creation costs etc.) shall be the account of and/or borne, paid or reimbursed by the Borrower / Security Provider whether or not the Facility or any part thereof is drawn / disbursed.
24	Conditions Precedent	As per master facility agreement
25	Conditions Subsequent	As per master facility agreement
26	Governing law and Jurisdiction	Any legal action, suit or proceedings arising out of or in connection with this sanction letter shall be brought in courts/tribunals of competent jurisdiction situated at Nashik, Maharashtra (India) and the Borrower irrevocably submits to and accepts the jurisdiction of those courts/tribunals However, nothing contained herein or any other deed, document, agreement, instrument or writing shall limit any right of the Lender to take out proceedings in any other court or tribunal of competent jurisdiction.
27	General Conditions	The following general conditions shall apply to the Facility among others: (a) Acceptance of Sanction Acceptance of this Sanction Letter by the Borrower. (b) KYC Any documentation or other evidence which is reasonably requested by the Lender for the purpose of "Know Your Customer" requirements. (c) Conditions Precedent The Lender shall, in its sole discretion determine disbursement of the Facility in suitable installments / tranches after the Borrower having complied with the Conditions Precedent / all requirements stipulated by the Lender. (d) Title Making out clear and marketable to the Secured Property. The same should be supported by a report or opinion on title issued by the Lender's panel advocates.

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(e) Execution of Definitive Contracts

Execution of transaction documents / definitive contracts which are in form and substance satisfactory to the Lender and also in accordance with the terms hereof and/or as stipulated by the Lender.

(f) Creation of Security

Creation of valid and enforceable Security / Security Interest to the satisfaction of the Lender and/or perfection of Security.

(g) Consent of Creditors

Consent from all the Borrower's existing creditors / lenders (wherever required) for availing the Facility from the Lender and/or for entering into definitive contracts / creation of Security etc. shall be obtained.

(h) Cross-Collateralisation

The Security / all the Securities shall be cross-collateralised.

(i) Payment of Costs, Charges etc

Payment of all sums such as costs, charges, expenses, fees and statutory dues / taxes / payments as applicable to the Borrower / Security Provider / Security / Secured Properties and or the Facility.

(j) Approvals

Procuring / passing or obtaining all requisite approvals, resolutions and authorisations applicable.

(k) Furnishing Statements / Data etc.

Furnishing / providing latest accounts / statements, data, documents, details etc. required by the Lender in connection with the Facility / Security / Secured Properties.

(l) Lender's Right to Cancel Facility

The Lender reserves the right to cancel the Facility (either in full or part) without giving any prior notice to the Borrower and without assigning any reasons.

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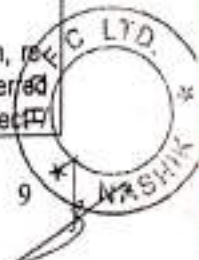


		(m) Indebtedness / Obligations The Borrower shall not raise any loans or incur any indebtedness other than what is permitted by the Lender in writing. The Borrower shall not undertake any guarantee obligation without the prior permission of the Lender in writing. (n) Better Terms The Borrower shall not offer any terms better than those offered to the Lender, to any other lender (to the extent borrowings are permitted by the Lender). (o) Insurance The Secured Property and/or any insurable asset comprising the Secured Property shall be adequately insured at all times until payment / repayment of the Facility together with all its related dues in full with such insurance company approved by the Lender. First of such preferences shall be HDFC Ergo General Insurance Company Limited. The insurance policies shall be endorsed / assigned in favour of the Lender as the assignee or loss payee and the original insurance policy(ies) shall be deposited with the Lender. (p) Valuation by External Valuer The Borrower / Security Provider shall furnish a minimum of 2 valuation reports after carrying out valuation of the Secured Property / Security through professionally qualified external independent valuers acceptable to the Lender at such intervals / frequency as may be stipulated by the Lender and at the sole cost and expense of the Borrower / Security Provider. (q) NHB Compliance The Borrower / Security Provider shall ensure compliance of and continued adherence to the rules, regulations, circulars and notifications issued by the National Housing Bank (NHB) as amended or revised from time to time and / or other statutory compliances and/or policies of the Lender until repayment of the Facility together with all its related dues in full. (r) Right of Appropriation The Lender reserves the right to appropriate the amounts paid
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		Receivables in the manner it deems fit. (s) Non-Existence of Material Adverse Effect Non-existence of any event or circumstance, which, in the opinion or determination of the Lender, has or is likely to have a material adverse effect.
28	Special Conditions	CONSTRUCTION FINANCE (CF) Business Plan A detailed business plan shall be submitted by the Borrower / Security Provider inter alia including without limitation, the minimum selling price, construction mile stones etc., acceptable to the Lender. All construction milestones shall be achieved as per business plan submitted or shared with the Lender. Review Progress of the Project The Lender reserves the right to review the progress of the Project / business plan on an annual basis or such other frequency as may be stipulated by the Lender. End Use Certificate End-use Certificate issued by an independent chartered accountant in practice acceptable to the Lender shall be furnished within 2days from the date of every drawdown or before any subsequent drawdown, whichever is earlier. NDMA Certificate A certificate issued by an independent structural engineer confirming compliance with the National Disaster Management Authority guidelines shall be furnished. Right of First Offer / Refusal The Lender reserves the right of first offer / refusal with regard to any funding opportunity. The Borrower shall first pass the leads / enquiries of prospective flat / unit / apartment purchasers as and when received to the Lender for all home loan requirements. No scheme of whatsoever nature involving any type of concession, re-lending, leveraging of financial exposure, subvention or deferred payment programme shall be undertaken in relation to the Project.



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	Secured Property without the prior written permission of the Lender in writing. RERA Compliance The Borrower shall ensure registration and compliance with Real Estate (Regulation and Development) Act, 2016 ("RERA") and rules framed thereunder. The Borrower shall further ensure continued adherence to RERA and rules thereunder until repayment of the Facility together with all its related dues in full. Disclosure of HDFC's Mortgage Specifically disclose in all communications with the allottees / obligors / customers, by way of pamphlets / brochures, etc. and in all other marketing material (in a manner that is acceptable to the Lender) that the Project / Secured Property with respect to which the apartments / flats / units etc. are being offered for sale, lease, license, use, disposal etc. and/or are being constructed is mortgaged / charged to the Lender (or to a security trustee acting on behalf of the Lender) as and by way of security for the Facility availed by the Borrower from the Lender for the construction / development of the Project. Disbursement Disbursement of the Facility shall be as per progress of construction. Shortfall / Cost Overrun Any shortfall in Receivables, project funding and/or any escalation in Project cost shall be met by the Borrower / Security Provider by way of promoter / sponsor contribution. The promoter / sponsor of the Borrower / Security Provider shall execute a shortfall undertaking for the purpose of infusing funds / capital / debt / equity in the event of such shortfall. Step-In Rights Without prejudice to any other right or remedy available to the Lender but subject to the provisions of RERA (wherever applicable), the Lender, on the occurrence of an event of default, shall have the right to step-in and appoint its nominee / operator / substitute or take over control of the Project / Secured Property for the limited purpose of completing the Project. The Lender shall also have the right to substitute the Borrower / Security Provider under various deeds, documents, agreements, instruments and writings in relation to the Project. Opening, Establishment and Operation of Accounts
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	Accounts as envisaged under the provisions of RERA and the Accounts Agreement shall be opened, established and maintained. All Disbursements to be made by the Lender to the Borrower under the Facility shall be into such Accounts of the Borrower or at the request of the Borrower, to such person / third party on behalf of the Borrower and acceptable to the Lender. The Borrower / Security Provider shall ensure that the customers / purchasers / licensees / lessees deposit the Receivables into the Accounts only as envisaged under the Accounts Agreement. The Borrower shall utilize the Facility and the Receivables / funds available in the Accounts for the Purpose set out above. The Borrower / Security Provider shall utilize the Receivables for the purpose of payment of interest and other dues to the Lender. The Lender shall have the right to monitor all transaction in the Accounts in such manner, as it may deem necessary including by appointing such external agencies for the above purpose at the cost of the Borrower / Security Provider. Lender NOC The Borrower shall obtain / cause the Security Provider to obtain permission of the Lender prior to entering into or renewing / modifying any agreement, deed, document, agreement, instrument or writing in connection with sale / lease / license / use or disposal of or creation of any encumbrance over the flats / units / apartments or area in the Project or forming part of the Secured Property.
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This in-principle sanction is among other things, subject to due diligence, completion of comprehensive legal, financial, technical and other due diligence of the Borrower, security provider, guarantor or any other person who is a party to the Transaction Documents, to the satisfaction of the Lender. The Borrower shall make available all necessary and material information and extend full co-operation to the Lender for undertaking the due diligence. This letter of offer shall stand unilaterally revoked and cancelled and shall be absolutely null and void even after acceptance by you, if:

- There are any material changes in the proposal for which the Facility is, in-principle, sanctioned.
- Any material fact concerning your profits or ability to pay, or any other relevant aspect of your application of Financial Facility is withheld, suppressed, or concealed or not made known to us.
- Any statement made in the application is found to be incorrect or untrue.
- The definitive contracts as required or stipulated by the Lender are not executed within a period of 30 days from the date hereof or within such extended period allowed by the Lender.
- Any information as may be required by the Lender from time to time pertaining to the Facility or Secured Property is not furnished in the form prescribed/approved by the Lender.
- The Lender is of the opinion that it is unviable to proceed further with the offer as made hereinabove or take any steps in furtherance thereof pursuant to the outcome of legal due diligence.

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Please note that this communication should not be construed as final or giving rise to any binding obligation on the part of the Lender unless the "Acceptance Copy" of this sanction letter is returned duly signed and definitive contracts are executed in connection with the Facility to the satisfaction of the Lender. The Lender reserves the right to cancel, add, modify or alter the terms and conditions set out herein.

The Borrower shall keep all negotiations and contents of this sanction letter confidential and make no announcement or disclosure (other than to its officers, employees and professional advisors on a need-to-know basis who are bound by or under a duty of confidentiality) without the prior permission of the Lender in writing.

If the offer is acceptable to you, kindly sign the copy marked "Acceptance Copy" in token of your acceptance. Along with the Acceptance Copy, you are requested to send us a cheque / demand draft of Rs6,49,000/- in favor of HDFC Limited towards fees of Rs5,50,000/- and [GST] of Rs99,000/- failing which the offer is liable to be withdrawn. Unless the Lender receives the Acceptance Copy duly signed together with the fees within 15 days from the date of this Letter, this offer shall automatically lapse without any further communication from the Lender unless the validity of this sanction letter is extended / revived by the Lender in writing.

We look forward to your acceptance of this offer in order to expedite the conclusion of this transaction and the disbursement hereunder.

Yours faithfully,

For HOUSING DEVELOPMENT FINANCE CORPORATION LIMITED


AUTHORISED SIGNATORY
NASHIK

Accepted,

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(Name & signature of Authorised Signatory)

Annexure I- Repayment Schedule

At the end of Month	Balance Outstanding (Rsin crores)
40	4.00
41	3.50
42	3.00
43	2.50
44	2.00
45	1.50
46	1.00
47	0.50
48	0.00

