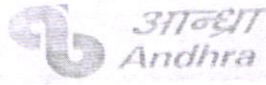


यूनियन बँक
ग्रॅप इंडिया



Union Bank
of India

एक संघर्ष के उद्योग A Government of India Undertaking



UMFB-Nasik

Date: 07/07/2023

Ref. No.:

PRELIMINARY INFORMATION MEMORANDUM

1.	Name of the account	M/s. Bhavik and Niraj Energy Private Limited	
2.	Account with (Branch / RO / FGMO)	SSI Finance, Nasik RO Nasik	
3.	Group	Not Applicable	
4.	Existing connection or new connection, (if existing relationship since)	New Connection The Company is at present availing credit limits from the Following Banks. ✓ Federal Bank - Rs. 12.50 Crore against Rent Receivables (Current Outstanding Rs.10.23 crore)	
5.	Line of Activity	Rental Income from Immovable Properties	
6.	Credit	Internal	To be carried out during regular proposal
7.	Rating	External	Will be carried out once the credit facility availed
8.	Background of company / promoters	As Under :	

Background of Company :

We had discussion with Mr. Pinkesh Bhupendra Shah, Director of M/s. Bhavik and Niraj Energy Private Limited. The Company is engaged into business of Renting of Immovable Properties. The company is part of M/s. Bhavik Group and this group is in Real Estate Industry since 1981.

Bhavik group is well renowned enterprise in Nashik, the Group is at the helm of several residential, Commercial and Industrial construction projects in Nashik. This business is started by Shri. Bhupendra S. Shah in 1976, Shri. Bhupendra S. Shah (Father of Mr. Pinkesh Shah), the first generation entrepreneur in the family. The group continues to venture into construction of townships, multi-facility residential complexes and commercial spaces.

Their past projects also includes Commercial Building namely "The Capital" - A wholly commercial project situated in the heart of the city on Sharanpur Road, Our Banks Regional Office of Nasik is also situated in the same building. The building also houses reputed Institutions like karur Vysya Bank, SIDBI, Retail Outlet of VAMA.

Another commercial project building namely METRO Wholesale, Tapovan Road, Off Nashik-Pune Highway, is the 1st Metro outlet in the city of Nashik developed by Bhavik Group. The Westside - situated at Yeolekar Mala, off. College Road, is the 1st stand alone outlet in the city of Nashik.

The applicant company is having leasehold Industrial premises at Plot No. 50/1, Nashik Industrial Area, Village Satpur, Nashik which is rented out to M/s IAC International Automotive India Pvt Ltd vide Registered License Agreement No. 7644 dated 4/10/2018. The premises are rented out for a period of 10 years commencing from 01.09.2018 to 31.08.2028. The said license agreement is having lock in period of 5 years starting from 01.09.2018

to 31.05.2023. IAC International is an American based Automobile Interiors manufacturer with its global footprint spanning in 19 countries in more than 60 locations.

Lessee Company	Lease Period	Lock in Period	Lease Tenure
IAC International Automotive India Private Limited	01.09.2018 to 31.08.2028	5 Years (01.09.2018 to 31.05.2023)	10 Years

The applicant company is availing Credit Limit of Rs. 12.50 crores from Federal Bank under Rent Securitisation Loan Scheme against the rent received from the above premises. The borrower company has requested our bank for takeover cum enhancement of credit facilities from Federal Bank; from outstanding level of Rs.10.65 crores to Rs. 16.50 crore for a period of 10 Years.

Major Completed Projects by the Group:

Project Name	Property	Location	Total Flats Constructed
The Bellagio	Residential	Makhamalabad Road, Nasik	3 Towers with 7 Storied each Flats - 56 (14 No. of 1 Bhk & 42 no. of 2 Bhk) Units
Bhavik Riverside	Residential	Tapovan Link Road, Uttara Nagar, Nasik	A 7 th Flooried Residential Building: Flats - 28 (2 Bhk) Units
Bhavik Aqua	Residential	Samarth Nagar, Panchvati, Nasik	A 7 th Flooried Residential Building Flats -28 (1 Bhk) Units
IAC International	Commercial	Plot No. 50/1, MIDC, Satpur, Nasik	Commercial Space
The Capital	Commercial	Sharanpur Road, Nasik	6 Commercial offices/ Shops
Metro Wholesale	Commercial	Tapovan Road, Nasik	Commercial Space
The Westside	Commercial	Off. College Road, Nasik	Commercial Retail Space

Note: As informed by the Bhavik Group, all the residential and Commercial projects were completed well within timeline and all the residential units are sold out.

Business Performance - Ongoing/ Upcoming Projects

Project Name	Location	Brief Details of Project
Bhavik Arina	Madhuban Colny, Panchvati, Nasik	Residential cum Commercial Real Estate project Plot Area: 2000 Sq. Mtr. Project featuring 84 residential units (1 /2/3 BHK) and 10 commercial units. RERA No. P51600018525
The Empire	Tilakwadi, Sharanpur Road, Nashik	Premium Residential Project: A 21 st Flooried luxury apartment- one of the Tallest buildings in town. Themed with a bold, striking and Tempting luxury housing concept. These Plush 3 and 4 BHK Apartments constructed on a 5000 Sq Mtr (Approx.). RERA No. P51600025617
Central Paark	Untwadi, Near City Centre Mall, Nasik	A Town ship project located near City Centre Mall, Nasik. Total Plot: 3902.86 Sq. Mtr. Phase-I: Project featuring 250 no. of 1 BHK units and 330 No. of 2 BHK Residential units. The project is being constructed 6 Residential buildings of 17 floors each. Phase-II: Construction of 1 Commercial building within the Township. RERA No.-P51600023717

Directors of the Company :

1. Mr. Pinkesh Bhupendra Shah
2. Mrs. Sangeeta Bhupendra Shah
3. Mrs. Anita Niraj Shah
4. Mr. Niraj Prafulla Shah

M/s. Bhavik and Niraj Energy Private Limited is having the following sister concerns:

1. Nashik Power and Infrastructure Private Limited
2. Vakratunda Leisure Resorts Private Limited
3. Priyank Urban Lightes Private Limited
4. Hitiksha Technocrates Private Limited
5. Linkall Fabricators Private Limited
6. Urbon Backlite Modulers Private Limited
7. Intro Fabricators Private Limited
8. Legend Backlite Modulers Private Limited
9. Bhavik Realtors LLP
10. Bhavik & Khetwani Ventures LLP
11. Bhavik & Khetwani Estate LLP
12. Bhavik Landmark LLP
13. Karam Param Dharam Global Solutions Private Limited
14. Bhavik Shanti Estate Private Limited
15. Nivansh Industries Private Limited
16. Bhavik & Saraf Ventures

9.	Due Diligence (including CRILC)	As Under :
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CIBIL Report :

M/s. Bhavik and Niraj Energy Private Limited

CIBIL Report of the Company is generated on 05/07/2023 Report No. W-304911500

- ✓ CIBIL MSME Rank of the company is CMR-5
- ✓ There are total 2 open credit facilities with outstanding of Rs. 10.23 Crore.
- ✓ All the credit facilities are reported as Standard
- ✓ There are no Delinquencies reported on the borrower in past 24 months.
- ✓ There are no overdue in any credit facilities reported.

CIBIL Report of CEO of the Group:

Name	CIBIL control no	CIBILTrans - union Score	Credit Facilities Aailed	Remark
Mr. Pinkesh Bhupendra Shah	006085837845	736	CIBIL report shows total 30 credit facilities out of which 15 CF are open as on date. Sanction Amount: Rs.36.29 Crore Amount O/S: Rs.8.58 Crore Overdue: Rs.0.15 Crore	Two accounts are reported under Covid restructuring with DPD more than 90 days, however, eventually the said accounts have been closed. Applicant has informed that entire overdue has been adjusted as on date. Note: Total no. of Cibil enquiry: 47

Due diligence from MCA Portal: As per MCA site, the company's status as on 07/07/2023 is active, Date of incorporation is 13/04/2011, authorized capital is Rs.6.50 Crore and paid up capital is Rs.0.01 Crore. Last Audited Balance Sheet filed with ROC is up to 31/03/2022 and last AGM reported is 30/09/2022. Charge Details is discussed as under;

No	SRN	Charge ID	Charge Holder Name	Date of Creation	Amt.
1.	H34451328	100223498	The Federal Bank	30.11.2018	Rs. 12,50,00,000/-
2.	G87274304	100176364	Janakalyan Co-Op Bank Limited	16.04.2018	Rs. 200,00,000/-

10.	Proposed Delegated Authority:	CAC-III, owing to Group Account M/S Bhavik & Saraf Ventures CRE exposure of Rs.40.00 Crore falls within the Delegated authority of CAC-III.
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11.	Whether company / proprietor / any partner / director / Group Concerns appears in RBI/CIBIL/ECGC defaulter list / Central Fraud Registry / Wilful Defaulter	Details of the same are as under; RBI Defaulter's List: (Source UBINET) RBI Defaulter's List: The name of neither any partners nor the firm are appearing in RBI defaulter's list as per list of defaulter's (Non Suit filed) of Rs.1.00 Crore and above as on Sept. 2021 and list of wilful defaulter (Non-suit filed) of Rs.25.00 Lacs and above as of June 2021 (Source UBINET). List of wilful defaulters declared by Union Bank of India as of October 2021: No List of Defaulters (Suit-filed): No List of Defaulters (Suit-filed) Rs.25.00 Lacs & Above for June 2021 Quarter: No ECGC Sal List: No CFR: Search done on 26/06/2023 regarding firm and its partners and nothing found.	
12.	Present Banking Arrangement	Sole The Company is availing Credit limits from Federal Bank of Rs. 12.50 Crores with Outstanding as on date is Rs. 10.23 Crs. Against Rent Receivables	Lead Bank: NA share: (%) Our Proposed share: (%)
13.	Details of Credit Facilities with the existing bankers/FIs		
S No	Nature of Facilities	Limit (Rs in crores)	Presently Charged ROI/Commission
	Rent Securitization Loan Scheme	12.50	9.60% (One Year MCLR + 0.30%)

14. Brief financials

Particulars	Rs. in Crore			
	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2021 (Audited)	31.03.2022 (Audited)
Paid-up Capital	0.01	0.01	0.01	0.01
Net Sales	1.05	1.80	1.75	2.51
PAT	0.0025	0.07	0.04	0.51
TNW	(0.18)	(0.12)	(0.08)	0.44
CURRENT RATIO	0.09	0.14	0.22	0.19
TOL/TNW RATIO	Negative	Negative	Negative	49.47

15. Details of Project (in brief)

M/s. Bhavik and Niraj Energy Private Limited owns premises of IAC International Automotive India Private Limited situated at Plot No. 50, MIDC, Satpur, Nashik.

Name of The Lessee: IAC International Automotive India Pvt Ltd., an American Automobile Interiors manufacturer having its global footprint spanning in 19 countries in more than 60 locations.

Lessor (M/S Bhavik and Niraj Energy Pvt Ltd) has availed LRD loan of Rs.12.50 Crore (Current O/S Rs.10.65 Crore) from Federal Bank on 13/11/2018.

The Premises are rented out for a period of 10 years commencing from 01/09/2018 to 31/05/2028.

It is pertinent to mention that during Feb 2023, LRD of Rs. 13.16 Crore (Takeover with enhancement from Federal Bank) was sanctioned by ZLCC. The subject limit was sanctioned at ROI MCLR+0.90% (Non CRE) & MCLR+1.40% (CRE). However, borrower did not avail the limit due to higher interest rate.

No	Company	Lease Period	Lock in Period	Tenure	Remaining Period
1.	IAC International Automotive India Private Limited	01.09.2018 to 31.08.2028	3 Years	10 Years	74 Months

The Company has informed that they have availed Credit Limit of Rs.12.50 Crores from Federal Bank (Current Outstanding of Rs. 10.23 Crore under Rent Securitisation Loan Scheme against the rent received from the

above premises. The borrower has requested our bank to takeover cum enhancement from Rs. 12.50 crores from Federal Bank (Current outstanding of Rs. 10.23 Crores) to Rs. 16.50 crores from our bank for period of 10 Years.

16.	Cost of Project	The Borrower has requested for Union Rent limit of Rs. 16.50 Crores from our Bank
17.	Means of Funding	Term Loan under Union Rent: Rs.16.50 Crore
18.	Present Status of Project	As discussed in Point No. 15
19.	Nature of Facility (Proposed)	The Borrower has requested for Union Rent limit of Rs. 16.50 Crore from our Bank
20.	Amount (Rs. In Crore)	Rs. 16.50 Crore
21.	Margin	25%
22.	Interest/Commission	Applicable as per credit rating: NON CRE: MCLR+0.90% CRE: MCLR+1.40%
23.		Interest rate proposed: MCLR+0.35% for both CRE & NRE portion. Note: It is pertinent to mention that during Feb 2023, LRD of Rs. 13.16 Crore (Takeover with enhancement from Federal Bank) was sanctioned by ZLCC. The subject limit was sanctioned at ROI MCLR+0.90% (Non CRE) & MCLR+1.40% (CRE). However, borrower did not avail the limit due to higher interest rate.
24.	Purpose	

The Company has informed that they have availed Credit Limit of Rs.12.50 Crores from Federal Bank with Current Outstanding of Rs. 10.23 Crores under Rent Securitisation Loan Scheme against the rent received from the above premises. The borrower has requested our bank to takeover cum enhancement from Rs. 12.50 crores from Federal Bank (Current outstanding of Rs. 10.23 Crores) to Rs.16.50 crores from our bank for period of 10 Years.

The Gross rent Receivables for the Period as Under :

(Amount in Rs)

Years	Lease Rent	Net Rent	Months	Total Rent
Up to Lease Period for which Lock In Available (Non-CRE Portion)				
01.08.23 to 31.08.23	1725000.00	14,43,000	1	14,43,000
Up to Lease Period after Lock-In (CRE Portion)				
01.09.23 to 31.08.24	1725000.00	14,43,000	12	1,73,16,000
01.09.24 to 31.08.27	1983600.00	16,70,568	36	6,01,40,448
01.09.27 to 31.08.28	2281200.00	19,32,456	12	2,31,89,472
Beyond Lease Period (CRE portion- 75% of Net Rent Receivable)				
01.09.28 to 31.08.31	1967535.00	16,54,431	36	5,95,59,516
01.09.31 to 31.07.33	2262665.00	19,16,145	23	4,40,71,335
			120	20,57,19,771

25.	Period of the facility	The Borrower has requested for Union Rent limit of Rs. 16.50 Crores from our Bank
26.	Repayment terms	Union Rent Term Loan for a period of 10 years
27.	Security - Prime	Assignment of Rent Receivables
28.	Collateral security	EM of Industrial Plot Adm. 18,588 Sq.Mt. comprising of building constructed thereon Situated in Plot No. 50/1, Satpur MIDC, Nashik Value of the property: Rs.33.24 Crore

29. Personal / Corporate Guarantee As under ;

S. No.	Name	Relation	DIN	PAN
1.	Mr. Pinkesh Bhupendra Shah	Director	02833005	BPQPS2374H

2.	Mrs. Sangeeta Bhupendra Shah	Director	02847090	CMMP53667M
3.	Mrs. Anita Niraj Shah	Director	07797544	CJAPS3148G
4.	Mr. Niraj Prafulla Shah	Director	07797656	ADBPS3346R
30.	Prepayment terms	Not Applicable		
31.	Up Front Fee / Processing Fee	As Applicable		
32.	Whether conforms to Loan Policy, if deviation, please specify	Yes		

Takeover Norm Compliance

Sr. No.	Takeover Norms	Compliance
1.	The specific reason for shifting the account from Financial Institution / other bank to our Bank should be ascertained.	Company is having Term Loan (Rent securitization Scheme) of Rs. 12.50 Crores from Federal Bank. The purpose of takeover is for lesser rate of interest and for enhancement of limits as well as better services.
2.	The advance to be taken over should be rated CR4/UBC4 or better. Credit Rating must be compiled meticulously as per our Rating Models. The existing hurdle rate for takeover of accounts at CR-4/UBC4 must be adhered to.	The Internal Credit Rating as per latest ABS is UBC 04.
3.	Besides obtaining Credit Report from the existing lenders, Branches should carry out independent due diligence.	Due Diligence of borrower is done through MCA Portal, Defaulter List, Corpository Report and CIBIL Report which reads satisfactory. Thorough Due Diligence of the Borrower will be by branch before submitting regular Proposal.
4.	The account should have been a Standard Asset in the books of the other Bank/FI during the preceding 3 years.	The Account is reported as "Standard" by Federal Bank as per CIBIL report dated 05/07/2023. CIBIL report is also showing the credit facilities Standard till date.
5.	The unit should be in existence for minimum 3 years. The unit should have earned net profits (post tax) in each of the immediately preceding 3 years.	As per ABS submitted by the party, Net profit after tax in past 3 years is as under <ul style="list-style-type: none"> ✓ FY 2019-20 (Aud.) Rs. 0.07 Crore ✓ FY 2020-21 (Aud.) Rs. 0.04 Crore ✓ FY 2021-22 (Aud.) Rs. 0.51 Crore
6.	Credit Report of the existing bankers, which is a basic due diligence, should be obtained.	Credit report from Present Bankers will be obtained by the branch before submitting regular Proposal.
7.	Statement of account of the existing bank for preceding 6 - 12 months is to be obtained and verified to assess the quality of operations with the existing bankers.	Will be obtained prior to submission of full-fledged proposal to Competent Authority. However, CIBIL report dated 05/07/2023 reads satisfactory.
8.	Due Diligence Certificate should be compiled by the Branch Manager as per extant guidelines issued from time to time.	Initial due diligence is carried out which found satisfactory. Thorough due diligence shall be carried out at the time of submission of regular proposal.
9.	The CR & DER (TOL/TNW) of the unit should be above/ minimum benchmark as specified by the Bank for various categories of advances. While considering the flexibility in takeover norms, endeavor be made that the following financial ratios are not compromised below the levels as mentioned hereunder:	As per Point No. 6.5 of Loan Policy 2023-24, this Takeover norms are not applicable loans under Union Rent Scheme.

10.	There should be tangible security available to cover the advances to be taken over and the underlying asset should be distinctly identifiable.	Primary Security : Rent Receivables Collateral Security: Mortgage of Industrial Plot Adm. 18588.00 Sq. Mt. comprising of building constructed thereon with built up area of 6141.50 Sq. Mtr. Situated in Plot No. 50/1, Satpur MIDC, Nashik
11.	The Average DSCR for the project should not less than 1.50 at the time of take-over or for the remaining period of advance.	Not Applicable for Union Rent Scheme as per Point No. 4.6.2.4 of Loan Policy 2023-24.
12.	The project should not be in the implementation phase at the time of takeover of the loan. In other words, it should have commenced commercial production and surpassed the break-even level and the moratorium period for repayment of loan should be over.	Not Applicable for Union rent Scheme
13.	The term loan proposed to be taken over should not have been rephrased by the existing FI / bank after commencement of commercial production.	Not Applicable for Union Rent Scheme
14.	The remaining period of scheduled repayment in future, after takeover, should be at least 2 years and the repayment in future, after takeover, too should be as per the original / existing schedule only.	Complied. Borrower has requested for Term Loan under Union Rent scheme for 10 years

Compliance of Union Rent Scheme:

S. No.	Parameter	Guidelines	Compliances
1.	Purpose	Loan can be sanctioned for short to long term needs or for any other requirements.	Complied
2.	Eligibility	Owner of property (Commercial/ Residential/ IT Parks/ Properties in Industrial Area/ SEZ) who have rented the same to other reputed companies/MNCs/Institutions/ Private Sector Banks etc.	Complied Borrower has rented the property to IAC is an American Based Automobile Interior supplier with its global footprint spanning in 19 countries in more than 60 locations.
4.	Tenure of the Loan	Maximum 120 months	Complied, Borrower requested for term loan of period 120 months
5.	Securitization up to maximum period of 120 months although lease agreement is lower than 120 months without any automatic extension clause.	In case of lease agreement of less than 120 months say of 36 / 60 months, discounting of rentals may be considered up to 120 months (up to 180 months, in applicable cases for point no. 2.(e) i.e. in case of large commercial projects like IT Parks, Malls, Properties in Industrial area/ SEZ etc) i.e. beyond the effective lease period subject to evaluation of the factors as given below: <ul style="list-style-type: none"> - The lessee is a reputed corporate / PSU entity. - Financial of lessee are satisfactory. 	The license agreement is executed for period 01.09.2018 to 31.08.2028. There is lock in period of 5 year i.e. from 01.09.2018 to 31.08.2023. However the party has requested for term loan for a period of 120 months. The lessee company M/s IAC International Automotive India Pvt Ltd is a reputed corporate entity. Further as per license agreement dated 4.10.2018 para no. 23 it is mentioned that upon the expiry of the said license term, the parties may agree to renew the license for such period and on mutually agreed terms.

		- The lease agreement provides option for further extension of lease. If substantial amount is spent by the lessee on fit-outs, furnishing of rental premises, it may be good reason to presume that lease period would be extended further.	Hence loan beyond the license agreement period could be considered on the above points under CRE Portion.
6.	Security	Above Rs.1.00 Lacs - Mortgage of property, in respect of which rent is charged to the loan. In case the security of the said property is not available, Mortgage of alternate property is permitted. However, It should be ensured that the property: a. Have clear & marketable title and there should not be any litigation of any nature outstanding on the property. b. Should be held as free hold and The value of the alternate property is not less than 150% of the loan amount.	Mortgage of Industrial Plot Adm. 18588 Sq. Mt. comprising of building constructed thereon. Situated in Plot No. 50/1, Satpur MIDC, Nashik worth Rs.33.24 Crore As per Search Report dated 03/08/2022 & 05/08/2022 obtained from our empaneled advocate and as per the report title of the property is clear & marketable.
7.	Repayment	Loan is repayable upto 120 months	The borrower requested for repayment tenure of 120 months.
8.	Moratorium	No Moratorium is allowed. Repayment will start from the next month of disbursement	Complied.
9.	Processing Charge	i) Up to Rs 5 crore: 0.50% + GST ii) Above Rs 5 crore & up to Rs 50 crore: 0.25 % + GST iii) Above Rs 50 crore: 0.50% + GST	Flat Rs. 5.00 lacs + GST

33. Other Terms & Conditions (if any): Nil

34. Recommendations: As under

As per IC No. 3122/2022 dated 15.03.2022 ROI Applicable for score greater than 80 and other than MSME Unit. Based on the party's requirement we have proposed to consider and recommend below mentioned concession in applicable ROI along with Term loan of Rs.16.50 Crore under Union Rent Scheme.

Name of the Lessee	NON CRE	CRE
M/s. Bhavik and Niraj Energy Private Limited	From 01.08.2023 to 31.08.2023 (1 Month)	From 01.09.2023 to 31.07.33 (119 Months)
Applicable Rate of Interest	MCLR+0.40%	MCLR+0.90%
Proposed ROI	MCLR+0.35%	MCLR+0.35%
Concession Proposed	5 Bps	55 Bps

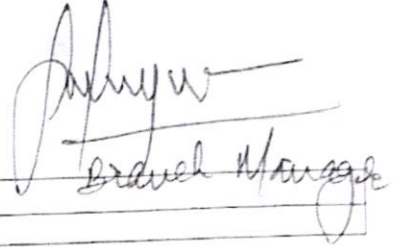
Details of Credit Facilities enjoyed by Group Concerns from our bank / Other Bank

S No	Name of Account	Name of Bank	Nature of Facilities	Limit (Rs. In crore)	Presently Charged ROI/Commission
1.	Bhavik and Niraj Energy Pvt Ltd	Federal Bank Ltd	Term Loan	12.50	One Year MCLR + 0.30%

Expected other business from the account viz. CASA, SB, Group Account etc.

The applicant is owner of our banks RO Nasik Premises. We are expecting further business from the applicant under CASA, SB and Loan accounts. Apart from that we have also submitted PIM of TL of Rs.40.00 Crore for Project Finance -Premium Residential Real Estate "The Empire". Further, borrower has assured to submit papers of another LRD proposal of Rs.8.50 Crore shortly.

Submitted for Approval


Pravech Mangga
