

**PROPOSAL FOR FUNDING OF ELECTRICAL CONNECTION**

An application is proposed to be submitted to DISCOM for sanction of electricity connection from nearest 132 KV substation. Total expected cost of electricity connection is about Rs. 900.0 lacs. Cost includes cost of laying line from substation, bay cost, Discom supervision charges, security deposit, creation of internal infrastructure including transformers, multipoint metering room, cabling etc. Cost of electricity connection is proposed to be funded in the following manner:

**a) Collection from resident Home Buyers (i.e. allottee who have already taken possession)**

All resident Home buyers have taken possession, after paying their entire contracted dues and hence, nothing is due from them. However, such allottee(s) would get maximum benefits from early availability of electricity connection, as same would reduce their electricity bills. Therefore, RP proposes to collect **an interest free advance from resident Home Buyers** in the following manner:

Type of flat	No of flats*	Rate of Advance	Total amount (Rs / lacs)
Studio Apartment (One Room)	405	33750	136.69
Studio Apartment (Two Room)	19	40500	7.69
2 BHK	252	50625	127.57
<b>Total</b>	<b>676</b>		<b>271.96</b>

\*Excluding flats which are covered in PUFE application(s) filed with NCLT.

However, resident Homebuyers would be required to pay aforesaid amount in three installments, as detailed below:

Installment no	% of total amount	Timing of payment
1 <sup>st</sup>	25	Immediately
2 <sup>nd</sup>	50	On sanction of connection
3 <sup>rd</sup>	25	On placement of order for equipment

Residents would be required to pay advance in a separate bank account. Entire advance will be adjustable over a period of 36 months from date of handing over of project to prospective resolution applicant (PRA) through proportionate adjustment in monthly maintenance bill.

Allottee(s) who do not pay / delay payment, shall be liable to pay electricity charges @ 32/- per unit, consumed during delayed period.

**b) Collection from other allottees of Tower A, B, C, SAT1 & SAT2 (i.e. allottee who do not have possession)**

As per details provided by erstwhile management, corporate debtor is yet to provide possession to 276 flats, comprising of 135 of Studio apartment and 141 of 2 BHK and such home buyers to pay Rs. 1,058.78 lacs to corporate debtor (excluding home buyers whose flats are covered in avoidable transaction application. To facilitate installation of electricity connection and thereafter handing over possession of flats, such allottee(s) would be required to pay their pending dues in the following manner:

S. No.	Event	% of outstanding amount
1	Immediately	25% (subject to minimum of Rs 50000/-
2	On approval of electricity connection	35%
3	On issue of offer letter	30%
4	On handing over of key	10%
	<b>Total</b>	<b>100%</b>

In case, any allottee has paid his entire dues and only possession is pending, in that eventuality, he would be required to pay minimum Rs. 1,00,000/- and same would be treated as advance towards maintenance expense and would be adjusted over a period 36 months proportionately after handing over project to PRA.

In case, any allottee does not pay or delays payment, then he/ she would be given lower priority in handing over possession. Besides, he / she shall also be liable to pay interest @ 18% p.a. from the last date of payment of each installment.

After receipt of 2<sup>nd</sup> installment, order shall be placed for completion of flats and endeavor shall be made to hand over possession with electricity connection within 6 months, barring unforeseen circumstances.

Possession of 50 flats (i.e.25 Studio Towers and 25 of 2BHK) shall be offered on **“As it is where it is basis” on a "First come first serve" basis** to those allottee whose allotment is found valid and who have yet to pay minimum Rs. 2.0 lacs & Rs 3.0 lacs respectively provided such allottee (s) agree for:

- i) To accept possession on as it is where it is basis
- ii) Agree to pay entire amount upfront.
- iii) To pay electricity & maintenance charges regularly and deposit one year maintenance charges in advance

Further allottee's name should not be appearing in avoidable transaction application

#### c) **Interim finance**

Sources as contemplated in (a) & (b) above, would enable mobilization of about Rs. 600.0 lacs for electricity connection. As per instant policy, DISCOM sanction only multi metering electricity connection to group housing society. Accordingly, all allottee(s) would be required to pay requisite security deposit / connection charges, as per DISCOM policy, directly and corporate debtor would be required to deposit security in respect of electricity connection necessary for maintenance of common utilities only.

Balance funds, required for electricity connection would be mobilized through interim finance, which would be repaid by PRA upfront, as per the provision of resolution plan and IBC Code.

**Time period of electricity connection**

6-7 months from submission of application barring unforeseen circumstances.