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Telephone: 0141-2367278	Fax: 0141-2367656	Email: sbi.04080@sbi.co.in

SME-1

LETTER OF ARRANGEMENT
(To be issued in duplicate)

To,

<u>BORROWER :-</u>	<u>GUARANTORS:-</u>
M/S Udayraj Palace Private Limited Address: 106/167, Iscon Road Chauraha, Mansarovar, City: Jaipur, Dist: Jaipur, State: Rajasthan, India, Pin: 302015	1. Sh Amit Dudi S/o Bhagwana Ram Dudi Res. Address: C-41, Jaisalmer Road, Vaidh Magharam Colony, Bikaner -334004
	2. Sh Atul Dudi S/o Bhagwana Ram Dudi Res. Address: C-41, Jaisalmer Road, Vaidh Magharam Colony, Bikaner -334004
	3. Sh Satveer Choudhary S/o Jairam Choudhary Res. Address: Chatrapura, Alwar -301024
	4. Sh Ajeet Singh Choudhary S/o Udayveer Res. Address: Fauladpura, Alwar-301706

Letter No. SMECR/ 2018-19/ DOC/RE/02

Date: 3-11-2018

Dear Sirs,

M/S Udayraj Palace Private Limited

SANCTION OF PROJECT SPECIFIC TERM LOAN OF ₹25.00 CRORE FOR THE
"UDAYRAJ" PROJECT

With reference to your application dated **01.09.2018** requesting us for sanction of Project Specific Term Loan under Builder Finance Residential Housing Project Scheme for Residential Project named in style of **"UDAYRAJ"** located at KH NO. 107,108,109,110,112, Vill- Ramsinghpura, Teh- Sanganer, Near Patrakar Colony, Jaipur and subsequent correspondence/discussions in this regard, we have pleasure in advising that the competent authority has Sanctioned ₹25.00 Cr for the project on 15.09.2018, which are available subject to your acceptance / fulfillment of the Terms and Conditions detailed in Annexures A, B and C.



S no	Facility	Limit (₹ in Cr)
A.	Fund Based Limits	
a	Term Loan under Builder Finance Residential Housing Project Scheme ("UDAYRAJ" PROJECT)	25.00
	Total of Fund Based Limits	25.00
B.	Non-Fund Based Limits	
	Nil	Nil
	Total Limits	25.00

2. The relative covenants and other terms and conditions governing the conduct of facilities mentioned above are contained in the Annexure A,B and C. We request you to return to us the duplicate copy of this letter along with the Annexure, duly signed by such authorized director/Official (s) / Partner(s) of the company as are empowered to accept the said terms and conditions on behalf of the company.

3. The above limits have been sanctioned to M/S Udayraj Palace Private Limited , in addition to the terms and conditions as contained in the Annexure A,B and C subject to the following conditions:

A. The sanction is subject to satisfactory TEV study and analysis of data forming the basis of the sanction.

B. Company must get ECR rating done within 3 months of sanction otherwise a penal interest of 1% will have to be recovered till the date of obtention.

C. Land dues to be cleared before disbursement. The company will pay Rs5.90 cr to the seller of the project land by own sources and will produce the no dues certificate from the seller before the disbursement of the loan.

D. The company will increase the Authorized capital at minimum level of Rs5.00cr before the disbursement of the loan.

E. The company/promoters will provide cash collateral of Rs6.00 cr before the disbursement of the loan.

F. Key man policy of main promoter to be provided to the Bank.

G. Unsecured loan of the project should not be paid during the currency of loan.

H. Close all current account with other Bank / FI before disbursement (project specific)

I. SBI will have the right of first refusal for Housing Loans to be sanctioned in the current project.

J. All the statutory approvals have to be submitted to the Bank before disbursement.

K. The Builder has to incorporate the name of SBI in all its pamphlets, brochures and mention the same at the website as well.



L. A suitable board displaying Banks name and Logo to be put up at the site of the project and should be clearly visible.

M. Any deviation/ non-compliance of the above mentioned terms and condition will attract penal interest as per Banks extant norms.

N. Perfection of security is done at our Branch

O. Please arrange to adopt a resolution for availing of credit facilities from the bank and forward to us a certified copy thereof for our record. We may add that resolution of the company should inter-alia contain the following particulars:-

a. Acceptance of terms and conditions of Credit Facilities sanctioned to the company.

b. Authority in favour of Officials / Directors/ Partners to execute the documents for availing of the facilities, arranging for filing of documents with Registrar of Companies for creating charge on assets of the company in favour of the Bank.

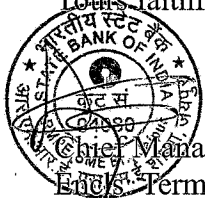
c. Affixation of Common Seal of the company on documents and vesting of authority to witness the Common Seal.

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,



Chief Manager

Encs - Terms and Conditions – Annexures A, B & C



TERMS AND CONDITIONS

ANNEXURE -A

A. SECURITY:

FACILITY	Term Loan under Builder Finance Residential Housing Project Scheme ("UDAYRAJ" PROJECT)
(i) Primary Security:	
a. First and Exclusive Hypothecation Charge on the movable assets / stocks/work in progress /cash flows / receivables of the project "Udayraj" located at KH NO. 107,108,109,110,112, Vill- Ramsinghpura, Teh- Sanganer, Near Patrakar Colony, Jaipur	
b. Equitable Mortgage by depositing of title deeds of project Land & Building situated at KH NO. 107,108,109,110,112, Vill- Ramsinghpura, Teh- Sanganer, Near Patrakar Colony, Jaipur having area of 11333.80 Sq mt owned by the borrowing company.	
(ii) Collateral Security:	
1. ₹6.00cr as a cash collateral that can be partly invested in SBI MF with maintaining minimum security coverage at 150%.	
2. Right to step in or sell the stock at discounted price at specified events (in case of default and overdue for maximum 60 days).	

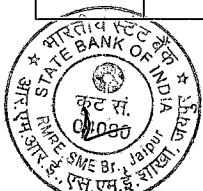
(iii) GUARANTEE

FACILITY	GUARANTEE
TERM LOAN	1. Sh Amit Dudi S/o Bhagwana Ram Dudi Res. Address: C-41, Jaisalmer Road, Vaidh Magharam Colony, Bikaner - 334004
	2. Sh Atul Dudi S/o Bhagwana Ram Dudi Res. Address: C-41, Jaisalmer Road, Vaidh Magharam Colony, Bikaner - 334004
	3. Sh Ajeet Singh Choudhary S/o Udayveer Res. Address: Fauladpura, Alwar-301706
	4. Sh Satveer Choudhary S/o Jairam Choudhary Res. Address: Chatrapura, Alwar -301024

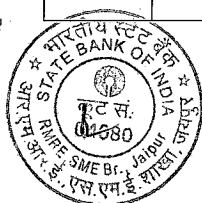
B.	RATE OF INTEREST	Interest at the rate of 4.25% above 1 Year MCLR which is presently 8.50% p.a. Present effective Rate being 12.75% p.a. calculated on daily products at monthly rests. Bank shall at any time and from time to time be entitled to vary the margin based on the Credit Risk Assessment of the borrower
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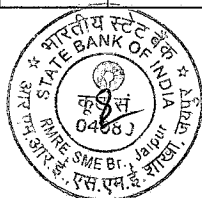
		and the MCLR at its discretion.. Accrued but unapplied interest, if any, shall be governed by RBI's directives on IRAC norms.
C.	Margin	An amount of ₹26.02 Cr is to be brought in by the company as margin for the project in the form of Equity/ capital and USL. Any escalation in the project cost will be borne by the promoter. There shall be no dilution in the margin brought in by the promoter during the currency of the loan.
	Receivables	Nil
	Debt/ Equity	To be maintain as per Cash Budget.
D.	Validity of Sanction	The facility has been sanctioned on 15.09.2018 . The validity of period for accepting enhancement/ sanction is 6 months from the date of sanction. Review of the Term Loan will fall due on 14-09-2019
E.	Disbursement Schedule/	The disbursement schedule is on the basis of cash budget submitted/ assumed at the time of sanction as per progress in implementation of the project. The actual disbursement will be based on the actual progress made, status of approvals and report from Independent Engineer/ Valuer along with CA certificate. However disbursement / draw down may vary as per actual construction at project site. The disbursement will not be made at one go and in several tranches during the quarter subject proper utilization of funds.
F.	Repayment Schedule	The door to door tenor for the loan is 43 months from the date of the first disbursement of the loan. The moratorium allowed for the loan is 37 months and 6 month for repayment. As the DCOD is 30-09-2021, the loan is to be liquidated by 31-03-2022. Interest to be serviced as and when applied. Mode of repayment: Repayment shall be made through the ESCROW account opened for the project which will be specially opened for stage wise disbursement and credit of all sale proceed & incentives of the company. The DP will be given in OD account itself and Bank shall have first right over the ESCROW account for servicing of interest and marking necessary DP marked for repayment. Residual amount will be allowed to be withdrawn by the Borrower.
G.	Inspection	Monthly inspection of the project coinciding with receipt of the actual cash budget. During inspection, the Cash Flow Statement as obtained from the borrower shall be scrutinized to confirm the level of activity/status of the project and end use of funds. The lender shall have the right to appoint Lender's Independent Engineer (LIE) for Quarterly inspection during the implementation period and till repayment of entire loan,



		if necessary. The expenses of which shall be borne by the borrower. The Bank's officials / inspectors are to be permitted in the 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.		
H.	Insurance	a. Contractors' All Risks (CAR) Insurance should be taken with Banks' name in the policy for the project being funded by us. b. It is your responsibility to ensure that the mortgaged properties are duly insured at their own cost & expenses for all risks and Bank's interest to be incorporated in the Insurance Policy. c. Insurance cover should be obtained from a company approved by the Bank. 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.		
I.	Statutory approvals	The company will ensure that all Statutory approvals are complied with. All requisite statutory approvals required for undertaking the project to be obtained from respective authorities & to be submitted to Bank.		
J.	Statements to be submitted	Borrowers need to submit a monthly progress report along with a cash flow statement before 20th of subsequent month. Borrower also need to submit quarterly progress report containing details like amount received from customers, status of sale of flats indicating number of flats booked / sold in advance / full payment received and deposited in the bank, progress of the project vis-a-vis the estimated stage wise progress of the project, etc.		
K.	Upfront fees and Charges	Upfront Fee	₹1925000/- + GST	
		Commitment charges	% Utilization	Charges
			If the average utilization is more than 75%	Nil
			If the average	0.25% p.a to be



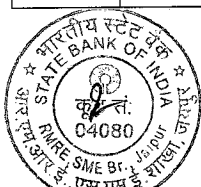
			utilization is between 50-75%	recovered on entire unutilized portion on a quarterly basis.
			If the average utilization is less than 50%	0.50% p.a. on entire unutilized portion on a quarterly basis.
		Inspection Charges	Actual expenses + Rs 10,000/- subject to a minimum of ₹ 24,000/- p.a. + GST	
		Documentation Charges	₹17600/- + GST	
		Equitable Mortgage Charges	₹40000/- + GST	
L.	Registration of Charges	Charges created in favour of the Bank will be registered with the Registrar of Companies within 30 days from the date of execution of documents.		
M.	NOC	For already booked unit 203 units as list annexed, no amount will be required for issuing NOC. Apart from above booked units, Full amount of the sale proceeds will be credited to loan account before issuing the NOC. If the advance from the customers in respect of already booked units is not received as per estimates i.e. , promoter has to bring deficit amount in the form of margin. Advance / deposit received from the new customers during the loan tenure, will be credited to loan account and DP will be reduced accordingly irrespective of the proposed loan repayment schedule.		
N.	Project Completion Date (DCCO)	30-09-2021		
O.	DSRA (Debt Service Reserve Account)	DSRA equivalent to 3 months instalment & Interest to be built up before full disbursement during moratorium period and before commencement of instalments in ESCROW account / STDR. Outstanding in the ESCROW account / STDR should be 3 months' interest on the drawn outstanding at any point of time during the moratorium period.		
P.	Delay in the project or irregularity in the account.	If the status of the project is not in conformity with Cash Flow statement or account becomes irregular, Branch will initiate the following actions immediately:		



		a. Charging penal interest @5% per annum on the irregular portion for the period of irregularity. b. Charging penal interest @0.50% of outstanding amount if there is delay in project implementation beyond 90 days as per the estimate / LIE report-CE report.
Q.	Review of the Account	TL review will fall due on 14-09-2019. The company to provide all financial data & other data required by bank for carrying annual review to compare physical & financial progress of project with estimation of same as submitted by company. TL review charges will be applicable as 20% of applicable upfront fees at that time.
R.	Routing of Transaction/Escrow A/C	The borrowing company will maintain the account as mentioned below: Account 1 (Escrow A/C): Realtors Current Account for receipt of 100% Collections (Escrow Account-1) All the sales will be credited to this escrow account-1. Account 2 (Escrow A/C): This account will be registered with RERA Authority. 70% of Collections funds to be transferred from Account 1. Account 3 (Escrow A/C): 30% of the Collections from buyers as well as funds after withdrawal from Account 2 (70% of Collections) will be credited to the Escrow Account-3. The funds from Escrow Account will be transferred to Realtor's Operating Account after adjusting Bank's dues as per Terms and Conditions of sanction. Account 4 (Operational A/C). The amount from account 3 will be transferred to the operation account for day to day transaction after adjusting Bank dues.
S.	RERA Compliance	The company to follow the rules set RERA Authority. The sale proceeds should be credited to designated Escrow Account or separate account as per RERA Rules of the respective and every withdrawal from this RERA complied account should be credited to Escrow account maintained with us. Copy of Report duly certified by Architect, Engineer & chartered accountant submitted to RERA Authority for withdrawal from RERA separate account to be provided on Quarterly basis
T.	Pre-payment Charges	There will be no prepayment charges if the principal is prepaid from the sales proceeds of the secured / mortgaged projects / properties and from the promoter's equity/contribution. a. No prepayment charges if repaid at the time of reset of interest. b. Amount prepaid from any other sources will attract charges of 2% on the principal prepaid.



U.	Stock Audit	Stock Audit will be conducted at half yearly interval by our empanelled auditor. The charges will be borne by you. Stock Auditor will examine: i. RERA Collection Account / Escrow Account. ii. Flats booked, Agreement copy, advance received from the customers from the Books of the company. iii. Sale deeds executed in the project. iv. Unsold Inventory in the project. v. Promoter's margin in the project. vi. Verification of the Drawing Power based on cash budget.
V.	Fly ash declaration	The Borrower declares, affirms, confirms and covenants that the Borrower is not in default under any notification issued from time to time on the subject of utilization of fly ash and fly ash based products by the Government or Statutory or Regulatory Authorities and shall comply with all such notifications, more specifically, notification no. S.O. 2804 (E) dated 3rd November 2009 of Ministry of Environment and Forests, Government of India and amendments thereto. The term fly ash, in terms of the aforesaid notification of Ministry of Environment and Forests, means and includes all ash generated such as Electrostatic Precipitator (ESP) ash, dry fly ash, bottom ash, pond ash and mound ash. The said notification inter alia provides for use of fly ash, bottom ash or pond ash in manufacture of bricks and in other construction activities including fly ash based products in construction activities and specifications for use of fly ash and fly ash based products.
W.	Other Conditions	i) All charges [e.g. Valuation, Title, Technical, Trustee fees, documentation charges mortgage creation (including stamp duty) payable on all documents as per state stamp act and any other charges] shall be borne by borrower. ii) Borrower and the Borrower Group shall not raise any loan / funding for the project from any other source, without prior written consent from the existing lenders. iii) Borrower shall not change its capital structure without prior written consent from the lender nor shall be permitted to withdraw capital before completion of project. iv) 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. v) The lender will have right to form a Project Monitoring Committee (PMC). vi) The lender shall have the right to scrutinize and audit the expenses, which are incurred for the project at the



		borrower's cost. vii) Builder has to sign MOU for Tie up of the financed project. viii) The Bank will have the first right of refusal for Home loans taken by the buyers for purchase of units in the project. ix) Bank's prior approval will be taken before execution of sale deed / issuing NOC for creation of charge on the units in the project in favour of the buyers / buyers' financiers. xi) The project will be considered as Infrastructure if the funding is for Affordable Housing Project. xiii) The developer(s) have to upload the information of Bank's 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. XIV) The borrower will provide Yearly affidavit stating that funds have been / will be utilised for the project for which loan has been sanctioned
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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 shall the existing guarantors 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 for the project till the currency of the loan.
- p) The Bank's name board(s) should be displayed prominently on project site.
- 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) A charge of Rs __NA __/- will be levied per branch allocation in respect of limits allocated to other branches of the Bank.
- t) In respect of creation / extension of Equitable Mortgage in respect of property offered as collateral security to the Bank, a charge of ...(as given above) will be levied.
- u) Processing charges as applicable (NA) on the Working Capital limits sanctioned will be charged annually or at the time of renewal, whichever is earlier. Upfront fee at the rate of (as given above) of limits sanctioned will be charged in respect of Term Loan.
- v) If the Credit Rating awarded to the Unit is below SB-10, the risk rating will be reviewed half-yearly. 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.
- w) Next renewal / review of the above facilities is due on 14-09-2019. The Unit is required to submit financial data one month before the due date.
- x) 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) In case of adverse deviation in respect of any of the following three financial parameters arrived at based on audited financial statements each year, from the estimated/projected levels accepted at the time of sanction /last review, will attract enhanced interest :
 - i) DSCR ii) Interest Coverage Ratio iii) FACR
- y) In respect of certain schemes such as Swarojgar Credit Card, etc., the facility should be covered under the Group Insurance Scheme.
- z1) The Borrower indemnifies 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
- z) In case of a Company being the borrower, the following terms are applicable:



- a) 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:
- Acceptance of the Terms & Conditions of the credit facilities sanctioned to the Company.
 - Authority in favour of Directors / Authorized Signatory to execute the security documents for availing the credit facilities sanctioned to the Company.
 - Authority in favour of Directors / Authorized 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.
 - Affixation of the Company's Common Seal on the security documents and vesting of authority to authenticate such affixation.
 - Requesting the guarantors to offer their Personal Guarantee / Corporate Guarantee in favour of the Bank for the credit facilities sanctioned to the Company.
 - Creation of first charge on the assets of the Company in favour of the Bank for the credit facilities sanctioned to the Company.
- b) 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.
- ab) During the currency of the Bank's credit facilities, the Unit / Guarantors will not, without the Bank's prior permission in writing for the project.
- Effect any change in the Unit's capital structure.
 - 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.
 - Formulate any scheme of amalgamation or reconstruction.
 - 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.
 - Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
 - Undertake guarantee obligations on behalf of any other company, firm or person.
 - 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.
 - Effect any drastic change in their management setup.
 - Effect any change in the remuneration payable to the Directors / Partners, etc. either in the form of sitting fees or otherwise.
 - Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the Bank.
 - 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.
 - Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.
 - Undertake any trading activity other than the sale of produce arising out of its own manufacturing / trading operations.



14. 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 for the project.

ac) 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

ad)

- I. I/We hereby agree and give consent for the disclosure by the bank of all or any such information and data relating to me /us information relating to my/our obligation in any banking facility granted/to be granted to me/us by the bank as borrower /guarantors and in case of default ,if any, committed by me/us, in discharge of my /our obligations ,as the State Bank of India may deem appropriate and necessary ,to disclose and furnish to Credit Information Bureau(India) Ltd (CIBIL) and any other agency authorized in this behalf by RBI.
- II. I/We undertake that CIBIL and any other agency so authorized may use and process the said information and data, disclosed by the bank, in the manner as deemed fit by them .They may also furnish for consideration the proposed information and data or products thereof prepared by them, to banks or financial institutions and other credit guarantors or registered users, as may be specified by the RBI in this behalf.

Calling up the Advances in case of frequent dishonor of cheques and failed ECS:

“During the currency of the credit facility the bank will have the option of calling up the advances and also withdraw Cheque facility in terms of the Bank’s policy on dishonor of Cheque, in case incidence of frequent dishonor of Cheque/failed ECS (Debit) due to insufficient funds is observed in the account. For details, please refer to the policy on dishonor of Cheque displayed at www.sbi.co.in”.

Cancellability Clause:

“Notwithstanding anything contained hereinabove, we confirm having agreed that the Bank reserves the absolute right to cancel the limits (either fully or partially) unconditionally without prior notice

- (a) in case the limits / part of the limits are not utilized by us, and/or
- (b) in case of deterioration in the loan accounts in any manner whatsoever, and/or
- (c) in case of non-compliance of terms and conditions of sanction”.



Annexure C
STANDARD COVENANTS

a. 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.

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

Cross default will be defined as:

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

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

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

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



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

M10. The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect 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. Only for Term Loans (> **Rs 50 crores**) – Covenants (in relation to the undernoted parameters) (i.e. DSCR, Int. Coverage, FACR, **Debt/EBIDTA** etc.) are to be stipulated for all term loans and these are required to be tested annually on the basis of Audited Balance Sheet (ABS). Penal interest will be charged in case of breach of any two of the 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	As per Sanction note	i) Upto 10%	NIL 50 bps p.a.
Interest Coverage Ratio		ii) >10%	
FACR			
Debt/EBIDTA			

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:

- 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 quarterly cash flow statement 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. Formulate any scheme of amalgamation or reconstruction or merger or de- merger.

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

MN3. Investment by way of share capital 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.

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 for this project.. (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 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.

Annexure for Some Common Specified Process related Charges (inclusive of Goods & Service Tax (GST), wherever applicable)

(The existing Goods & Service tax for Banking Service is 18.00%. In case of any change in GST Slab by Government of India, the revised GST Charges accordingly will be recovered):



Penal Interest/charges:

Penal Interest/charges:														
iii) Non-submission of Renewal data, including audited balance sheet	a) Non-submission of renewal data 30 days before the due date for renewal of limits:Flat Rs 50,000/-+G.S.T.@18% upto the due date of renewal & flat Rs 1,00,000/-+G.S.T.@18% per month thereafter till the date of submission. b) Non submission of audited balance sheet within 6 months of the closure of the financial year of the borrowing entity: 1. Delay of one month :NIL 2. Delay of more than one month: Pricing to go up by 25 basis points till the audited balance sheet is submitted. c) For listed companies, the above penal provision would be applicable, if the audited financials are not filed with the stock exchange as per SEBI requirements/listing agreement.													
v) Non compliance with financial covenants	1.00 % p.a. on the entire Outstanding for the period of noncompliance.													
vi) Non-renewal of insurance policy(ies) in a timely manner or inadequate insurance cover.	Flat penalty (penal interest) of Rs 200/- for each day of delay beyond due date.													
vii) Diversion of Funds (Mandatory Negative covenant)	2.00 % p.a. on the entire outstanding (over and above the aggregate penal interest of 3 % p.a) till such time the position is rectified.													
viii) Term Loans 1. Non-payment of interest/ installment b) Cross default (Default in payment of installment/ interest to other Institutions/ Banks c) Adverse deviation by more than 20 % from stipulated level in respect of any two of the following parameters: I. Current Ratio II. TOL / TNW III. Interest Coverage Ratio	I. 5.00 % per annum on the irregular portion for the period of irregularity. II. 1.00 % p.a. on the entire outstanding for the period of non-adherence subject to a minimum period of 1 year. Adverse deviation in respect of any two of the following four financial parameters, arrived at based on audited financial statements each year, from the estimated / projected levels accepted at the time of sanction / last review, will attract penal interest : For Term Loans: <table><tr><td>Parameter</td><td>Acceptable level for covenant testing</td></tr><tr><td>DSCR</td><td rowspan="4">As per Sanction</td></tr><tr><td>Interest Coverage Ratio</td></tr><tr><td>FACR</td></tr><tr><td>Debt/EBIDTA</td></tr><tr><td colspan="2">Adverse deviation from the acceptable level for covenant testing beyond which penal provisions would be invoked (per parameter)</td></tr><tr><td>Up to 5 %</td><td>NIL</td></tr><tr><td>More than 5 % and up to 10 %</td><td>25 bps p.a.</td></tr></table>	Parameter	Acceptable level for covenant testing	DSCR	As per Sanction	Interest Coverage Ratio	FACR	Debt/EBIDTA	Adverse deviation from the acceptable level for covenant testing beyond which penal provisions would be invoked (per parameter)		Up to 5 %	NIL	More than 5 % and up to 10 %	25 bps p.a.
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Up to 5 %	NIL													
More than 5 % and up to 10 %	25 bps p.a.													



	More than 10 % 50 bps p.a. Penal interest would be charged retrospectively from the date of audited Balance Sheet on the basis of which, covenants have been tested, for the period of breach.
xi) Non Submission of NOC under section 281 of IT act 1961.	1 % Penal interest will be charged if such NOC is not produced within 2 months.
xii) Borrowing from other Banks without prior approval.	Any borrowings from other banks without approval will be penalised by charging penal interest at the rate of 1%.
xiv) SERVICE CHARGES FOR PROVIDING CREDIT INFORMATION REPORTS	For Individual Customers (All Segments):Rs.50/- For Non-Individual Customers (All Segments):Rs.500/-

Note: The above charges are subject to revision from time to time and will be levied as per Bank's instruction at the material time. With a view to comply with the Fair banking Practices Code adopted by the Bank, the schedule of Service Charges are also uploaded/updated on our website www.sbi.co.in. For any further clarification, please call on us.

We accept

Borrower/s Guarantor/s

THE COMMON SEAL OF M/s was hereunto affixed pursuant to the resolution of the Board of Directors passed in that behalf on the in the presence of



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

