

**Arihant Infra Realtors Private Limited**  
**E 62, Sector 63**  
**Noida**

HDFC/Arihant/OL-3

Dated January 17, 2017

Dear Sirs,

With reference to your application for a loan against the receivables of the residential projects, (i) "Arihant Arden" at Plot No.GH-07-A, Sector-1, Greater Noida West, Uttar Pradesh and (ii) "Arihant South Winds" at GH-01, Sector 41, Surajkund, Faridabad, Haryana, we, in principle, sanction a Loan of **Rs.35,00,00,000/- (Rupees Thirty-five Crore only)** on the following broad terms and conditions:

1. The loan of Rs.35,00,00,000/- will be disbursed against the receivables of the residential projects, (i) "Arihant Arden" at Plot No.GH-07-A, Sector-1, Greater Noida West, Uttar Pradesh and (ii) "Arihant South Winds" at GH-01, Sector 41, Surajkund, Faridabad, Haryana
2. The loan of Rs.35.00 Crores will be disbursed to
  - (i) Refinance the loan of upto Rs.19.50 Crores availed by your Company from Indiabulls Housing Finance Limited, and
  - (ii) Construction and Development of project "Arihant South Winds"

It is clearly understood that the said loan or any part thereof shall not be disbursed / utilised for any other purpose whatsoever.

3. The loan will be disbursed in the following manner:
  1. Loan amount of upto Rs.19.50 Crores will be disbursed upfront to refinance the loan availed by your Company from Indiabulls Housing Finance Limited.
  2. The balance loan amount will be disbursed in instalments, only after creation of securities 6 (iii), (iv), (vi) and (vii) as mentioned below, as per progress of construction and development at the project site of "Arihant South Winds" and expenditure incurred for the project, in accordance with the schedule given in the Annexure.

The said disbursements are subject to:

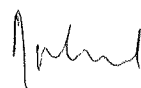
- (a) Creation and perfection of security (principal or interim) to the satisfaction of HDFC.
- (b) Your company giving at least 5 working days advance notice prior to drawal of each disbursement.

4. (a) The applicable rate of interest on the sanctioned loan shall be variable and linked to HDFC's Corporate Prime Lending Rate (HDFC-CPLR) and shall always be 415 basis points lower than the prevailing HDFC-CPLR. The current HDFC-CPLR is 17.65% per annum and therefore, the **applicable rate of interest on the loan sanctioned at present is 13.50% per annum.**
- (b) The applicable interest rate will be reviewed/reset on 1<sup>st</sup> of every calendar month, with the first reset happening on 1<sup>st</sup> day of the month following the month in which the disbursement is made.
- (c) In case the disbursement is made in parts, then the applicable interest rate on each part of the loan will be linked to HDFC-CPLR prevailing on the date of respective disbursement and reset on next interest rate review/reset date.
5. (a) **Interest Payments:** The interest on the outstanding principal shall be payable at the applicable interest rate on monthly basis on or before the end of every month.
- (b) **Principal Repayments:** Your Company shall reimburse at least (i) 36% of the sales receipts of the "Arihant Ardens" project and (ii) 30% of the sales receipts of the "Arihant South Winds" project, towards repayment of the principal amount of the said loan and such repayments shall commence from the end of first month following the month of the first disbursement of the loan.

However, in the event the principal outstanding of the said loan at the end of following months, from the date of first disbursement of the loan, is more than what is mentioned in the schedule hereinbelow, your company shall pay the difference to maintain the principal outstanding of the loan as per the given schedule:

From the date of first disbursement	Principal Outstanding should be (Rs.)
At the end of 39 <sup>th</sup> month	31,50,00,000.00
At the end of 42 <sup>nd</sup> month	27,00,00,000.00
At the end of 45 <sup>th</sup> month	22,50,00,000.00
At the end of 48 <sup>th</sup> month	18,00,00,000.00
At the end of 51 <sup>st</sup> month	13,50,00,000.00
At the end of 54 <sup>th</sup> month	9,00,00,000.00
At the end of 57 <sup>th</sup> month	4,50,00,000.00
At the end of 60 <sup>th</sup> month	NIL

- (c) You will be required to provide Post Dated Cheques for principal repayments and interest payments.




6. The loan shall be secured by:
- (i) Extension of First Equitable mortgage of entire "Arihant Arden" project land, admeasuring 9.74 acres and consisting of Phase I, II, III & IV, located at Plot No.GH-07A, Sector-1, Greater Noida West, Uttar Pradesh, with construction thereon, present and future.
  - (ii) Extension of First charge on the entire sale proceeds / receivables accruing from sold and unsold area of entire project of "Arihant Arden" at the above-mentioned land.
  - (iii) First Equitable mortgage of entire "Arihant South Winds" project land, admeasuring 1.62 acres, located at Plot No.GH-01, Sector-41, Surajkund, Haryana, with construction thereon, present and future.
  - (iv) First charge on the entire sale proceeds / receivables accruing from sold and unsold area of entire project of "Arihant South Winds" at the above-mentioned land.
  - (v) Extension of First Equitable Mortgage of residential property land admeasuring 452 sq.mtrs located at A-60, Yojana Vihar, New Delhi, with construction thereon, present and future.
  - (vi) First Equitable mortgage of property C-181, Anand Vihar, Delhi – 110092, admeasuring 301 sqmtr/360 sqyds owned and self occupied by Mr. Rajesh Jain and Mrs. Rachna Jain (w/o Mr. Rajesh Jain), with construction thereon, present and future.
  - (vii) First Equitable mortgage of property D-141, Chandra Nagar, Ghaziabad, Uttar Pradesh, admeasuring 286.08 sqmtr/~343 sqyds owned by Mr. Rajesh Jain and Mrs. Rachna Jain (w/o Mr. Rajesh Jain), with construction thereon, present and future.

***(Your Company shall always maintain a Loan-Asset cover of 2.00 times the principal outstanding during the pendency of the loan)***

***Your Company shall create Security (iii), (iv), (vi) and (vii) within 30 days from date of first disbursement of the loan)***

- (viii) Personal Guarantee of Mr Kaushal Jain, Mr. Rajiv Jain and Mr. Rajesh Jain.
  - (ix) Corporate Guarantee of Arihant Buildcon Private Limited.
  - (x) And/or any other security of higher or equivalent amount as may be acceptable to HDFC so as to maintain the Loan-Asset Cover of 2.00 times the principal outstanding.
7. Your Company shall also execute a loan agreement and/or such other documents as may be required by us in the format laid down by us.
8. The loan is subject to approval from the financial institutions and/or banks from which your company might have taken loans so far, if such an approval is stipulated in your agreement/arrangement with them.



9. Your Company shall obtain a No Objection Certificate before selling the units in the said Residential Projects to prospective buyers and HDFC will have the first right of refusal in case such buyers avail housing loans for financing the purchase the of the said units.
10. Your Company shall not, without the prior written approval of HDFC, issue any debentures, raise any loan, accept deposits from public, issue equity or preference capital or change your capital structure or create any Security Interest or give any guarantees, or enter into any swap arrangements, during the pendency of the loan.
11. Your Company shall provide quarterly progress reports on the said Residential projects to HDFC in such form and manner as may be required by HDFC.

**12. Escrow Accounts:**

**I. Arihant Arden**

- (a) Your company shall continue to operate the Escrow and a Designated Account opened with HDFC Bank for the depositing the receivables of the residential project, "Arihant Arden". The disbursements of the loan will be deposited in the Said Designated Account and you shall inform all the purchasers of the units in the said Residential project to draw all cheques in favour the said Escrow A/c. Your company shall also ensure that all receivables of the said residential project are deposited in the said Escrow Account only.
- (b) Your company shall furnish an Undertaking stating that the residential units in the said project will be sold at a minimum sale price of Rs.3,650/- per sqft and the commercial units will be sold at a minimum sale price of Rs.12,500/- per sq.ft and in the event of any sale transaction taking place below the said prescribed minimum price, your company shall pay the proportionate amount (% adjustment) to HDFC for principal repayment.
- (c) 36% of the amount received in the said Escrow Account of "Arihant Arden" project will be remitted to HDFC towards the following:
  - a. 20% of the amount received will be remitted towards principal repayment of the loans availed by your company from HDFC exclusively against Arihant Arden project.
  - b. **16% of the amount received will be remitted towards principal repayment of this loan of Rs.35 Crores.**
- (d) 11% of the amount received in the said Escrow Account will be paid to Noida Authority towards land payment.
- (e) The balance 53% of the amount received will be transferred to the said Designated Account. You shall utilise the funds in the said Designated Account for the completion of the said Residential project and for the interest and principal repayment of this loan.

- (f) The percentage adjustments towards principal repayment and payment to Noida Authority will be reviewed by HDFC every quarter, based on HDFC's calculations.
- (g) HDFC shall have the right to monitor the said Escrow and Designated accounts either through itself or through an outside agency.

## II. **Arihant South Winds**

- (a) Your company shall open and operate an Escrow and a Designated Account opened with HDFC Bank for the depositing the receivables of the residential project, "Arihant South Winds". The disbursements of the loan will be deposited in the Said Designated Account and you shall inform all the purchasers of the units in the said Residential project to draw all cheques in favour the said Escrow A/c. Your company shall also ensure that all receivables of the said residential project are deposited in the said Escrow Account only.
  - (b) Your company shall furnish an Undertaking stating that the residential units in the said project will be sold at a minimum sale price of Rs.7,000/- per sqft and in the event of any sale transaction taking place below the said prescribed minimum price, your company shall pay the proportionate amount (% adjustment) to HDFC for principal repayment.
  - (c) 30% of the amount received in the said Escrow Account will be remitted to HDFC towards principal repayment of this loan.
  - (d) The balance 70% of the amount received will be transferred to the said Designated Account. You shall utilise the funds in the said Designated Account for the completion of the said Residential project and for the interest and principal repayment of this loan.
  - (e) The percentage adjustments towards principal repayment will be reviewed by HDFC every quarter, based on HDFC's calculations.
  - (f) HDFC shall have the right to monitor the said Escrow and Designated accounts either through itself or through an outside agency.
13. **Your Company shall obtain insurance cover on all movable/immovable assets of the said Residential projects for full value in the joint names of HDFC and your company at your own cost.**
14. **Your Company shall install/put up a Bill Board/Banner at the respective project sites mentioning that the said projects are funded by HDFC, in bold and legible text and such Bill Board/Banner shall be installed in a prominent place visible to the visitors and to the satisfaction of HDFC. The cost of putting up such Bill Board/Banner shall be borne by your company.**
15. Your Company shall, in all your communication with the prospective buyers and/or any person by way of Pamphlets / Brochures, etc, specifically disclose that the property with respect to which the units are being offered for sale and/or are being constructed, is mortgaged with HDFC as a security towards financial assistance availed by you from HDFC for the construction / development of the Project on the property.



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16. Your Company shall also disclose to the prospective buyers that any sale of the units shall be free from any encumbrance. The obligations pursuant to the disclosure under this clause shall be solely that of your company and the same shall not be construed as any assurance from HDFC.
17. Your Company shall agree that in the event of default in the repayment of principal and interest of the said Loan for a period of three months and more, HDFC shall have the right to disclose the name of your Company and its Directors to Credit Information Bureau of India Limited (CIBIL) and such other statutory authority as may be desirable.

In such an event, your consent to HDFC and/or CIBIL shall deemed to have been taken for publishing your name and the name of your Directors as defaulters in such manner and through such medium as HDFC, in its absolute discretion, may deem fit.

18. This letter of offer shall stand revoked and cancelled and shall be absolutely null and void if :
  - (a) There are any material changes in the proposal for which this loan is, in principle, sanctioned.
  - (b) Any material fact concerning your profits, etc., or ability to repay, or any other relevant aspect of your application of loan is withheld, suppressed, or concealed or not made known to us.
  - (c) Any statement made in the loan application is found to be incorrect or untrue.
  - (d) The loan agreement and other documents, as required by us are not executed from the date thereof or during any further extension of the period mutually agreed upon.
  - (e) Any information as may be required by HDFC from time to time pertaining to the project, is not furnished in by you, form prescribed/approved by HDFC.

If this offer is acceptable to you, kindly sign the copy marked "Acceptance Copy" in token of your acceptance and return it within 30 days from the date of this letter along with a cheque for **Rs.40,25,000/- (Rupees Forty Lakh and Twenty-five Thousand only) towards one-time(upfront) Processing and Administrative Fees** of Rs.35,00,000/- equivalent to 1.00% of the loan amount sanctioned plus Service Tax / Swatch Bharat Cess / Krishi Kalyan Cess of Rs.5,25,000/- calculated @ 15.00% on the said fee.

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**

ARIHANT INFERRA REALTORS PVT. LTD.  
PROJECT : ARIHANT SOUTH WINDS

S. NO.	TOWER	PROGRESS	COST OF CONSTRUCTION (including architects fee and overheads)	DISBURSEMENT
1	A	Structure Completed, Brick Work upto 6th Floor	17.50	2.50
	B	Structure Completed, Brick Work upto 6th Floor		
2	A	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal upto 3rd Floor	20.50	2.50
	B	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal upto 3rd Floor		
3	A	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal upto 8th Floor	23.50	2.00
	B	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal upto 8th Floor		
4	A	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal upto 12th Floor	26.50	2.00
	B	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal upto 12th Floor		
5	A	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal Completed, Plaster Outer Completed 30%, Wall Tiles completed upto 4th Floor, Flooring completed upto 4th Floor	30.00	2.00
	B	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal Completed, Plaster Outer Completed 30%, Wall Tiles completed upto 4th Floor, Flooring completed upto 4th Floor		
6	A	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal Completed, Plaster Outer Completed 65%, Wall Tiles completed upto 4th Floor, Flooring completed upto 8th Floor	33.50	2.00
	B	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal Completed, Plaster Outer Completed 65%, Wall Tiles completed upto 4th Floor, Flooring completed upto 8th Floor		
7	A	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal Completed, Plaster Outer Completed, Wall Tiles completed, Flooring completed	37.00	2.50
	B	Structure Completed, Brick Work Completed, Plumbing and Electrical and Plaster Internal Completed, Plaster Outer Completed, Wall Tiles completed, Flooring completed		
<b>TOTAL</b>			<b>15.50</b>	

