

*Marked Mark
Green Wood*

100/-

(N-J) SL.NO. PURCHASER EXECUTANT/CLAIMANT
 भारत 10465 150016
 आंध्र प्रदेश MAR 19 2009
 SUB REGISTRAR & EX-OFFICIO STAMP VENDOR
 LETTER OF ARRANGEMENT R.0000100
 (To be issued in duplicate) INDIA NON-JUDICIAL STAMP DITY ANDHRA PRADESH
 (To be stamped as an Agreement)

To Green Wood Estates
5-4-187/3x4, 2nd Floor
Soham Mansion, M.G. Road,
 (Borrower's name & address) Secunderabad-03

Letter No. : MER4

Date : 19/03/2009

Dear Sirs,

**ADVANCES TO SME SEGMENT
 SANCTION OF CREDIT FACILITIES**

With reference to your application dated 17/02/2009 requesting us for sanction / renewal of Working Capital Limits and / or Term Loan Limits at existing / enhanced levels and subsequent correspondence in this regard, we have pleasure in advising sanction of the following credit facilities, which are available subject to your acceptance / fulfillment of the Terms and Conditions detailed in Annexures A & B.

(Rs. in lacs)

SL.	FACILITY	LIMIT
A) FUND BASED LIMITS:		
a	Cash Credit Under	700.00
b	Working Capital Finance to Private builders	
c	for Construction of Residential Plots	
d	Limits Reduced from Rs 800.00 lacs. to Rs 700.00	
e	Local and Partial repayment of the loan.	
f		
Total of Fund Based Limits		700.00
B) NON-FUND BASED LIMITS :		
a		
b		
c		
Total of Non-Fund Based Limits		-
TOTAL LIMITS		700.00

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(Please furnish particulars of inter-changeability between limits, if any)

We are forwarding this letter in duplicate along with Annexure A & B and shall be glad if you return to us the originals duly signed by you and the guarantors in token of having accepted the Terms and Conditions, below the words "We Accept" appearing at the end of the Annexures and retain the duplicate thereof for your record.

Thereafter, you may call on us with the guarantors, preferably with prior appointment, to execute the documents in this regard.

Assuring you of your best services at all times.

Yours faithfully,
[Signature]
 Branch Manager,

[Handwritten signatures and initials]

Encl. : Terms and Conditions - Annexures A & B

Contd. 2..

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Director*

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TERMS AND CONDITIONS

ANNEXURE-A

1. SECURITY :

LIMIT	PRIMARY SECURITY	COLLATERAL SECURITY	
		IMMOVABLE PROPERTY	THIRD PARTY GUARANTEE
FUND BASED :			
Cash Credit - Rs 700.00 Lacs	① E.M of land belonging to Mrs Green Wood Estates, administratively 3.00 acres, Situated at Sy. no. 202 to 206, Kankar near Ballabram, Secunderabad.		1. MR. Madh Mehta 2. MR. K. Sowdani 3. MR. Soham Madh
	② E.M of land of 3.05 acres Situated at Sy. no. 202 to 206, Kankar near Ballabram, Secunderabad belonging to Sri. K. Bhaskar & others by former attorney holder Mrs. Green Wood Estates		4. Madh Hanubey Pul-hal.
NON-FUND BASED :			
	③ Proposed construction in respect of 284 Flats belonging to Mrs Green Wood Estates (total 406070 sq-ft).		

2. PERIOD OF ADVANCE & REPAYMENT TERMS:

Working Capital: Repayable on demand. The facility which has been sanctioned on 29/01/2008 is available for _____ months from that date, subject to review every _____ months, when it may be cancelled / reduced depending upon the conduct and utilisation of the advance, or as per the Bank's Scheme. WC-CC of Rs 700.00 Lacs is rescheduled with repayment to commence from 30.04.2010. The loan will be repayable in 10 Monthly installments of Rs 70.00 Lacs x Interest is to be serviced as and when offered.

Term Loan: To be repaid within a period of _____ months from the date of sanction.

The Term Loan is to be repaid as per the following repayment schedule.

In _____ monthly / quarterly installments of Rs. _____ each, with the first instalment commencing on _____ and the last instalment falling due on _____

Others: Interest shall be payable on the outstandings in the loan accounts computed on daily balances basis duly compounded and debited to the accounts at monthly rests on the last working day of every month, in accordance with the accounting practices of the Bank from time to time.

Commitment charges, as applicable, shall be payable in case of non-utilisation of sanctioned limits.

Pre-payment charges, as applicable, shall be payable in case of pre-payment of Term Loan installments.

3. RATE OF INTEREST:

Working Capital: Interest at 2 % above / below State Bank Advance Rate (SBAR) (SBAR = 12.25 % w.e.f. _____) with a minimum of 12.25 % p.a., rising or falling therewith, on daily products with monthly rests. Present effective rate: 14.25 % p.a. Wherever expedient, interest rate is directly linked to the Credit Risk Assessment of the borrower.

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Term Loan: Interest at _____ % above / below State Bank Advance Rate (SBAR) (SBAR = _____ % w.e.f. _____) with a minimum of% p.a., rising or falling therewith, on daily products with monthly rests. Present effective rate: _____ % p.a. Wherever expedient, interest rate is directly linked to the Credit Risk Assessment of the borrower.

Accrued but unapplied interest, if any, shall be governed by RBI's directives or IRAC norms. Interest rates on facilities extended in foreign currency shall be linked to LIBOR rates.

Application of interest in respect of Agricultural Advances shall be in line with the harvesting seasons.

Enhanced Interest:

- a) Enhanced rate of interest at 1% cumulatively subject to a maximum of 2% will be charged for the period of delay in respect of:
 - i) Delayed/non-submission of financial data required for review / renewal of limits.
 - ii) Delayed/non-submission of annual financial statements.
 - iii) Delayed/non-submission of stock statements.
- b) Enhanced rate will be charged on the excess drawings in case any irregularity / breach is continuously less than 60 days, and if it exceeds beyond 60 days, on the entire outstandings from the date of irregularity / breach. Enhanced interest will be compounded monthly.
- c) The Bank shall also be entitled to charge at its discretion, enhanced interest rates on the accounts either on the entire outstandings or on a portion thereof, for any irregularity including non-observance or non-compliance of the Terms and Conditions of the advances, for such period as the Bank deems it necessary.

4. **MARGINS:** *AS FOR THE CASE BUDGETS SUBMITTED BY THE BORROWER, THE BORROWER WILL MEET 50% OF THE TOTAL DEBIT. BANK FINANCE AT ANY TIME SHALL BE MET BY AN EQUAL AMOUNT OF CONTRIBUTION FROM PROMOTERS*

SL.	ITEM from Promoters	MARGIN (IN %)
A	FUND BASED LIMITS:	
a	Raw Materials : Imported	
b	Raw Materials : Indigenous	
c	Semi-Finished Goods	
d	Finished Goods	
e	Components / Consumables / Spares	
f	Domestic Receivables	
g	Export Packing Credit	
h	Term Loan	
B	NON-FUND BASED LIMITS	
a	Letters of Credit	
b	Bank Guarantees	

5) **TENOR / RETENTION PERIOD OF BILLS:**

_____ days. The cover period of _____ days for Receivables would be extended only in respect of buyers other than associate / sister concerns. Receivables beyond _____ days will not be reckoned for computing Drawing Power. Drawing Power will also not be available on unpaid stocks.

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Sheddy

Approved
John - me
John - me
Sheddy

6) **INSURANCE:**

All the assets charged to the Bank should always be fully insured by the Borrower against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil commotion, and other natural calamities, etc., with a company approved by the Bank in the joint names of the Bank and yourselves, at your cost for full market value or Bank's interest, whichever is higher. The policies / cover notes should be lodged with the Bank. The policies should be kept alive (current) during the currency of the advance. In the event of non-compliance, the Bank reserves the right (but not be bound to exercise) to take the insurance cover as required by the Bank by debit to your account. The machinery to be purchased out of the Term Loan, if any, to be insured for the full market value or original cost of the machinery, whichever is higher. Likewise all the renewals of the policies should also be effected / done by the Borrower at all materials.

7) **CREDIT GUARANTEE COVER:**

- a) Pre-shipment Credit, if any, will be covered by the Bank under the individual Packing Credit Guarantee (IPCG) of ECGC, with premium payable by debit to your account.
- b) Post-shipment policy of ECGC with buyer-wise limits for non/L/C exports to be obtained by you at your cost, if applicable.
- c) ECGC officials have the right to inspect the Unit, if considered necessary.
- d) Credit Guarantee under CGTSI Scheme to be covered, wherever applicable.

8) **STOCK STATEMENTS:**

Statements of Stocks / Receivables hypothecated / pledged to the Bank are to be submitted regularly at monthly intervals as on the last day of every month before the 10th of the following month / within 10 days from the date of stock statement and / or whenever there is a large variation in stocks / Book Debts and also as on the date of the Balance Sheet (31st March). The statement should not include stagnant / obsolete / rejected stocks. Bills / Sundry Debtors outstanding beyond cover period should be shown separately in the statement. Sales and purchases figures for the month are to be reported. The details of unpaid stock with value should be shown separately. The Stock Statement should be signed by the authorised signatory. Suitable books / registers of the stock position, are to be maintained at the factory / business premises.

The Stock Statement should invariably contain complete particulars of stocks, debtors (along with complete address), creditors, usance L/Cs opened, etc. It is essential that the outstanding borrowings at all times are fully covered by the value of security hypothecated, less the stipulated margins to be reckoned as per valuation of inventory given under Para 11 below. If at any time, the Drawing Power yielded by the stocks, debtors, etc., held by you falls below the amount borrowed, such excess drawings shall be adjusted forthwith. Partywise / agewise details for each bill raised shall be submitted on a monthly basis for computation of Drawing Power against Book Debts. Further, the level of Creditors / Acceptances over and above the accepted level will be deducted while computing Drawing Power.

9. **INSPECTIONS:**

The Bank's officials / inspectors are to be permitted in the factory / business premises as and when required to inspect the stocks / books / equipment. Where the premises are leased / hired, necessary approvals to the effect from the lessor, if any required, are to be obtained. All assistance to be extended to the Bank's officials in conducting and completing such inspections smoothly. Necessary remedial steps also to be taken to rectify any shortcomings, if any, pointed out by the Bank's officials. The cost of such inspections shall be borne by you.

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10. VALUATION OF INVENTORY:

ITEM	TO BE VALUED AT
Imported Raw Material	Landed cost (i.e., invoice value plus Customs Duty but excluding Sales Tax and demurrage, if any) or market price, whichever is lower
Indigenous Raw Material packing materials, consumable stores and spares	Invoice price or market price or Govt. controlled price, whichever is the lowest
Semi-Finished Goods and Finished Goods	Cost of Production or Selling Price or market price or Govt. controlled rates, whichever is the lowest.

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11. SECURITY DOCUMENTS :

The following security documents shall be executed by you and the Guarantors:

- a) Agreement of Loan - cum - Hypothecation
- b) Guarantee Agreement
- c) Mortgage documents
- d) any other documents as may be required by the Bank

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12. OPEN TERM LOAN:

The following Terms and Conditions, amongst others, shall apply in respect of Open Term Loan Facility if any, sanctioned to you by the Bank:

- a) The loan has been considered for the following genuine commercial purposes in line with the regular business activity of the Unit:
 - i)
 - ii)
 - iii)
 - iv)
 - v)
 - vi)
- b) The said facility is to be availed within _____ months from the date of sanction (currency of sanction). If the limits are not availed & utilised or only partially availed & utilized within _____ months from the date of sanction, the limit or unutilized portion of the limit, as the case may be, will lapse and shall, therefore, not be disbursed.
- c) The total amount that would be disbursed will not exceed the overall limit sanctioned under this facility and multiple withdrawals also may be permitted only within the currency of sanction.
- d) Every disbursement under this facility shall be made on receipt of a written request from you within the currency of sanction and release shall be subject to scrutiny of basic financial information.
- e) The Bank shall be free to treat each disbursement as an individual loan or limit for accounting or any other purposes

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- f) The period of repayment will commence from the date of the first drawdown for each sub-limit or loan in the facility.
- g) The Bank may club together the repayment of the installments of different sub-limits or loan disbursed and may be done on a month end/calendar quarter end, etc.
- h) In the event of multiple disbursements, the Bank shall stipulate the repayment installments for each purpose of drawal.
- i) At the end of the currency of sanction, the Bank may combine and constitute all sub-limits or loans as one limit or loan by re-arranging or re-scheduling the repayment schedules in such a manner that the maximum period of repayment shall not exceed _____ period.
- j) The letters exchanged between the Bank and you shall form an integral part of the security documents and shall be annexed to the General Agreement for Term Loan / Agreement of Loan-cum-Hypothecation.
- k) The primary security shall be hypothecation of the machinery purchased out of the Open Term Loan and the collateral security shall be

- i)
- ii)
- iii)

Oh mel *Oh mel* *Seddy*
Next

Seddy

Oh mel

Oh mel

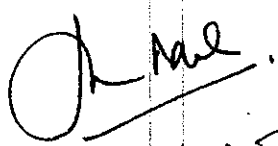

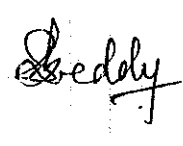
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TERMS & CONDITIONS

- a) Disbursement will be made only after completion of security documentation and formalities in respect of mortgage creation / extension. In respect of companies, in addition to these two requirements, charge to be filed with the Registrar of Companies within the prescribed period for creating a charge in favour of the Bank.
- b) Drawings in the account will be regulated on the basis of Drawing Power computed as per the latest Stock Statement.
- c) The Bank will have the right to examine at all times the Unit's books of account and to have the Unit's factories / offices / showrooms inspected from time to time by the officials of the Bank and / or qualified auditors and / or technical experts and / or management consultants or other persons of the Bank's choice.
- d) The Unit should not be dissolved / reconstituted without obtaining Bank's prior approval in writing. Post-facto approval of reconstitution / dissolution will not be accorded nor the existing guarantors shall be released if the dissolution / reconstitution is effected without prior approval in writing.
- e) The Unit should maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit at stipulated intervals such statements as may be prescribed by the Bank. The Unit should produce books of accounts for the inspection of Bank staff as and when called for.
- f) The Unit should submit provisional financial statements within one month and audited financial statements within three months from the date of closure of the accounting year. The returns submitted to the Sales Tax and Income Tax authorities should also be submitted to the Bank.
- g) The Unit should confine their entire business including foreign exchange business to us.
- h) The Bank will have the option of appointing its nominee on the Board of Directors of the Unit to look after its interests.
- i) The Capital invested in the business by the proprietor / partners / directors should not be withdrawn during the currency of our advance.
- j) In case the Unit fails to complete the formalities with regard to creation of a charge in favour of the Bank within a period of two months from the date of this letter, an enhanced interest of 1% on the outstandings or reduction of Drawing Power by 10% / 20% or both will be considered without any reference to the Unit.
- k) The Unit should keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business and the remedial measures taken in this regard.
- l) The Unit should keep the Bank informed of any circumstances adversely affecting the financial position of their sister / associate / family / subsidiary / group concerns in which it has invested, including any action taken by any creditor against the said Units legally or otherwise.
- m) After accounting for provision for taxation, the Bank will have the first charge on the profits of the Unit towards repayment of installments under Term Loans sanctioned / DPGs executed by the Bank or other repayment obligations, interest and any other dues from the Unit to the Bank.
- n) The proprietor / partners / directors should not withdraw the profits earned in the business / capital invested in the business without meeting the instalment(s) payable under the Term Loan. In the case of Companies, dividend should be declared only after meeting the dues to the Bank.
- o) All moneys raised by way of deposits from friends, relatives and / or from any other source should not be withdrawn / repaid during the currency of the Bank's advance. Suitable stamped letters of undertaking from the Unit and 'No Withdrawal' letters from the depositors should be submitted to this effect to the Bank.
- p) The Bank's name board (s) should be displayed prominently or painted on the machines pledged / hypothecated to the Bank and / or in the premises where the machines are installed and a list of such assets should also be displayed in the Unit.
- q) The Unit and other depositors of title deeds should possess a clear, absolute and marketable title to the properties proposed to be legally / equitably mortgaged in favour of the Bank to the satisfaction of the Bank's solicitors / advocates. Further, the said properties are to be revalued as and when required at your cost.

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 In name of
 In name
 Proprietor




 Beddy

- ii) Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.
 - iii) Formulate any scheme of amalgamation or reconstruction.
 - iv) Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary / group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
 - v) Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
 - vi) Undertake guarantee obligations on behalf of any other company, firm or person.
 - vii) Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
 - viii) Effect any drastic change in their management setup.
 - ix) Effect any change in the remuneration payable to the Directors/ Partners, etc. either in the form of sitting fees or otherwise.
 - x) Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the Bank.
 - xi) Create any further charge, lien or encumbrance over the assets and properties of the Unit Guarantors to be charged / charged to the Bank in favour of any other bank, Financial Institution, firm or person.
 - xii) Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.
 - xiii) Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.
 - xiv) Open any account with any other bank. If already opened, the details thereof is to be given immediately and a confirmation to this effect given to the Bank.
- ac) The following particulars / documents are to be furnished / submitted to the Bank:
- i) Permanent Account Number (PAN) of each Borrower / Guarantor and Corporate Identity Number (CIN) in the case of companies.
 - ii) Passport Number and other details including photocopies.
 - iii) 3 self-attested photographs of the Borrower and Guarantors.
 - iv) Location / site-map of immovable properties with important landmarks.
 - v) Names and addresses / occupations of all the legal heirs of Borrower and Guarantors.
 - vi) Details of properties not charged to the Bank.

THE COMMON SEAL OF :
MODE HOUSING PVT LTD
 was hereunto affixed We accept
 pursuant to a resolution
 of the Board of Directors
 of the said company passed
 in that behalf on the
 in the presence of Sri

Borrower/s




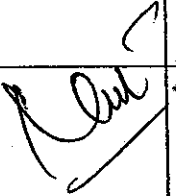
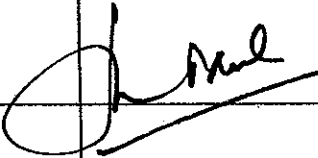
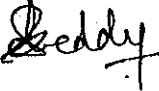
Om me . Om me .

Guarantor/s

Neel . Seddy

Seddy
Om me . Neel .
Om me .
Neel . Seddy

PASSPORT SIZE PHOTOGRAPHS OF BORROWER(S)

PASSPORT SIZE PHOTOGRAPHS OF GUARANTOR(S)

Note : Self attested passport size photographs of the Borrowers and the Guarantors to be affixed.