SME-1

LETTER OF ARRANGEMENT

(To be issued in duplicate)

To
THE PARTNERS
M/s D.K Properties (DKP)
Registered Office:
2, Samarpan Bungalows
Bodakdev, Ahmedabad-380054

Project Address :
"Interstellar",
Final Plot No.5,
T.P.S. No.-37/A, Mouje-Thaltej,
Taluka-Ghatlodiya,
Sub District-Ahmedabad-9 (Bopal),
District - Ahmedabad

(Borrower's name & address)

Letter No.: SMELG/RMME/2019-20 Date: 06.01.2020

Dear Sirs,

ADVANCES TO SME SEGMENT
SANCTION OF CREDIT FACILITIES

With reference to your application dated 09.12.2019 requesting us for sanction of Working Capital Limits/other credit facilities and subsequent correspondence in this regard, we have pleasure in advising sanction of the following credit facilities, which are available subject to your acceptance / fulfillment of the Terms and Conditions detailed in Annexures A & B:

(Rs. In Crore)

SI	FACILITY	EXISTING	PROPOSED	TOTAL
A] FUND BASED LIMITS:				
a.	Cash credit	--	--	--
b.	Term Loan (construction of Commercial Project Corporate Park)	--	20.00	20.00
Total of Fund Based Limits		--	20.00	20.00

bank.sbi
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sbi.60438@sbi.co.in

એસ.એમ.ઈ. લૉ ગાર્ડન શાખા
ઝોડિયાક એવન્યુ,
કમિશ્નર બંગલોની સામે,
લૉ ગાર્ડન, અમદાવાદ-380009

एस.एम.ई. लॉ गार्डन शाखा
ज़ोडियाक एवन्यु
कमिश्नर के बंगलो के सामने,
लॉ गार्डन, अहमदाबाद-३८०००६

SME Law Garden Branch
Zodiac Avenue,
Opp. Commissioner's Bunglow,
Nr. Law Garden, Ahmedabad-380006

B] NON-FUND BASED LIMITS:				
a.	Bank Guarantee	--	--	--
Total Non-Fund Based Limits		--	--	--
	TOTAL LIMITS	--	20.00	20.00

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

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

Assuring you of our best services at all times.

Yours faithfully,

Relationship Manager (ME)
Encl.: Terms and Conditions – Annexures A & B

TERMS AND CONDITIONS
ANNEXURE A

1. SECURITY:

LIMIT	PRIMARY SECURITY	COLLATERAL SECURITY	
		IMMOVABLE PROPERTY	THIRD PARTY GUARANTEE/ CORPORATE GUARANTEE
Term Loan (under builder finance scheme of the bank)	* Detailed below	# Detailed below	Personal Guarantee of: a) Kishorekumar Goswami. b) Dushyant Goswami

* PRIMARY SECURITY :

Registered Mortgage over the project named "Interstellar, at Non-agricultural land bearing Final Plot No.5 admeasuring 3997 sq.mts. land of Town Planning Scheme No.37/A, Survey No.499/2 admeasuring 6829 sq.mts. paiki 6633 sq.mts.Mouje-Thaltej, Taluka- Ghatloditya, Sub-District-Ahmedabad-9 (Bopal), District- Ahmedabad alongwith superstructures (present and future) thereon In the name of D K Properties.

COLLATERAL SECURITY :

Registered Mortgage over :

1. Immovable property bearing freehold Non Agricultural Residential Use Open land bearing Block No.407 admeasuring about 41443 Sq.mts as per 7+12, 39564 Sq. Mtrs as per NA Permission & 36142.50 Sq. mtrs as per Plan, of Old Sur.No.4/1 situated, lying and being at Mouje-Valinda, Taluka - Dholera of District Ahmedabad (Sub –District, Dholera) in the name of Kishorekumar Krishnagiri Goswami.

2. Shop No. 115 admeasuring 118.68 Sq.mts. (Carpet Area) & 123.90 Sq. Mtrs. (BUA) on first floor of "Stellar" situated on Final Plot No.103/1 of Town Planning Scheme No.50, allotted in lieu of Survey No.43/4/1 mouje Bodakdev, Taluka Ghatlodia, Registration Sub-District Ahmedabad-3 (Memnagar) and District Ahmedabad in the name of Kishorekumar Krishnagiri Goswami.
(Property is presently rented out to M/s Karnavati Sales through its proprietor Apurva Satischandra Agrawal. M/s Karnavati Sales through its proprietor Apurva Satischandra Agrawal will join as confirming party for creation of mortgage.)

3. Non-agricultural land (Residential plot) bearing Final Plot No.117 admeasuring 728 Sq.mts.of Town Planning Schemen No.217, block No.117 admeasuring 1214 Sq.mtrs. mouje Shilaj, taluka Ghatlodia, Registration Sub District Ahmedabad-9 (Bopal), District – Ahmedabad in the name of Kishorekumar Krishnagiri Goswami.

2. PERIOD OF ADVANCE & REPAYMENT TERMS:

Working Capital: Repayable on demand. The facility which has been sanctioned on ....NA....... is available for NA months from that date, subject to review every NAmonths, when it may be cancelled / reduced depending upon the conduct and utilisation of the advance, or as per the Bank's Scheme.
The interest applied in the account will be serviced as and when applied.

Term Loan: To be availed within a period of 6 months from the date of sanction. The Term Loan is to be repaid as per the following repayment schedule:

In 14 monthly installments / ~~quarterly installments of Rs. ____________ each~~, with the first installment commencing on 28.02.2023 (total tenor of term loan 52 months including a moratorium period of 38 months, moratorium up to 31.01.2023) and the last installment falling due on 31.03.2024.

Repayment Schedule

Facility	Limit	Repayment Schedule
Term Loan	Rs.20.00 crores	Term Loan of Rs.20.00 crores will be repaid in 14 monthly installments (after a moratorium period of 38 months, total tenor of term loan being 52 months), repayment commencing from 28.02.2023 as per the following schedule:

Rs. In cr

From	To	Amt.	No. of installments	Total
01.12.2019	31.01.2023	--	38	--
28.02.2023	31.03.2023	0.50	2	1.00
30.04.2023	31.08.2023	1.00	5	5.00
30.09.2023	31.03.2024	2.00	7	14.00
Total	--	--	52	20.00

Interest on TL will be paid as and when due.

Others:

Interest shall be payable on the outstanding in the loan accounts computed on daily balances basis duly compounded and debited to the accounts at monthly rests on the last working day of every month, in accordance with the accounting practices of the Bank from time to time.
Commitment charges, as applicable, shall be payable in case of non-utilization of sanctioned limits.
Pre-payment charges, as applicable, shall be payable in case of pre-payment of Term Loan installments.

3. RATE OF INTEREST:

Working Capital: NA

Interest as applicable to credit rating .... rated units having collateral coverage of .... % p.a. above 1 YEAR MCLR, which is presently ....% p.a. w.e.f.

……………. Present effective rate NA 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 and the MCLR at its discretion.

Term Loan: Interest as applicable to credit rating SB-7 rated companies with >50% collateral security, i.e. 2.00 % p.a. above 1 YEAR MCLR, which is presently 7.90% p.a. w.e.f. 10.12.2019. Present effective rate 9.90% p.a. calculated on daily products at monthly rests.
Further, MCLR as on date of 1st disbursement will be applicable.

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 and the MCLR/Base Rate at its discretion.
Accrued but unapplied interest, if any, shall be governed by RBI's directives on IRAC norms. Interest rates on facilities extended in foreign currency shall be linked to LIBOR rates.
Application of interest in respect of Agricultural Advances shall be in line with the harvesting seasons.

In case, at the time of review, unit's internal rating deteriorates to SB-10 and/or lower, interest rate will be increased by 200 bps from the date of last audited balance sheet, on the basis of which CRA has been done. However, in the event of upgradation of CRA to SB-9 and above, at the time of subsequent review, the enhanced interest rate be withdrawn.

Charges for Non Fund Based facility:

BG Issuance Charges for Performance Bank Guarantees	NA
BG Issuance Charges for Financial Bank Guarantees	NA
Inland Letter of credit	NA

Enhanced Interest:

i) Enhanced rate of interest at 1% cumulatively subject to a maximum of 2% will be charged for the period of delay in respect of:
   a) Delayed/non-submission of financial data required for review / renewal of limits
   b) Delayed/non-submission of annual financial statements
   c) Delayed/non-submission of stock statements
   d) Non-renewal of insurance policy(ies)
   e) Diversion of Funds
   f) Adverse deviation from stipulated level in respect of various parameters
ii) Enhanced rate will be charged on the excess drawings in case any irregularity / breach is continuously less than 60 days, and if it exceeds beyond 60 days, on the entire outstanding from the date of irregularity / breach. Enhanced interest will be compounded monthly.

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

Details of other charges (Card Rate for SB-7 rated units)

<table>
<tr><td>Loan Processing Charges</td><td colspan="2">NA</td></tr>
<tr><td>Upfront Fee</td><td colspan="2">1.10 % of the Loan amount + GST for SB-07 rated units.</td></tr>
<tr><td>Annual review charges for Term Loans</td><td colspan="2">20 % of the upfront fee as per applicable card rate (on the outstanding)</td></tr>
<tr><td rowspan="2">Revalidation of Sanction</td><td>a)Working Capital</td><td>50% of the applicable Processing charges.</td></tr>
<tr><td>b)Term Loan</td><td>i. For Project Loans- 30 % of the applicable project appraisal fee.
ii. For all other term loans- 50 % of the loan processing charges applicable to Working Capital Limits.</td></tr>
<tr><td rowspan="4">Commitment Charges : Working Capital (WC) For all fund-based limits irrespective of size of the loan. (Exemptions (WC) –Limits to Sick/ Weak Units, Export Credit, Purchase/ Discounting of Bills, Against Bills for Collection, Commercial Banks/ Fis/ Co-Op Banks/ LDBs, Pre sanctioned Lines of Credit)</td><td>i) If the average utilization is more than 75%.</td><td>No charges.</td></tr>
<tr><td>ii) If the average utilization is between 50-75%.</td><td>0.25% p.a. to be recovered on entire unutilized portion on a quarterly basis.</td></tr>
<tr><td>iii) If the average utilization is less than 50%.</td><td>0.50% p.a. to be recovered on entire unutilized portion on a quarterly basis.</td></tr>
<tr><td colspan="2">(Waived for current year)</td></tr>
<tr><td>Pre-payment charges</td><td colspan="2">2.00 % of the pre-paid amount.
Pre-payment charges will not be levied
a. In case payment has been made out of cash sweep/ Insurance proceeds
b. Payment at the instance of lenders.
c. Loans prepaid out of higher cash accruals from the project / refinancing under 5/25 on the date of refinancing / equity infusion by promoters.</td></tr>
<tr><td>Facility Fee</td><td colspan="2">0.12 % of the limit + GST for SB-07 rated units.</td></tr>
<tr><td>Inspection Charges</td><td colspan="2">Actual expenses + Rs 10,000/- subject to a minimum of Rs. 30,000/- p.a. + GST, (Waived for current year)</td></tr>
<tr><td>Documentation Charges</td><td colspan="2">Flat fee of Rs. 22,000.00 + GST.</td></tr>
<tr><td>Registered Mortgage</td><td colspan="2">Rs 10,000.00 + GST</td></tr>
</table>

Other Miscellaneous approvals	0.05% of the limit, minimum Rs. 3,000/- max. Rs. 1,00,000/- + GST
Delayed drawdown	1.25% p.a for delayed draw down beyond 2 months from the due date on the amount due for disbursement as per disbursement schedule but not disbursed, for the period of delay.
Penal Interest	1. Non submission of Renewal Data, including Audited Balance Sheet /Non-submission of renewal data 30 days before the due date for renewal of limits: Flat Rs 50,000/- upto the due date of renewal & flat Rs 1,00,000/- per month thereafter till the date of submission. Non submission of audited balance sheet within 6 months of the closure of the financial year of the borrowing entity: (a) Delay of one month :NIL (b) Delay of more than one month: Pricing to go up by 25 basis points till the audited balance sheet is submitted. 2. 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. 1. Diversion of Funds : 2.00 % p.a. on the entire outstandings (over and above the aggregate penal interest of 3 % p.a) till such time the position is rectified. 4. Non-payment of interest/ instalment : 5.00 % per annum on the irregular portion for the period of irregularity.. 5. Cross default (Default in payment of installment/ interest to other Institutions/ Banks : 1.00 % p.a. on the entire outstandings for the period of non-adherence subject to a minimum period of 1 year.

Service charges are based on internal rating of the company/LLP/Firm. Charges will change if there is change in internal rating of the company/LLP/Firm. Further, tax as applicable will also be levied on service charges. Service charges not mentioned above, will be levied as per extant instructions of the bank.

4. MARGINS:

SL	A FUND BASED LIMITS	Existing	Proposed
a.	Raw material imported	--	--
b.	Raw material Indigenous	--	--
c.	SIP	--	--

d.	FG	--	--
e.	Components / Consumables / Spares	--	--
f.	Receivables (Cover period upto 60 days)	--	--
g.	Export Packing Credit	--	--
B	NON-FUND BASED LIMITS		
a.	Letter of credit	--	--
b.	Bank Guarantee	--	--
c	Cash Flow gap in percentage (%)	--	70 %

The firm to submit the cash flow statement, based on the progress of the project supported by Chartered Accountants certificate regarding details of expenditure incurred on project as well as means of finance and valuation certificate from Banks empanelled Chartered Engineer / Civil Engineer. 70% of cash deficit of cash flow as projected at the time of sanction or actual expenses duly supported by C.A. / C.E. certificate as mentioned above, whichever is lower, will be made available to them. In addition to this the firm will submit progress report at monthly intervals.

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

6. INSURANCE:
   All the assets charged to the Bank should always be fully insured by the Borrower against fire, lightning, riots, strikes, floods, cyclones, earthquakes, civil commotion, and other natural calamities, etc., with a company approved by the Bank in the joint names of the Bank and yourselves, at your cost for full market value or Bank's interest, whichever is higher. The policies / cover notes should be lodged with the Bank. The policies should be kept alive (current) during the currency of the advance. In the event of non-compliance, the Bank reserves the right (but not be bound to exercise) to take the insurance cover as required by the Bank by debit to your account. The machinery to be purchased out of the Term Loan, if any, to be insured for the full market value or original cost of the machinery, whichever is higher. Likewise all the renewals of the policies should also be effected /done by the Borrower at all materials. Stocks to be insured for 110 % of peak value of stocks or outstanding which ever are higher, under standard fire and special perils policy and any other perceived risk considering the type of material, business and geographical area. Project Insurance "Contractual all risk policy" to be obtained.

7. CREDIT GUARANTEE COVER:
   a) Pre - shipment Credit Guarantee : NA.
   b) Post - shipment Credit Guarantee : NA
   c) SCR Policy with Buyer Wise Limit : NA.

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

The Stock Statement should invariably contain complete particulars of stocks, debtors (along with complete address), creditors, usance L/Cs opened, etc. It is essential that the outstanding borrowings at all times are fully covered by the value of security hypothecated , less the stipulated margins to be reckoned as per valuation of inventory given under Para 10 below. If at any time, the Drawing Power yielded by the stocks, debtors, etc., held by you falls below the amount borrowed, such excess drawings shall be adjusted forthwith. Partywise / agewise details for each bill raised shall be submitted on a monthly basis for computation of Drawing Power against Book Debts. Further, the level of Creditors / Acceptances over and above the accepted level will be deducted while computing Drawing Power.

The Firm to submit the cash flow statement, based on the progress of the project supported by Chartered Accountants certificate regarding details of expenditure incurred on project as well as means of finance and valuation certificate from Banks empanelled Chartered Engineer / Civil Engineer. 70% of cash deficit of cash flow as projected at the time of sanction or actual expenses duly supported by C.A. / C.E. certificate as mentioned above, whichever is lower, will be made available to them. In addition to this the firm will submit progress report at monthly intervals.

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

10. <u>VALUATION OF INVENTORY:</u>

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

11. <u>SECURITY DOCUMENTS:</u>

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

a. Agreement of Loan-cum-Hypothecation
b. Guarantee Agreement
c. Mortgage documents
d. any other documents as may be required by the Bank

12. <u>OPEN TERM LOAN</u> : NA

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

a) The loan has been considered for the following genuine commercial purposes in line with the regular business activity of the Unit:
   i)
   ii)

b) The said facility is to be availed within ___ months from the date of sanction (currency of sanction). If the limits are not availed & utilized or only partially availed & utilized within ___ months from the date of sanction, the limit or unutilized portion of the limit, as the case may be, will lapse and shall, therefore, not be disbursed.

c) The total amount that would be disbursed will not exceed the overall limit sanctioned under this facility and multiple withdrawals also may be permitted only within the currency of sanction.

d) Every disbursal under this facility shall be made on receipt of a written request from you within the currency of sanction and release shall be subject to scrutiny of basic financial information.

e) The Bank shall be free to treat each disbursement as an individual loan or limit for accounting or any other purposes.

f) The period of repayment will commence from the date of the first drawdown for each sub-limit or loan in the facility.

g) The Bank may club together the repayment of the installments of different sub-limits or loan disbursed and may be done on a month end / calendar quarter end, etc.

h) In the event of multiple disbursals, the Bank shall stipulate the repayment installments for each purpose of drawal.

i) At the end of the currency of sanction, the Bank may combine and constitute all sub-limits or loans as one limit or loan by re-arranging or re-scheduling the repayment schedules in such a manner that the maximum period of repayment shall not exceed ____ period.

j) The letters exchanged between the Bank and you shall form an integral part of the security documents and shall be annexed to the General Agreement for Term Loan / Agreement of Loan-cum-Hypothecation.

k) The primary security shall be hypothecation of the machinery purchased out of the Open Term Loan and the collateral security shall be
   i)
   ii)

13-A. Issuance of NOC to the buyers of units on full payment:

Credit facility to the unit shall be secured by way of registered mortgage over land, building and other fixed assets proposed to be acquired out of the loan. Transfer of title of the units will be released to individual buyers on full payment of cost of the unit with the confirmation of the promoters/ builders. Suitable NOC would be issued on bank's approved format for release of our charge to prospective buyers on payment of proportionate amount for registration of commercial (including parking) space along with the land/ undivided share of land pertaining to the commercial spaces/units.

13 B OTHER TERM AND CONDITIONS:

Promoter's margin of Rs. 19.07 crores (Equity- Rs. 15.00 crores, unsecured loan- Rs. 4.07 crores) to come upfront before disbursement of the loan.
Revised plan approval and revised RERA approval to be in place before disbursement.
RERA account to be opened with SBI before disbursement.
Current account with Indian Bank to be closed.
RERA account with Indian Bank to be closed within 30 days from the date of disbursement.
Opinion report from bankers of company as well as its associates will be obtained before release of limits.
Company will not open any other accounts with other banks.
The promoters should raise additional funds in case of cash accruals falling short of the estimates / projections to maintain adequate liquidity in the system.

Certificate from the borrower certifying that funds have been used for the purpose for which they have been obtained to be submitted.
Fund flow from identified receivables of the proposed projects to be regulated through Escrow Account maintained with us and the firm to submit an undertaking in this regard.
In the event of advances from prospective clients falling short of the amount expected in the means of finance the shortfall would be made good by the promoters by contributing additional amount towards their contribution and that any cost overrun will be borne by the promoters from their own source. The firm to submit undertaking in this regard.
The Company to submit a Chartered Accountants certificate for amount already spent on the project / infused.
It will be ensured that, 70% of the gap is maintained as projected in the cash flow.
The firm not to withdraw unsecured loan brought in for the proposed project during the currency of the term. The firm to give an undertaking to that effect prior to disbursement of the Term Loan.
Unsecured loans will not be withdrawn during the currency of Bank finance. Company to submit an undertaking for the same.
Unsecured loans will be interest free and will be subordinated to bank's debt and not to be withdrawn during currency of our loan.
Valuation report of properties to be mortgaged will be obtained from Bank empanelled valuer at periodical intervals.
The builder/developer/company would disclose in the Pamphlets/Brochures etc., the name(s) of the bank(s) to which the property is mortgaged. The builder/developer/company would append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/magazines etc.
The builder/developer/company would indicate in their pamphlets/brochures, that they would provide No Objection Certificate (NOC)/permission of the mortgage bank for sale of flats/property, if required. Branches are also advised to ensure compliance of the above terms and conditions and funds should not be released unless the builder/developer/ company fulfil the above requirement.
All inflow of funds by way of advance/ sale proceeds from the buyers to be routed through the escrow account.
Preferably the firm has to take insurance from SBI General Insurance for project and collateral security.
The borrowers will apply for No Objection to the bank for sale of any portion in the buildings and the Bank will issue No Objection subject to satisfactory conduct of account and regular servicing of interest/installments.
Inspection Charges: As per the extant instructions of Bank, prevailing at that time.
The company will not go in for any short/long term borrowing without the Bank's prior written approval
Any change in the management of the company to be done with Bank's written approval.

The company will not involve in any speculative business.
Diversion of funds if any, will attract penal interest as per Bank's instructions.
Limit will be released only after perfection of securities.
All Charges are subject to change as per from time to time as per Banks extant instructions.
The Company shall not, during the currency of the Banks loan, raise additional debt without the prior written approval of the Bank.

13 C. Purpose of Loan :

Term Loan Sanctioned is for development and construction of commercial units in the scheme named: Interstellar (being developed by M/s D.K Properties, a Partnership Firm), Final Plot No.5, T.P.S. No.-37/A, Mouje-Thaltej, Taluka-Ghatlodiya, Sub District-Ahmedabad-9 (Bopal), District – Ahmedabad.

TERMS & CONDITIONS

ANNEXURE B

a) Disbursement will be made only after completion of security documentation and formalities in respect of mortgage creation / extension. In respect of companies, in addition to these two requirements, charge to be filed with the Registrar of Companies within the prescribed period for creating a charge in favour of the Bank.

b) Drawings in the account will be regulated on the basis of Drawing Power computed as per the latest Stock Statement.

c) The Bank will have the right to examine at all times the Unit's books of account and to have the Unit's factories / offices / showrooms inspected from time to time by the officials of the Bank and / or qualified auditors and / or technical experts and / or management consultants or other persons of the Bank's choice.

d) The Unit should not be dissolved / reconstituted without obtaining Bank's prior approval in writing. Post-facto approval of reconstitution / dissolution will not be accorded nor the existing guarantors shall be released if the dissolution / reconstitution is effected without prior approval in writing.

e) The Unit should maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit at stipulated intervals such statements as may be prescribed by the Bank. The Unit should produce books of accounts for the inspection of Bank staff as and when called for.

f) The Unit should submit provisional financial statements within one month and audited financial statements within three months from the date of closure of the accounting year. The returns submitted to the Sales Tax and Income Tax authorities should also be submitted to the Bank.

g) The Unit should confine their entire business including foreign exchange business to us.

h) The Bank will have the option of appointing its nominee on the Board of Directors of the Unit to look after its interests.

i) The Capital invested in the business by the proprietor / partners / directors should not be withdrawn during the currency of our advance.

j) In case the Unit fails to complete the formalities with regard to creation of a charge in favour of the Bank within a period of two months from the date of this letter, an enhanced interest of 1% on the outstandings or reduction of Drawing Power by 10% / 20% or both will be considered without any reference to the Unit.

k) The Unit should keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business and the remedial measures taken in this regard.

l) The Unit should keep the Bank informed of any circumstances adversely affecting the financial position of their sister / associate / family / subsidiary / group concerns in which it has invested, including any action taken by any creditor against the said Units legally or otherwise.

m) After accounting for provision for taxation, the Bank will have the first charge on the profits of the Unit towards repayment of installments 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 installment(s) payable under the Term Loan. In the case of Companies, dividend should be declared only after meeting the dues to the Bank.

o) All moneys raised by way of deposits from friends, relatives and / or from any other source should not be withdrawn / repaid during the currency of the Bank's advance. Suitable stamped letters of undertaking from the Unit and 'No Withdrawal' letters from the depositors should be submitted to this effect to the Bank.

p) The Bank's name board(s) should be displayed prominently or painted on the machines pledged / hypothecated to the Bank and / or in the premises where the machines are installed and a list of such assets should also be displayed in the Unit.

q) The Unit and other depositors of title deeds should possess a clear, absolute and marketable title to the properties proposed to be legally / equitably mortgaged in favour of the Bank to the satisfaction of the Bank's solicitors / advocates. Further, the said properties are to be revalued as and when required at your cost.

r) Any legal expenses such as a solicitor's / advocate's fees, stamp duty, registration charges and other incidental expenses incurred in connection with the advance should be borne by the Unit.

s) In respect of Working Capital Limits of Rs. 10 crore and above, Financial Follow-up Report (FFR I) should be submitted at quarterly intervals within 52 days from the close of relative quarter. FFR II (Half-yearly Operating Statement) should be submitted at half-yearly intervals within 67 days from the close of the relative half-year. Non-submission of the statements will be construed as non-compliance of the covenants.

t) A charge of Rs__--__/- will be levied per branch allocation in respect of limits allocated to other branches of the Bank.

u) In respect of creation / extension of Registered Mortgage in respect of property offered as collateral security to the Bank, a charge as Detailed below + GST will be levied.

Per borrowing entity with limits up to Rs. 5 crore	Rs 5000.00 +GST
Above Rs. 5 crore	Rs 10,000.00+GST

v) Processing charges as applicable (presently NA % of Limit + GST or part thereof) with Nil concession 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 1.10 % of the Loan amount + GST (for SB-07 rated units) of limits sanctioned will be charged in respect of Term Loan.

w) 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.

x) Next renewal of the above facilities is due on 29.12.2020. The Unit is required to submit financial data one month before the due date.

y) In respect of Term Loans, enhanced rate of interest is payable under the following circumstances:
a) Non-payment of interest / installments
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

z) In respect of certain schemes such as Swarojgar Credit Card, etc., the facility should be covered under the Group Insurance Scheme.

aa)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:

I. Acceptance of the Terms & Conditions of the credit facilities sanctioned to the Company.

II. Authority in favour of Directors / Authorised Signatory to execute the security documents for availing the credit facilities sanctioned to the Company.
III. Authority in favour of Directors / Authorised Signatory for filing the documents and Form 8 and 13 with the Registrar of Companies for creating a charge over the assets of the Company in favour of the Bank.
IV. Affixation of the Company's Common Seal on the security documents and vesting of authority to authenticate such affixation.
V. Requesting the guarantors to offer their Personal Guarantee / Corporate Guarantee in favour of the Bank for the credit facilities sanctioned to the Company.
VI. 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:

1. Effect any change in the Unit's capital structure.
2. 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.
3. Formulate any scheme of amalgamation or reconstruction.
4. 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.
5. Enter into borrowing arrangements either secured or unsecured with any other bank, Financial Institution, company or person.
6. Undertake guarantee obligations on behalf of any other company, firm or person.
7. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
8. Effect any drastic change in their management setup.
9. Effect any change in the remuneration payable to the Directors / Partners, etc. either in the form of sitting fees or otherwise.
10. Pay guarantee commission to the guarantors whose guarantees have been stipulated / furnished for the credit limits sanctioned by the Bank.

11. 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.
12. Sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank.
13. 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.

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) Notwithstanding anything contained hereinabove ,we confirm having agreed that the bank reserves the absolute right to cancel 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".
d) for any other reason which the bank considers appropriate to cancel the facility

ae)

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.

af) The Bank shall have the right to securitize the secured assets and in the event of such securitization the Bank is not bound to send an individual intimation as to the said securitization to the borrower and/or guarantor(s).

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

ah) I/We undertake that CIBIL or any other agency so authorized may use, process information and data disclosed by Bank. These institutions may furnish / disclosed the information about Borrower / Guarantor as specified by RBI.

ai) The Bank will have the right to share credit information as deemed appropriate with CIBIL or any other institution as approved by RBI from time to time.

aj) The company should not induct into its Board a person whose name appears in the willful defaulters list of RBI/ CIBIL (other than as a Nominee/ Professional/ Honorary director). In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board.

ak) Bank will have the right to examine at all times the company's books of accounts and to have the company'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 company.

al) 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.

am) "During the currency of the Credit facility the bank will have the option of calling up the advance 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."

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

ao) The Borrower(s) agrees that it shall not induct on its Board of a company a person whose name appears in the list of wilful defaulters and in case such person is found to be on its Board, it would take expeditious and effective steps for removal of such person from its Board. It is further agreed that in the event of failure of the borrower to remove a person whose name is found in the list of wilful defaulters from the board, the Bank may at its sole discretion treat the same as an event of default and may call up the advance or the facilities as granted by the Bank.

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

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

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

at) "Borrower hereby declares and confirms that no proceedings under any of the provisions of the Income Tax Act, 1961 including but not limited to proceeding for default in compliance with the provisions of said Act/ rules/regulations thereunder or proceeding for recovery of tax/ interest/ any other amount or any such proceedings that might be construed as pending/ completed under Section 281 of the said Act are initiated, contemplated or pending against the Borrower for the time being and that no notice has been issued and/or served on the Borrower under Rule 2, 16 or 51 or any Rule of the Second Schedule to the said Act or under any other law and there are no other pending show cause notices or attachments whatsoever issued or initiated against the immovable/ movable properties secured or otherwise or any of them or any part thereof."

We accept

Borrower(s) Guarantor(s)

STANDARD COVENANTS

i. MANDATORY COVENANTS

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

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

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

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

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

M6. In the event of default in repayment to our Bank or if cross default has occurred, the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests.
Cross default will be defined as:
a) Default by the borrower to any other bank under Consortium/MBAOR
b) Default by the borrower's associate/sister concern/subsidiary to our Bank OR
c) Default by the borrower's associate/sister concern to any other bank.
Further, cross default would be deemed to have occurred only in case default to particular lender(s) is not cured within 30 days.

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

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

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

M10.The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect 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 utilise the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines and terms of sanction.

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

M14. Penal interest will be charged in case of breach of any two of the four parameters vis-à-vis values as approved by the sanctioning authority in the sanction note. The penal interest will apply from the day after the date of ABS, and shall continue till the breach is cured.

Parameters	Benchmark for annual testing of financial Covenants (2019-20)	Penalty for adverse deviation:	
DSCR		Up to 5%	
Interest Coverage Ratio	NA		
		More than 5% and up to 10%	NA
FACR		More than 10%	
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:

a. 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.

b. Non-submission of stock statements within 20 days of the succeeding month.

c. Non-submission of Audited Balance Sheet within 6 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 to call up the facilities sanctioned.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In case of default to Bank or restructuring of loan, all "Mandatory Negative" covenants will become "Mandatory" covenants.

The breach of any Standard Covenant would be treated as an event of default and Bank may charge card rates (in case concession has been extended) and in addition a penalty may also be levied.

We accept

Borrower/s

Guarantor(s)

PASSPORT SIZE PHOTOGRAPHS OF BORROWER(S)

SHRI KISHOREKUMAR GOSWAMI, AGED 63 YEARS, PARTNER OF M/s D.K PROPERTIES.	SHRI DUSHYANT GOSWAMI, AGED 31 YEARS, PARTNER OF M/s D.K PROPERTIES.

PASSPORT SIZE PHOTOGRAPHS OF THE GUARANTOR(S)

SHRI KISHOREKUMAR GOSWAMI S/o SHRI KRISHNAGIRI GOSWAMI	SHRI. DUSHYANT GOSWAMI S/o SHRI KISHOREKUMAR GOSWAMI