



13. All legal expenses and other expenses including incidental charges to be incurred during the course of operation of the account and for completion of documentation formalities will be borne by the borrowers.
14. The immovable properties mortgaged to the Bank will be valued / re-valued from time to time in terms of our instructions Circular No. 9584/CP/RMD/2007-2008/04 dated 08/05/07.
15. The borrowers will submit the requisite paper / audited accounts pertaining to the last financial year for next review at least two months before the next annual review of the account.
16. The borrowers must get their accounts audited annually and the audit should be completed within 3/4 months from the closing date of last financial year.
17. Any major change in management involving transfer of ownership requires our prior permission.
18. The above terms and conditions shall be subject to modification by bank as may be considered necessary at any point of time at the sole discretion of the bank.
19. The bank may recover in part or full or withdraw /stop financial assistance at any stage, without any notice or giving any reason whatsoever.
20. This sanction does not vest in any one of the rights to claim any damage against the Bank for any reason whatsoever.
21. All usual terms followed in this type of advances will be followed meticulously.
22. All other terms & conditions as detailed in HOIC 12405/CPRMD/2013-14/03 DATE: 23.04.2013 shall be duly complied with.

## **ANNEXURE – E**

### **GENERAL TERMS AND CONDITIONS**

1. A "Top Sheet" containing vital information/ check points keeping in view of the extant systems & procedures relating to sanction, documentation & disbursement will be prepared as suggested in HOIC No. 12712/ Inspection/ 2013-14 /07 dated 22.10.2013 and kept with the loan documents.
2. Branch should ensure compliance of instructions of HOIC No.10152/Legal/2008-09/03 dt.27.08.2008 on "Additional Guidelines in respect of Properties Taken for Securities".
3. Valuation and verification report of properties offered as Primary / Collateral shall be obtained from the empanelled valuers as per guidelines mentioned at the clause no.5.3 & 5.4 of the HOIC No. 12254 /CPRMD/2012-13/37 dated 07.01.2013.
4. Visit report to the mortgaged properties offered as Primary/Collateral will be submitted as per format suggested in the HO Circular no. 12685 / Cr. Mon. / 2013-14 / 02 dt. 27.09.2013.
5. Legal Audit of the Loan Documents should be carried out in terms of HOIC No.8707/CPRMD/2004-05/04 dt.21.05.2005, HOIC No.9500/Legal/2006-07/06 dt.27.02.2007 & HOIC No.9583/CPRMD/2007-08/01 dated 07.05.2007.
6. Periodical Legal audit of Loan accounts with credit exposure of Rs.5.00 crores and above irrespective of PA & NPA barring the accounts where suits have been filed, shall be taken up once in three years in ongoing basis till liquidation of loan accounts in terms of HOIC no. 12661/Cr.Mon/2013-14/01 dated 10.09.2013.
7. All other terms and conditions as contained in our Instruction Circular No.10023/Cr.Mon./2008-09/01 dated 05.05.2008 on "Guidelines on Monitoring of Loan accounts" & further advised by HOIC No. 11317/H.O / Cr. Mon. /End use/ 2010-11 /09 dated 07.03.2011 on Guidelines on Monitoring of Loan Accounts- Verification of End use of Funds should be strictly complied with.
8. Share of Promoter Directors should not be transferred without prior consent of the Bank.
9. No commission/exchange should be paid to Guarantors
10. The entire stocks will be insured for full value under comprehensive risk insurance policy with any IRDA approved General Insurance Co. Ltd. With bank clause at the borrowers' cost.
11. Before allowing disbursement, the branch must satisfy itself that there are no prior charge(s) on the Company's / firm's assets in favour of other Bank's and/or financial institution(s) either pending for registration and/or registered in the charges register. To ascertain the position the Branch must conduct a search of the Register of charges kept with ROC at the cost of the Company.



12. The Company /firm must confine its entire dealings with us only and will not make any financial arrangement with any other Bank without prior consent of the Bank.
13. Stocks and Book debts are to be checked periodically at least once in a month at irregular intervals and adverse features if any, should immediately be brought to the notice of immediate higher authorities.
14. Stocks and Book-Debt audit will be conducted in terms of Head Office instruction circular no. 6893/ADV/2001-02/23 dated 27.07.2001.
15. No further investment will be made by the company/firm in any subsidiary/associate concerns by way of loans and advances or investment in shares without our prior permission.
16. The Bank's charge on the basis of security documents executed should be filed with ROC within the stipulated period of 30 days and registration thereof will be perused actively.
17. The valuation of stocks will be made at cost or market price or controlled price whichever be the lowest.
18. Any major change in the management of Company/firm involving transfer of ownership will require prior permission from the Bank.
19. The above terms and conditions shall be subject to modification by the bank as may be considered necessary at any point of time at the sole discretion of the bank.
20. The Bank may recover in part or in full or withdraw/stop financial assistance at any stage without any notice or giving any reason for any such purpose whatsoever.
21. The sanction does not vest in any one of the right to claim any damage against the Bank for any reason whatsoever.
22. Consent clause form the Borrower/guarantor on the line that in case of default of repayment of loan, the Bank will be at liberty to publish the name and address of the loanee/guarantor alongwith details of outstanding dues and also other relevant details in newspaper and other publicity media must be obtained
23. The borrowers must get their account audited annually and the audit should be completed within 3-4 months from the closing date of last financial year.
24. The borrower will submit the requisite papers/audited accounts pertaining to last financial year for next review at least two months before the next annual review of the account.
25. All legal expenses and other expenses including incidental charges to be incurred during the course of operation of the account and for completion of documentation formalities will be borne by the borrowers.
26. A stamped undertaking to the effect that the Co./Firm will not withdraw the unsecured loan & capital raised/to be raised as proposed by the firm to be obtained. It must be reflected in t-he audited Balance sheet of the next financial year.
27. The Branch must not allow any overdrawings/Ad-hoc limit without prior consent of the competent authority.
28. Monitoring of the account must be done properly.
29. Name plate of the Bank will be displayed in prominent places at the Factory/godown /shop etc.
30. Capital not to be withdrawn without prior consent of the Bank.
31. No Commission / Exchange should be paid to Guarantor.
32. All the Assets/Mortgaged properties of the company must be insured for full value under Comprehensive Risk Coverage in the joint names of the Bank and the firm at latter's cost and that must be renewed from time to time at Borrower's cost.
33. Before allowing disbursement, the branch must be satisfied that there is no prior charge(s) on the Firm's assets in favour of other Bank(s) and / or Financial Institution(s).
34. The Company must confine its entire dealings with us only and not make any financial arrangement with any other Bank without our prior consent.
35. No investment will be made by the company in any subsidiary/ associate concern by way of loans and advances or investment in shares without prior permission of our Bank in writing.
36. The valuation of stocks will be made at cost or market price or controlled price whichever is lowest.
37. Any major change in the management of the company/ Firm involving transfer of ownership will require prior permission from the Bank.
38. The above terms & conditions shall be subject to modification by the Bank as may be considered necessary at any point of time, at the sole discretion of the Bank.
39. The bank may recover in part or in full or withdraw/ stop financial assistance, at any stage, without any notice or giving any reason for any such purpose whatsoever.
40. This sanction does not vest in any one of the rights to claim any damage against the Bank for any reason whatsoever.



41. The immovable properties mortgaged to the Bank will be valued / revalued from time to time in terms of H.O. Instruction Circular.
42. The following default declaration clauses in terms of H.O. I.C. No. 6153 dated 05.10.1999 will be incorporated in the documents.
  - In case the Loanee / borrower fails to pay the Bank's dues within the stipulated time and/ or the account becomes non-performing asset as per the norms of Reserve Bank Of India, the Bank will be at liberty to publish the name and address of the Loanee / borrower along with the details of outstanding dues payable by such Loanee / borrower to the Bank and also other relevant details in the newspaper and other Publicity media.
  - In case the guarantor/s fail to pay the Bank's dues within one month from the date of receipt of demand notice from the Bank in pursuance of the guarantee furnished by the guarantor/s herein, the Bank will be at liberty to publish the name and address of the guarantor/s along with the details of outstanding dues payable by the guarantor/s to the Bank and also other relevant details in the newspaper and other publicity media (this should be incorporated in the guarantee document, ADV-42).
43. The firm/ company will submit a certificate to the effect that its Directors/ Partners/ Proprietor is/ are not related to any Senior Executive of our Bank immediately after the end of each financial year.
44. The borrower must get their accounts audited annually and the audit should be completed within 3 / 4 months from the closing date of last financial year.
45. The borrowers will submit the requisite paper / audited accounts pertaining to the last financial year for next review at least two months before the next annual review of the account.
46. All legal expenses and other expenses including incidental charges to be incurred during the course of operation of the account and for execution of documents will be borne by the borrowers.
47. Bank's nameplate showing that the stocks are hypothecated to the Bank, will be displayed at prominent places of the Factory/ shop as also at Godown.
48. Land & building, proposed for mortgage, shall be searched by Bank's approved lawyer and valued by a registered valuer to be appointed by the Bank independently, at the borrower's cost. The property shall be free from all encumbrances and the owner shall have absolute marketable right on the property.
49. Unsecured Loans infused in the business will not be allowed to be withdrawn during the pendency of the Bank loan.
50. Processing Fees and other Service Charges, as Applicable, shall be realised from the borrower strictly as per Bank's Instruction Circular/s.
51. The covenant should be incorporated in the loan Agreement bond / to be obtained separately.
52. The borrower company/firm further agrees and undertake as under: -
  - That the company shall not induct any person as its director / partner who is a director on the board of a company which has been identified as 11ilful defaulter and that in case, such a person is found to be on the Board of borrower company, it would take expeditious and effective steps / measures for removal of that person from its Board.
  - The borrower company/firm shall ensure end use of loan / advance funds and such funds shall not be utilized for any other purpose than the purpose for which loan / advance is obtained and the funds shall not be diverted / siphoned for any other purpose or to any other company / firm / concern associated or non-associated.
  - The creditor bank is authorized to issue / make a mandate / direction / instruction to the borrower company's auditors to provide the Bank a certificate to the effect that the fund received through Bank's loan has been utilized properly by the borrower company exclusively for the purpose for which the loan / advance was granted to the borrower company and there are no instances of diversion / siphoning of funds by the borrower company/firm.
  - On receipt of such mandate / direction / instruction from the creditor bank, the company's /firm's auditor shall be bound to provide the desired certificate containing the facts to the creditor bank and nothing shall be concealed.
53. Branch is also advised to comply with the followings:-
  - Verify Credit History of the borrower/ guarantor/ promoters from CIBIL site/ RBI Defaulter List (latest)
  - Unit visit /security visit are done on regular basis as per circularized instruction.
  - Verify proper end use of fund as per latest guideline.
  - To obtain the latest Net Worth of all borrower / guarantors supported by papers.



- To verify audited /estimated sales with VAT Return/statutory returns/CTO in the account.
  - Legal enforceability of documents & Insurance in joint name
  - ROC search has been done before hand as per extant guidelines and creation of our charges within stipulated period. Copies of financial statements submitted by the company to ROC have been obtained and the figures in financial statements submitted to bank are matching with those submitted to ROC. (In case of Company)
  - The accounts in terms of HOIC No.10023/Cr. Mon./2008-09/01 dated 05.05.2008.
  - To adhere to all guidelines of latest Credit Policy & Risk Management Policy.
  - That all group accounts are regular in all respect with their existing Bankers and there is no interlocking of fund except genuine Trade transactions.
  - Credit rating by External Credit rating Agency for all eligible corporate.
  - Performance of Projected financials should be monitored as per guidelines..
  - Financial Performance to be discussed.
  - Project Cost is comparable to similar unit in locality.
  - Legal enforceability of securities charged to Bank and Insurance in joint names
54. All other usual terms and conditions as applicable for this type of advances as circularised by Head Office from time to time must be observed meticulously

1. All other existing/usual/general terms and conditions will be applicable as well.

2. The borrower shall undertake:

- Not to effect/permit withdrawals of deposits or withdrawals by family members, friends or directors/trustees during the currency of the bank advance without the prior approval of the bank.
- That the names of Borrower, or its Trustees/Partners or Guarantors do not figure in any list of defaulters circulated by RBI or any bank and Financial Institution nor the names of partners/directors appear in caution list issued by RBI/ECGC/DGFT etc.
- Not to pay any consideration, in whatever form, to the guarantors/guaranteeing directly or indirectly (except without prior approval of the Bank) for the guaranteeing of credit limits sanctioned by the bank. Similar undertaking shall also be obtained from the guarantors.
- Not to obtain any financial assistance from any other source without express approval of the Bank.
- Not to effect any change in constitution of business without express permission of the Bank in writing.
- Not to extend finance to associate concerns during the currency of the Bank's advance without Bank's prior written consent.
- Not to undertake guarantee obligations on behalf of any other firm, firm or person.
- Not to allow monies brought in principal shareholders/directors/depositors to be withdrawn.
- Not to create any further charge, lien or encumbrance over the assets and properties of the firm charged/to be charged to the Bank in favour of any other bank, financial institution, Firm, firm or person.
- To keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business.
- To submit Audited Financial Statements etc. to the Bank within the stipulated period of time. The unit will be liable to pay penal rate of interest in case of any delay in submission of the data in question.
- That none of their associate/group concerns are classified as willful defaulters by other banks/financial institution.
- I/we undertake to issue appropriate undertaking/affidavits/certificates as the Bank may require from time to time certifying that the funds comprising of entire amount of loan/facility/sum due/amount
- outstanding in the account have been used exclusively for the purpose for which they were obtained and the same have not been diverted /siphoned and no misrepresentation has been caused of any kind or accounts falsified/any fraudulent transaction have been carried out etc.
- In case of failure to pay the Bank's dues or default of repayment of loan instalments or interest thereon and the account becoming non performing assets as per RBI norms the Bank will be at liberty to disclose or publish the name(s) and address (es) along with the details of the outstanding dues payable by the defaulter borrower/s, firm or firm and also all other relevant details in newspaper and other publicity media and also inform RBI, Enforcement Directorate, ECGC, CIBIL or any other statutory authorities as may be deemed necessary.



- The bank will be at liberty to alter any of the above conditions / stipulations and also to introduce any such terms after given due notice in this regard.

55. Additional interest shall be applicable as under:-

S. N.	Parameters	Additional interest
1	Non submission of review/ renewal proposals of working capital facilities: Where the borrower has submitted the complete proposal for renewal per due date, additional (penal) interest <b>will not be charged</b> . The additional rate is applicable if the renewal /review proposal is not submitted by the borrowers within 30 days from the due date. In case of non-submission, period for additional interest will be reckoned from the due date (i.e. on expiry of one year from the date of issue of last sanction letter to the borrower based on full review.)	2%
2	Non-Submission of Stock Statements: The period for which additional (penal) rate of interest should be applicable, is to be reckoned from the due date of submission till actual receipt, on the total working capital limit outstanding. A grace period of 7 days or the time limit agreed is admissible. Additional interest will be charged from 8th day or period as agreed from due date till date of submission.	2%
3	Non-Submission of QIS-II & III (for Limit of Rs.10.00 Crore & above) The period for which additional (penal) rate of interest should be applicable, is to be reckoned from due date of submission till actual receipt on the working capital limit outstanding. The Stipulated period for submission of QIS is as:- 1. FORM:II: To be submitted within six weeks after closing of the quarter. 2. FORM:III: To be submitted on a half yearly basis within two months from the close of each half year.	2%
4	Default in payment of monthly/Quarterly or periodical installment for Term Loan. Additional interest in such cases will be reckoned from the due date of installment and for the amount of default.	2%
5	Default in payment of monthly/Quarterly or periodical interest. Additional interest is to be charged, if interest is not paid within 7 days of end of the month/ quarter/half year/year (or as per stipulation) for the entire period of default including grace period.	2%
6	Adhoc Limits (Other than Export Credit) not paid on the due date or within the due date permitted for the entire period of default	2%
7	Non-payment of dishonored Bills for entire overdue period	2%
8	Bills remaining overdue for more than 7 days for entire overdue period	2%
9	In case of outstanding balance in C/C, O/D account remaining in excess of sanction limit or Drawing power for more than 7 days. Additional Interest will be charged for overdrawn amount only and for the period from date of such overdrawing till date of regularization	2%
10	Non-Compliance of terms and conditions of sanction	2%
11	If Corporate/ PSU Borrower is not rated by External Credit Rating Agency within subsequent quarter of sanction or renewals of the credit facility an additional Interest will be charged for the period from date of sanction/ renewal till date of rating.	1%
12	Commitment Charge on the unutilized portion of the working capital limit subject to tolerance level of 15% of such limits applicable for funded Credit limit of Rs.1.00 Cr and above.	2%

## ANNEXURE – F

### Mandatory Covenants



1. 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.
2. 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. After provision for tax and other statutory liabilities, unless expressly permitted otherwise, the Bank will have a first right on the profits of the borrower for repayment of amounts due to the Bank.
9. 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.
10. Effect any change in the borrower's capital structure where the shareholding of the existing promoter(s) gets diluted below current level or 51 % of the controlling stake (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.
11. The borrower will utilize the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines."
12. Promoter's shares in the borrowing entity should not be pledged to any Bank/NBFC/Institution outside the consortium/multiple banking arrangement without our prior consent.
13. 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 overdrawings 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 QIS (FFRs), wherever stipulated, within due date.
  - e. Non-submission of review/renewal data at least one month prior to due date.

## ANNEXURE – G

### Mandatory Negative Covenants

1. In the event of default, or where signs of inherent weakness are apparent, the Bank shall have the right to securitize the assets charged and in the event of such securitization, the Bank will suitably inform the borrower (s) and guarantor(s).



(The undernoted covenants will be subject to prior notice being given by the borrower and being agreed to by the Bank. If the Bank turns down the borrower's request but the latter still goes ahead, the Bank shall have the right to call up the facilities sanctioned).

2. Formulate any scheme of amalgamation or reconstruction.
3. Undertake any new project, implement any scheme of expansion or acquire fixed assets if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.
4. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the ordinary course of business or advances to employees can, however, be extended. 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.
5. Enter 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.
6. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).
7. 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.
8. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.
9. 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).
10. Enter into any contractual obligation of a long term nature or which, in the reasonable assessment of the Bank, is detrimental to lender's interest, viz acquisitions beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the borrower/net means of promoters etc., leveraged buyout etc.
11. Change the practice with regard remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions.
12. Undertake 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).
13. Permit any transfer of the controlling interest or make any drastic change in the management set-up.
14. 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.
15. 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.
16. The borrower agrees to offer to the Bank, on a right of first refusal basis, at least pro rata business relating to remittances, bills/cheque purchase, non based transactions including LCs and BGs, forex transactions and any interest rate or currency hedging business contemplated.

#### ANNEXURE – H

#### Fees & Charges other than advised for Respective Facility



Sl. No.	Particulars	Rate / Amount
1.	Processing fees for all the facilities	75% of normal upfront fee to be realized
2.	Documentation Charges	As per HOIC
3.	Mortgage charges	As per HOIC
6.	Fee for CERSAI/ROC charge filing	As per HOIC.
7.	Charges for noting with the Sub Registrar	
8.	Inspection & Supervision Charges	As per HOIC
9.	Commitment Charges (For Funded Working Capital Limits of Rs. 1 Crore & above)	NA
10.	Charges for non submission of Stock Statement	NA
11.	Charges for non-submission of review/renewal proposal	
12.	Charges for non submission of Annual Report	As per HOIC.
13.	Charges for amendment in sanction terms	
15.	Other charges, if any	
16.	RTGS/NEFT Charges	NIL

**Note: -**

- a) Charges for creation of mortgage will be calculated on the amount of the Loan and not on the value of the property, irrespective of the nature of the credit facility.
- b) Cost of stamp and other expenses will be born by the borrower separately.
- c) Where no Mortgage is proposed, only Documentation Charges would be taken.
- d) Actual charges including registry under Central Registry scheme to be levied from borrower.
- e) Mortgage charges in case of supplemental mortgage should be realized at rate of 50.00% of normal charges.
- f) All the discounts/concessions allowed in charges/fees will continue till the specified date of next review and such discounts/concessions will be discontinued if the review proposal is not received within stipulated period
- g) In case of change in the card rate of charges/fees of the bank before the date of next review, effective rate of charges/fees will remain the same after adjustment with the modified rate till next review of the account.