



STATE BANK OF INDIA

Letter No.: Br/Adv/2017-18/ 509

Date: 31.12.2018

LETTER OF ARRANGEMENT

M/s Etha Realty Private Limited
825, Mahamayatala Road
Garia P.O. S 24 Parganas Dt.
Kolkata-700084

Dear Sirs,

ADVANCES TO SME SEGMENT SANCTION OF CREDIT FACILITIES

With reference to your application 26th Sept'2018 requesting us for sanction / renewal of Working Capital Limits and / or Term Loan Limits at existing / enhanced levels and subsequent correspondence in this regard, we have pleasure in advising sanction of the following credit facilities, which are available subject to your acceptance / fulfillment of the Terms and Conditions detailed in Annexures A/B/C:

(Rs. in lacs)

SL	FACILITY	EXISTING LIMIT	PROPOSED LIMIT
A] FUND BASED LIMITS:			
a	Term Loan		1500.00
Total of Fund Based Limits			1500.00
B] NON-FUND BASED LIMITS:			
a			
Total of Non-Fund Based Limits			
TOTAL LIMITS			1500.00

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

We are forwarding this letter in duplicate along with Annexures A/B/C 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.

Yours faithfully,

STATE BANK OF INDIA

Assistant General Manager
SME New Alipore

Encl.: Terms and Conditions – Annexures A/B/C



ETHA REALTY PVT. LTD.

DIRECTOR

033-2488 9368
033-2488 9324

sbi.12305@sbi.co.in

SME New Alipore
63, Nalini Ranjan Avenue
Block -G, New Alipore, Kolkata-53

By you and the guarantors in token of having accepted the Terms and Conditions, below the words "We Accept" appearing at the

TERMS AND CONDITIONS**1. SECURITY:**

Limit	Primary Security	Collateral Security	Guarantee
Fund Based & Non Fund Based:			
Term Loan Limit Rs 1500.00 lac	(1) Residential Plot bearing Holding Number 620, S N Ghosh Avenue, Mouza Elachi, JL 70, RS No 140, R S Khatian No 160, LR Dag No 126, within the limits of Rajpur Sonarpur Municipality, South 24 Parganas Dist.	Land & Building at Holding No 825, Mahamayatala Road, Mouza Barhans-fartabad, JL No47, RS No 7, Touzi No 109, Ward No 26, under Rajpur- Sonarpur Municipality, Dist South 24 Parganas in the name of Shri Nikhil Ghosh valued at Rs 4.93 Crore by Shri Subir Kumar Ray, Empanelled Valuer.	1. Personal Guarantee of Shri Nikhil Ghosh having a net means of Rs 523.00 lac 2. Personal Guarantee of Smt So-ma Ghosh, having a net means of Rs 93.00 lac.

2. PERIOD OF ADVANCE & REPAYMENT TERMS:**Working Capital:** NA.

Term Loan: The term loan to be availed within a period of 12 months from the date of sanction. The Term Loan is sanctioned for 66 months including a moratorium period of 60 months. The loan is to be repaid within six months after the moratorium period and the interest is to be serviced as and when applied in the account.

Others: Interest shall be payable on the outstandings in the loan accounts computed on daily balances basis duly compounded and debited to the accounts at monthly rests on the last working day of every month, in accordance with the accounting practices of the Bank from time to time.

Commitment charges, as applicable, shall be payable in case of non-utilisation of sanctioned limits. Pre-payment charges, as applicable, shall be payable in case of pre-payment of Term Loan instalments.

3. RATE OF INTEREST:**Working Capital:** NA

Term Loan: Interest at the rate of 3.75 % above the Marginal Cost of Funds Based Lending Rate (MCLR) which is presently 8.55 % p.a. Present effective rate 12.30 % p.a. calculated on daily products at monthly rests. Bank shall any time and from time to time be entitled to vary the margin base on Credit Risk Assessment of the borrower and the MCLR at its discretion.

Accrued but unapplied interest, if any, shall be governed by RBI's directives on IRAC norms. Interest rates on facilities extended in foreign currency shall be linked to LIBOR rates.

Application of interest in respect of Agricultural Advances shall be in line with the harvesting seasons.

Enhanced Interest:

- i) Enhanced rate of interest at 1% cumulatively subject to a maximum of 2% will be charged for the period of delay in respect of:
 - a) Delayed/non-submission of financial data required for review / renewal of limits
 - b) Delayed/non-submission of annual financial statements
 - c) Delayed/non-submission of stock statements
- ii) Enhanced rate will be charged on the excess drawings in case any irregularity / breach is continuously less than 60 days, and if it exceeds beyond 60 days, on the entire outstandings from the date of irregularity / breach. Enhanced interest will be compounded monthly.



- iii) The Bank shall also be entitled to charge at its discretion, enhanced interest rates on the accounts either on the entire outstandings or on a portion thereof, for any irregularity including non-observance or non-compliance of the Terms and Conditions of the advances, for such period as the Bank deems it necessary.

4. MARGINS:

SL.	ITEM	MARGIN (IN %)
A	FUND BASED LIMITS	
a	Raw Materials : Imported	
b	Raw Materials : Indigenous	
c	Semi-Finished Goods	
d	Finished Goods	
e	Components / Consumables / Spares	
f	Domestic Receivables	
g	Export Packing Credit	
h	Term Loan (Overall Margin)	50%
B	NON-FUND BASED LIMITS	
a	Letters of Credit	
b	Bank Guarantees	

5. **TENOR / RETENTION PERIOD OF BILLS:** The cover period of days for Receivables would be extended only in respect of buyers other than associate / sister concerns. Receivables beyond days will not be reckoned for computing Drawing Power. Drawing Power will also not be available on unpaid stocks.

6. INSURANCE:

All the assets charged to the Bank should always be fully insured by the Borrower against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil commotion, and other natural calamities, etc., with a company approved by the Bank in the joint names of the Bank and yourselves, at your cost for full market value or Bank's interest, whichever is higher. The policies / cover notes should be lodged with the Bank. The policies should be kept alive (current) during the currency of the advance. In the event of non-compliance, the Bank reserves the right (but not be bound to exercise) to take the insurance cover as required by the Bank by debit to your account. The machinery to be purchased out of the Term Loan, if any, to be insured for the full market value or original cost of the machinery, whichever is higher. Likewise all the renewals of the policies should also be effected /done by the Borrower at all materials.

7. CREDIT GUARANTEE COVER:

- Pre-shipment Credit, if any, will be covered by the Bank under the Individual Packing Credit Guarantee (IPCG) of ECGC, with premium payable by debit to your account.
- Post-shipment policy of ECGC with buyer-wise limits for non-L/C exports to be obtained by you at your cost, if applicable.
- ECGC officials have the right to inspect the Unit, if considered necessary.
- Credit Guarantee under CGTSI Scheme to be covered, wherever applicable.

8. STOCK STATEMENTS:

Statements of Stocks / Receivables hypothecated / pledged to the Bank are to be submitted regularly at quarterly intervals as on the last day of every quarter before the first week of the following month / within 20 days from the date of stock statement and / or whenever there is a large variation in stocks / Book Debts and also as on the date of the Balance Sheet (31st March). The statement should not include stagnant / obsolete / rejected stocks. Bills / Sundry Debtors outstanding beyond cover period should be shown separately in the statement. Sales and purchases figures for the month are to be reported. The details of unpaid stock with value should be shown separately. The Stock Statement should be signed by the authorized signatory. Suitable books / registers of the stock position are to be maintained at the factory / business premises.

The Stock Statement should invariably contain complete particulars of stocks, debtors (along with complete address), creditors, usance L/Cs opened, etc. It is essential that the outstanding borrowings at all times are fully covered by the value of security hypothecated, less the stipulated margins to be reckoned as per valuation of inventory given under Para 11 below. If at any time, the Drawing Power yielded by the stocks, debtors, etc., held by you falls below the amount borrowed, such excess drawings shall be adjusted forthwith. Partywise / agewise details for each bill raised shall be submitted on a monthly



basis for computation of Drawing Power against Book Debts. Further, the level of Creditors/ Acceptances over and above the accepted level will be deducted while computing Drawing Power.

9. INSPECTIONS:

The Bank's officials / inspectors are to be permitted in the factory / business premises as and when required to inspect the stocks / books / equipment. Where the premises are leased / hired, necessary approvals to the effect from the Lessor, if any required, are to be obtained. All assistance to be extended to the Bank's officials in conducting and completing such inspections smoothly. Necessary remedial steps also to be taken to rectify any shortcomings, if any, pointed out by the Bank's officials. The cost of such inspections shall be borne by you.

10. VALUATION OF INVENTORY:

ITEM	TO BE VALUED AT
Imported Raw Material	Landed cost (i.e., invoice value plus Customs Duty but excluding Sales Tax and demurrage, if any) or market price, whichever is lower
Indigenous Raw Material, packing materials, consumable stores and spares	Invoice price or market price or Govt. controlled price, whichever is the lowest
Semi-Finished Goods and Finished Goods	Cost of Production or Selling Price or market price or Govt. controlled rates, whichever is the lowest

11. SECURITY DOCUMENTS:

The following security documents shall be executed by you and the Guarantors:

- a. Supplemental Agreement of Loan-cum-Hypothecation
- b. Guarantee Agreement
- c. Any other documents as required by the Bank

12. OPEN TERM LOAN:

The following Terms and Conditions, amongst others, shall apply in respect of Open Term Loan Facility if any, sanctioned to you by the Bank:

- a) The loan has been considered for the following genuine commercial purposes in line with the regular business activity of the Unit:
 - i)
 - ii)
- b) The said facility is to be availed within three months from the date of sanction (currency of sanction). If the limits are not availed & utilized or only partially availed & utilized within three months from the date of sanction, the limit or unutilized portion of the limit, as the case may be, will lapse and shall, therefore, not be disbursed.
- c) The total amount that would be disbursed will not exceed the overall limit sanctioned under this facility and multiple withdrawals also may be permitted only within the currency of sanction.
- d) Every disbursement under this facility shall be made on receipt of a written request from you within the currency of sanction and release shall be subject to scrutiny of basic financial information.
- e) The Bank shall be free to treat each disbursement as an individual loan or limit for accounting or any other purposes.
- f) The period of repayment will commence from the date of the first drawdown for each sub-limit or loan in the facility.
- g) The Bank may club together the repayment of the instalments of different sub-limits or loan disbursed and may be done on a month end / calendar quarter end, etc.
- h) In the event of multiple disbursements, the Bank shall stipulate the repayment instalments for each purpose of drawal.
- i) At the end of the currency of sanction, the Bank may combine and constitute all sub-limits or loans as one limit or loan by re-arranging or re-scheduling the repayment schedules in such a manner that the maximum period of repayment shall not exceed ____ period.
- j) The letters exchanged between the Bank and you shall form an integral part of the security documents and shall be annexed to the General Agreement for Term Loan / Agreement of Loan-cum-Hypothecation.
- k) The primary security shall be hypothecation of the machinery purchased out of the Open Term Loan and the collateral security shall be
 - i)
 - ii)



TERMS & CONDITIONS

- a) Disbursement will be made only after completion of security documentation and formalities in respect of mortgage creation / extension. In respect of companies, in addition to these two requirements, charge to be filed with the Registrar of Companies within the prescribed period for creating a charge in favour of the Bank.
- b) Drawings in the account will be regulated on the basis of Drawing Power computed as per the latest Stock Statement.
- c) The Bank will have the right to examine at all times the Unit's books of account and to have the Unit's factories / offices / showrooms inspected from time to time by the officials of the Bank and / or qualified auditors and / or technical experts and / or management consultants or other persons of the Bank's choice.
- d) The Unit should not be dissolved / reconstituted without obtaining Bank's prior approval in writing. Post-facto approval of reconstitution / dissolution will not be accorded nor the existing guarantors shall be released if the dissolution / reconstitution is effected without prior approval in writing.
- e) The Unit should maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit at stipulated intervals such statements as may be prescribed by the Bank. The Unit should produce books of accounts for the inspection of Bank staff as and when called for.
- f) The Unit should submit provisional financial statements within one month and audited financial statements within three months from the date of closure of the accounting year. The returns submitted to the Sales Tax and Income Tax authorities should also be submitted to the Bank.
- g) The Unit should confine their entire business including foreign exchange business to us.
- h) The Bank will have the option of appointing its nominee on the Board of Directors of the Unit to look after its interests.
- i) The Capital invested in the business by the proprietor / partners / directors should not be withdrawn during the currency of our advance.
- j) In case the Unit fails to complete the formalities with regard to creation of a charge in favour of the Bank within a period of two months from the date of this letter, an enhanced interest of 1% on the outstandings or reduction of Drawing Power by 10% / 20% or both will be considered without any reference to the Unit.
- k) The Unit should keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business and the remedial measures taken in this regard.
- l) The Unit should keep the Bank informed of any circumstances adversely affecting the financial position of their sister / associate / family / subsidiary / group concerns in which it has invested, including any action taken by any creditor against the said Units legally or otherwise.
- m) After accounting for provision for taxation, the Bank will have the first charge on the profits of the Unit towards repayment of instalments under Term Loans sanctioned / DPGs executed by the Bank or other repayment obligations, interest and any other dues from the Unit to the Bank.
- n) The proprietor / partners / directors should not withdraw the profits earned in the business / capital invested in the business without meeting the instalment(s) payable under the Term Loan. In the case of Companies, dividend should be declared only after meeting the dues to the Bank.
- o) All moneys raised by way of deposits from friends, relatives and / or from any other source should not be withdrawn / repaid during the currency of the Bank's advance. Suitable stamped letters of undertaking from the Unit and 'No Withdrawal' letters from the depositors should be submitted to this effect to the Bank.
- p) The Bank's name board(s) should be displayed prominently or painted on the machines pledged / hypothecated to the Bank and / or in the premises where the machines are installed and a list of such assets should also be displayed in the Unit.
- q) The Unit and other depositors of title deeds should possess a clear, absolute and marketable title to the properties proposed to be legally / equitably mortgaged in favour of the Bank to the satisfaction of the Bank's solicitors / advocates. Further, the said properties are to be revalued as and when required at your cost.
- r) Any legal expenses such as a solicitor's / advocate's fees, stamp duty, registration charges and other incidental expenses incurred in connection with the advance should be borne by the Unit.
- s) In respect of Working Capital Limits of Rs.5.00 crores and above, Financial Follow-up Report (FFR I) should be submitted at quarterly intervals within six weeks (42 days) from the close of relative quarter. FFR II (Half-yearly Operating Statement) should be submitted at half-yearly intervals within 8 weeks (56 days) from the close of the relative half-year. Non-submission of the statements will be construed as non-compliance of the covenants.
- t) A charge of Rs _____/- will be levied per branch allocation in respect of limits allocated to other branches of the Bank.



- u) In respect of creation / extension of Equitable Mortgage in respect of property offered as collateral security to the Bank, a charge of **Rs.50000/-** plus applicable GST will be levied. CERSAI Charges of Rs. 118/- plus applicable GST will also be levied.
- v) Upfront fee @1.10% plus GST of the total loan amount sanctioned i.e **Rs 16.50 lac +Rs 2.97 lac =19.47 lac**, to be borne up-front by the company.
- w) If the Credit Rating awarded to the Unit is below _____, the risk rating will be reviewed _____. The Unit should provide necessary information to facilitate such a review. In the absence of half-yearly review for want of such information, the risk rating will automatically slip by one step.
- x) Next renewal of the above facilities is due on _____ The Unit is required to submit financial data one month before the due date.
- y) Pre-payment Charges: None
- z) i) Documentation charges of **Rs. 22,000.00** plus applicable GST shall be paid by the borrower.
ii) Recovery of Service Charges for services other than Sanction of credit facilities will be made @ _____ for _____.
- aa) In respect of Term Loans, enhanced rate of interest is payable under the following circumstances:
a) Non-payment of interest / instalments
b) Cross default
c) Adverse deviation by more than 20% from stipulated level in respect of any two of the following items : (i) Current Ratio (ii) TOL/TNW (iii) Interest Coverage Ratio
- ab) In respect of certain schemes such as Swarojgar Credit Card, etc., the facility should be covered under the Group Insurance Scheme.
- ac) In case of a Company being the borrower, the following terms are applicable:
i. A resolution to be passed in a meeting of the Board of Directors of the Company for availing the credit facilities sanctioned by the Bank and a duly certified extract to be submitted to the Bank. The resolution should contain, *inter alia*, the following particulars:
1. Acceptance of the Terms & Conditions of the credit facilities sanctioned to the Company.
2. Authority in favour of Directors/ Authorised Signatory to execute the security documents for availing the credit facilities sanctioned to the Company.
3. Authority in favour of Directors / Authorised Signatory for filing the documents and Form 8 and 13 with the Registrar of Companies for creating a charge over the assets of the Company in favour of the Bank.
4. Affixation of the Company's Common Seal on the security documents and vesting of authority to authenticate such affixation.
5. Requesting the guarantors to offer their Personal Guarantee / Corporate Guarantee in favour of the Bank for the credit facilities sanctioned to the Company.
6. Creation of first charge on the assets of the Company in favour of the Bank for the credit facilities sanctioned to the Company.
ii. The charge over the assets of the Company in respect of the limits sanctioned herein should be registered with the Registrar of Companies within 30 days from the date of execution of documents and filed copies of Form 8 and Form 13, together with receipt should be deposited with us. The Certificate of Registration is to be produced to the Bank within reasonable time for our records.
- ad) During the currency of the Bank's credit facilities, the Unit/Guarantors will not, without the Bank's prior permission in writing:
i. Effect any change in the Unit's capital structure.
ii. Implement any scheme of expansion / modernization / diversification / renovation or acquire any fixed assets during any accounting year, except such schemes which have already been approved by the Bank.
iii. Formulate any scheme of amalgamation or reconstruction.
iv. Invest by way of share capital or lend or advance funds to or place deposits with any other concern, including sister / associate / family / subsidiary/ group concerns. However, normal trade credit or security deposits in the normal course of business or advances to employees can be excluded.
v. Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
vi. Undertake guarantee obligations on behalf of any other company, firm or person.
vii. 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 had occurred in any repayment obligations.
viii. Effect any drastic change in their management setup.
ix. Effect any change in the remuneration payable to the Directors / Partners, etc. either in the form of sitting fees or otherwise.
x. Pay guarantee commission to the guarantors whose guarantees have been stipulated/ furnished for the credit limits sanctioned by the Bank.
xi. Create any further charge, lien or encumbrance over the assets and properties of the Unit / Guarantors to be charged / charged to the Bank in favour of any other bank, Financial Institution, firm or person.
xii. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.



- xiii. Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.
- xiv. Open any account with any other bank. If already opened, the details thereof is to be given immediately and a confirmation to this effect given to the Bank.

ae) The following particulars / documents are to be furnished / submitted to the Bank:

- i. Permanent Account Number (PAN) of each Borrower / Guarantor and Corporate Identity Number (CIN) in the case of companies.
- ii. Passport Number and other details including photocopies.
- iii. 3 self-attested photographs of the Borrower and Guarantors.
- iv. Location / site-map of immovable properties with important landmarks.
- v. Names and addresses / occupations of all the legal heirs of Borrower and Guarantors.
- vi. Details of properties not charged to the Bank

af) Unconditional Cancellability: Notwithstanding anything contained herein above, the Bank reserves the absolute right to cancel the limits unconditionally without prior notice:

- i. in case of limits/part of the limits are not utilized by the unit, and/or
- ii. in case of deterioration in the loan accounts in any manner whatsoever.
- iii. in case of non-compliance of terms and conditions of sanction, and/or
- iv. for any other reason which the bank considers appropriate to cancel the facility

ag) (i). In the event of default in repayment of any monies or in the performance or breach of any terms or obligations, the Bank and / or the Reserve Bank of India or any other authorized agency will have an absolute discretion or unqualified right, power and authority to disclose or publish your name(s) and other details in such manner as they deem fit;

(ii) The authorized agencies e.g. CIBIL, etc., may use, process, publish or furnish for consideration or otherwise the information disclosed and /or data or products prepared by them to any person, any to other credit granters and that you shall not raise any dispute whatsoever in that behalf in all respects and to all intents.

(iii) The company should not induct into its Board a person whose name appears in the willful defaulters list of RBI/ CIBIL (other than as a Nominee/ Professional/ Honorary director). 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.

(iv) During the currency of credit facilities, if there is any change in the nationality of the Borrower(s)/Guarantor(s) or any individual Borrower(s)/Director(s)/ Guarantor(s)/Partner(s) lose(s) the citizenship of India or acquire(s) the citizenship of any other country, the same has to be advised in writing to the Bank, immediately.

(v) The Borrower shall indemnify the Bank against all losses, costs, damages expenses whatsoever that the Bank may incur or sustain by reason of any fraud detected in or in respect of any loan or any other financial assistance granted or to be granted to a group company or group establishment of the Borrower or in respect of any security offered or documents executed in respect of such loan or other financial assistance. For the purpose of this clause, group company or group establishment means a subsidiary company or holding company or associate company or a joint venture or any other similar establishment in which the Borrower is having control, influence or substantial interest.

(vi) In case the booking money expected from the customer are not forthcoming the prop will arrange the shortfall from own sources.

ag) (i). In the event of default in repayment of any monies or in the performance or breach of any terms or obligations, the

The Company will undertake that in the event of advances from the confirmed clients 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.

1. All charges (eg Valuation, Title, Technical, Trustee Fees, Documentation charges, mortgage creation, stamp duty payable on all documents as per state stamp act and any other charges shall be borne by the borrower.
2. Borrower or the borrower group shall not raise any loan/funding for the project from any other source without the 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 the 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.
6. The lender shall have the right to scrutinize and audit the expenses which are incurred for the project at the borrowers 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. The project will be considered as Infrastructure if the funding is for Affordable Housing Project.
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. 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.
12. The developers have to upload the information of Banks 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.
13. The credit facility is to be fully repaid within a period of 66 months from the date of sanction irrespective of whether all the flats have been sold or not. Even if the apartments are not booked / sold as per schedule or the sale proceeds are not received as per estimated cash flow, the Company will endeavour to liquidate the loan from its own resources within the stipulated repayment period.
14. The Bank will have the right to step in or sell the stock/inventory at discounted price at specified events (in case of default and overdue for maximum 60 days)
15. Any delay in submission of Cash Budget and the progress report shall attract penal charges @ 0.1% per month of the outstanding amount.
16. An account to be opened under escrow banking arrangements to ensure that funds are utilised for the project for which finance is granted. The account will be operated by the borrower.
17. It is the borrower's responsibility to ensure that the mortgaged properties are duly insured at their own cost and expenses, for all risk. The insurance policy should be assigned in the name of the lender within 60 days of the drawdown and copy of the same should be given to us for our record.
18. There will be no prepayment charges if the principal is prepaid from the sales proceeds of the projects. Amount prepaid from any other sources will attract charges of 2% on the principal prepaid.
19. If interest and or Principal instalments due are defaulted / delayed, additional interest @ 2% per month will be payable on the entire outstanding till the date of regularization.
20. Promoters need to submit the evidence of the infusion of equity of Rs 50.00 lac within 31.03.2019 as envisaged in the project apart from submitting the details of the Unsecured Loan availed for the project.

STANDARD COVENANTS (w.e.f 17.09.2016)

ANNEXURE C

I. 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 instalments 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.



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 stressed situation 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 a first right on the profits of the borrower for repayment of amounts due to the Bank (unless expressly permitted otherwise).

M10. The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect 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).

For the purpose of this covenant, "substantial effect on their profit or business" would mean adverse variance of 5% or more.

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 utilize 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. 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 three parameters vis-a-vis values as approved by the sanctioning authority in the sanction note at the following rates. 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 deviation	
DSCR		i) Upto 5%	NIL
Interest Coverage Ratio		ii) > 5% & upto 10 %	25 bps p.a.
FACR			
Debt/EBIDTA		iii) >10%	50 bps p.a.

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 over drawings 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.
- c. Non submission of Audited Balance Sheet within 8 months of closure of financial year.
- d. Non submission/delayed submission of FFRs, wherever stipulated, within due date
- e. Non-submission of review/renewal data at least one month prior to due date.
- f. Non-renewal of insurance policy(ies) in a timely manner or inadequate insurance cover.

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.



II. 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 call up the facilities sanctioned.

MN1. Formulation of any scheme of amalgamation or reconstruction or merger or demerger.

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. (This covenant will not be applicable for NBFCs).

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 the 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.

MN16. We accept

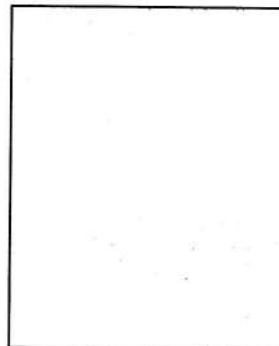
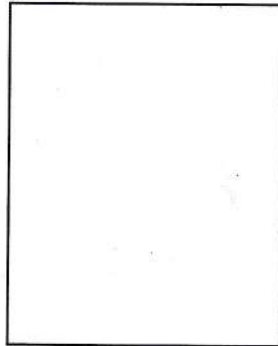
Borrower/s

Guarantor/s

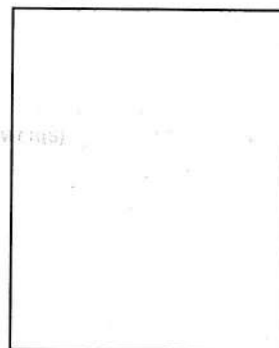
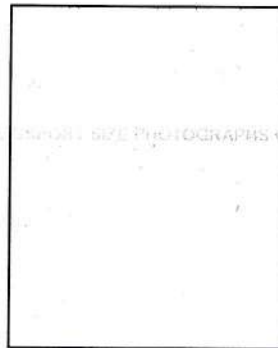
MN14. Opening of Current Account with another bank or a bank which is not a member of consortium/MBA.



PASSPORT SIZE PHOTOGRAPHS OF BORROWER(S)



PASSPORT SIZE PHOTOGRAPHS OF THE GUARANTOR(S)



Note: Self attested passport size photographs of the Borrowers and the Guarantors to be affixed