

INDIAN OVERSEAS BANK

Mallapur BRANCH (0705)

Private & confidential
F.568

GMR,
A-309

DATE: 30.12.2019

To
Mr.S V Subba Reddy
Flat.No.310,B Block,
Gulmohar Gardens,Mallapur,Hyderabad-500076
Cell.No.7674808777

Sir,

CREDIT SANCTION ADVICE

We refer to your loan application dated 26.11.2019 and also to the related correspondence and discussions seeking clarifications on various points raised by you/us and the consensus of the terms and conditions and the credit facilities arrived. We have pleasure in advising sanction of credit facilities as appended to this communication on terms and conditions stipulated thereon.

As and when you avail the said credit facilities, renewal of the limits at our option is due (i) at the end of twelve months from the date of this communication or (ii) from the date of our letter, if any, advising revalidation of this sanction.

Please Note that :

2a. Bank reserves its right to amend, alter the terms and conditions or withdraw all or any of the credit limits sanctioned at any time at its discretion without assigning any reasons whatsoever.

2b. The credit facility shall not be operative until specified documents are executed and terms and conditions of sanction are complied with as per the requirements of Sanctioning Authority / disbursing branch(es).

2c. The credit facility should be utilised for the specific purpose for which the same has been sanctioned and if the Bank has reason to believe that you have violated, or apprehends that you are about to violate the said conditions the Bank shall have the option to exercise its right to recall the entire loan or any part thereof at once, in addition to its right to withdraw the undrawn limits notwithstanding anything contrary contained in this Sanction Advice. It is affirmed that this right is without prejudice to the Bank's right to demand the Loan amount for violation of other terms and conditions of the sanction and/or the terms reflected in the loan/security documents to be executed by you.

2d. The referred credit facility is extended to you solely at the Bank's discretion. In addition to what is stated in para 2.c. , the Bank reserves the right to withdraw partially / wholly or regulate such credit facility on the occurrence of any one or all of the following events:

2d.1. Your non-compliance with terms and conditions of sanction.

2d.2. Indulging in drawings beyond sanctioned limits.

2d.3. Issuing cheques for purposes other than specifically agreed.

2d.4. Indulging in large cash withdrawals not commensurate with the requirements estimated.

2d.5. Indulging in activities which are detrimental to the image / interest of the Bank viz., acts that are unlawful, mollified etc.

2e. In terms of directives in force now or as may be modified from time to time, default in repayment of instalments and / or servicing of interest for a notified period, automatically results in categorisation of all your borrowal accounts as Non Performing Asset (NPA). Such categorisation renders you ineligible from seeking.

2e.1. Additional/adhoc credit facilities (Fund based and/or Non fund based).

2e.2. Waiver of overdue interest.

2e.3. Soft recovery measures etc.

2f. Bank is under no obligation to consider your request, if any, for additional Credit facility(ies) without a comprehensive review of the existing credit limits, operations in the accounts and past performance in meeting commitments such as servicing of interest charged to the Loan account(s), repayment of Loan instalments, prompt submission of stock-statements, upkeep of records of inventory and books of accounts, upkeep of machinery financed, honouring commitments under LC / LG promptly etc, as applicable to the purpose for which credit facility has been extended.

2g. In the event of your borrowal account being overdrawn without prior agreement or exceeds agreed borrowing limit or in the event of delay / non-submission of stock statement, Bank shall charge overdue interest at the rates specified from time to time.

The amount of such overdue interest debited to the loan account will find a place in the statement of account received by you (presently such overdue interest is levied @ 2% per annum on the amount due).

2.h.1. In the case of borrowal accounts where interest rate is linked to Base Rate or where fixed interest rate is specified by the Bank, changes if any, in the Bank's base rate and/or the spread (viz plus or minus percentage factor to base rate) or fixed rate specified by the bank, shall be conveyed through Press Report or Publicity through media or a suitable 'Notice' placed in the banking hall of the branch and such mode of communication shall be construed as sufficient 'Notice' to you about the revisions effected in the interest rates.

2.h.2. The applicable interest rate/s will be charged with monthly/quarterly/half yearly/annual rests, or such other rates and rests as may be notified by the Bank from time to time.

2.h.3. The interest will be calculated and charged as per the daily balances, to your borrowal account/s until the same is fully liquidated and the interest so charged will be paid by you as per the terms agreed or as and when demanded by the Bank.

2i. Prepayment of your borrowal accounts will be subjected to the applicable prepayment charges and revised terms and conditions.

2j. Copies of loan documents to be executed by you for the credit facility (ies) referred herein, will be provided at your cost, on receipt of a specific request in writing to the undersigned.

2k. Upon availment of credit facility on terms agreed, you have to produce necessary documentary evidence for end-use and facilitate verification by the Bank. As and when called for, a certificate from your Auditor regarding end-use of the loan availed should be produced to the Bank.

2l. Change if any, in the constitution of your organization viz. Reconstitution of Partnership Firm or conversion of Private Ltd Company into a Public Ltd Company or changes in Constitution / Directors proposals for merger / takeover etc. should be advised immediately to us in writing. The Bank has the sole discretion to accept or reject such reconstitution / conversion / changes and until such time, the same will have the right to suspend the operation of the limits and in the event, the Bank does not accept / recognise such reconstitution / conversion/ changes, the Bank will have the right to recall the entire loans, in addition to the right to withdraw the undrawn limits.

2m. All your borrowal accounts with our Branch / Bank will be subjected to the application of disclosure –norms prescribed by RBI.

2n. This credit sanction is valid for an availment period Six months from the date of this communication before which the said credit facilities are to be availed. Unless availed within the period of six months, this sanction requires revalidation by the Sanctioning authority.

2o. when the necessity for revalidation arises, you have to submit a written request letter to the branch furnishing the reasons for the non-availment of credit facilities even after lapse of six months from the date of this communication. Such request for revalidation will be evaluated by the Sanctioning authority and the validation of availment- period of sanction or otherwise will be communicated to you. It is to be noted that request for revalidation of sanction will be entertained only once.

2p. Your borrowal accounts are subject to the applicability of KYC (Know Your Customer) guidelines in terms of directives from RBI currently in force. We seek your co-operation in furnishing the required personal information/data under the requirements of KYC guidelines as and when the same is sought by us.

2.q. In case the borrower is a Company falling under the purview of companies Act 1956, the release of credit facilities will be subject to the company holding valid "Corporate Identity Number" (CIN) and all Directors of the company holding "Director's Identification Number" (DIN).

2q.1. In respect of loan accounts (with Credit limits of above Rupees Five lacs) which are renewed with delay, processing charges shall be collected proportionally for the period from the due date of renewal up to the date of actual renewal as per the schedule of charges prescribed.

2q2. The information/data pertaining to all your borrowal accounts shall be furnished to credit information Bureau of India Limited (CIBIL) and other Agencies/Authorities from time to time in terms of mandatory provisions in force.

3. Notwithstanding anything contained in the sanction terms, the Bank at any time reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice (a) in case deterioration of borrower's credit worthiness and /or (b) in case of non compliance of terms and conditions of the sanction and/ or (c) in case the limits /part of the limits are not utilized by you.

4. Guarantor/s is/ are advised to take notice that the bank shall have the right to exercise discretion with regard to allowing the loanee to withdraw amount from the loan account over and above the limit sanctioned and the guarantee to be extended shall cover such an eventuality also.

This Sanction Advice is being delivered to you in duplicate. Kindly return the duplicate copy of this Sanction Advice duly signed on all pages by you as also by the guarantor/s in token of your acceptance of Credit facility(ies) sanctioned to you on the Terms and Conditions specified herein.

Asst Manager (Credit)
(P.Jyothirmayee-R.No.39886)

Senior Manager
(S.Ranga Rao, R.No.43456)

PARTICULARS OF CREDIT FACILITIES WITH TERMS AND CONDITIONS:

Nature of facility	Project Cost	Margin	Loan Limit	Interest/ Commission	Periodicity of interest
Housing Loan under Subha Gruha Scheme for Purchase of Residential Flat 309, "A" Block, Third floor, "Gulmohar Residency", bearing Sy No 19, situated at Mallapur Village, Uppal Mandal, Medchal District, Telangana State having plinth up area of 1360 sq.ft along with car parking, lifts and other	52.84 Lakhs	12.84 Lakhs (@24.00%)	40.00 Lakhs (Rupees Forty Lakhs Only)	8.30% (5.15% Repo rate + 2.85% Mark up + 0.20% Strategic premium+0.10% Risk Premium)	Monthly rests & monthly compounding

amenities with an undivided share of land admeasuring 69.13 sq.yds (Out of total admeasuring 27,216 sq.yds)					
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Prime Security

The loan is to be secured by equitable mortgage followed by regd. Memorandum of deposit of title deeds of Residential Flat 309, "A" Block, Third floor, "Gulmohar Residency", bearing Sy No 19, situated at Mallapur Village, Uppal Mandal, Medchal District, Telangana State having plinth up area of 1360 sq.ft along with car parking, lifts and other amenities with an undivided share of land admeasuring 69.13 sq.yds (Out of total admeasuring 27,216 sq.yds).After completion Value of Rs. 2.60 Lakhs (FMV) given by our approved valuer Ravie & Associates in his valuation report dt 30.12.2019.

Collateral Security:

NIL

Holiday period:

18 Months.

Repayment:

The loan is to be repaid in **216 EMIs of `35728/-** to commence from the next month of completion of holiday period.

Guarantor:

NIL

Pre-Release conditions:

1. After sanction of the loan, for the flats in builder/Developer share disbursements will be made on behalf of the prospective purchaser in the project against Tripartite Agreement executed by the builder and the prospective buyer as per terms and conditions stipulated therein.
2. On Receipt of the entire/part consideration amount, the Builder shall execute a proper conveyance deed/sale deed/lease deed in favour of the borrower. The Builder undertakes to deliver the same along with original registration fee receipt directly to IOB and not to the Borrowers. Before the execution of the sale Deed/Conveyance Deed/Lease Deed, The Builder shall inform IOB about the same on completion of the project.

3. Please note that disbursements will be made from the loans sanctioned based on the progress of construction. It is assumed that the property will be registered in the name of the purchaser/Customer for the amount mentioned in the agreement for sale and the sale deed will be delivered to the bank directly;

Important Conditions:

1. The interest to be reset every time based on the REPO rate changes announced by RBI and such reset of RLLR will be done once in 3 months and to be intimated to the borrower.
2. The EMI to be modified suitably on the reset date to ensure that the loan will be fully liquidated at the end of the 216th month and accordingly must be informed to the borrower by way of SMS or email.
3. Important Condition to be complied by Branch as per CO Circular NO Misc/42/2016-17 dt 14.09.2016 issued by Risk Management Department:

Branch should ensure before a mortgage of immovable property is taken, a full report on the title should necessarily be obtained from the Bank's approved local lawyer, through whom a search should be made in Sub-Registrar's office to ensure that no prior mortgage on the property exists. Enquiries must also be made regarding the persons occupying the property and, if they are not the owners, the terms on which they have possession. A complete record must be kept for all such reports and investigations and a preliminary report must be prepared by the branch giving the following essential particulars among other things. Annexure to Form-337 duly incorporating the following details to be filled up and held on record.

- (a) Description of the property (Shop, residential House, Open site, agricultural land)
- (b) Boundaries
- (c) Is the land Free hold or lease hold? If lease hold, the terms of the lease should be briefly stated.
- (d) Location: Name of the street with Municipal Number
- (e) How old is the building and what is its present condition
- (f) What is the total area and what is the built up area
- (g) Value of land at current market rate
- (h) Value of construction
- (i) Name of the occupant and if he is not the owner, the terms on which he has possession.
- (j) Market value of the property considering recent sales in that locality.
- (k) Manager's own estimate about the present value of the property.

Visiting official should verify the boundaries physically and should ensure that they are in accordance with the valuation report, legal opinion and revenue records. He should also take a photograph of the property and keep it along with the pre sanction inspection report.

5. Loan master to be created as per CO circular ADV/333/2018-19 dt 08.02.2019 so that our limits are reflected in the CIBIL reports of the borrower.

6. A statement of UDS (undivided Share) in multiple housing units (apartments) to be obtained from the builder/promoter duly authenticated. The total extent of UDS to be matched with total extent of land at the project.

Other Terms and conditions

1. Branch should verify and cross check valuation, legal opinion & all the link documents and construction permission & plan on the property offered as security and should satisfy itself on the title of all the properties and should ensure equitable mortgage followed by registered memorandum of deposit of title deeds of the properties offered as security.
2. The Loan amount to be remitted to the builder by way of Demand Draft/ Bankers' cheque or by

- any other electronic mode of payment as far as possible with their acknowledgment/ receipts/ bills.
3. Branch to obtain source of margin details and ensure disbursement with proportionate margin from the applicants.
 4. Branch to obtain BPEC after extension of mortgage on house property and ensure our name appears in the EC as Mortgagee and that no other encumbrance is listed.
 5. Mortgage is to be registered with Central Registry (CERSAI) within 30 days of documentation.
 6. Branch should forward CERSAI Form – I to Regional Office within 10 days of creation of mortgage to enable them to approve the same.
 7. Branch should convey in writing to the borrower the quantum of credit limit sanctioned and the terms & conditions there of in F 568 (REVISED). Acknowledgment of borrowers for having accepted the terms & conditions should be obtained in the second copy of F.568 & held along with documents. F568(revised) should explicitly state that:
 - The credit limits will be effective only after receipt of applicant's acceptance and compliance of the necessary formalities/terms and conditions of sanction.
 - However, we reserve our right to make in part or in full or to withdraw/stop financial assistance or to amend any of the terms of sanction including rate of interest at any stage, without any notice or giving any reasons for any purpose whatsoever at our absolute discretion.
 - Further this sanction does not vest in any one, the right to claim any damage against the Bank for any reason whatsoever.
 8. **An undertaking letter from the mortgagor to be obtained that the property will not be let out or leased or further encumbered without prior permission from the Bank. Branch should ensure that proper demarcation is available for the property and that they are identifiable and four wheeler access is available to the property.**
 9. Loan documents are to be executed jointly by the applicants.
 10. Branch should obtain all the relevant documents.
 11. Branch should ensure that the consent clause is included in all loan agreements, except DPN for obtaining the consent of the borrowers to disclose their names, in the event of their becoming defaulters, as per Central Office circular Permanent Adv No.211/02-03 dated 25.03.2003 and other CO/RO circulars issued from time to time.
 12. Prior to release of the loan branch should obtain certificate from the second in command of the branch keeping view of C.O Circular Per Misc/316/2008-09 dt 19.12.08.
 13. **Branch should conduct pre-stage release and post-sanction inspections before/ after releasing of loan. The inspection reports should be held with the documents. Manager's certificate with regard to stage wise Inspection of property is to be duly kept along with the documents.**
 14. Taxes and rates levied by the local authorities should be paid by the borrower/s and the receipts should be produced for verification apart from retaining a copy for records.
 15. Branch should obtain property tax paid receipt for the prime security every year.
 16. The borrower should not alienate/mortgage the land and building offered as security to the Bank.
 17. Branch to obtain a consent letter from the applicants for the insurance of property. The property should be insured for the full value of its super structure for the risk of fire and other hazards including earthquake, flood and other natural calamities, etc., with the Bank's clause during the currency of loan and the original policy should be held with the branch. It is advisable that the applicant is made aware of the reasons of covering the property for a longer period of 10 years

which will save the hassles of follow up for renewal on annual basis and the benefit of lower premium.

18. Also the branch should include the insurance clause in the sanction advice issued to the borrower as under:QUOTE: You are requested to insure the assets financed by us. As a matter of information, we wish to add that we are Corporate Agent of M/S Universal Sompo General Insurance Company Limited. Therefore, you can utilize our services as agents of M/S Universal Sompo general Insurance Company Limited to meet your insurance requirements including insurance of the assets financed by us in the instant case against your specific request. However, please note that the responsibility to keep the assets insured will be solely yours and the Bank shall not hold any responsibility what so ever if the assets are not insure. UNQUOTE.
19. LTV Ratio of a minimum of 80% to be maintained throughout the currency of the loan.
20. **As per CO circular ADV/394/2019-20 dt 21.08.2019, processing charges are waived for housing loans for the period 21.08.2019 to 15.01.2020.**
21. Branch may canvass PMJBY/ PMSBY/ APY/ IOB Suraksha as applicable
22. Branch to follow all the norms and guidelines as laid down in the Bank's Book of Instructions, Manual on Documentation and circulars issued from time to time on Subhagruha Housing Finance Scheme, scrupulously.
23. Branch to confirm compliance of all terms and conditions of the sanction within one month from the date of first disbursal of loan.
24. Branch should claim interest subvention if applicable to this loan in terms of C.O. Circular No.ADV/8/2011-12 dated 28.04.2011.
25. Levy of 2% additional interest for delay in instalment, interest payment should be charged and recovered. Branch to comply with the relevant terms and conditions mentioned in project approval sanction dt 30.09.2019.
27. All other terms and conditions applicable to Housing Loans as per circular no. ADV/173/2008-2009 dt. 28.05.2008 & MASTER/64/2014-15 dt. 16.03.2015.

P.Jyothirmayee
ASST. MANAGER, 39886

S.Ranga Rao
SENIOR MANAGER, 43456

Acknowledgement

Date : 30.12.2019

We are thankful to the Bank for providing clarification sought by us regarding this sanction. We are fully satisfied with and accept the terms and conditions of sanction of the credit facilities stipulated above by the bank as the same were arrived at by consensus after discussions and receiving clarifications.

Borrower/(s)

Guarantor