

Ref No :UCO/Haldia/Credit/748/2022-23

Date: 09.02.2023

To
 Mohana Commercial Private Limited
 The Landmark (1st Floor),Haldia Township
 Haldia Township,Purba Medinipur
 West Bengal-721607

TL AC No:- 10640610027806

Sub: Sanction Of Credit Facilities in Favour of Mohana Commercial Private Limited

With reference to recommendation vide Branch Memorandum dated 30.01.2023 pertaining to the subject matter competent authority i.e. ZLCC in its meeting held on 09.02.2023 has approved the sanction of credit facilities in favour of **Mohana Commercial Private Limited** , a private limited company vide letter no **ZO/HGLY/CREDIT/332/2022-23** subject to unconditional acceptance of terms & conditions as contained in the sanction advice

1. Approval for sanction of Fresh Term loan of Rs. 1,000.00 lakh out of total project cost of Rs.1681.66 lakh under Commercial Real Estate- Residential Housing Sector for development of G+VIII storied Project named "SWARNABHOOMI – PH-II" by M/s Mohana Commercial Pvt. Ltd., at Bhabanipur (Kadamtala) under Haldia Municipality, Dist Purba Medinipur, PIN 721667 under Terms & Conditions mentioned in Annexure-I of the memorandum under sole banking arrangement.

Thanking You
 Yours Faithfully

For UCO BANK/युको बैंक

 CHIEF MANAGER/मुख्य प्रबंधक
 HALDIA BRANCH/हल्दिया शाखा



Annexure-I

Name : M/s Mohana Commercial Pvt. Ltd.

Controlling Branch : Haldia (1064)

Facility-1	Term Loan (Fresh sanction)																																																																										
Amount	Rs. 1,000.00 Lakh																																																																										
Purpose	For development of G+VIII storied Project named "SWARNABHOOMI – PH-II" by M/s Mohana Commercial Pvt. Ltd., at Bhabanipur (Kadamtala) under Haldia Municipality Dist Purba Medinipur, PIN 721667																																																																										
Interest	One Year MCLR (8.25%) + 4.10% i.e. 12.35% p.a. with monthly rests. MCLR effective on the date of first disbursement will be applicable. One Year MCLR will be automatically reset after one year from the date of last reset. The spread will be reset after 1 year from the date of renewal.																																																																										
Penal Interest	Failure in timely repayment of loan installments & or servicing of interest, penal interest at the rate of 2 % per annum over and above the applicable ROI and / or at such rate to be decided by the bank from time to time. Penal interest should also be charged as per bank's guidelines for any breach of financial discipline or non-compliance of the terms of sanction.																																																																										
Margin	Margin - Capital Only Excluding Advance From Buyers 26.76% Margin - Including Advance From Buyers 40.53%																																																																										
Charges	As mentioned below																																																																										
Repayment	Total door to door repayment period of 46 months of which moratorium period of 31 months including the construction period. Principal will be repaid in 5 structured quarterly installments starting from third quarter of FY25-26. Interest will be paid as and when charged during moratorium and during repayment tenure of the loan. <table border="1"> <thead> <tr> <th rowspan="2">Financial Year</th> <th rowspan="2">PARTICULARS</th> <th colspan="2">Q1 APR-JUN</th> <th colspan="2">Q2 JUL-SEP</th> <th colspan="2">Q3 OCT-DEC</th> <th colspan="2">Q4 JAN-MAR</th> <th rowspan="2">Balance Amount</th> </tr> <tr> <th>DISB</th> <th>INST</th> <th>DISB</th> <th>INST</th> <th>DISB</th> <th>INST</th> <th>DISB</th> <th>INST</th> </tr> </thead> <tbody> <tr> <td>Y1</td> <td>22-23</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>300.00</td> <td></td> <td>300.00</td> </tr> <tr> <td>Y2</td> <td>23-24</td> <td>150.00</td> <td></td> <td>100.00</td> <td></td> <td>100.00</td> <td></td> <td>75.00</td> <td></td> <td>725.00</td> </tr> <tr> <td>Y3</td> <td>24-25</td> <td>75.00</td> <td></td> <td>50.00</td> <td></td> <td>50.00</td> <td></td> <td>50.00</td> <td></td> <td>950.00</td> </tr> <tr> <td>Y4</td> <td>25-26</td> <td>50.00</td> <td></td> <td></td> <td></td> <td></td> <td>150.00</td> <td></td> <td>150.00</td> <td>700.00</td> </tr> <tr> <td>Y5</td> <td>26-27</td> <td></td> <td>200.00</td> <td></td> <td>250.00</td> <td></td> <td>250.00</td> <td></td> <td></td> <td>0.00</td> </tr> </tbody> </table>	Financial Year	PARTICULARS	Q1 APR-JUN		Q2 JUL-SEP		Q3 OCT-DEC		Q4 JAN-MAR		Balance Amount	DISB	INST	DISB	INST	DISB	INST	DISB	INST	Y1	22-23							300.00		300.00	Y2	23-24	150.00		100.00		100.00		75.00		725.00	Y3	24-25	75.00		50.00		50.00		50.00		950.00	Y4	25-26	50.00					150.00		150.00	700.00	Y5	26-27		200.00		250.00		250.00			0.00
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Moratorium Period	31 months																																																																										
Disbursement	Disbursement will be made and requirement of fund based on stage of construction. A. Every release of limit should be preceded by physical inspection of the construction to satisfy that the Bank's fund have been utilized for the project. B. Before releasing further funds, end-use of already released funds should be certified by a Chartered Accountant with UDIN Number on quarterly basis.																																																																										
Inspection	Quarterly inspection to be done as per banks guidelines																																																																										
Insurance	The assets created out of banks' advance (besides promoter's contribution) shall be																																																																										



	by a Chartered Accountant with UDIN Number on quarterly basis.
Inspection	Quarterly inspection to be done as per banks guidelines
Insurance	The assets created out of banks' advance (besides promoter's contribution) shall be insured for full value by the borrower / branch and all expenses in this regard (including timely renewal of the insurance cover) shall be borne by the borrower.
Security	As mentioned below
Guarantee	As mentioned below

SERVICE CHARGES:

Processing Charges For Term Loan	Rs. 10,00,000+GST @ 18%
Documentation Charges	Rs. 25,000/-+ GST@18%
Supervision Charges (Applicable to limits of Rs. 1 crore & above)	Rs. 2,950.00 half year
Inspection Charges	Rs. 5,200.00 per insp.+Con.Char.+Out of pocket exp. + applicable GST
Other Charges	As per Card Rate

SECURITY DETAILS:

Primary Security						
Facility	Proposed			Value		
				1 st Valuation	2 nd Valuation	Lower Value
Term Loan	Exclusive Mortgage Charge on land and the building to be constructed on the land having area of 85.40 decimals along with Proposed G+VIII storied Project named "SWARNABHOOMI - PH-II" by M/s Mohana Commercial Pvt. Ltd., at Bhabanipur (Kadamtala) under Haldia Municipality, Dist Purba Medinipur, PIN 721667 form the primary security.			340.56	345.87	340.56
	SI No.	Title Deed	Dag No	Owner		
	1	I-1869 dated 08.03.2013	1724	M/s Mohana Commercial Pvt Ltd		
	2	I-1870 dated 08.03.2013	1724			
	3	I-1874 dated 08.03.2013	1724			
	4	I-3689 dated 24.05.2019	1724			
	5	I-3690 dated 24.05.2019	1724			
					By Chandan Ghosh dated 10.11.22	By Suman Kumar Bose dated 18.11.22



6	I-3691 dated 24.05.2019	1724	Ramkrishna Das Adhikary & Dibyendu Jana
7	I-4707 dated 07.06.2018	1727	
8	I-1991 dated 24.03.2017	1727	
9	I-2011 dated 18.03.2013	1724	
10	I-2080 dated 15.03.2013	1724	
11	I-2081 dated 18.03.2013	1724	
Non-encumbrance report of title deeds by Amit Kumar Das dated 14.11.2022. No adverse report found.			

Collateral Security

1st charge by way of Hypothecation of entire stocks of raw materials, receivables, bills and other chargeable current assets of the firm (both present and future).

Floating**SECURITY COVERAGE**

Rs in lakh

Value of fixed asset including land & building of proposed project - present value	340.57
Estimated Cost of Construction of the proposed project as per Estimate By Suman Kumar Bose dated 26.12.22	1,130.53
Total value of proposed project expected post completion	1,471.10
Total proposed exposure	1,000.00
Security coverage by Fixed Asset post completion	147.10 %

GUARANTEE

Name	PAN/CIN	Net Worth Rs/lakh
Personal Guarantee:		
Ramkrishna Das Adhikary	ACUPD8251E	367.70
Rekha Rani Das Adhikary	AEVPD7817B	140.21
Dibyendu Jana	AGDPJ5316M	178.09
Krishna Jana	ALYPJ2090E	177.76
Corporate Guarantee:		
M/s Mohana Commercial Private Limited	U14100WB2004PTC100677	575.47

1) Compliance of terms of sanction to be sent to us within 30 days of disbursement of the limit as per



prescribed format in CMR-6 B, as circularized in Credit Monitoring Policy.

- 2) Due diligence of property documents and valuations thereof to be done and to be strictly complied as per bank's extant guidelines.
- 3) CA certificate confirming end use of funds to be obtained at regular intervals and examined to find out deficiencies, if any and ensure compliance of the same.
- 4) During inspection, the Branch Manager/other designated officials shall test check the stocks at random sampling basis to ensure that all the items of stocks are in good condition and in order.
- 5) Compliance with Know Your Customer (KYC) Norms/Anti-Money Laundering (AML) Standards/Combating of Financing of Terrorism (CFT) applicable to banks, issued by RBI from time to time, shall be adhered to in respect of all such credit facility.



Pre -disbursement conditions**Name** : M/s Mohana Commercial Pvt. Ltd.**Controlling Branch** : Haldia (1064)

1. Borrower shall give unconditional acceptance of terms and conditions as per letter of sanction, which will form part of documentation and be placed on bank records. Any contravention of terms and conditions will trigger the penal interest and or recall clause at the option of the Bank.
2. The Branch must conduct a fresh inspection of the site regarding readiness of the project. PDIR to be raised and kept on branch record.
3. The Firm has to give undertaking that the Bank's fund should not be utilized for other purpose like investment in other projects of the firm or in capital market.
4. **All relevant documentation, necessary modification of charge in ROC, creation of EMTD, CERSAI covering entire credit facilities as per terms & conditions to be executed.**
5. **Compliance of all pre-disbursement condition should be done by the Branch and should intimate the same in CMR-6A to Zonal Office & obtained necessary permission from Zonal Office for fresh disbursement.**
6. **Branch would ensure that the borrowers have obtained prior permission from government/local governments/ other statutory authorities for the project, wherever required. The disbursements would be made only after the borrower has obtained requisite clearances from the government authorities. A certificate of compliance of all such requirements to be obtained from our Empanelled Valuer.**
7. All charges viz. Processing, Documentation charges and CIBIL Charges as per stipulation should be recovered upfront.
8. The Firm to furnish undertaking to the effect that none of their directors and promoters are appearing ECGC specific approval list, RBI caution list, RBI defaulters list. & none of its directors including promoter director has defaulted in the payment of the dues of any bank. A Director with identical name appearing in the defaulter's list should submit an affidavit (to be signed before the executive Magistrate) confirming that he is not the same person whose name is appearing in the defaulter's list.
9. Borrower(s) and/or Guarantor should give their consent for disclosure of credit information to CIBIL/RBI in terms of directions issued by RBI (branch to obtain from borrower and/or Guarantor their consent as per text provided in Annexure I of Head Office Circular No. CHO/ADV/30/2003-04 dated 07.01.2004.
10. Affidavit to be obtained as per HO circular no. CHO/ADV/01/2010-11 dated 12.05.2010 from respective promoters/directors, if any, whose similar names appear in the defaulter list of RBI/specific approval list of ECGC.
11. An undertaking from the borrowing company as well as guarantors that no consideration whether by way of commission, brokerage fees or any other form, would be paid by the former or received by the latter, directly or indirectly.
12. The borrower has to provide Letter of Unconditional undertaking to the Bank that the Bank at its discretion cancel undrawn or partially undrawn credit facilities and in case where borrower does not agree to provide this letter of undertaking to the Bank, it would be subjected to commitment charges as per extant rules. Undertaking as per HO/RM/61/2007-08 dated 01.01.08 should be obtained.
13. Branch should ensure that the under noted RBI directives are complied with.
 - a) KYC/AML guidelines including due diligence should be duly complied with.
 - b) Obtain an undertaking from the company that the funds borrowed will not be diverted to sensitive sectors, but will be utilized for the purpose mentioned-if not taken earlier.
 - c) Obtain an undertaking from the directors that none of the directors are closely related to Directors of Bank/Senior Executive of Bank- if not taken earlier.
14. Legal audit of loan documentation and EMTD of immovable property to be conducted by our empanelled advocate and the same to be closed by Competent Authority before allowing further disbursement.



15. Obtain declaration from the borrower and the guarantor regarding the details of their family members/legal heirs as per the format enclosed in bank circular CHO/LAW/07/2013-14 dated 01-08-2013.
16. The Guarantors/ Corporate guarantors have to give undertaking as per the format enclosed in circular CHO/LAW/04/2008-09 dated 10-10-2008 that they will remain liable for all the outstanding in the borrower accounts till the dues are repaid in full along with interest, cost etc. or till the bank releases him in writing from the above said liability.
17. Letter of subrogation is to be obtained from the unsecured loan providers, if any.
18. Overdue of the existing loans (if any) are to be cleared before disbursement of the present project.
19. An affidavit-cum-undertaking must be obtained from the Firm that it shall not violate the sanctioned plan, construction shall be strictly as per the sanctioned plan and it shall be the sole responsibility of the executants to obtain completion certificate within 3 months of completion of construction, failing which the bank shall have the power and the authority to recall the entire loan with interest, costs and other usual bank charges.
20. The bank reserve the right to modify/revise/add any other terms and Conditions as it may deem fit absolutely at its discretion. The bank may recover in part or in full or withdraw/stop finance assistance at any stage, without any notice or giving any reason for any such purpose whatsoever. In this regard a suitable undertaking to be obtained from the firm.
21. CA certified Statement of Net Worth of the directors needs to be submitted before disbursement.
- 22. A declaration to be obtained stating that none of the directors is director or specified near relation of director of a banking company.**
- 23. LEI Code for borrower company with exposure of Rs. 5 Crore and above should be obtained as per timeframe stipulated by RBI.**
- 24. The Developer/Builder shall execute:**
 - i) An indemnity
 - ii) Irrevocable and unconditional deed of confirmation/declaration before the 1st Class Judicial Magistrate

In lieu of non-registration of Project under RERA in which Developer/Builder would be declaring among other things, that they would register the Housing Project under RERA within 3 months of functioning of the Authority.

Format of the same is attached in the HO, Retail Banking Dept circular ref no CHO/RBD/11/2022-23 dated 19.05.2022.

- 25. Branch to take an undertaking from the borrower(s) on following stipulations:**
 - a. The borrower(s) shall fulfill standard covenants as given. In case of need necessary amendment/addition/deletion in the standard covenants may be permitted by the bank.
 - b. All inspection /audit charges, documentation/ legal charges etc. in connection with the credit facility to be borne by the borrower.
 - c. Bank shall have the right to down sell their loans to any other bank / financial institutions operating in India.
 - d. The borrower(s) to submit an undertaking that the bank will always be at liberty to stop making further advances or cancel the credit facilities at any time without prior notice and without assigning any reason even though the said limits/facilities has/have not been fully availed off.
 - e. The branch to verify CIBIL data annually or as per requirement and ensure that the name of the borrower(s) does not appear therein as defaulters. Branch to take signature of the respective person on the CIBIL report so generated and charges for the same is to be recovered from them.
 - f. The Bank reserves the right to modify/Revised/add any other terms and conditions as it may deem fit absolutely at its discretion.



- g. Credit facilities to be used for the purpose for which the same has been sanctioned by the Bank, and not for any speculative purposes/ investment in capital market/ real estate development
- h. An undertaking should be obtained from the Firm that it will meet increase in costs on account of cost overrun / time overrun (if any) from its internal accruals.
- i. The builder / developer / company shall disclose in the Pamphlets / Brochures etc., the name of UCO Bank to as financier bank of the project.
- j. The builder / developer / company shall append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers /magazines etc.
- k. The builder / developer / company shall indicate in their pamphlets /brochures, that they would provide No Objection Certificate (NOC) / permission of the mortgagee bank i.e. UCO Bank for sale of flats / property.
- l. Debt/Equity Ratio as acceptable to the bank is to be maintained by the company during the currency of loan.
- m. That on up gradation/down gradation of Internal Credit Rating, borrower will pay interest as per the updated ROI based on the new Credit Rating.
- n. That interest applied during moratorium period shall be serviced from own source or from advance/sale proceeds.
- o. That the Asset Coverage Ratio should not fall below 1.33 times of outstanding balance of Term Loan at any point of time.
- p. That after the moratorium period and up to full repayment of the Term Loan, at least 50% of the sale proceeds from sale of each unit are to be deposited in the Term Loan account for repayment of the same.
- q. That no legal case of any nature has been filed against the firm affecting the financial position substantially, and in case of any suit is/ will be filed against the firm, the bank shall be kept informed.
- r. That extension of the stipulated time as permitted in the building permit by Haldia Municipality, as required, must be obtained and the same needs to be communicated to the Bank.
- s. That Borrower will take all steps necessary to open ESCROW account and all advance/sale proceeds will be routed through the ESCROW account for the specific project. The borrower will also undertake that he will not withdraw more than 50% of the advance/sale proceeds routed in the account after moratorium ends.
- t. That short fall in cash flow due to non-receipt of advances from the parties in time, shall have to be made good by the firm as well as cost in case of time over run of the project should be borne by the firm.
- u. That completion of the project will be as per proposed implementation schedule provided in the DPR.

Other conditions: Branch to ensure the following:

- A. Payment to Supplier – Directly to the supplier through Demand Draft/RTGS.
- B. Display of Bank's name – Project financed by "UCO Bank" to be displayed prominently.
- C. Legal Audit to be conducted before the release of the limit & deficiencies if any to be removed and same should be closed.
- D. Every release of limit should be preceded by physical inspection of the construction to satisfy that the Bank's fund have been utilized for the project.
- E. Before releasing further funds, end-use of already released funds should be certified by a Chartered Accountant with UDIN Number on quarterly basis.
- F. The land and the building to be constructed on the land shall form the primary security.
- G. The value of the primary security should be adequate to cover the bank finance.
- H. The building is to be insured comprehensively against fire, riot and other damages with Bank's clause.
- I. The Asset Coverage Ratio should not fall below 1.33 times of outstanding balance at any point of time.



- J. Borrower to ensure the same margin is to be maintained as per project report submitted at the time of sanction and during the currency of bank loan.
- K. Photocopy of taxes paid should be obtained on annual basis and kept on record.
- L. NOC to be issued for sale of Flats as applicable.
- M. Equitable Mortgage to be created, CERSAI charge to be created, necessary modification of charge in ROC to be made before disbursement of the Term Loan.
- N. Proper record to be maintained for sale of units at branch level.
- O. Promoter's contribution to be infused as per project cost according to progress of the site/development.
- P. The builder / developer / company shall disclose in the Pamphlets / Brochures etc., the name of UCO Bank to which the property is mortgaged.
- Q. The builder / developer / company shall append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers /magazines etc.
- R. The builder / developer / company shall indicate in their pamphlets /brochures, that they would provide No Objection Certificate (NOC) / permission of the mortgagee bank i.e. UCO Bank for sale of flats / property.
- S. Branch to ensure mobilizing maximum home loans in the project to our bank by keeping regular contact with the builder.
- T. An undertaking is to be obtained from the directors of the firm that they have not availed any credit facility in the name of the company for the development of G+VIII storied Project named "SWARNABHOOMI – PH-II" by M/s Mohana Commercial Pvt. Ltd., at Bhabanipur (Kadamtala) under Haldia Municipality, Dist Purba Medinipur, PIN 721667 after submission of the documents to our bank.
- U. Investment made by the company should be commensurate with the projected amount of investment by the firm which was considered at the time of sanction. Branch to obtain CA certificate for the investment made by the firm.
- V. Building has to be constructed as per plan approved by the competent authority.
- W. Any agreement that is to be entered into between promoter and buyer should be vetted by the bank based on legal opinion obtained from the same. The bank should enter into a tripartite agreement with promoter and buyer that should ensure among other covenants, adherence to National Building Code (NBC), payments by borrowers/buyers and delivery of property by developer/promoter in accordance with sanctions terms. Such document would be vetted legally.
- X. If the purchaser of flats obtain loan from other than UCO Bank, they must obtain no objection certificate from UCO Bank, Haldia Branch.
- Y. Borrower must open an Escrow account for routing all cash flows of the project and for monitoring of transactions of the borrower by the Branch.
- Z. Actual disbursement should be in accordance with the projected cash flow corresponding to the actual stage of construction and financial actuals at the end of each quarter may be checked with the projection given in the proposal and accepted by the bank. Branch should take certificate from Chartered accountant regarding this.
- AA. Photocopy of taxes paid should be obtained on annual basis and kept in record.
- BB. Copy of the insurance to be kept in the record
- CC. Copy of the completion certificate of the building and final sanction plan are to be obtained from the firm.
- DD. After the moratorium period and up to full repayment of the Term Loan, the Branch to ensure that, at least 50% of the sale proceeds from sale of each unit is to be deposited in the Term Loan account for repayment of the same.

Special Stipulation	
1.	All amount received by Borrower in the form of advance/sale proceeds from buyers must be deposited in escrow account maintained with Haldia Branch (1064) of which borrower will be allowed to withdraw only 50 % of advance/sale proceeds. The 50% restriction will be enforced after completion of moratorium period. The firm will submit a copy to the Branch, of Demand Note issued to each buyer at every



	stage of construction and monthly reconciliation of Advance/Sale consideration is to be carried out between the borrower and the branch. A copy of such reconciliation is to be kept in records.
2.	The builder / developer / company shall disclose in the Pamphlets / Brochures etc., the name of UCO Bank to which the property is mortgaged.
3.	The builder / developer / company shall append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers /magazines etc.
4.	The builder / developer / company shall indicate in their pamphlets /brochures, that they would provide No Objection Certificate (NOC) / permission of the mortgagee bank i.e. UCO Bank for sale of flats / property, if required.

Pre disbursement conditions to be complied by the Company / Branch. Branch to submit CMR-6A to Zonal Office, Credit Monitoring Dept. Hooghly in compliance of having complied with all the pre disbursement condition and seeking permission for disbursement of Term Loan.

1.	The Borrower(s) to give unconditional acceptance of the terms and conditions as per letter of sanction which will form part of documentation and be placed on bank's record.
2.	Credit facility to be disbursed on execution of all relevant documents and on fulfillment of all the term and condition of sanction stipulated by the bank.
3.	Borrower(s) to furnish undertaking to the effect that their name is/are not in appearing ECGC specific approval list, RBI caution list, RBI defaulters list and none of its partners/ directors including promoter director has defaulted in the payment of the dues of any bank. A person with identical name appearing in the defaulter's list should submit an affidavit (to be signed before the executive Magistrate) confirming that he is not the same person whose name is appearing in the defaulter's list.
4.	Post Dated Cheques for the entire Tenure of the Term Loan duly signed by the borrower(s) should be obtained towards servicing of interest/ repayment of Installment of the said Term Loan.
5.	Branch to take undertaking from the borrower firm that Disbursement of Term Loan will be done in phases and firm will submit Certificate with UDIN of end use of released funds by Chartered Accountant on quarterly basis.
6.	
7.	Branch to take Undertaking from all the Directors of the firm that Interest/charges during moratorium period of term loan will be serviced by them from their own sources.
8.	CA certificate & Engineer/ Valuer certificate for total work done till date before disbursement
9.	Branch to obtain CA certificate for the investment made by the company.
10.	All the ITR's of all the promoters are to verified from CA.
11.	Branch to obtain undertaking from Borrower for maintaining same margin as given during the sanction of project, during currency of loan.
12.	All disbursement related to furniture & fixture and Electrical Equipments is to be made to suppliers directly on obtention of Quotations followed by submission of bills by the same vendors.

Documents /other formalities

Individual	Documentation to be completed as per extant guidelines of the bank/manual of instructions.
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Other terms & conditions:

- Any modifications/amendment in loan amount, pricing, margin and security needs approval from competent authority.



- 2) If the borrower does not start drawing down the funds within 90 days from the date of the sanction, then our sanction requires revalidation and the Bank shall have the right to take any action including cancellation of limit, at its sole discretion.
- 3) The bank will have the right to examine at all times, the firm's books of accounts and to have the firm's Project sites inspected from time to time, by Officer(s) of the Bank and/or qualified auditors or concurrent auditors appointed by the Bank and/or technical experts and/or management consultants or other persons of the Bank's choice. Cost of such inspections will be borne by the firm.
- 4) During the currency of the bank's credit facilities, the firm will not, without the bank's/lead arranger's prior permission in writing –
 - i) Effect any change in the firm's capital structure.
 - ii) Formulate any scheme of amalgamation or re-construction or restructuring of any kind.
 - iii) Invest by way of share capital in, or lend or advance funds to, or place deposits with any other concern: (normal trade credit or security deposits in the normal course of business or advance to employees, can, however, be extended).
 - iv) Undertake guarantee obligations on behalf of any other firm, firm or person.
 - v) Monies brought in by principal share holders/directors/depositors will not be allowed to be withdrawn without the Bank's /consortiums' permission.
 - vi) The firm should not make any major change in their management set up without the bank's permission.
 - vii) Pay consideration/commission to the guarantors whose guarantees have been stipulated/ furnished for the credit limits sanctioned by the Bank.
 - viii) Create any further charge, lien or encumbrance over the assets and properties of the firm charged to the bank in favor of any other Banks, Financial Institution, Company, Firm or Person.
 - ix) Sell, assign mortgage or otherwise dispose off any of the fixed assets charged to the bank.
 - x) Undertake any activity other than that for which the facilities has been sanctioned.
 - xi) The firm will route its entire dealings with the existing lenders as well as with the lenders participating in the project including our bank and will not make any financial arrangement (term loan/WC) for the proposed project with any other Bank without our bank/Consortium's prior consent.
- 5) The credit facility should be utilized for the specific purpose for which the same has been sanctioned and if bank has reason to believe that the firm has violated or apprehends that the firm are about to violate the said condition, the bank will have the option to exercise its right to recall the entire loan or any part thereof at once.
- 6) The account will be monitored in terms of various guidelines issued by the Bank from time to time.
- 7) The firm shall submit to our bank regular returns/ select operational data as & when required and also its audited financial statements etc. as soon as the same become ready. Non-submission/delayed submission of relevant data/statements shall attract penal interest as per extant guidelines.
- 8) The firm shall fulfill standard covenants. In case of need necessary amendment/addition/deletion in the standard covenants may be permitted by the bank.
- 9) Periodical Inspection at regular intervals as per extant guidelines of our bank to be undertaken.
- 10) All inspection /audit charges, documentation/ legal charges etc. in connection with the credit facility to be borne by the borrower.

STANDARD COVENANTS FORMING PART OF TERMS AND CONDITIONS: PART II

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| 1. | The bank will have the right to examine at all times, the firm's books of accounts and to have the firm's Project sites inspected from time to time, by Officer(s) of |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|



	the Bank and/or qualified auditors or concurrent auditors appointed by the Bank and/or technical experts and/or management consultants or other persons of the Bank's choice. Cost of such inspections will be borne by the firm.
2.	During the currency of the bank's credit facilities, the firm will not, without the bank's/consortiums prior permission in writing –
a)	Effect any change in the firm's capital structure.
b)	Formulate any scheme of amalgamation or re-construction or restructuring of any kind.
c)	Invest by way of share capital in, or lend or advance funds to, or place deposits with any other concern: (normal trade credit or security deposits in the normal course of business or advance to employees, can, however, be extended).and withdraw of unsecured loan.
d)	Undertake guarantee obligations on behalf of any other firm, firm or person.
e)	Declare dividends for any year except out of profits relating to that year after making all due necessary provisions and provided further that no default had occurred in any repayment obligations.
f)	Monies brought in by principal share holders/directors/depositors will not be allowed to be withdrawn without the Bank's permission.
g)	The firm should not make any drastic change in their management set up without the bank's permission.
h)	Pay guarantee commission to the guarantors whose guarantees have been stipulated/furnished for the credit limits sanctioned by the Bank.
i)	Create any further charge, lien or encumbrance over the assets and properties of the of the firm to be charged to the bank in the favour of any other Bank, Financial Institution, Firm, Firm or Person.
j)	Sell, assign mortgage or otherwise dispose off any of the fixed assets charged to the bank and
k)	Undertake any activity other than that for which the facilities has been sanctioned.
3.	The Firm shall keep the Bank/consortium informed of happening of any event likely to have a substantial effect on their profits or business. If, for instance, the monthly collections are substantially less than what had been indicated to the bank, the firm should inform the bank accordingly with the reasons thereof and the remedial steps taken.
4.	The firm should maintain separate books and records which should correctly reflect their financial position and scope of operations and should submit to the bank/consortium leader at regular intervals such statements as may be prescribed by the bank in terms of RBI instructions issued from time to time.
5.	The firm shall keep bank/consortium advised of any circumstances adversely affecting the financial position of their subsidiaries/group companies or companies in which it has invested, including any action taken by any creditor against the said companies legally or otherwise.



6.	The bank/consortium will have the option of appointing its nominee on the board of director of the firm to look after its interest. The director's normal fees and expenses will be defrayed by the firm. Such director shall not be required to hold qualification shares and shall not be liable to retirement so long as the credit facilities granted by the bank to the firm are outstanding. When the option is exercised by the bank, the firm shall submit sufficiently in advance, agenda papers relating to meeting of the board of the directors or any committees thereof and forward duly certified copies of the proceeding of such meetings. The bank will have right to appoint a nominee to attend any meetings of shareholders; where the right is exercised, the agenda papers and proceedings should be sent to bank sufficiently in advance.
7.	The firm shall submit to our bank/consortium leader regular returns/ select operational data as & when required and also its audited financial statements etc. as soon as the same become ready.
8.	The credit facility should be utilize for the specific purpose for which the same has been sanctioned and if bank has reason to believe that the firm has violated or apprehends that the firm are about to violate the said condition, the bank will have the option to exercise its right to recall the entire loan or any part thereof at once in addition to its right to withdraw the limit as mentioned in other condition.

STANDARD COVENANTS

1. Mandatory Covenants

11. 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.
12. 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.
13. 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 of the name of the borrower / unit and its directors / partners / proprietors as defaulters/ willful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.
14. 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.
15. The borrower should not induct into its Board a person whose name appears in the willful defaulters list of RBI / CICs. In case such a person is already on the Board of the borrowing firm, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose.
16. In the event of default in repayment to the 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.
17. 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.
18. 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.

19. 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.
110. 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.
111. 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 purpose of this covenant.
112. The borrower will utilize the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines.
113. Promoter's shares in the borrowing entity should not be pledged to any Bank / NBFC / Institution without our consent.
114. For Term Loan (>Rs.50 crores) – Covenants [in relation to certain (say three) agreed parameters] 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 or as mutually agreed between the Bank and the borrower) of the parameters vis-a-vis values as approved. The penal interest will apply from the day after the date of ABS, and shall continue till the breach is cured.

Further, it may be specifically indicated that the breach of financial covenant may be considered by lenders as an Event of Default.

115. 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:
- For the period of overdue interest / installment 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.
 - Delay in submission of stock statements defined as number of days as per bank specific Policy.
 - Non-submission of Audited Balance Sheet within 8 months of closure of financial years.
 - Non-submission / delayed submission of FFRs, wherever stipulated, within due date.
 - Non-submission of review / renewal data at least one month prior to due date.
 - Non-obtention of External credit risk rating from agency approved by RBI.

II. Mandatory Negative Covenants

- AN1. 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 securitisation, 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 turn down the borrower's request but the later still goes ahead, the Bank shall have the right to call up the facilities sanctioned.
- AN2. Formulate any scheme of amalgamation or reconstruction.
- AN3. Undertake any new project, implement any scheme of expansion / diversification or capital expenditure or acquired fixed assets (except normal replacements indicated in funds flow statement submitted to and approved by the Bank) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.



- IN4. 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.
- IN5. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, and company or otherwise or accept deposits which increase indebtedness beyond permitted limits, stipulated if any at the time of sanction.
- IN6. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).
- IN7. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that such distribution may be permitted only if no event of default / breach in financial covenant is subsisting in any repayment obligations to the Bank.
- IN8. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.
- IN9. 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).
- IN10. 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.
- IN11. 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.
- IN12. 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).
- IN13. Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.
- IN14. 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 installments to term loans granted / deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank.
- IN15. 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.
- IN16. The borrower shall deal with our bank / banks under consortium / multiple banking arrangements exclusively, shall not open current account/s with any other bank without our prior permission. The borrower's entire business relating to their activity including deposit, remittances, bills / cheque purchase, non-fund based transactions including LCs and BGs, Forex transactions, merchant banking, any interest rate or currency hedging business etc. should be restricted only to the financing banks under consortium / multiple banking arrangement.
- IN17. No commission to be paid by the borrowers to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
- IN18. Approach capital market for mobilizing additional resources either in the form of debt or equity.

