

Date: July 02, 2024

Promoter Name: Total Environment Living Spaces Private Limited

Project Name: Learning to Fly

Project Address: 7th Cross, 29th Main Road, J P Nagar 7th Phase, Bangalore.

Details of Borrowings on the project:

Details	Amount in Rs.
Name of the Lender	Axis Bank Limited
Amount Borrowed	Rs.85.90 Crores
Balance Amount outstanding / payable as on 31.03.2024	Rs.66.90 Crores
Security details against the borrowings as per sanction letter / conditions	Hypothecation of Sold Receivables of the project and Mortgage of Unsold Inventory

Thanks & Regards,

For Total Environment Living Spaces Private Limited

Authorised Signatory



Date: 01.02.2024

Total Environment Living Spaces Private Limited

No.78 Imagine Campus ITPL Main Road,
Epipzone Whitefield, Bangalore, 560066
Karnataka

Sub: Sanction of Term Loan-II

Dear Sirs,

With reference to your request, we would like to convey that the sanctioning authority has approved sanction of credit facilities. Details of the facilities are given in below table. The terms and conditions governing the facilities are furnished in Annexure – I enclosed herewith.

(Rs. In Crores)

Particulars	Limit
Term Loan-I (Review)	61.90
Term Loan-II	10.00
Total Term Loans	71.90

Please return the duplicate copy of this letter, along with the Annexures duly countersigned, as a token of your acceptance of the terms and conditions stipulated for the said credit facilities. We request you to please contact our MWBC(CBB) Bangalore for the required formalities.

Yours truly,


Ritwik Sharma
Relationship Manager
Mid Corporate Group




Tina Thomas
Group Head
Mid Corporate Group

Annexure I

PART I: TERMS FOR TERM LOAN AND OTHER LONG-TERM FACILITIES

A	Facility	Term loan (TL) -II																																								
1.	Amount	Rs.10.00 Crores																																								
2.	Purpose	The Facility shall be utilized towards completion of construction and interiors expenses (Learning to Fly ("LTF") in JP Nagar, Bangalore.)																																								
3.	Project Cost & Means of Finance	Not Applicable																																								
4.	Rate of interest	1 Y MCLR + 2% (presently 11.25% p.a.), payable at monthly intervals.																																								
5.	Tenor/ Door to door tenor	21 months.																																								
6.	Repayment	In 7 structured quarterly instalments. The repayment schedule would be as under: <table><tr><th>(in Rs. Crores)</th><th colspan="9">Repayment Schedule</th></tr><tr><th>FY</th><th colspan="2">FY24</th><th colspan="4">FY25</th><th colspan="3">FY26</th></tr><tr><th>Details</th><th>Q3</th><th>Q4</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Q1</th><th>Q2</th><th>Q3</th></tr><tr><td>Term Loan – 2</td><td></td><td></td><td>0.5</td><td>0.5</td><td>0.5</td><td>2</td><td>2</td><td>2</td><td>2.5</td></tr></table> The exact due dates for repayment of the principal/interest shall be in accordance with the letter issued by the Bank to the Borrower immediately upon first disbursement	(in Rs. Crores)	Repayment Schedule									FY	FY24		FY25				FY26			Details	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Term Loan – 2			0.5	0.5	0.5	2	2	2	2.5
(in Rs. Crores)	Repayment Schedule																																									
FY	FY24		FY25				FY26																																			
Details	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3																																	
Term Loan – 2			0.5	0.5	0.5	2	2	2	2.5																																	
7.	Security	As per Security Section																																								
8.	Prepayment	i. In case of prepayment, in full or in part by the Borrower, the Lender will be entitled to charge prepayment premium of 2% on the amount prepaid, except in cases, where the prepayment is made pursuant to written instructions of Axis Bank ii. The amount prepaid shall be applied in the inverse order of maturity. iii. Any amount prepaid shall not be redrawn.																																								
9.	Default Interest	In the event of non-payment of TL Installment/interest on the due date, default interest at 2% p.a. above applicable rate on the amount of overdue installment/ interest will be charged.																																								

PART II: TERMS COMMON TO ALL FACILITIES COVERED IN PART I

TERMS COMMON TO ALL FACILITIES COVERED IN PART I		
1.	Availability Period / Last Date of Drawdown	Disbursement under the Facility shall not be permitted beyond 30.06.2024. Any disbursement request after this date shall be on such terms and conditions as acceptable to the Bank.
2.	Borrower's/ Promoter's undertaking	1) Any contribution by promoters/ group company/ directors/ other related parties in the form of shareholder loan/ unsecured loan/ NCD/ OCD etc would be subordinate to credit facilities availed from Lenders, and the Principal or interest (if applicable) on such loans / funds shall not be paid during the tenure of the Facility without the prior permission of the Bank. 2) If there is any deterioration in the Security Cover ratio below the stipulated level, the Borrower/ Promoters shall furnish additional collateral security acceptable the Bank. 3) Project should be complied with applicable RERA guidelines.

TERMS COMMON TO ALL FACILITIES COVERED IN PART I

		4) In event of the cancellation of any Sale in the Project, the Lenders shall have charge on the corresponding area from the Project already sold. 5) The borrower to undertake to provide the declaration, as detailed in Annexure – C (Format given at the end of this term sheet), every quarter, within 10 days from the end of the quarter. 6) Company to provide an undertaking that it agrees to: • Disclose in the Pamphlets / Brochures etc., the name(s) of the Lender to which the property is mortgaged. • Append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/magazines etc. • Indicate in their pamphlets / brochures, that they would provide No Objection Certificate (NOC) / permission of the mortgagee bank for sale of flats / property, if required. • Mention in demand notice (to end customers) that payments need to be made in favour of the Designated Account (to be opened with Axis bank). • Display boards indicating that the Project Assets/Property is mortgaged to Axis Bank/ Lenders.
3.	Conditions precedent to the initial disbursement	The availability of the Facility shall be subject to satisfaction of the following conditions/submission of following documents: 1. The borrower shall complete all documentation, to the satisfaction of the Bank including Borrower's/Promoter's undertaking, as stipulated. 2. The borrower shall obtain all necessary statutory permissions (including power, water, fuel, treatment and disposal of effluents, solid waste and emissions from its project etc.) from regulatory, government, environmental and other agencies. It shall provide copies of such permissions to the Bank for its record. 3. In case Agricultural Land is offered as security, the application of conversion into NA Land to be submitted to the Bank. 4. Title report from an empanelled advocate confirming good and marketable title to the properties to be mortgaged in a form satisfactory to the Bank. 5. Valuation: Valuation of immovable properties (L&B) to be carried out in line with stipulation as per bank's guidelines. 6. Confidential credit report of the Borrower from its existing lenders to be obtained by the Bank, if required by the bank 7. The project needs to be registered with related RERA authority of the state, as may be applicable, and a copy of the same to be provided to the lenders. 8. The borrower shall certify that Property is compliant with National Building Code (NBC-2005) and National Disaster Management Authority (NDMA) guidelines in line with Reserve Bank of India directives. The adherence to NBC-05 and NDMA shall be certified by an Architect / LIE acceptable to the Bank
4.	Disbursement conditions	The disbursement of the facility would be made either directly to Vendors/suppliers.
5.	Other Covenants	1. The Bank reserves the right to withhold disbursement of the loan at any time if in its opinion there occurs any event that adversely affects the viability of the Business or there has been an Event of Default under any Agreement/MOU/other document executed by the Borrower with any lender, including but not limited to this project/loan 2. The borrower shall submit end use certificate for each disbursement from practising Chartered Accountant within <u>30</u> days from the date of each disbursement.

TERMS COMMON TO ALL FACILITIES COVERED IN PART I

		3. Data on collections at group level to be submitted every half year, within 30 days of end of the half year. 4. Borrower to provide Quarterly MIS of sales of WoYM and LTF projects i.e., movement in realization of committed receivables, increase in no. of registration of flats, new unsold inventory sold, cancellations, if any in a format acceptable to the bank to be submitted. 5. Borrower to obtain prior permission from the Bank before any kind of construction being undertaken on the Hennur land.
6.	NOC for sale / release of Lender's charge on Project units	1) The sale agreement with buyers of the units/area/premises in Project, should mention a clause to the effect that the payments for the property would be deposited in the separate designated account opened with Escrow Bank for this purpose. 2) Additionally the clause as given below is proposed to be added to the sale agreement: "The Purchaser understands and acknowledge that the said premises has been mortgaged by the _____<<<Developer>>> to Lenders for securing the Loan availed by the said _____<<<Developer>>> for the purpose of construction of the said premises and the Purchaser takes notice that he/she/they is/are required to obtain a No Objection Certificate from said Lender(s) 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 Lenders." 3) The Company shall obtain NOC from Agent/ Bank prior to sale 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 stipulated Financial Covenants, or any Event of Default. 4) The format of the NOC would be as acceptable to the Bank. No amount will be payable to the Bank for issuance of such NOC. 5) All Lender(s) to the Project to give their approval to the Facility Agent for issuance of the above mentioned NOC.
7.	Cash Sweep	Cash sweep of 30% on gross collections. The extra amount over and above the interest and principal from the cash sweep amount will go towards prepayment of loan in proportionate manner. The waterfall mechanism will be as follows: The utilization of 30% cash sweep from the Escrow Account would be as follows: • Statutory Dues • Interest and principal servicing for the quarter • Balance to be adjusted against principal instalment in proportionate manner • Balance 70% shall be released to company for meeting project expenses provided there are no overdues The 70% released to the borrower should be done only till ~Rs. 22.47 Crs (balance cost to be incurred in the project after considering disbursement of TL of Rs 10 Crs under the present sanction) is achieved. Post the same, 100% cash collections shall be utilized towards loan servicing and mandatory prepayment of loan as per above waterfall mechanism. Release of cash sweep amount to the borrower shall be allowed subject to the primary security cover of 1.50x to be maintained at all times.



TERMS COMMON TO FACILITIES COVERED IN PART I				
1.	Upfront/ Non-refundable Processing Fee:	1% of the Loan Amount plus applicable taxes		
2.	Commitment Fee	Nil		
3.	Security			
	S.No.	Type of Security	Details	Facilities Covered
	1.	Primary	1. Continuation of Hypothecation of sold receivables from the Residential Project – Learning to Fly owned by borrower 2. Extension of Mortgage of Unsold Inventory totaling 3,077 sqft in the Project – "Learning To Fly" owned by borrower All receivables to be routed through Axis Bank escrow/RERA account.	Term Loan-II
	2.	Collateral	1. Extension of Mortgage of Converted land measuring 4.64 acres located at Sy. No. 38/5, 36, 26/2, 25/4, 26/1 & 25/11, Bilashivale Village, Bidarahalli Hobli, Bengaluru, Karnataka -562149, owned by M/s Total Environment Constructions Pvt Ltd 2. Continuation of Hypothecation of sold receivables from the Residential Project – Windmills of Your Mind owned by Total Environment Building Systems Pvt Ltd 3. Extension of Mortgage of Unsold Inventory totaling 25,444 sqft in the Project – "Windmills of Your Mind" owned by Total Environment Building Systems Pvt Ltd. Entire security is cross collateralized with loan given to Total Environment Building Systems Pvt Ltd.	Term Loan-II
	3.	Guarantor	a) Personal guarantee of Promoters • Kamal Sagar • Shibanee Sagar b) Corporate Guarantee of • Total Environment Constructions Pvt Ltd • Total Environment Building Systems Pvt Ltd	Term Loan-II
	4.	Others	ISRA: 1 Quarter ISRA (~Rs. 2.16 crores of ISRA created)) Cash Sweep: Cash sweep on 30% of the collections of the projects is proposed. The 70% released to the borrower should be done only till ~Rs. 22.47 Crs (balance cost to be incurred in the project after considering disbursement of TL of Rs 10 Crs under the present sanction) is achieved. Post the same, 100% cash collections shall be utilized towards loan servicing and mandatory prepayment of loan as per above waterfall mechanism.	Term Loan-II
Any default under the facility by the Borrower shall be deemed to be a default with respect to all the other facilities availed of by the Borrower, Guarantor and/or any of its subsidiaries / group concern from Axis Bank against common security. The Bank may at its discretion use and enforce its right of set off the cross default between the facilities sanctioned by Axis Bank to Borrower, Guarantor and/or its subsidiaries/group concern.				



TERMS COMMON TO FACILITIES COVERED IN PART I		
	primary security cover of 1.50x is maintained at all times	
4.	Validity of Sanction	The sanction shall be valid for acceptance up to 90 days from the date of sanction. Similarly, in case the first disbursement is not completed within 6 months from the date of sanction, the proposal shall require re-validation.
5.	Interest Reset / Spread Reset	The Bank reserves the right to alter the Interest rate or the spread or the interest reset date upon occurrence of any of the following: i. RBI enhancing the standard provisioning requirements/risk weightage for banking assets; or ii. downward revision in the credit rating of borrower/guarantor/security provider by a Credit Rating Agency and/or internal ratings; or iii. occurrence of an Event of Default; or iv. changes in externally prevailing directives of regulatory authorities/RBI. v. upon non-submission of financial and non-financial monitoring documents as per the scheduled timelines, pending security creation and irregularity.
6.	Benchmark Reset	The benchmark MCLR/MIBOR/SOFR/G-Sec/REPO would be as prevalent on the date of the 1st disbursement and would be reset as per tenure of the benchmark. The spread would remain unchanged during the tenor of the facility. The interest rate reset under REPO may be done once in three months or as decided by Bank, whichever is earlier, as per Bank's extant guidelines in force.
7.	Default Interest	i. In the event of non-creation of security within stipulated timelines, AND/OR ii. Delay/failure to obtain external credit risk rating from the agency approved by RBI, within stipulated time period and/or if the rating deteriorates or suspended, or delay/failure to submit the yearly certificate to confirm compliance with the stipulation pertaining to ownership/control/management, AND/OR iii. Default interest in case of breach in the: financial covenants/Non-financial covenant: AND/OR iv. Non-submission/ delay in submission of Audited balance sheet within stipulated period of 6 months from the end of financial year of the company a) For Fund-based facilities: default interest of 1% p.a. above the applicable rate on the outstanding amount of Fund-Based credit facilities and b) For Non-fund based facilities: additional commission @ 0.25% p.a. above applicable rate on the outstanding amount of Non-Fund Based facilities will be applicable for the period of default.
8.	Interest Calculation	The interest to be calculated for 360 days (for USD denominated loans) and 365 days (for other currency loans), irrespective of leap year.
9.	Security Creation Timeline	Security creation and perfection shall be completed prior to first disbursement
10.	Compliance in case of SEZ properties	In case of SEZ properties, upfront NOC/ Letter of Approval from SEZ Authority to be obtained for creating mortgage.
11.	subservient charge on securities	If Type of charge is a subservient charge on securities: NOC from primary and secondary charge holders should be stipulated in the sanction letter.

TERMS COMMON TO FACILITIES COVERED IN PART I

12.	Financial Covenants	The below Financial Covenants shall be tested on an annual basis based on audited results of the Borrower: <table border="1"> <thead> <tr> <th>S. No.</th><th>Ratios</th><th>Parameter</th></tr> </thead> <tbody> <tr> <td>I.</td><td>Min. Collateral Cover</td><td>$\geq 0.50x$</td></tr> <tr> <td>II.</td><td>Primary Security</td><td>$\geq 1.50x$</td></tr> </tbody> </table> Collateral Cover = Value of Land Collateral / Debt Outstanding	S. No.	Ratios	Parameter	I.	Min. Collateral Cover	$\geq 0.50x$	II.	Primary Security	$\geq 1.50x$
S. No.	Ratios	Parameter									
I.	Min. Collateral Cover	$\geq 0.50x$									
II.	Primary Security	$\geq 1.50x$									
13.	Non-Financial Covenants	1. Bank's NOC should be obtained before sale of any flat in LTF and WoYM projects (as per regular T&C). 2. Quarterly sales MIS of LTF and WoYM should be obtained within 15 days from the end of each quarter.									
14.	Other covenants	Borrower shall provide undertaking that no fee will be paid to guarantors for issuing the personal guarantees.									
15.	Restricted Payments: The borrower shall not without prior written approval of the Bank: - repay any principal or interest on any loans availed from the shareholders/directors/partners/proprietor/co-parceners, relatives, friends or any other affiliates (as the case may be), as at the date of the execution of this Agreement. - declare dividend for any year except out of profits of the current year and subject to no default in payment/repayment obligation to the Bank.										
16.	Borrower/Obligor shall not, without the prior written approval of the Bank: - enter into any merger/amalgamation etc or do a buyback; - wind up/liquidate its affair or agree/authorise to settle any litigation/arbitration having a material adverse effect; - change the general nature of its business or undertake any expansion (over and above as declared in the projection during current sanction) or invest in any other entity; - permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in the Borrower to any third party)/beneficial owner or enter into arrangement whereby its business/ operations are managed or controlled, directly or indirectly, by any other person. Unlisted Borrower shall submit yearly certificate to confirm compliance of the same. - wind up, liquidate or dissolve its affairs or take any steps for its voluntary winding up or liquidation or dissolution - make any amendments to its constitutional documents; - avail any loan; and/or stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advance to any third party, - encumber its assets, - pay any commission, brokerage or fees to its promoters/directors/guarantors/security providers; - dispose its assets other than as permitted by the Bank in writing.										
17.	<u>Hedging</u>: The Borrower shall, during the currency of our facility, hedge at least 100% of its foreign currency exposure. At any time during the subsistence of the Facility, the Bank shall have the right of first refusal ("ROFR") to participate in any hedging transaction ("Transaction") being undertaken by the Borrower to hedge such Facility. The Borrower shall provide the Bank with the ROFR and additionally a right to match, by providing a written notice ("ROFR Notice") on the first instance of any improved pricing that may be provided by hedge providers other than the Bank. The Transaction shall be entered into post completion of necessary documentation, as may be stipulated by the Bank.										
18.	<u>Inspection/ Stock Audit</u>: The Borrower shall permit the Bank/its consultants to conduct forensic audit, in case of irregularities/ default. In case the goods are stored in rented premises, letter of no lien and free access to be submitted from the owner of premises. The cost of inspection/audit is to be borne by the Borrower.										
19.	<u>Agency for Specialised Monitoring (ASM)</u> : The Bank shall have right to appoint an external Agency for specialized monitoring.										

TERMS COMMON TO FACILITIES COVERED IN PART I

20. Limits cancellation clause: The Bank shall have an unconditional right to cancel the undrawn/ unavailed/unused portion of the Facility at any time during the subsistence of the Facility, without any prior notice to the Borrower, for any reason whatsoever. In case of such cancellation, all the provisions of this sanction shall continue to be effective and valid and the Borrower shall repay the Facility in accordance with the terms of this sanction.
21. External rating: The limits sanctioned by our bank shall be externally rated by a rating agency approved by RBI for the purpose within 90 days from the date of first disbursement.
22. Documentation: Bank's standard documents
23. Related party transaction: The borrower to take specific prior permission of the Bank if the related party transaction exceeds 1% of the total turnover as per last audited financials by using the Credit line sanctioned by our Bank.
24. If the Borrower has availed facilities from a Related Party, then an undertaking to be submitted from the Related Party to the Bank confirming that the financial debt extended by the Related Party to the Borrower shall not be assigned or transferred to any person other than another Related Party or a bank or a financial institution.
25. Regulatory Conditions:
- In case of standalone BG/ LC facilities sanctioned by the Bank, if any, the customer should submit an undertaking to the effect that it has not availed any FB facility from any other Bank.
 - Under no circumstances shall the Facility be utilised for Subscription to or purchase of shares/debentures/any speculative purposes/activities not eligible for bank credit as per RBI guidelines.
 - Legal Entity Identifier Code (Mandatory Submission for borrower having total banking exposure of Rs.10 crs and above):: This sanction is subject to submission of Legal Entity Identifier Code and to be renewed periodically as per Global Legal Entity Identifier Foundation (GLEIF) guidelines and Further as LEI is made mandatory for all customers enjoying exposure of Rs.5 crore, it is suggested that the firm/company takes necessary steps to arrange for obtaining LEI and submit to the Bank at its earliest.
 - The lender does not have an obligation to meet further requirements of the borrowers on account of growth in business etc without proper review of credit limits.
 - The Borrower shall submit information as required vide RBI circular DBOD.No.BP. BC. 94/08.12.001/2008-09 dated December 8, 2008 in Annexure I and Annexure III.
 - UFCE: The Borrower shall provide the Unhedged Foreign Currency Exposure (UFCE) Certificate on a quarterly basis within 30 days from the end of quarter. On annual basis, the borrower shall submit UFCE certificate duly audited and certified by its statutory auditor.
 - Willful Defaulter: The Borrower shall not induct a person identified as wilful defaulter by RBI or CIBIL or any other authorised agency as it's director/senior officer/partner / member/ trustee and shall take expeditious and effective steps for removal of such person if so inducted.
 - Auditor: The Borrower co-operate with such auditors as may be appointed by the Bank with a view to obtain specific certificate regarding utilization/diversion/siphoning of funds, provide the necessary information and/or documents as may be required by such auditors, and bear all the expenditure in respect of obtaining the said certificate.
 - Disclosure: The Bank shall be entitled to disclose all information relating to the Borrower to Credit Information Companies ("CIC") authorised by RBI and/or any other person. Any CIC and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them to other banks / financial institutions / credit providers and the Borrower shall not hold the Bank liable in any manner for use of such information.
- In case if any of the above stated declarations is breached, the borrower shall inform the bank immediately. In case of non-compliance with the undertaking or giving wrong undertaking in relation to Connected Lending, at any time during the currency of loan, the bank reserves the right to recall the loan immediately.
- NOTE: Beneficial Ownership Declaration & Connected Lending Undertaking will be collected separately before disbursement.
26. "Please note that the exact due dates for repayment of the facilities sanctioned, frequency of repayment, breakup between principal and interest, examples of SMA/NPA classification



TERMS COMMON TO FACILITIES COVERED IN PART I

dates, etc., as already explained, shall be clearly specified in the loan agreement in terms of the applicable Reserve Bank of India guidelines in force and as amended from time to time for the nature of credit facilities sanctioned."

In cases of loan facilities with moratorium on payment of principal and/or interest, the following clause will also have to be incorporated:

"The exact date of commencement of repayment, as already explained, shall also be specified in the loan agreements upon expiry of moratorium as sanctioned."

27. Terms given in Sanction Letter are not exhaustive and Financing Documents to be referred to for detailed terms.

-----X-----X-----



Ref No: AXIS-CAM591011220027/MC/South /2022-23
Date: 18-11-2022

AXIS/CAMU/22-23/5313

Total Environment Living Spaces Private Limited,
Imagine, No. 78, LTPL Main Road,
EPIP Zone, Whitefield,
Bangalore Karnataka 560066.

Dear Sirs,

Sub.: Sanction of Credit Facilities

With reference to your request, we are pleased to advise our sanction of following credit facilities.

(Rs. In Crores)

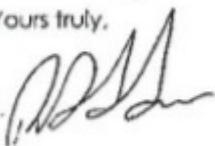
Facility	Sanction Amount
Term Loan	75.90
Total	75.90

The facilities sanctioned will be made available on the specific terms and conditions outlined in Annexure-I and required formalities as prescribed by the Bank.

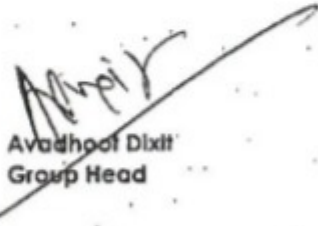
We also request you to take note of Annexure II attached describing the RBI instructions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, Pertaining to Advances Dated 12th November, 2021.

Please return the duplicate copy of this letter, along with the Annexures duly countersigned, as a token of your acceptance of the terms and conditions stipulated for the said credit facilities. We request you to please contact our Corporate Banking Branch, Bangalore for the required formalities.

Yours truly,


Punit Poddar
Relationship Manager




Avadhoot Dixit
Group Head



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Annexure-1

PART I: TERMS FOR TERM LOAN AND OTHER LONG TERM FACILITIES

A	Facility	Term loan (TL)																																
1.	Amount	Rs.75.90 crores																																
2.	Purpose	Partial takeover of the term loan facility from Brookfield against the projects of "Learning to Fly" and transactional expenses.																																
3.	Rate of interest	1 Year MCLR plus 2.75% i.e., presently at 11.20% p.a. payable at monthly intervals. The benchmark 1 Year MCLR or applicable benchmark would be as prevalent on the date of the 1st disbursement and would be reset at 1 Year intervals. The spread would remain unchanged during the tenor of the facility.																																
4.	Tenor	36 months																																
5.	Repayment	Repayable in 12 Quarterly structured instalments. The instalment would start 3 months from the date of 1 st disbursement. (Rs.in Crores) <table><thead><tr><th>S.No.</th><th>Amount</th><th>S.No.</th><th>Amount</th></tr></thead><tbody><tr><td>1.</td><td>2.00</td><td>7.</td><td>6.00</td></tr><tr><td>2.</td><td>3.00</td><td>8.</td><td>9.00</td></tr><tr><td>3.</td><td>4.00</td><td>9.</td><td>9.00</td></tr><tr><td>4.</td><td>5.00</td><td>10.</td><td>9.00</td></tr><tr><td>5.</td><td>5.00</td><td>11.</td><td>9.00</td></tr><tr><td>6.</td><td>6.00</td><td>12.</td><td>8.90</td></tr><tr><td colspan="2">Total</td><td colspan="2">75.90</td></tr></tbody></table> The exact due dates for repayment of the principal/interest shall be in accordance with the letter issued by the Bank to the Borrower immediately upon first disbursement.	S.No.	Amount	S.No.	Amount	1.	2.00	7.	6.00	2.	3.00	8.	9.00	3.	4.00	9.	9.00	4.	5.00	10.	9.00	5.	5.00	11.	9.00	6.	6.00	12.	8.90	Total		75.90	
S.No.	Amount	S.No.	Amount																															
1.	2.00	7.	6.00																															
2.	3.00	8.	9.00																															
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4.	5.00	10.	9.00																															
5.	5.00	11.	9.00																															
6.	6.00	12.	8.90																															
Total		75.90																																
6.	Security	Primary 1. Hypothecation of sold receivables from the Residential Project – Learning to Fly" owned by borrower. 2. Mortgage of Unsold Inventory totaling 23,641 sqft in the Project – "Learning To Fly" project owned by borrower All receivables to be routed through AXIS Bank escrow/RERA account. Collateral: a) Mortgage of Converted land measuring 4 acres 34.5 gunta located at Sy. No. 38/5, 36, 26/2.25/4, 26/1 & 25/11, Bilashivale Village, Hennur, Bidarahalli Hobli, Bengaluru, Karnataka -562149 standing in the name of M/s Environment Building Systems Private Limited. b) Hypothecation of sold receivables from the Residential Project – Windmills of Your Mind owned by Total Environment Building Systems Pvt., Ltd., c) Mortgage of Unsold Inventory totaling 49,140 sqft in the Project – "Windmills of Your Mind" owned by Total Environment Building Systems Pvt., Ltd.,																																



A	Facility	Term loan (TL)
		Entire security is cross collateralized with proposed loan of Rs. 37.10 Cr in Total Environment Building Systems Pvt Ltd. > Primary Security cover: 1.74x* > Collateral coverage/Asset coverage: 0.63x* Guarantors: Personal guarantee of a) Mr. Kamal Sagar and b) Mrs. Shibane Sagar Corporate Guarantee of Total Environment Building Systems Pvt., Ltd., ISRA: 1 Quarter ISRA (~Rs. 1.87 crores) to be created out of disbursement proceeds. Cash Sweep: Cash sweep on 30% of the collections of the projects is proposed. 70% released to the borrower should be done only till ~Rs. 60.29 Crs (balance cost to be incurred in the project) is achieved. Post the same, 100% cash collections shall be utilized towards mandatory prepayment of loan. Latest Networth statement as on 31st March 2022, along with break-up of assets & liabilities as certified by Chartered Accountant, to be submitted upfront.
7.	Prepayment	i. In case of prepayment, in full or in part by the Borrower, the Lender will be entitled to charge prepayment premium of 1% on the amount prepaid, except in cases, where the prepayment is made pursuant to written instructions of Axis Bank. Prepayment through project cash flows including sweeps / standing instructions will be excluded. Prepayment done through equity infusion will not have prepayment charges. ii. The amount prepaid shall be applied in the proportionate manner. iii. Any amount prepaid shall not be redrawn.
8.	Default Interest	In the event of non-payment of TL installment/interest on the due date, default interest at 2% p.a. above applicable rate on the amount of overdue installment/interest will be charged.



PART II: TERMS COMMON TO ALL FACILITIES COVERED IN PART I

TERMS COMMON TO ALL FACILITIES COVERED IN PART I		
1.	Availability Period / Last Date of Drawdown	Disbursement under the Facility shall not be permitted beyond 31.12.2022. Any disbursement request after this date shall be on such terms and conditions as acceptable to the Bank.
2.	Borrower's/ Promoter's undertaking	- Any contribution by promoters/ group company/ directors/ other related parties in the form of shareholder loan/ unsecured loan/ NCD/ OCD etc would be subordinate to credit facilities availed from Lenders, and the Principal or interest (if applicable) on such loans / funds shall not be paid during the tenure of the Facility without the prior permission of the Bank. - If there is any deterioration in the Security Cover ratio below the stipulated level, the Borrower/ Promoters shall furnish additional collateral security acceptable the Bank. - Project should be complied with applicable RERA guidelines. - In event of the cancellation of any Sale in the Project, the Lenders shall have charge on the corresponding area from the Project already sold. - The borrower to undertake to provide the declaration, as detailed in Annexure - C (Format given at the end of this term sheet), every quarter, within 10 days from the end of the quarter. - Company to provide an undertaking that it agrees to: - Disclose in the Pamphlets / Brochures etc., the name(s) of the Lender to which the property is mortgaged. - Append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/magazines etc. - Indicate in their pamphlets / brochures, that they would provide No Objection Certificate (NOC) / permission of the mortgagee bank for sale of flats / property, if required. - Mention in demand notice (to end customers) that payments need to be made in favour of the Designated Account (to be opened with Axis bank). - Display boards indicating that the Project Assets/Property is mortgaged to Axis Bank/ Lenders.
3.	Conditions precedent to the initial disbursement	The availability of the Facility shall be subject to satisfaction of the following conditions/submission of following documents: - The borrower shall complete all documentation, to the satisfaction of the Bank including Borrower's/Promoter's undertaking, as stipulated. - The borrower shall obtain all necessary statutory permissions (including power, water, fuel, treatment and disposal of effluents, solid waste and emissions from its project etc.) from regulatory, government, environmental and other agencies. It shall provide copies of such permissions to the Bank for its record. - In case Agricultural Land is offered as security, the application of conversion into NA Land to be submitted to the Bank. - Title report from an empanelled advocate confirming good and marketable title to the properties to be mortgaged in a form satisfactory to the Bank. - Valuation: Valuation of immovable properties (L&B) to be carried out in line with stipulation at clause no. 9 of Part III - Valuation reports of WoYM and LTF projects by CBRE to be obtained prior to disbursement. - Submission of Latest Networth Statements of Guarantors.



TERMS COMMON TO ALL FACILITIES COVERED IN PART I		
		8. Borrower to shift RERA/ project escrow accounts to Axis Bank prior to disbursement. Escrow accounts (for OC received Tower 1) and RERA account for unfinished towers (Towers 2 and 3) shall be opened upfront. 9. NOC from Brookfield for release of security upon payment of Rs. 110 Cr across both the loans to be obtained upfront. 10. Borrower to submit mandatory declarations for connected lending, RBI Annexure I and III prior to disbursement. 11. Confidential credit report of the Borrower from its existing lenders to be obtained by the Bank, if required by the bank. 12. The project needs to be registered with related RERA authority of the state, as may be applicable, and a copy of the same to be provided to the lenders. 13. The borrower shall certify that Property is compliant with National Building Code (NBC-2005) and National Disaster Management Authority (NDMA) guidelines in line with Reserve Bank of India directives. The adherence to NBC-05 and NDMA shall be certified by an Architect / UE acceptable to the Bank.
4.	Disbursement conditions	The disbursement of the facility would be made towards part closure of term loan facility with Brookfield as permitted by the bank.
5.	Other Covenants	1. The Bank reserves the right to withhold disbursement of the loan at any time if in its opinion there occurs any event that adversely affects the viability of the Business or there has been an Event of Default under any Agreement/MOU/other document executed by the Borrower with any lender, including but not limited to this project/loan. 2. The borrower shall submit end use certificate for each disbursement from practising Chartered Accountant within 30 days from the date of each disbursement. 3. Borrower shall provide undertaking that no fee will be paid to guarantors for issuing the personal guarantees. 4. Data on collections at group level to be submitted every half year, within 30 days of end of the half year. 5. 2nd valuation for Hennur land to be done within 30 days from the date of 1st disbursement. 6. Borrower to provide Quarterly MIS of sales of WoYM and LTF projects i.e., movement in realization of committed receivables, increase in no. of registration of flats, new unsold inventory sold, cancellations, if any in a format acceptable to the bank. 7. Borrower to obtain prior permission from the Bank before any kind of construction being undertaken on the Hennur land.
6.	NOC for sale / release of Lender's charge on Project units	1. The sale agreement with buyers of the units/area/premises in Project, should mention a clause to the effect that the payments for the property would be deposited in the separate designated account opened with Escrow Bank for this purpose. 2. Additionally the clause as given below is proposed to be added to the sale agreement: "The Purchaser understands and acknowledge that the said premises has been mortgaged by the _____ <<<Developer>>> to Lenders for securing the Loan availed by the said _____ <<<Developer>>> for the purpose of construction of the said premises and the Purchaser takes notice that he/she/they is/are required to obtain a No Objection Certificate from said Lender(s) for creation of any encumbrances on the said premises. The Purchaser agrees and undertakes that he/she/they shall not create any



TERMS COMMON TO ALL FACILITIES COVERED IN PART I		
		encumbrances over the said premises till such time an NOC in writing is received from Lenders." 3. The Company shall obtain NOC from Agent/ Bank prior to sale 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 stipulated Financial Covenants, or any Event of Default. 4. The format of the NOC would be as acceptable to the Bank. No amount will be payable to the Bank for issuance of such NOC. 5. All Lender(s) to the Project to give their approval to the Facility Agent for issuance of the above mentioned NOC.
6	DCCO	The project shall be completed in all respects and shall commence commercial operations by 31.03.2025. Any time overrun shall be brought to the notice of the Bank immediately. DCCO needs to be certified by an appropriate authority/official as acceptable to the bank.
7	Cash Sweep	The extra amount over and above the interest and principal from the cash sweep amount will go towards prepayment of loan in proportionate manner. The waterfall mechanism will be as follows: The entire cash flows of the Property, in relation to term loan including but not limited to present and future collections would be deposited in the Escrow Account. The utilization of 30% cash sweep from the Escrow Account would be as follows: • Statutory Dues • Interest and principal servicing for the quarter • Balance to be adjusted against principal instalment in proportionate manner • Balance 70% shall be released to company for meeting project expenses provided there are no overdues The 70% released to the borrower should be done only till -Rs. 60.29 Crs (balance cost to be incurred in the project) is achieved. Post the same, 100% cash collections shall be utilized towards loan servicing and mandatory prepayment of loan as per above waterfall mechanism.
8	Takeover Guidelines	i. The account to be taken over should be a standard asset and should not be reported as non-cooperative with any other bank at the time of take over ii. The borrower should not have ever been reported as NPA, Fraud or Red Flagged iii. The borrower should not have been reported as SMA-1 or SMA-2 in the past one year The disbursement should be made by way of a Pay Order / RTGS favouring the other bank along with a covering letter clearly setting out the facilities to be repaid and closed by the other bank should be hand delivered against acknowledgement. The branch should retrieve the documents from other bank and complete the creation of security within the timelines prescribed stipulated in the sanction



PART III: TERMS COMMON TO FACILITIES COVERED IN PART I

TERMS COMMON TO FACILITIES COVERED IN PART I		
1.	Upfront/ Non-refundable Processing Fee: Other Charges / Fees (including Commitment Fees, if any):	1% of the loan amount plus applicable taxes
2.	Commitment Fee	NA
3.	Validity of Sanction	The sanction shall be valid for acceptance upto 90 days from the date of sanction. Similarly, in case the first disbursement is not completed within 6 months from the date of sanction, the proposal shall require re-validation.
4.	Interest Reset / Spread Reset	The Bank reserves the right to alter the Interest rate or the spread or the interest reset date upon occurrence of any of the following: i. RBI enhancing the standard provisioning requirements/risk weightage for banking assets; or ii. downward revision in the credit rating of borrower/guarantor/security provider by a Credit Rating Agency and/or internal ratings; or iii. occurrence of an Event of Default; or iv. changes in externally prevailing directives of regulatory authorities/RBI. v. Non-submission of financial and non-financial monitoring documents as per the scheduled timelines, pending security creation and irregularity
5.	Default Interest	i. In the event of non creation of security within stipulated timelines, AND/OR ii. Delay/failure to obtain external credit risk rating from the agency approved by RBI, within stipulated time period and/or if the rating deteriorates or suspended, or delay/failure to submit the yearly certificate to confirm compliance with the stipulation pertaining to ownership/control/management, AND/OR iii. Default interest in case of breach in the: financial covenants/ Non-financial covenant: AND/OR iv. Non-submission/ delay in submission of Audited balance sheet within stipulated period of 6 months from the end of financial year of the company a) For Fund-based facilities: default interest of 1% p.a. above the applicable rate on the outstanding amount of Fund-Based credit facilities and b) For Non-fund based facilities: additional commission @ 0.25% p.a. above applicable rate on the outstanding amount of Non-Fund Based facilities will be applicable for the period of default. <i>(Note: aggregate default interest in case of multiple breaches shall not exceed 2% for a particular credit facility.)</i>
6.	Interest Calculation	The interest to be calculated for 360 days (for USD denominated loans) and 365 days (for other currency loans), irrespective of leap year.



TERMS COMMON TO FACILITIES COVERED IN PART I								
7.	Security Creation Timeline	> Hypothecation and PGs to be executed upfront. > ISRA to be created out of disbursement proceeds > Mortgage to be created and perfected within 60 days from the date of 1st disbursement.						
8.	Compliance in case of SEZ properties	In case of SEZ properties, upfront NOC/ Letter of Approval from SEZ Authority to be obtained for creating mortgage.						
9.	Valuation	a) Valuation report for immovable properties (land and building) from an empanelled/ valuers acceptable to the Bank. b) The valuation report will be required from a minimum of two independent valuers if the property is valued at Rs.50 crs or above. Lower of the two valuations will be considered. Valuation report shall be submitted once in every three years. c) Cost of valuation shall be borne by borrower.						
10.	Financial Covenants	The below Financial Covenants shall be tested on an annual basis based on audited results of the Borrower: <table border="1"> <thead> <tr> <th>S. No.</th><th>Ratios</th><th>Parameter</th></tr> </thead> <tbody> <tr> <td>I.</td><td>Min.Collateral cover</td><td>Not below 0.50 times</td></tr> </tbody> </table>	S. No.	Ratios	Parameter	I.	Min.Collateral cover	Not below 0.50 times
S. No.	Ratios	Parameter						
I.	Min.Collateral cover	Not below 0.50 times						
11.	Non-Financial Covenants	1. Bank's NOC should be obtained before sale of any flat in LTF and WoYM projects (as per regular T&C). 2. Quarterly sales MIS of LTF and WoYM should be obtained within 15 days from the end of each quarter.						
12.	The Facility shall not be utilized for: a) Subscription to or purchase of shares/debentures b) Extending loans to subsidiaries/ associates/ for making inter-corporate deposits c) Purchase of Land, TDR, FSI, etc. d) Any speculative purposes Any activity not eligible for Bank's credit as per RBI guidelines issued from time to time							
13.	In case of default, the Bank reserves the right to crystallise the foreign currency liabilities of the borrower due to the Bank at prevailing market rates							
14.	Borrower/Obligor shall: i. maintain proper books of accounts to accurately reflect its financial condition; ii. keep the Bank informed of the happening of any event which is likely to have an impact on their profit or business and the remedial steps proposed to be taken; iii. pay the service charges as per the Banks standard schedule of charges							
15.	Restricted Payments: The borrower shall not without prior written approval of the Bank: i. repay any principal or interest on any loans availed from the shareholders/directors/partners/proprietor/ co-parceners, relatives, friends or any other affiliates (as the case may be), as at the date of the execution of this Agreement. ii. declare dividend for any year except out of profits of the current year and subject to no default in payment/repayment obligation to the Bank.							
16.	Borrower/Obligor shall not, without the prior written approval of the Bank: i. enter into any merger/amalgamation etc or do a buyback; ii. wind up/liquidate its affair or agree/authorise to settle any litigation/arbitration having a material adverse effect; iii. change the general nature of its business or undertake any expansion (over and above as declared in the projection during current sanction) or invest in any other entity;							



TERMS COMMON TO FACILITIES COVERED IN PART I	
	iv. permit any change in its ownership/control/management (including by pledge of promoter/sponsor shareholding in the Borrower to any third party)/beneficial owner or enter into arrangement whereby its business/ operations are managed or controlled, directly or indirectly, by any other person. Unlisted Borrower shall submit yearly certificate to confirm compliance of the same. v. wind up, liquidate or dissolve its affairs or take any steps for its voluntary winding up or liquidation or dissolution vi. make any amendments to its constitutional documents; vii. avail any loan; and/or stand as surety or guarantor for any third party liability or obligation; and/or provide any loan or advance to any third party viii. encumber its assets ix. pay any commission, brokerage or fees to its promoters/directors/guarantors/security providers; x. dispose its assets other than as permitted by the Bank in writing.
17.	Assignment: The Bank shall have a right to sell or transfer whole or part of the Facility to any person/entity under such terms and conditions as the Bank may decide in its sole discretion without consent of, or prior intimation to, the Borrower/obligors.
18.	Set-Off: The Bank shall have the right to settle any indebtedness owed by the Borrower to the Bank under any document/agreement, by adjusting, setting-off any deposit(s) and/or transferring monies lying to the balance of any account(s) held by the Borrower with the Bank without giving prior notice to the Borrower. The Bank's rights hereunder shall not be affected by the Borrower's bankruptcy, death or winding-up.
19.	Hedging: Not applicable
20.	Borrower shall undertake that in case of LC/BG opened, bills accepted: i. It would meet the commitments on due dates out of its own sources.
21.	Insurance: All the assets secured to the Bank shall be insured for full value covering all risks with bank's interest noted therein and a copy of the Insurance Policy(s) is to be submitted to the Bank.
22.	Inspection/ Stock Audit: The Borrower shall permit the Bank/its consultants to - inspect the Borrower's premises, assets, documents in the possession of the Borrower minimum once in a year, - Stock audit once in a year, - conduct forensic audit, in case of irregularities/ default. In case the goods are stored in rented premises, letter of no lien and free access to be submitted from the owner of premises. The cost of inspection/audit is to be borne by the Borrower.
23.	Agency for Specialised Monitoring (ASM): The Bank shall have right to appoint an external Agency for specialized monitoring.
24.	Financial Information: Borrower shall provide Bank provisional financial statements within 45 days of year-end and audited financial statement within 6 months of financial year end.
25.	Limits cancellation clause: The Bank shall have an unconditional right to cancel the undrawn/unavailed/unused portion of the Facility at any time during the subsistence of the Facility, without any prior notice to the Borrower, for any reason whatsoever. In case of such cancellation, all the provisions of this sanction shall continue to be effective and valid and the Borrower shall repay the Facility in accordance with the terms of this sanction.
26.	Security: If any Security is to be created over immoveable property acquired by the Borrower subsequent to the execution of the facility agreement, the Borrower shall, forthwith upon acquisition



TERMS COMMON TO FACILITIES COVERED IN PART I

	of each such immoveable property, inform the Bank of the details of the immoveable property acquired.
27.	External rating: The limits sanctioned by our bank shall be externally rated by a rating agency approved by RBI for the purpose within 90 days from the date of first disbursement.
28.	Documentation: Bank's standard documents
29.	Related party transaction: The borrower to take specific prior permission of the Bank if the related party transaction exceeds 5% of the total turnover as per last audited financials by using the Credit line sanctioned by our Bank. Prior permission is not required if the transaction is undertaken during normal course of business.
30.	If the Borrower has availed facilities from a Related Party, then an undertaking to be submitted from the Related Party to the Bank confirming that the financial debt extended by the Related Party to the Borrower shall not be assigned or transferred to any person other than another Related Party or a bank or a financial institution.
31.	Regulatory Conditions: - In case of standalone BG/ LC facilities sanctioned by the Bank, if any, the customer should submit an undertaking to the effect that it has not availed any FB facility from any other Bank. - Under no circumstances shall the Facility be utilised for Subscription to or purchase of shares/debentures/any speculative purposes/activities not eligible for bank credit as per RBI guidelines. Legal Entity Identifier Code (Mandatory Submission for borrower having total banking exposure of Rs.25 crs and above): This sanction is subject to submission of Legal Entity Identifier Code and to be renewed periodically as per Global Legal Entity Identifier Foundation (GLEIF) guidelines and Further as LEI is made mandatory for all customers enjoying exposure of Rs.5 crore, it is suggested that the firm/company takes necessary steps to arrange for obtaining LEI and submit to the Bank at its earliest. - The lender does not have an obligation to meet further requirements of the borrowers on account of growth in business etc without proper review of credit limits. - The Borrower shall submit information as required vide RBI circular DBOD.No.BP. BC. 94/08.12.001/2008-09 dated December 8, 2008 in Annexure I and Annexure III. UFCE: The Borrower shall provide the Unhedged Foreign Currency Exposure (UFCE) Certificate on a quarterly basis within 30 days from the end of quarter. On annual basis, the borrower shall submit UFCE certificate duly audited and certified by its statutory auditor. Beneficial Ownership Declaration: The borrower shall provide an undertaking w.r.t. to declaration of beneficial owner in line with the RBI guidelines. Willful Defaulter: The Borrower shall not induct a person identified as wilful defaulter by RBI or CIBIL or any other authorised agency as it's director/senior officer/partner / member/trustee and shall take expeditious and effective steps for removal of such person if so inducted. Auditor: The Borrower co-operate with such auditors as may be appointed by the Bank with a view to obtain specific certificate regarding utilization/diversion/siphoning of funds, provide the necessary information and/or documents as may be required by such auditors, and bear all the expenditure in respect of obtaining the said certificate. Disclosure: The Bank shall be entitled to disclose all information relating to the Borrower to Credit Information Companies ("CIC") authorised by RBI and/or any other person. Any CIC and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them to other banks / financial institutions / credit providers and the Borrower shall not hold the Bank liable in any manner for use of such information. Connected Lending Undertaking: The borrower shall undertake that - None of the directors of Axis Bank or relatives of directors (as defined in the RBI Master Circular - Loans and Advances - Statutory and Other Restrictions) is a director / partner, manager, managing agent, employee or guarantor of the borrower or of a subsidiary of the borrower or



TERMS COMMON TO FACILITIES COVERED IN PART I

of the holding company of the borrower and that none of them hold substantial interest in the borrower or its subsidiary or its holding company.

- ii) to the best of the borrower's knowledge none of the directors of any other bank or the subsidiaries of the banks or trustees of mutual funds / venture capital funds set up by the banks or their relatives as defined in the RBI Master Circular - Loans and Advances - Statutory and Other Restrictions is a director / partner, manager, managing agent, employee or guarantor of the borrower and that none of them holds substantial interest in the borrower.
- iii) to the best of the borrower's knowledge none of senior officials of the bank or the participating banks under consortium or their relatives as defined in the RBI Master Circular - Loans and Advances - Statutory and Other Restrictions is a director / partner, or guarantor or members of HUF of the borrower and that none of them hold substantial interest in the borrower.

In case if any of the above stated declarations is breached, the borrower shall inform the bank immediately. In case of non-compliance with the undertaking or giving wrong undertaking in relation to Connected Lending, at any time during the currency of loan, the bank reserves the right to recall the loan immediately.



Annexure A- Format of NOC for sale and release of charge on area sold

Date: _____

To,

<COMPANY NAME>,
<Location>

Dear Sirs,

Sub: No Objection for Release of Charge for Sale of Premises – Your request

The property being <<mention details of the property >>at <<mention address>> has been mortgaged jointly on 1st pari-passu basis for total sanctioned limit of << >> crores to following Lenders:

Name of Bank	Limit sanctioned (Rs. Crore)
Bank 1	
Bank 2	
Total	

Pursuant to the Loan availed from the above Banks for the purpose of the construction of Project; the property being <<mention details of the property >>at <<Address>> has been mortgaged to us by you.

We have been informed by you that the premises being << complete detail of premises>> on _____ floor in the Project known as <<PROJECT NAME and LOCATION>> admeasuring (approximately) _____ sq. ft. ("said Premises") constructed on the said mortgaged property has been sold/is proposed to be sold to Mr./Mrs./M/s _____ for a total consideration of Rs. _____ (Rupees _____ only) by an Agreement for Sale dated _____/to be executed.

We have been requested to issue our No Objection for the said sale.

We wish to inform you that we have No Objection for Release of Charge on the said premises to enable you to sell the said Premises to said Mr./Mrs./M/s _____ subject to the specific condition that the total consideration mentioned above shall be deposited to the designated Account No. _____ maintained with the Bank. Provided that if the Bank is not in receipt of the said sum of Rs. _____ in the designated account as aforementioned, this NOC shall not have any effect and shall be deemed to have been cancelled thereafter and the security created over the said premises shall continue as if this NOC has not been issued and the charges created over the said premises shall not stand released.

Yours faithfully,



Annexure C - <Format of letter to be submitted by the Borrower on quarterly basis>

Date: _____

To,

Axis Bank Ltd

<CBB Address>

Dear Sirs,

Sub: Confirmation of security details as required under RBI guidelines on finance to Commercial Real Estate

We refer to the Facility of Rs <Facility amount>, sanctioned by Axis Bank to us for our Project<Project Name> located at <Address>. As per relevant RBI guidelines, we confirm security details and compliances as below, for the period from <date> to <date>:

Sr. No.	Compliance requirement	Confirmation (Yes/No)	Remarks/Comments (If any)
1	The Pamphlets/Brochures etc. for the Project, duly discloses that the Project Assets/Property is mortgaged to Axis Bank (copies enclosed).		
2	The information relating to mortgage has been appended while publishing advertisement of a particular scheme for the Project in newspapers / magazines etc.		
3	The requirement for No Objection Certificate (NOC) / permission of the mortgagee bank for sale of flats / Property has been indicated in the pamphlets / brochures (copies enclosed).		
4	The demand notice (to end customers) indicates that payments need to be made in favour of the Designated Account <Account Number> to be opened with Axis Bank (format enclosed).		
5	All payments received with respect to the Project (after <date of first disbursement>) are deposited in the Designated Account <Account Number> with Axis Bank.		
6	NOC from Facility Agent/ Axis Bank has been obtained for sale of area in the Project (after <date of first disbursement>).		
7	Display boards indicating that the Project Assets/Property is mortgaged to <Axis Bank>, have been located appropriately at the Project site.		

Yours faithfully,

<Authorised Signatory of the Borrower>

Encl:

- Copies of Pamphlets/Brochures
- Format of demand notice



Annexure - II

Dear Sir,

Noting of RBI Instructions on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, Pertaining to Advances Dated 12th November, 2021.

With reference to the recently issued RBI circular no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22 on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances – Clarifications' dated 12-11-2021, the following clarifications may kindly be noted.

1. **Dues:** The principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.
2. **Overdue:** The principal / interest / any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid by the due date fixed by the bank.

Relevance of the Principle of 'First In First Out' (FIFO) in appropriation of payments into the borrower's account: The Principle of FIFO i.e. 'First In, First Out' accounting method is relevant to arrive at the number of days overdue for determining the SMA/NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the borrower first. For example, if in any loan account as on 01-02-2021, there are no overdues and an amount of INR X is due for payment towards principal instalment / interest / charges, any payment being credited on or after 01-02-2021 in the loan account will be used to pay off the dues outstanding on 01-02-2021.

Assuming that nothing is paid / or there is partial payment (INR Y) of dues during the month of February, the overdue as on 01-03-2021 will be INR X - INR Y. Additionally, an amount of INR Z becomes due as on 01-03-2021. Now any payment partial payment into the account on or after 01-03-2021 will be first utilized to pay off the partial due of 01-02-2021 (INR X - INR Y). If there is more recovery than the INR X - INR Y, then after recovering dues of 01-02-2021, the remaining amount will be treated as recovery towards due of 01-03-2021.

Age of oldest dues: The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid. In the aforesaid illustration, if the dues relating to 01-02-2021 remain unpaid till 01-03-2021, the age of the oldest dues is reckoned as 29 days on 02-03-2021.

3. Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

Lending institutions will recognize the incipient stress in loan accounts, immediately on default, by classifying them as Special Mention Accounts (SMA). The basis of classification of SMA / NPA category shall be as follows:

Loans other than revolving facilities		Loans in the nature of cash credit / overdraft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA 0	Up to 30 days	NA	NA
SMA 1	More than 30 days and Up to 60 days	SMA 1	More than 30 days and Up to 60 days



SMA 2	More than 60 days and Up to 90 days	SMA 2	More than 60 days and Up to 90 days
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4. Non-performing Asset:

Non-Performing Asset (NPA) is a loan or an advance where:

- Interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- The account remains 'out of order' as indicated below, in respect of an Overdraft / Cash Credit (OD / CC),
- The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

5. 'Out of Order' Status:

An account shall be treated as 'out of order' if:

- The outstanding balance in the CC / OD account remains continuously in excess of the sanctioned limit / drawing power for 90 days, or
- The outstanding balance in the CC / OD account is less than the sanctioned limit / drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit / drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Illustrative movement of an account to SMA category to NPA category based on delay / non-payment of dues and subsequent upgradation to Standard category at day end process:

Due date of payment	Payment date	Payment covers	Age of old dues in day	SMA /NPA categorisation	SMA since date SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not paid 01.03.2022 is at at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 paid, Due for 01.03. not paid at EOD 01.03.2022	30	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022/ 03.03.2022	NA	NA
		Dues of 01.02.2022 paid, due for 01.03.2022 not fully paid at EOD 01.03.2022	31	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022, 01.03.2022 amount dues on 01.04.2022 at EOD 01.04.2022	60	SMA-1	01.02.2022/ 02.04.2022	NA	NA



		No payment of dues of 01.02.2022 till 01.04.2022 EOD 02.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 EOD 02.05.2022	91	NPA	NA	NA	02.05.2022
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard A/c with No Over	NA	NA	STD from 01.10.2022

It may be noted that the aforesaid few examples are illustrative and not exhaustive in nature covering common scenarios, and that the IRACP norms and clarifications provided by RBI on the subjects referred above will prevail.

Acknowledgement of the borrower/Guarantor:

I/We confirm that the Bank has explained SMA/NPA norms and I/We have understood the same.

