



ভাৰতীয় ষ্টেট ব্যাংক
भारतीय स्टेट बैंक
STATE BANK OF INDIA

SANCTION LETTER

M/s. SHITAL REAL ESTATE DEVELOPERS PVT LTD
H/23/1/B/1, Uttarapan,
Ward No. 01, Hill Cart Road,
Pradhan Nagar,
Siliguri-734003
Dist.-Darjeeling
Mobile No. : 7001060138

Date: 01/10/2019

Dear Sir,

ADVANCES TO SME SEGMENT SANCTION OF CREDIT FACILITIES

With reference to your application dated 07/08/2019 requesting us for sanction / renewal of Working Capital Limits and / or Term Loan Limits at existing / enhanced levels and subsequent, we have pleasure in advising sanction of the following credit facilities, which are available correspondence in this regard subject to your acceptance /fulfillment of the Terms and Conditions detailed in Annexure A & B:

(Rs. in lacs)			
SL	FACILITY	Existing	Proposed
A] FUND BASED LIMITS:			
a	Cash Credit	0.00	0.00
b	Term Loan under Builder Finance for Residential Housing Project Scheme	0.00	100.00
Total of Fund Based Limits		0.00	100.00
B] NON-FUND BASED LIMITS:			
a	Bank Guarantee	NIL	NIL
Total of Non-Fund Based Limits		0.00	0.00
TOTAL LIMITS		0.00	100.00

(Please furnish particulars of inter-changeability between limits, if any)*Current outstanding

We are forwarding this letter in duplicate along with Annexures A & B and shall be glad if you return to us the originals duly signed by you and the guarantors in token of having accepted the Terms and Conditions, below the words "We Accept" appearing at the end of the Annexures and retain the duplicate thereof for your record.

Thereafter, you may call on us with the guarantors, preferably with prior appointment, to execute the documents in this regard.

Assuring you of our best services at all times.

bank.sbi

+ 0353-2431363

+ 0353-2431363

sbi.00184@sbi.co.in

শিলিগুড়ি শাখা : (00184)

হিলকার্ট রোড,

শিলিগুড়ি - ৭৩৪০০১

জেলা : দার্জিলিং

সিলিগুড়ি শাখা : (00184)

হিলকার্ট রোড,

সিলিগুড়ি - 734001

জিলা : দার্জিলিং

Siliguri Branch : (00184)

Hill Cart Road

Siliguri - 734001

Dist. Darjeeling

STANDARD COVENANTS:

Mandatory Covenants:

M1. The borrower should maintain adequate books of accounts, as per applicable accounting practices and standards, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.

M2. The borrower should submit to the Bank such financial statements as may be required by the Bank from time to time in addition to the set of such statements to be furnished by the borrower to the Bank as on the date of publication of the borrower's annual accounts.

M3. In case of default in repayment of the loan/advances or in the payment of the interest thereon or any of the agreed installments of the loan on due date(s) by the borrower, the Bank and/or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrower/unit and its directors/partners/proprietors as defaulters/wilful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.

M4. The Bank will have the right to share credit information as deemed appropriate with Credit Information Companies (CICs) or any other institution as approved by RBI from time to time.

M5. The borrower should not induct into its Board a person whose name appears in the wilful defaulters list of RBI/ CICs. In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose.

M6. In the event of default in repayment to our Bank or if cross default has occurred, the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests.

Cross default will be defined as:

- a) Default by the borrower to any other bank under Consortium/MBAOR
- b) Default by the borrower's associate/sister concern/subsidiary to our Bank OR
- c) Default by the borrower's associate/sister concern to any other bank.

Further, cross default would be deemed to have occurred only in case default to particular lender(s) is not cured within 30 days.

M7. In case of default not corrected within 60 days or restructuring of debt, the regulatory guidelines provide for conversion of debt to equity. The Bank shall have the right to convert loan to equity or other capital in accordance with the regulatory guidelines. Further, in such a scenario, the borrower agrees to facilitate the process of conversion of loan to equity or other capital.

M8. Bank will have the right to examine at all times the borrower's books of accounts and to have the borrower's factories inspected, from time to time, by officer(s) of the Bank and/or qualified auditors and/or technical experts and/or management consultants of the Bank's choice. Cost of such inspection shall be borne by the borrower.

M9. After provision for tax and other statutory liabilities, the Bank will have first right along with other secured lenders as per arrangement of security sharing on the profits of the borrower for repayment of amounts due to the secured lenders; in case of payment default to the lenders is not cured within 30 days. (unless expressly permitted otherwise by any law for the time being in force).

M10. The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect (adverse variation of 5% or more) on their profit or business: for instance, if, the monthly production or sales are substantially less than what had been indicated, the borrower shall immediately inform the Bank with explanations and the remedial steps taken and/or proposed to be taken. Further, for listed corporates, the borrower will inform the Bank simultaneously along with Stock Exchange(s).

M11. Effect any change in the borrower's capital structure where the shareholding of the existing promoter(s) (a) gets diluted below current level or (b) leads to dilution in controlling stake for any reason (whichever is lower), without prior permission of the Bank - for which 60 days' prior notice shall be required. In case of Limited Liability partnerships and partnership firms, "promoters" would mean managing partners for the purposes of this covenant.

M12. The borrower will utilise the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines and terms of sanction.

M13. Promoter's shares in the borrowing entity should not be pledged to any Bank/NBFC/Institution without our prior consent.

M14. Only for Term Loans (> Rs 50 crores) – Covenants (in relation to the undernoted parameters) (i.e. DSCR, Int. Coverage, FACR, Debt/EBIDTA etc.) are to be stipulated for all term loans and these are required to be tested annually on the basis of Audited Balance Sheet (ABS). Penal interest will be charged in case of breach of any two of the four parameters vis-à-vis values as approved by the sanctioning authority in the sanction note. The penal interest will apply from the day after the date of ABS, and shall continue till the breach is cured.

The details are as under:

Parameters	Benchmark for annual testing of financial covenants	Penalty for adverse variation	
		Upto 10%	Nil
DSCR	1.20		
Interest Coverage Ratio	2.00		
FACR	1.25	>10%	50 bps
Debt/EBIDTA	4.50		

M15. Each of the following events will attract penal interest/ charges as applicable, at rates circulated from time to time, over and above the normal interest applicable in the account:

- a) For the period of overdue interest/instalment in respect of Term Loans and overdrawing above the Drawing Power/limit in Fund Based Working Capital accounts on account of interest/devolvement of Letters of Credit/Bank Guarantee, insufficient stocks and receivables etc.
- b) Non-submission of stock statements within 20 days of the succeeding month.- **Rs. 200/- each day of delay**
- c) Non-submission of Audited Balance Sheet within 6 months of closure of financial year. - **Nil Charges for delay upto 1 month. Delay of more than 1 month- Pricing to go up by 25 bps till the audited balance sheet is submitted.**
- d) Non-submission/delayed submission of FFRs, wherever stipulated, within due date. - **Not applicable.**
- e) Non-submission of review/renewal data at least one month prior to due date. - **Flat Rs 5,000/- upto the due date of renewal & flat Rs 10,000/- pm there after till the date of submission.**
- f) Non-renewal of insurance policy(ies) in a timely manner or inadequate insurance cover.- **Flat penalty (penal interest) of Rs 200/- for each day of delay beyond due date.**

M16. In the event of default, or where signs of inherent weakness are apparent, the Bank shall have the right to securitise the assets charged and in the event of such securitisation, the Bank will suitably inform the borrower (s) and guarantor(s). In addition, the Bank shall have the right to novate/assign the assets charged.

M17. The borrower shall keep the Bank advised of any circumstance adversely affecting the financial position of subsidiaries/group companies or companies in which it has invested, including any action taken by any creditor against the said companies legally or otherwise.

Further, for the purpose of this covenant, "adversely affecting the financial position of subsidiaries/group companies or companies in which it has invested" would mean impact on TNW of the particular entity by 10% or more.

Mandatory Negative Covenants:

The Borrower(s) shall give 60 day's prior notice to the Bank for undertaking any of the following activities to enable the Bank to take a view. If, in the opinion of the Bank, the move contemplated by the borrower is not in the interest of the Bank, the Bank will have the right of veto for the activity. Should the borrower still go ahead, despite the veto, the Bank shall have the right to call up the facilities sanctioned.

MN1. Formulation of any scheme of amalgamation or reconstruction or merger or de- merger.

MN2. Any New project or Scheme of expansion or Acquisition of fixed assets if such investment results in breach of financial covenant(s) or diversion of working capital funds for financing long-term assets.

MN3. Investment by way of share capital or Loan or Advance funds to or Place deposits with any other concern (including group companies). Further, such investment should not result in breach of financial covenants relating to TOL/Adj. TNW and Current Ratio agreed upon at the time of sanction.

MN4. Entering into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated if any at the time of sanction.

MN5. Issuing any guarantee or Letter of Comfort in the nature of guarantee on behalf of any other company (including group companies).

MN6. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default is subsisting in any repayment obligations to the Bank.

MN7. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.

MN8. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% of Gross Block may be sold in any financial year provided such sale does not dilute FACR below minimum stipulated level. (Not applicable for unsecured loans).

MN9. Entering into any contractual obligation of a long term nature (i.e. 2 years or more) or which, in the reasonable assessment of the Bank, is an unrelated activity and is detrimental to lender's interest.

MN10. Change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.

MN11. Any trading activity other than the sale of products arising out of its own manufacturing operations. (Not applicable in case finance is for trading activity only).

MN12. Transfer of controlling interest or making any drastic change in the management set-up including resignation of promoter directors (includes key managerial personnel).

MN13. Repay monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans /advances. Further, the rate of interest, if any, payable on such deposits/loans/advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of instalments to term loans granted/deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank.

MN14. Opening of Current Account with another bank or a bank which is not a member of consortium/MBA. For credit facility(ies) under sole banking arrangement, borrower shall confine entire business with financing bank. Further, in respect of credit facilities under consortium/MBA, the borrower agrees to offer to the Bank (on a right of first refusal basis) at least pro rata business relating to remittances, non-fund based transactions including LCs/BGs, bills/cheque purchase, Forex transactions and any interest rate or currency hedging business, Merchant Banking, IPO/FPO, Capital market transactions, Cash Management Product, Vehicle Loan etc.

MN15. Payment of commission to the guarantor(s) for guaranteeing the credit facilities sanctioned by the Bank.

Yours faithfully



Relationship Manager (Small & Medium Enterprise)
(Siliguri Branch)



Encl.: Terms and Conditions – Annexures A & B (Total No. of pages : 17)