**Compliance with Guidelines For Builder Finance For Residential Housing Projects (BFRHP) As Per Circular No. NBG/REH/HD-BF/6/2020 21 Dated 01st February 2023**

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| **Guidelines** | **Compliance** |
| **1.** Scheme | Builder Finance for Residential Housing Projects (BFRHP) |
| **2. Target Group:**  Real Estate Developers / Builders  Prop / Partnership / LLP / Company | Complied with.  The borrower is a Limited Liability Partnership. |
| **3. Purpose:**  Construction of Residential Projects. [Where residential portion in the project is more than 50% of the Floor Area Ratio (FAR)]. | Complied with. The proposed project has 97.96% residential portion. |
| **4. Eligibility Criteria:** |  |
| i**. For Loan upto Rs.50 crores: Real estate developers with a rating of SB7 & better in case of existing connection and in case of new connection, SB-06 & better.**  ii. For Loan above Rs.50 crores, External Rating is mandatory and ECR/CRA norms are as under:   * ECR Min BB and CRA for Existing connections SB-7 and New connections SB-6 * ECR BBB or Better and CRA for Existing connections SB-9 and New connections SB-7   iii. For Loans above Rs.100 Cr, BBB or Better and CRA for Existing connections SB-9 and New connections SB-7 | Complied with.  The proposed loan is Rs. 10.00 Cr and CRA rating based on projected balance sheet as on 31-03-2028 is SB-6. |
| Where Projects are rated, the project should have been rated minimum STAR 5 rating in the scale of 0-7. | Not applicable. |
| For Loans above Rs.50 Cr, if the ECR is not available at the time of sanction, company must get ECR rating done within 3 months of sanction otherwise a penal interest of 1% has to be recovered till the date of obtention. If the unit gets the ECR below the prescribed rating, interest rate to be increased by 0.50%. | Not Complied with. |
| For loans above Rs.10 Cr  Turnover achieved as per Audited Balance Sheet in any two of the preceding three financial years by the entity/ group to which the borrowing entity belongs to should be Minimum Rs.50 Cr., for builders operating mainly from major cities (**Mumbai**, New Delhi and NCR, Chennai, Kolkata, Ahmadabad, Bangalore, Hyderabad and Pune).  OR  Cost of construction as per Audited Balance Sheet in any two of the preceding three financial years by the entity/ group to which the borrowing entity belongs to should be Min. Rs.30 cr., for builders operating mainly from major cities (**Mumbai**, New Delhi and NCR, Chennai, Kolkata, Ahmadabad, Bangalore, Hyderabad and Pune).  OR  Area of construction (residential/ commercial) during the preceding three years (aggregate) by the entity/ group to which the borrowing entity belongs to, should be minimum two lakhs sq. ft. and this should be verified from RERA site/ Liases-Foras, Proptiger or other real estate reports. | Complied with.  **Turnover Criteria:**  The aggregate sales of the group as per the audited balance sheets of last three years submitted to us at the time of application, can be summarised as below:  **Area of Construction:** The group has constructed over 2.50 Lakhs Square Feet in Last three years, which can be summarised as below:   1. Salasar Woods (Salasar Estate Developers LLP) – Area of Construction: 80,000, Completion date: December 22 Full OC Applied, RERA Number: P51700000177      1. Vijay Heights (Vijay Heights), Area of Construction: 80000 Sq. Ft, OC Received: 2022, RERA: P99000007422 2. Crystal Harmony (Crystal Builders & Developers), Area of Construction: 20000 Sq. Ft., Project OC Received, RERA Number: P51700000177 3. Orbit I (M/s Unique Shanti Realtors), Area of Construction: 37500 Sq. Ft, OC Received : 2021, RERA Number:P51700005412 4. Orbit II (M/s Unique Shanti Realtors), Area of Construction: 37500 Sq. Ft, OC Received : 2021, RERA Number:P51700009949   **Total Area Constructed: 2,55,000** |
| The borrowing entity/ promoters/ group should have been in existence for a minimum period of 3 years and has experience in development of Residential/ Commercial projects. | Complied with.  The borrowing entity was incorporated on 1st November 2016. The group has over 3 decades of experience in the construction industry. |
| Satisfactory CIBIL check for promoters (Score of 650 and above). | The CIBIL Score of all promoter-directors is as below:  M/s Ruby Structures  Mr Bhuvnesh Magdani:  Mr Pravin Vartak:  Mr Jude Pereira: promoters in ruby structure  Mr Jordan Pereira:  Ms Sangeeta Pereira |
| In case of commercial CIR, company & its Subsidiary / Associate should not have any due other than standard outstanding. | Not Applicable |
| **5. Loan Exposure:**  Minimum Rs.1.00 Cr   * 5 times the NOF for loans up to Rs.25.00 crores * 3 times NOF for loans above Rs.25.00 crores   [NOF includes capital and unsecured loans from Directors / Promoters subordinated to Bank debt].  Maximum limit, where residential portion in the project is more than 50% of the Floor Area Ratio (FAR), to be handled by R&DB/ CCG/ CAG is as under:  **R&DB**  Corporate:  Rs.200 crores subject to maximum loan in a project at Rs. 100 crores at 7 cities. (Mumbai-MMR, New Delhi-NCR, Chennai, Ahmedabad, Bangalore, Pune and Hyderabad)#  Group Exposure: Rs.400 crore at 7 cities mentioned above. | Complied with.  The proposed funding of Rs. 10.00 Cr is 1.47 times of NOF proposed i.e. Rs. 6.78 Cr. The entity has already infused 5.51 Cr till date, and further funds will be brought in simultaneously with the disbursement.  **R&DB**  The proposed exposure is Rs. 10.00 Cr. |
| **6. Assessment of the Limit:**  **For Limit above Rs.25 crores**  **For 7 major cities** e.g. Mumbai, New Delhi and NCR, Chennai, Ahmadabad, Bangalore, Hyderabad and Pune: Maximum 70% of the Peak Deficit based on the projected cash budget [Deficit = Cost of the project (including the value of land as per sale / lease deed) less advance / deposit received / receivable (Both already booked and new Bookings from customers), etc.]. | Not Complied with. |
| **Subject to the following conditions:** |  |
| a. The advance from the new bookings estimated in the means of finance, should not be more than 30% of the sales. | Complied with.  The advance from new bookings estimated in the means is 19.28% i.e. Rs. 20.83 Cr of total sales. |
| b. Advance from customers should be as per cash budget submitted at the time of proposal. Any shortfall to be brought in upfront by the promoters at the time of each construction linked disbursement. | Will be complied with. |
| c. Sale velocity of flats/ apartments in the project location/ area has to be taken into account while accepting the estimated advance from the customers. | Compiled with.  The project is located at Village Umele, Naigaon (West) which has significant demand for fast moving inventory comprising 1BHK and 2BHK units. |
| d. The processing/ assessing officers should verify/ ascertain the sources of promoters stake & Builders capacity to bring in the required margin in case the advances from customers is not forthcoming as per the projections. | Complied with.  The promoters have already brought in Rs. 5.15 Cr out of their required margin of Rs. 6.78 Cr i.e. 75.96% approximately. Balance margin will be brought in as per cash budget submitted to the bank. |
| e. Past track record and Promoters/ developers creditworthiness has to be ascertained. | Complied with. |
| f. No existing projects of the builder are stalled in the past and / or delayed by more than one year from the date of launch or date of last approval for construction, whichever is later. | Complied with.  There are no existing projects of the developer which are stalled or delayed in past |
| g. If the advance from the customers in respect of already booked units is not received as per estimates, promoter has to bring deficit amount in the form of margin. | Will be Complied with.  The promoters will bring deficit amount in the form of margin in case of advance not received in the cash budget. |
| h. Receipts of advance of more than 5% in 8 cities (Mumbai, New Delhi & NCR, Chennai, Kolkata, Ahmadabad, Bangalore, Pune and Hyderabad) and 10% for other cities is considered as confirmed booking in the project. | Will be Complied with. |
| **7. Promoters Margin:**  **For Limit above Rs.25 crores:**  For 7 major cities e.g. Mumbai, New Delhi and NCR, Chennai, Ahmadabad, Bangalore, Hyderabad and Pune Promoter’s contribution should be minimum  30% of the peak deficit [Deficit = Cost of the project (including the value of land as per sale / lease deed) less advance / deposit received / receivable. (Both already booked and new Bookings from customers), etc.]  For other cities: Promoter’s contribution should be minimum 50% of the peak deficit [Deficit = Cost of the project (including the value of land as per sale / lease deed) less advance / deposit received / receivable (Both already booked and new Bookings from customers), etc.]. | Not Applicable. |
| **Subject to the following conditions:** |  |
| Cost of land can be considered as part of the project cost, it will be reckoned only at the cost indicated in the sale deed/ lease deed / agreement to sale. | Complied with. |
| The maximum limit up to which the cost of land can be considered as margin is capped at 30% of the project cost. | Complied with. |
| If the value of land as per sale/ lease deed is 30% or more of the cost of project then promoter has to contribute minimum 5% of the construction cost in addition to the land cost. | Not Applicable. |
| The margin should be brought up front in proportion to the loan disbursement as per progress in construction. | Will be complied with. |
| In case land is not owned by the builder/ developer [i.e. in case where the land is obtained based on development agreement with land owner (JDA)], 25% of total estimated margin at peak level to be brought in upfront and balance margin to be brought in upfront proportionately | Not Applicable  The land is owned by the firm. |
| Loan to be liquidated within 12 months from the date of completion of project. In case of delay, margin should be increased to Min. 50% by increasing the amount to be recovered per sq. ft. from sale of each apartment so that security coverage is increased from 143% (30% margin) to 200% (50% margin) and above or equivalent collateral security to be obtained by way of cash margin or collateral security. The date of completion of the project should be as per the completion date furnished by the developer to RERA Authority. | Complied with.  The proposed loan shall be liquidated within 12 months from the date of completion of the project as per the RERA. The completion Date is 30-09-2026 whereas the loan shall be fully repaid by 30-09-2027. |
| **8. Booking**  Each state/UT has passed the RERA Act with minimum modification to the Central RERA Act. Builders/ Developers should follow the rules set in the respective state/ UT RERA Authority of the State and also furnish quarterly data in the prescribed format which will be certified by independent Architect, Engineer & Chartered Accountant.  The operating functionaries have to verify the information filed with RERA with that of data furnished to them.  The Builders/ Developers should follow the rules set in RERA Act of their concerned state/ UT. | Will be complied with. |
| **9. Type of Land**  a. Freehold Land only. Leasehold land is not considered for this scheme  b. However, Residential plots leased by statutory bodies like CIDCO, SRA etc. to the borrower for residential projects (with or without any provision for development commercial area as part of the residential project) may be permitted by the sanctioning authority not below RCCC.  c. Such lease deed should not be more than three years old at the time of sanction and the borrower should have complied with the conditions such as commencement of the activity, etc. of the lease deed.    d. Such lease deed should have provision for creation of assignment / mortgage charge of the leased land in favour of the Bank.    e. The borrower/ bank will have to comply with the provisions like obtaining NOC/ tripartite agreement for creation of charge, etc., of the lease deed in such cases while creating charge. | Complied with .   1. The land is owned by the firm. 2. Not Applicable 3. Not Applicable 4. Not Applicable 5. Not Applicable |
| **10. Facility, Period of Loan Repayment**  a. The facility will be assessed as Term Loan - Real estate projects will be funded by way of Term Loan only and the maximum tenor of the Term Loan is 84 months from the date of first disbursement including moratorium period.    b. Moratorium period will be based on project duration and cash budget. Interest has to be serviced during moratorium period.    c. DSRA equivalent to 3 months instalment & Interest to be built up before full disbursement during moratorium period and before commencement of instalments in ESCROW account / STDR.    d. Outstanding in the ESCROW account/ STDR should be 3 months interest on the drawn outstanding at any point of time during the moratorium period. | Complied with.   1. The proposed term loan is for 57months including construction moratorium of 45 months. 2. Complied with. Moratorium period is based on project duration and cash budget. Interest will be recovered during moratorium period 3. Will be complied with. 4. Will be complied with. |
| **11. Restriction for Project Cost**  For arriving at the cost of the project, only the cost recorded in various agreements between the builder and property owner / flat / commercial space owner will be reckoned. While Banks are not permitted to finance private builders for purchase of land, there is no restriction on considering  Land as a part of the project cost. Further, it will be reckoned only at the cost indicated in the sale deed / agreement to sale. The maximum limit up to which the cost of land can be considered as margin would be capped at 30% of the project cost.  Finance for purchase of land / Development rights / TDR / FSI is not permitted. | Complied with.  The proposed funding is to be utilised only for construction and other activities and not towards funding of FSI premiums and TDR costs. |
| **12. Pre- Disbursement Conditions** |  |
| 1. The borrowers should have obtained prior permission from Government / local / Governments / Other Statutory Authorities for the project, as required. In order that the loan approval process is not hampered on account of this, while the proposals could be sanctioned in normal course, the disbursements should be made only after the borrower has obtained requisite clearances / statutory compliances from the government authorities.  2. Title Search Report is to be obtained from two different Bank’s empanelled advocates as per the extant instructions, stating therein that the title of land is clear, unencumbered and marketable and a valid equitable mortgage can be created by lending bankers.  3. Bank empanelled Chartered Engineer’s Certificate is to be obtained for confirmation of reasonableness of the cost of construction.  4. The borrower has to give an undertaking that the cash flow from the proposed project should be routed through separate RERA compliant current account and thereafter through ESCROW account opened with the Branch and Bank will have first charge on the same.  5. The borrower shall submit suitable undertaking that in the event of advances from customers (both already booked and new bookings) falling short of the amount expected in the means of finance, the shortfall would be made good by the promoters by contributing additional amount towards their contribution and that any cost overrun will be borne by the promoters from their own sources.  6. The borrower has to submit a Chartered Accountants certificate for amount already spent on the project / infused. The branch will verify this certificate with the bank statement / other records and satisfy itself regarding the amount already spent on the project / infused.  7. The branch will ensure that, promoter’s contribution and customer advance (as specified above) is infused / received for the project as per the cash budget at the time of each disbursement. In case of shortage, the promoters have to raise it from own sources. The borrower has to give an undertaking to that effect prior to disbursement of the Loan.  8. Original title deeds should be verified by Bank’s empanelled advocate that they are original after creation of mortgage but before disbursement of the loan.  9. The project is to be registered with the respective State RERA Authority in the States where RERA is implemented | Complied with.   1. The project has received all requisite approvals including such as Fire NOC, Tree NO, Building Approved plans and full CC. 2. TIR stating the clear title has been obtained from Law Cell which is empanelled with the bank. 3. The same will be obtained prior to the disbursement. 4. The same will be obtained from the borrower prior to the disbursement. 5. Will be complied with. 6. Will be complied with. 7. Will be complied with. 8. Will be complied with. 9. Will be complied with. |
| **13. Disbursement** |  |
| a. Disbursals of the term loan will also be based on a suitably drawn up projected cash budget. The borrower will be required to submit a stage wise cash budget to facilitate need based disbursals and subsequent monitoring of the project.  b. The disbursement will be linked to the stage of construction as per the Cash Budget submitted at the time of sanction and margin should be brought up front on pro rata basis in proportion to the loan disbursement.  c. The stage-wise cash budget will indicate inter alia the total requirement of fund for completing each stage of construction with corresponding stage wise inflows based on appropriate pre-determined milestones.  d. The projected cash budget statement for the project in conjunction with the stage wise cash budget will also serve as the tool for monitoring the progress of the project.  e. The disbursement at each stage / time will be done only after ensuring that the borrower has the required permission in place to proceed with the project. This is all the more important as in some cases, permission to proceed with construction is being given floor wise by the statutory authorities.  f. The loan has to be disbursed after registration of the project with RERA authority in States where RERA is implemented.  g. Branch should also ensure that all mandatory permissions / approvals for the project are in place before disbursement and disbursement should be strictly in proposition to the progress in construction. | 1. Will be complied with. 2. Will be complied with. 3. Will be complied with. 4. Will be complied with. 5. Will be complied with. 6. Will be complied with. 7. Will be complied with. |
| **14. Security** |  |
| a. Mortgage (assignment of leasehold rights in case of leasehold land) of the project land and present & future built up area in project financed by the Bank. | Will be complied with |
| b. Hypothecation of the movable assets/ stocks/ work in progress of the project. | Will be complied with. |
| c. Charge on the cash flows/ receivables from the project by way of hypothecation. | Entire future cashflow/receivables from the project shall be hypothecated to the bank . |
| d. Personal guarantee of directors/ partners/ corporate guarantee of Group companies. | Personal guarantee of all promoter directors will be obtained. |
| e. In case of SPV, Corporate Guarantee of the parent company to be obtained. | Complied with, corporate guarantee of the parent company will be obtained. i.e. Ruby Structures Private Limited |
| f.  Right to step in or sell the stock at discounted price at specified events (in case of default and overdue for maximum 60 days) | Will be complied with. |
| g. In case primary security is required to be waived, tangible collateral to be obtained as per following:           -For Limit from Rs.1 Cr to Rs.10 Cr:           Minimum 150%          -For Limit above Rs.10 Cr - Rs.25 Cr          Minimum 125% for the 7 major cities          (as mentioned at para 6) and Min           150% for other Cities.          -For Limit above Rs.25 Cr :          Minimum 125% In the above-          mentioned case,  Negative Lien on the project land and Building is to be obtained and NOC should be obtained by the Builder while selling the apartments/ property. The sale proceeds should be credited to the designated Escrow Account or separate account as per Real Estate Regulation and Development Act 2016 (RERA) maintained with us in respect of sole Banking & with the lead Bank in respect of Consortium lending. | Not applicable. |
| h. Collateral security norms related to Trade & Services is not applicable to this product. | Not applicable. |
| i.  Fixed Asset Coverage Ratio (FACR) for the proposed loan will be as under:           -For Limit from Rs.1 Cr to Rs.10 Cr:           Minimum 1.50%          -For Limit above Rs.10 Cr - Rs.25 Cr          Minimum 1.25% for the 7 major cities          (as mentioned at para 6) and Min           150% for other Cities.          -For Limit above Rs.25 Cr :          Minimum 1.25% In the above-          mentioned case,  In case of shortfall in FACR, collateral security to the extent of shortfall to be taken so that minimum FACR mentioned above will be met. However, if open land is offered as collateral security then it should be within the municipal limits with proper boundaries and demarcation. | Complied with.  The FACR based on the cash flow is 4.55 at peak deficit. |
| j.   NOC should be obtained by the Builder while selling the apartments / property (copy of NOC is as per Annexure-III). The sale proceeds should account or separate account as per RERA Act | Will be complied with . |
| **15. Valuation of property (Primary or Collateral)** |  |
| Valuation should be done by two different professionally qualified independent valuers as per extant instructions of the Bank as modified from time to time. | Complied with. |
| Valuation of land / Building for the purpose of security should be at the current market price only. However, if the value is more than 20% of the guideline value, then proper justification should be mentioned in the proposal. | Valuation of the project from the empanelled valuator Kakode & Associates has been obtained and kept on record. |
| In case of leasehold land from CIDCO, etc., value of the land mentioned in the lease agreement/ market value, whichever is lower, will be considered. | Not applicable. |
| **16.Monitoring (Now called as Monitoring and Follow up Instructions)** |  |
| 1. Borrowers need to submit a monthly progress report along with a cash flow statement before 20th of subsequent month. Borrower also need to submit quarterly progress report containing details like amount received from customers, status of sale of flats indicating number of flats booked / sold in advance / full payment received and deposited in the bank, progress of the project vis-a-vis the estimated stage wise progress of the project, etc.  2. Any delay in submission of the Monthly/Quarterly Cash Flow report shall attract penal charges as per Bank’s extant instructions.  3. The lender shall have the right to appoint Lender’s Independent Engineer (LIE) for Quarterly inspection during the implementation period and till repayment of entire outstanding loan, the expenses of which shall be borne by the borrower.  4. LIE should be appointed in loans where total project cost is more than Rs. 25.00 crores and above.  5. The sale proceeds should be credited to designated Escrow Account or separate account as per RERA Rules of the respective Sate/UT and every withdrawal from this RERA complied account should be credited to Escrow account maintained with us.  6. Copy of Report duly certified by Architect, Engineer & chartered accountant submitted to RERA Authority for withdrawal from RERA separate account to be obtained on Quarterly basis once RERA is implemented and compare with actual work / cash flow.  7. Penal interest @2% will be charged in case of withdrawal (partial /whole) of the unsecured loan subordinated to Bank debt.  8. During project construction, Quarterly review of the project in the prescribed format to be submitted to the controller, which is as follows:   * DGM (Module) in respect of loan sanctioned by RCC / AGM / Regional Manager. * GM (Network) / GM (CCG / CAG) in respect of loans sanctioned by ZCC / CLCC / SMECC & above committees.   Triggers:   * The borrower is to be contacted immediately and the matter is to be reported to the controller through SMA reporting in the following cases: * No credits in a calendar month after final disbursement. * Delay in project beyond 90 days as per the estimate / LIE report. * Any adverse features noticed regarding negative news / legal cases / local developments impacting the construction / market. * If the status of the project is not in conformity with Cash Flow statement or account becomes irregular, Branch should initiate the following actions immediately: * Ensure charging penal interest @5% per annum on the irregular portion for the period of irregularity. * Ensure charging penal interest @0.50% of outstanding amount if there is delay in project implementation beyond 90 days as per the estimate / LIE report. * Issue notice to borrowers advising them to regularize the account within 15 days. * If not regularized within 15 days, withdraw additional interest benefit extended to the borrower. * Penal interest over and above the applicable CRA linked pricing (as mentioned above) be charged. * In case of NFB facility, further LCs/BGs will be issued against 100% margin only. * If no positive result emerges within 30 days of the above-mentioned actions, branch should discuss / interact with the borrower for Exit Option. * In case Operating functionaries /branch opt for not to go for exit option, approval from General Manager of the Network / CCG / CAG needs to be obtained in each case.   In case of above-mentioned triggers, the matter should be reported to controllers of the branch and corrective action be initiated. | 1. Will be complied with. 2. Will be complied with. 3. Will be complied with. 4. Will be complied with 5. Will be complied with. 6. Will be complied with. 7. Will be complied with. 8. Will be complied with. |
| **17. Transaction through ESCROW A/c only**  Cash flow of the project for which loan has been sanctioned should be routed through the separate RERA compliant account with us in case of sole Banking. Thereafter, it should be routed through ESCROW account opened with the Branch and Bank will have first charge on the same.  BFRHP scheme is to be offered only under sole banking or under consortium arrangement. **Multiple banking arrangements are not permitted**. In case of Sole Banking or our Bank is lead lender in case of consortium, RERA Escrow account has to be maintained with our Bank.  In case of Consortium arrangement, the collections from RERA compliant account should be credited to Escrow Account maintained with us proportionately and Bank(s) will have first charge on the same. In case RERA escrow account is maintained with other consortium member Bank, meaningful scrutiny of the account to be done at monthly interval. | Will be complied with. |
| **18. Insurance Coverage** |  |
| * Contractors’ All Risks (CAR) Insurance should be taken with Banks’ name in the policy for the project being funded by us. * It is the borrower’s responsibility to ensure that the mortgaged properties are duly insured at their own cost & expenses for all risks and Bank’s interest to be incorporated in the Insurance Policy.   Insurance cover should be obtained from a company approved by the Bank. | Will be complied with. |
| **19. Pre-Payment Charges** |  |
| * There will be no prepayment charges if the principal is prepaid from the sales proceeds of the secured / mortgaged projects / properties and from the promoter’s equity/contribution. * No prepayment charges if repaid at the time of reset of interest.   Amount prepaid from any other sources will attract charges of 2% on the principal prepaid. | Will be complied with. |
| **20. Interest Rate** |  |
| 1. Interest rate is linked to CRA Rating of the Unit. 2. Additional interest concession may be extended to the units having ECR for both Affordable as well as Normal Projects as under:  * 50 bps concession for the unit having ECR of “BBB”; * 75 bps concession for the unit having ECR of “A”; and * 100 bps concession for the unit having ECR of “AA” & above.  1. Further, following concession will be extended, if the borrower submits a declaration at the time of assessment that penetration of our Home Loan after sanction of our loan in the funded project will be more than 30%.   Penetration % - >30% to 50% - 25 bps  Penetration % - > 50% - - 25 bps @  @ Appropriate / Sanctioning Authority can extend concession based on the negotiated penetration percentage with a minimum of 25 bps. This concession will be withdrawn with immediate effect and the concession extended for the said period will be recovered, if the penetration of the Home Loan after sanction of our loan in the funded project is less than agreed / stipulated penetration level. However, if the penetration is in the range of >30-50%, 25 bps concession is applicable.  In case of Consortium arrangement, penetration of our Home loan in the project considered is proportionate to our share.   1. If the penetration of Home Loan is less than 30%, then it will be treated as non-compliance of our terms. All concessions linked to ECR and penetration will be withdrawn retrospectively and also Penal interest @1% should be recovered. 2. Discretionary power for further reduction in pricing as per Banks extant instructions to be exercised judiciously by the sanctioning authority not below RCCC on case to case basis taking into account the already extended concessions and should stipulate the specific penetration level in the funded project, which will be minimum of 50%. 3. Discretion for further reduction up to MCLR rate (To be exercised by CCCC for all sanctions on case to case basis taking into account the penetration level in the funded projects)   Note:   1. Penetration will be calculated as under: Number of Home Loans sanctioned by us and number of proposals where “first right of refusal” is exercised by us to total Home Loans availed by the buyers of Units from all Institutions (Banks / NBFCs, etc.)   As the concession under Sah-Nirman is factored in this product, interest concessions provided to Builders under Sah-Nirman Arrangement is not applicable.  **SUSTAINABILITY INITIATIVE**  In addition to above, concession in interest rate @0.05% to be given to the builders for construction of Residential Housing Projects, who implement integrated water management, waste management and Solar Photo Voltaic as part of the building design under the sustainability initiative. However, Branch has to obtain declaration from the builder at the time of assessment that integrated water management, waste management and Solar Photo Voltaic will be part of the building design in the funded project. Operating official has to obtain certificate from empanelled engineer in this regard immediately after getting completion / possession certificate by the developer from the competent authority.  This concession will be withdrawn with immediate effect and the concession extended for the said period will be recovered retrospectively, if at any point of time branch comes to know that builder has not complied the said norms in the funded project. | Will be complied with. |
| **21. Upfront Fee** |  |
| * As per bank’s extant instructions for Term Loan. * Annual review charges of 0.20% on the outstanding for both Affordable and Normal Projects. (As per instruction on Service charges from time to time) | Will be complied with. |
| **22. Equitable Mortgage Charges** |  |
| As per Bank’s extant instructions. | Will be complied with. |
| **23. Inspection Charges** |  |
| As per Bank’s extant instructions. | Will be complied with. |
| **24. Commitment Charges** |  |
| As per Bank’s extant instructions. | Will be complied with. |
| **25. Documentation Charges** |  |
| As per Bank’s extant instructions. | Will be complied with. |
| **26. Facility Fees** |  |
| Not applicable as the loan is assessed as Term Loan and commitment charge is applicable. | Not applicable |
| **27. Takeover Norms** | Not applicable |
| Bank existing Take over Norms, including authority structure for permitting deviations in take over norms, will be applicable except rating (ECR & Internal rating). For takeover, internal and external rating of the unit should be as mentioned in column 4 (Eligibility Criteria). |  |
| **28. Documentation** |  |
| SME / C&I Documentation as applicable. | Will be complied with. |
| **29. Renewal / Review** |  |
| * Review of the limit is to be done on yearly basis and to be put up to appropriate authority (as per the total indebtedness on the date of review) * Quarterly review of the project to be done till the completion of the project and put up to DGM (Module) in respect of loan sanctioned up to RCC/AGM/Regional Manager and GM (NW) / GM (CCG / CAG) in respect of loan sanctioned by ZCC/CLCC/SMECC & above. In case of delay in projects beyond 90 days, this review should be carried out on monthly basis. (Copy of Review Format is as per Annexure-IV) | Will be complied with. |
| **30. Stock Audit** |  |
| As per e-Circular No CCO/CPPD-STOCK AUDIT/42/2017-18 dated 14.07.2017. However, periodicity of Stock and Receivable Audit should be Half Yearly invariably for the loan of Rs.5 crore and above. Following parameters will also be included in the Stock Audit:  1. Verification of RERA Collection Account / Escrow Account.  2. Flats booked, Agreement copy, advance received from the customers from the Books of the company.  3. Sale deeds executed in the project.  4. Unsold Inventory in the project.  5. Promoter’s margin in the project.  6. Verification of the Drawing Power based on cash budget. | Will be complied with. |
| **31. Legal Audit** |  |
| Bank’s extant instructions with regard to legal audit will be adhered to | Will be complied with. |
| **32. TEV Study**  TEV study report to be obtained in any one of the under mentioned criteria:  -    Project Funding above Rs 150 Cr & above Rs 100 Cr in integrated projects (involving Residential & commercial).  -    Project cost of Rs.250 Cr and above;  -    No of dwelling units of 400 and above in the project | Not Applicable |
| **33. Inspection** |  |
| Monthly inspection is to be done. Digital inspection should be started once it is stabilized otherwise routine inspection to be recorded in the standard inspection format | Will be complied with. |
| **34. Undertaking from the borrower** |  |
| Yearly affidavit should be obtained from the borrower stating that funds have been / will be utilised for the project for which loan has been sanctioned. | Will be complied with. |
| **35. CRA Rating** |  |
| CRA rating is to be done and Interest rate is linked to CRA. | Will be complied with. |
| **36. CRA Financial score deviation** |  |
| As per Bank’s extant instructions. | Will be complied with. |
| **37. CRMD Norms** |  |
| * Qualitative – As per Bank’s extant instructions. * Threshold Level – As per the eligibility criteria mentioned at item No. 4. * Quantitative - As per Bank’s extant instructions | Complied with. The company is a new connection and is rated SB-6 based on Projected FY2027-28.  **As approved by RMCB dated 20.12.2021**   * **Qualitative** - Neutral for Mumbai MMR * **Threshold Level** –   Enhancement: SB 8 & better  New Connection: SB 6 & above   * **Quantitative** - For Other Commercial Real Estate & Residential Real Estate: 1.98%. The RAIL ceiling provides a headroom of Rs 16,800 Cr. for taking additional exposure on the industry. |
| **38. CRMD Industry Specific Norms** | Complied with |
| **39. Other Conditions** |  |
| 1. All charges [e.g. Valuation, Title, Technical, Trustee fees, documentation charges mortgage creation (including stamp duty) payable on all documents as per state stamp act and any other charges] shall be borne by borrower. 2. Borrower and the Borrower Group shall not raise any loan / funding for the project from any other source, without prior written consent from the existing lenders. 3. Borrower shall not change its capital structure without prior written consent from the lender nor shall be permitted to withdraw capital before completion of project. 4. The Borrower will also undertake and confirm to complete the entire project under all circumstances including event of escalation of project cost beyond what is agreed in the Business plan. 5. The lender will have right to form a Project Monitoring Committee (PMC). 6. The lender shall have the right to scrutinize and audit the expenses, which are incurred for the project at the borrower’s cost. 7. Builder has to sign MOU for Tie up of the financed project. 8. The Bank will have the first right of refusal for Home loans taken by the buyers for purchase of units in the project. 9. Bank’s prior approval will be taken before execution of sale deed / issuing NOC for creation of charge on the units in the project in favour of the buyers / buyers’ financiers. 10. The exposure in this scheme will be considered under CRE (Residential Housing), if the commercial construction is up to 10% and CRE if the commercial construction is more than 10% of the total construction. 11. The project will be considered as Infrastructure if the funding is for Affordable Housing Project. 12. All disclosures as per RBI instructions will be mentioned in the arrangement letter, which is mainly regarding advertisement, issue of NOC, use of fly ash etc. 13. The developer(s) have to upload the information of Bank’s charges on the project site in RERA website also. Hence, our charge will be visible to purchasers, at the time of their visit to the RERA website. | Will be complied with. |
| 40**. Deviations in the Scheme** |  |
| Deviations in eligibility norm relating to Eligibility criteria / Internal Rating / ECR/ Experience/ CIBIL Score/ per borrower group ceiling, Estimated Booking percentage, Project size, age of lease deed, collateral requirement, NOF, Upfront infusion of margin, stalled or delayed projects, stock audit, appointment of LIE may be permitted, on business considerations selectively by the competent authority as advised by the Bank time to time. | Not applicable. |
| **41. Service Tax** |  |
| Goods & Services Tax (GST), wherever applicable, will be levied on all charges, as per bank extant instructions. | Will be complied with. |
| **42. RERA Compliances** |  |
| Project has to comply with all rules and regulations as per their state’s / UTs’ notification on RERA. Operating functionaries to verify data available in the RERA site related to the project with the project details submitted by the developer. | Will be complied with. |
| **43. Administrative Approval in respect of sanction up-to CLCC.** |  |
| Branches of R&DB have to obtain in-principle administrative approval from their Circle CGM in case of all new proposals irrespective of loan amount. | The project has received administrative clearance vide\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**Compliance with circular no NBG/REH&HD-RERA/9/2017-18 dated 11.05.2017 for RERA**

**Pre-Sanction**

|  |  |
| --- | --- |
| **Guidelines of RERA** | **Compliance Status** |
| Whether the promoter has registered the real estate project with RERA? If yes, write registration number | Yes, The project is registered with RERA vide registration number P99000048381. |
| Whether the promoter has a legal title to the land on which the development is proposed/ ongoing? If the land is owned by another person then he has legally valid documents with authentication of such title | The land is owned by the firm named Ruby Lifespaces, and the firm has marketable and clear title on the land |
| Whether the project land is free from all encumbrances or as the case may be, details of the encumbrances on such land including any rights, interest or name of any party in or over such land along with details. | The land is free from all encumbrances. TIR from bank empanelled lawyer has been taken to confirm the same. |
| Whether promoter has opened project/ phase specific separate account with scheduled bank? If yes, write name of bank with account number | Yes, RERA accounts have been opened with Bassein Catholic Co-operative Bank and same has been registered in Maharashtra RERA. |
| Whether promoter has submitted insurances of land and building and construction of the real estate project. | Project would be insured before disbursement for the adequate amount. |
| Whether agreement of sale to be signed between promoter and the allotee is in line with the model format uploaded by RERA | Yes. All new agreements would be in line with the model format uploaded by RERA. |
| If home loan is coming for the apartment, plot or building which has been facilitated by real estate agent, whether registration number issued by RERA to the agency has been mentioned. | Not Applicable |

**Post Sanction monitoring:**

|  |  |
| --- | --- |
| Guidelines of RERA | Compliance Status |
| Promoter has to deposit minimum 70% of amount realised for project from the allottees in an escrow account to cover cost of construction and land cost and shall be used only for that purpose. | Will be monitored on regular basis. NOCs to be issued for prospective customers will also have the same escrow account number mentioned for funds remittance. |
| Promoter can withdraw the amount from the separate account to cover the cost of project in proportion to the % of completion of project after it is certified by an engineer, architect and CA that the withdrawal is in proportion to the % completion of the project. | Will be complied at time of every withdrawal from escrow account. |
| The promoter has to get his accounts audited within 6 months after the end of every financial year by a CA and produce a statement of account duly certified and signed by a CA and it shall be verified during the audit that the amount collected for a particular project have been utilised for the project and the withdrawal has been in compliance with the proportion to the % of work completed. | Will be obtained in October every year and statement issued by CA will also be verified. |
| Project should be developed and completed by the promoter in accordance with the sanctioned plans as approved by the appropriate authority. | Will be verified on regular basis at each quarter with RERA website. An undertaking from the promoters on compliance of the parameter will be obtained. |
| If there are alterations or additions in the sanctioned plans and specifications of buildings or common areas within the project, prior written consent of atleast 2/3rd of the allotees other than the promoters has to be obtained. | Will be verified on regular basis at each quarter with RERA website. An undertaking from the promoters on compliance of the parameter will be obtained. |
| If promoter is transferring or assigning his majority rights and liabilities in respect of the project to a 3rd party, prior written consent of atleast 2/3rd of the allotees other than the promoters has to be obtained. | Will be verified on regular basis at each quarter with RERA website. In such case prior approval from the bank will also be required. An undertaking from the promoters on compliance of the parameter will be obtained. |

**Cash Buffer Ratio for the Project:**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Cash Buffer Ratio** | **FY 2023** | **FY 2024** | **FY 2025** | **FY 2026** | **FY 2027** | **FY 2028** | **FY 2029** | **Total** |
| Net Cash flow from operation (A) | -68.78 | -19.43 | -6.10 | 0.63 | 34.61 | 145.86 | 95.21 | **182.00** |
| Debt service obligations (B) | 1.27 | 3.98 | 5.54 | 6.46 | 12.04 | 39.75 | 30.40 | **99.43** |
| Cash flow from external sources - promoter's funds | 46.59 | 1.91 | -0.35 | -0.15 | 0.05 | 0.00 | 0.00 | 48.05 |
| Release of bank debt | 23.50 | 21.50 | 12.00 | 6.00 | 7.00 | 0.00 | 0.00 | 70.00 |
| **Total Cash flow from promoter and Bank loan ( C)** | **70.09** | **23.41** | **11.65** | **5.85** | **7.05** | **0.00** | **0.00** | **118.05** |
| Cash surplus before debt servicing (A+C) | 1.31 | 3.98 | 5.55 | 6.48 | 41.66 | 145.86 | 95.21 | 300.05 |
| Cash Buffer Ratio for the year (A+C) / B | 1.03 | 1.00 | 1.00 | 1.00 | 3.46 | 3.67 | 3.13 | **3.02** |
| Average Cash Buffer Ratio |  |  |  |  |  |  |  | **3.02** |

The Average Cash Buffer Ratio is satisfactory at 3.87, which is above the 1.75 (similar to DSCR) and may be considered acceptable.

**DSCR:**

The proposed term loan is to be financed under Builder Finance for Residential Housing Projects Scheme (BFRHP) where assessment of the term loan is to be done on peak deficit based on projected cash budget basis. Hence, DSCR is not applicable under the said scheme; As such, while arriving CRA computation, cash buffer ratio of the project has been considered under Residential Real Estate model.

**DSCR for the Project:**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **As on 31/03** | **2023** | | **2024** | | **2025** | **2026** | **2027** | **2028** | **Total** |
|  | **Proj.** | | **Proj.** | | **Proj.** | **Proj.** | **Proj.** | **Proj.** |  |
| PAT | 0.00 | | 0.00 | | 0.00 | 0.00 | 40.61 | 8.40 | **49.01** |
| Depreciation | 0.00 | | 0.00 | | 0.00 | 0.00 | 0.00 | 0.00 | **0.00** |
| **Net Cash Accruals** | **0.00** | | **0.00** | | 0.00 | 0.00 | 0.00 | 0.00 | **0.00** |
| Interest On T/L | 0.09 | | 0.68 | | 0.95 | 1.08 | 0.94 | 0.07 | **3.80** |
| **Total (A)** | **0.09** | | **0.68** | | **0.95** | **1.08** | **41.55** | **8.47** | **52.81** |
|  |  | |  | |  |  |  |  |  |
| Term Loan repayments | 0.00 | | 0.00 | | 0.00 | 0.00 | 5.00 | 5.00 | **10.00** |
| Interest On T/L | 0.09 | | 0.68 | | 0.95 | 1.08 | 0.94 | 0.07 | **3.80** |
| **Total (B)** | **0.09** | | **0.68** | | **0.95** | **1.08** | **5.94** | **5.07** | **13.80** |
| **GROSS DSCR (A / B)** | **1.00** | | **1.00** | | **1.00** | **1.00** | **6.99** | **1.67** | **3.83** |
| **AVG Gross DSCR** | **4.33** |  | |  | |  |

The average DSCR has worked out to 4.33 which is above the benchmark and can be considered acceptable.

**Security:**

|  |  |
| --- | --- |
| Primary Security | 1. Exclusive charge through registered mortgage on land situated at Survey No 23/A, Hissa No 1,2,3 and Survey No 23/B of village Umele, Naigaon West, Taluka Vasai, District Palghar, Known as Altura Umele and the proposed unsold units in the Project 2. Hypothecation charge on receivables/cash flow from sold and unsold units in the project. 3. Charge on the movable assets of the Project, both present and future. 4. Charge or assignment by way of security interest on all rights, title, claims, benefits, demands and privileges under Project documents, both present and future. 5. Charge on the Escrow Account, Debt Service Reserve Account (DSRA) and monies deposited therein. |
| Collateral | Not Applicable |
| Guarantee | **Personal Guarantee: 1. Bhuvnesh** **Magdani 2. Jude Pereira 3. Jordan Pereira 4. Pravin Vartak 5. Sangeeta Pereira.** |
| DSRA | Total Rs. 2.80 Cr will be built up before peak instalment repayment. |
| Others | a. Right to step in or sell the stock at discounted price at specified events (in case of default and overdue for maximum 60 days).  b. NOC should be obtained by the Builder while selling the apartments / property (copy of NOC is as per Annexure-III). The sale proceeds should be credited to the designated Escrow Account or separate account as per RERA Act.  c. Minimum FACR of 1.25 to be maintained. In case of shortfall in FACR, collateral security to the extent of shortfall to be taken so that minimum FACR is maintained.  If open land is offered as collateral, the same should be within the municipal limits with proper boundaries and demarcation. |

**Security Coverage:**

Security Coverage for the Residential Real Estate is computed based on the Peak deficit level where our loan is fully disbursed, based on cash budget prepared quarterly

|  |  |  |
| --- | --- | --- |
| **Particulars - At peak disbursement – June 2026** | **Rs. in Cr** | **Rs. in Cr** |
| Land Cost for the Project **[A]** |  | 44.51 |
| Cost of construction at peak disbursement | 46.94 |  |
| Approval cost at peak disbursement | 0.00 |  |
| Construction and approval cost at Peak Deficit Level **[B]** |  | **46.94** |
| Realisable value of collateral security **[C]** |  | 0 |
| Sub-Total **[D = A+B+C]** |  | 91.45 |
| Less Advance from Customers at peak deficit level **[E]** |  | 45.96 |
| Value of Security available **[F = D-E]** |  | 45.49 |
| Loan Disbursed at Peak Deficit Level **[G]** |  | 10.00 |
| Security Coverage Available = **[F/G]** |  | 4.55 |
| **FACR** |  | **4.55** |
| ***\*Land Cost includes book value of the land + Rehab Construction Cost (Up to the peak deficit) which is incurred by promoters.*** |  |  |

Peak disbursement of the term loan is in the June 2026 quarter of Rs. 10.00 Cr. for TL of the project, which is considered as the peak deficit level as per the calculation of security coverage.