

**NAME OF BORROWER-** PADMAVATI HOUSING CORPORATION- MUKESH JAMNADAS GROUP-VADODARA.

**BACKGROUND OF BORROWER:**

Padmavati Housing Corporation is a leading real-estate developer owned by Mukesh Jamnadas Group Vadodara, one of the leading and foremost developer of Vadodara with 35 Years Track record and have made more than 25,000 dwellings and commercial complex they have excellent banking and financial track records having interest in Real estate, Pharma and IT business promoters is personal a high-net-worth individuals.

**NAME OF EXISTING BANK:** IFCI LTD

**Background of the matter**

1. Tensile Steel Ltd (TSL), Vadodara was a sick unit under BIFR having 17 lenders in 1998 owned by the Desai family. TSL entered into an agreement to sale with Shri Mr. Mukesh Shah in 2006 to sell its land to raise capital. A few monies were paid to TSL, but the sale did not get through as few conditions of the agreement were not met by the Desai Family.
2. In 2012 TSL was taken over by Miglani's of Uttam Galva group. In 2014 when Mr. Miglani needed funds for his other business, they gave this land as third-party collateral and borrowed Rs 200 cr in Uttam Galva Metallica Ltd. for its own end use.
3. In 2016 PHC Buildcon pvt ltd (PHC), a developer owned by Mukesh Jamnadas Shah who already had a title right over the property by virtue of an agreement done in 2006, with consent of IFCI, entered into MOU with Mr. Miglani and TSL for developing that land for Rs 200 Cr i.e., retiring the loan of IFCI from the proceeds received from the development and a Multiparty agreement was done with the following documents

1. Personal Guarantee of promoters of Uttam and PHC
  2. PDC of Uttam and PHC
  3. Mortgage and Hypothecation of assets of Tensile
  4. Project Receivables from developing the land
  5. The agreement provided for pro-rata release of Land against funds
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4. PHC Paid Rs 60 cr to IFCI in a single stroke and since then till now has paid Rs 30 cr as interest. ie Total Rs 90 cr (Entire its own funding no borrowing done)
  5. However, in 2016 end Uttam Galva went to NCLT and IFCI Filed its claim as Financial Creditors and got a 4.35 % Share in the claim, the claim has been settled at Rs 1800 cr. IFCI will get Rs 41 cr from them, the net Principal outstanding will now be Rs 102 cr.
  6. IFCI is refusing to acknowledge entire receipts and claims dues of Rs 102 cr and also overriding interest from PHC buildcon on it. And therefore, the matter is pending as dispute between both the parties and is under negotiation IFCI has indicated to settle the amount at Rs 80 cr.
  7. The property is in possession of PHC Buildcon Pvt Ltd

#### IMPORTANT NOTE:

The Matter was pending for 4 years due to insolvency at Uttam Galva and now the matter is settled, presently PHC group already is constructing more than 3000 flats and its fund are commitment and deployed and therefore looking for interim funding to settle the issue.

**PHC Buildcon is looking for Funding as under:**

1. PHC Buildcon is looking for a funding of Rs 80 cr to resolve this.
2. PHC will seek release of 50% Land for Development Purposes which is also what IFCI had agreed to release against the Present Receipts
3. The Present land of 11,00,000 sqft i.e., valued @ Rs 6000 per sqft i.e., Rs 660 cr i.e., 50% will be kept for development Rs 300 cr plus value land will be available for loan of Rs 80 cr
4. PHC will also deposit Rs 15 cr in escrow i.e., interest of which will accrue to itself as security for payment of first 2 years interest and installments as may the case be

**Additional options:**

PHC is going the Start development work for Phase I on 50% released land

This proposal can also include fund of Phase I were in the land cost is Rs

330 cr and construction will cost @ 250 cr. I.e., Total Rs 550 cr against

Which a Project loan of Rs 125-150cr will be syndicated going forward.