

## High Thought Developers

24 Green Nagar, Near Dalda Factory, Durgapura Jaipur-302018  
Tel: +91 141-2720690/2722666; Email: info@virasatbuilders.com  
Web: www.virasatbuilders.com; PAN No. AAJFH3914P



### DECLARATION

This is to certify that we have taken the term loan from ORIENTAL BANK OF COMMERCE, BAJAJ NAGAR, JAIPUR on 05.09.2019) vide sanction letter no. 70340001554 for the period of 36 months ending on 04.09.2022 amounting ₹ 4,95,00,000.00 on our project "**SWAPN NILAY**" (RERA Reg. No. **RAJ/P/2018/642**), situated at Khasra No. 314/463,314/462,323/2,324, village Mathurawala, Tehsil Sanganer, Jaipur 302022.

### For HIGH THOUGHT DEVELOPERS

For High Thought Developers

**Sukhanand Jain**  
(Authorized Signatory)

Place: Jaipur

Date: 13.12.2019

Enclosed: Loan Sanction Letter with detailed terms and conditions



**Branch Office/Cluster Office-MSME/CO/MSME(HO)**

MSME CLUSTER JAIPUR, CO JAIPUR

J-2, JHALANA INSTITUTION AREA, JHALANA DOONGARI, JAIPUR, RAJASTHAN-302019

Ref No: 70340001554

Date: 05/09/2019

HIGH THOUGHT DEVELOPERS (Borrower)

24 Green Nagar,Durgapura Jaipur

JAIPUR,RAJASTHAN-302018

Dear Sir/Madam,

**Reg:** Sanction of Credit facilities in your favour

In response to your application for sanction of credit facilities dated **29/07/2019** and subsequent discussions held with you on various issues, we are pleased to inform you that credit facility has been sanctioned in your favour on the terms and conditions attached with this letter, forming integral part.

You are requested to go through the terms & conditions of the sanction and return duly signed copy of the same as an acceptance of the terms & conditions of the sanction.

**The credit facilities shall be released on compliance of following:**

1. Complying with all the terms & conditions of sanction.
2. Executing proper loaning documents as prescribed.

In case, any clarification is needed, kindly bring the matter to the notice of undersigned.

Yours faithfully

Signature

(Name of Official)

**Branch Incumbent/Cluster Head – MSME/CO/ Authorized Signatory**

## SANCTION LETTER

### FACILITY WISE TERMS & CONDITIONS OF SANCTION

**Name of the Account: HIGH THOUGHT DEVELOPERS**

**Branch: JAIPUR-KHADI BOARD BAJAJ NAGAR(1033)**

<b>Nature of facility</b>	<b>TL-GENERAL - TL702 (Fresh)</b>
<b>Amount</b>	₹49500000.00 (₹Four Crores Ninety Five Lac(s) only)
<b>Purpose</b>	Construction of Residential Housing Project Affordable Housing
<b>Primary Security</b>	1.EQM of Project Land & on all buildings and structures thereon, at Khasra no 314/463, 314/462. 323/2 & 324 at Village- Mathurawala, Beelwa, Tonk Road, Sanganer, Jaipur admeasuring total area of 5063.06 Sq Mtr standing in the name of M/s High Thought Developers having MV of Rs. 303.78 Lac and RV of Rs. 258.21 Lac (Land only) as per valuation dated 23.08.2019 by BK Mathur and future construction thereon having construction cost of Rs. 2318.37 Lac of Project.
<b>Margin</b>	78.64% - of total construction of the project
<b>Interest</b>	<p>Benchmark MCLR 1 year plus 2.50 % (Spread) chargeable on monthly rests.</p> <p>The benchmark MCLR rate prevailing on the date of first disbursement shall be applicable on the facility.</p> <p>The benchmark MCLR rate so applicable shall remain fixed for a period of 1 year.</p> <p>The effective MCLR Benchmark rate shall be communicated on the date of first disbursement (partial/full).</p> <p>Penal Interest @ 2 % p.a. over &amp; above the normal rate on overdue portion shall be charged.</p> <p>Also, our effective ROI shall not be lower than the applicable Benchmark MCLR of the Bank (in case of Consortium / Multiple Banking Accounts).</p>
<b>Reset of Benchmark MCLR Rate</b>	The benchmark MCLR Rate shall be reset at frequency (1 year ) linked to first disbursement.
<b>Reset of spread</b>	The applicable spread shall be reset on review / renewal date / change in credit profile of the borrower.
<b>Interest Reset,if any</b>	Annual Review
<b>Moratorium Period</b>	12 (months)

<b>Repayment</b>	Repayable in 24 Monthly installments of Rs. 2062500.00 after a moratorium of 12 months from the date of first disbursement. Interest shall be recovered as and when due (Not applicable if the repayment is in Equated installments)
<b>Insurance</b>	The assets created out of banks advance (besides promoter's contribution) shall be insured for full value by the borrower / branch and all expenses in this regard (including timely renewal of the insurance cover) shall be borne by the borrower.
<b>Upfront Fee</b>	Applicable upfront fee shall be recovered.
<b>Annual Review</b>	The account shall be reviewed on annual basis and applicable review fee shall be recovered.
<b>Any other condition</b>	
<b>Other terms &amp; conditions:</b>	
1.Registration of Land & Mortgage thereof-In case of Term Loan against land & building, loan amount for construction of building shall be disbursed only after the land is registered in the name of the borrower and mortgaged in favor of the Bank.	
2.Other terms & conditions:	
3.Meeting Margin Requirements & End use of facilities-The borrower shall deposit the stipulated margin in the account and the payment shall be made to the supplier directly and the advance amount shall be utilized strictly for the purpose for which it is sanctioned.	
4.Invoices-Original invoices or a list of machinery/ equipment etc. duly certified by Chartered Accountant of the borrower along with photocopies of the Invoices shall be kept along with the loaning documents.	
5.Comprehensive insurance as per banks policy to be obtained.	
6.Disbursement-Disbursement shall be made in phases depending on the progress of construction, which shall be verified by the Branch by obtaining suitable evidence and by making periodical visits.	
7.Scope of Project-The Borrower shall not change scope of project without prior approval of the bank (lead bank in case of Consortium / JLA accounts).	
8.All other terms & conditions shall be as per the latest loan policy of the Bank.	
9.New Equipment / Machinery-The facility shall be utilized for purchase of new equipment/ vehicles only, unless otherwise permitted.	

### Collateral Security

Security Description	Facility
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Extension of charge over residential property at Plot no 44, Sunder Vihar, Opp SBI Bank, Tonk Road, Durgapura, Jaipur admeasuring total area of 234.36 Sq Yds standing in the name of Mr. Sukhanand Jain having MV of Rs. 154.00 Lac and RV of Rs. 131.00 Lac as per valuation report dated 18.09.2017 by BK Mathur. 1st NEC given by Mr. Vijayant Singh dated 20.03.2007 and 2nd NEC dated 18.07.2018 by Ankit Jaiswal. This property is primarily mortgage with the account of M/s Ravi Brothers (BO Sanganer) with OD limit of Rs. 100.00 Lac and BG Limit of Rs. 100.00 Lac under OBLs.	TL-GENERAL - TL702
Extension of charge over commercial properties bearing plot no 1,2,3 & 4 at Tonk Road, Near SBI, Durgapura, Jaipur admeasuring combined area of 1242 Sq Yds standing in the name of Mr. Sukhanand Jain having Combined MV of Rs. 832.00 Lac and Combined RV of Rs. 707.20 Lac as per valuation report dated 18.09.2017 by BK Mathur. 1st NEC given by MA khan dated 19.12.2003 and 2nd dated 18.07.2018 by Ankit Jaiswal for all four properties. These properties are primarily mortgaged with the account of M/s Ravi Brothers (BO Sanganer) with OD facility of Rs. 100.00 Lac and BG Facility of Rs. 100.00 Lac.	TL-GENERAL - TL702

**Guarantee:**

Nil

**Condition Stipulated by Sanctioning Authority**

Nil

**Pre-disbursement Conditions:**

- 1 . Collateral security and personal guarantee as per details in the note shall be obtained to cover all the facilities.
- 2 . Disbursement shall be made only after the approval for TEV waiver from the Head Office.
- 3 . Following conditions to be complied - i) The builder/ developer/ company would disclose in the Pamphlets/ Brochures etc., the name(s) of the bank(s) to which the property is mortgaged.ii) The builder/ developer/ company would append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/magazines etc.iii) The builder/ developer/ company would indicate in their pamphlets/ brochures, that they would provide No Objection Certificate (NOC)/ permission of the mortgagee bank for sale of flats/ property, if required.

4 . In all cases of credit facilities by way of Fresh/Enhancement/Adhoc irrespective of the amount, the disbursement of the credit facilities shall be made only after clearance of BCC by the competent authority. The Branch/ Cluster shall disburse credit facilities if and only if the BCC has been cleared by the competent authority (without subject to adherence of certain Terms & Conditions). For compliance of term & conditions which cannot be complied prior to disbursement (such as obtention of JRC, Insurance in case of vehicle loan and charging of securities in case of takeover of borrower accounts) certificate of compliance of all such term & conditions shall be submitted immediately after stipulated time period.

5 . The credit facilities sanctioned to the borrower should be availed within a period of three months of the date of sanction (six months in case of fresh / additional TL) failing which the sanction shall lapse.

6 . The facilities shall be released only after all the securities are properly charged and all documentation formalities completed in consultation with respective Legal Retainer/ Law Officer at CMO.

7 . Upfront Fee/TL Review Fee and other charges shall be recovered from the borrower as per schedule of service charges and the concessions approved by the Competent Authority before conveying sanction letter / before disbursement as per system in vogue. i.e Upfront Fee - Rs. 500000/- Plus Applicable Taxes Documentation charges : Rs. 49500 Plus Applicable Taxes Mortgage Creation Charge : Rs. 15000/- Plus Applicable Taxes CIBIL Charges : Rs. 900/- Plus Applicable Taxes Crif Charges: Rs. 600/- Plus Applicable Taxes Cersai charges : Rs. 300/- Plus Applicable Taxes TEV Study Waiver Charges : Rs. 100000/- Plus Applicable Taxes

#### **Post-disbursement Conditions:**

1 . Account with Bank of Baroda and Union Bank will be closed with in 3 Months from the date of disbursement and collection account will be opened with our bank and same has to be updated with RERA and other authorities.

#### **General Covenants:**

1 . Acceptance of Terms & Conditions of sanction-The borrower shall be informed of the terms & conditions in writing and acceptance thereof shall be obtained.

2 . All the concession granted in the borrowal account by any delegated authority shall be automatically withdrawn, in case of any prevailing irregularity in the account, for the period of irregularity.

3 . Change in Ownership / Management of the borrower-Prior permission of the Bank in writing shall be obtained in case any change is effected in the ownership pattern / management structure of the borrowing entity. The Bank reserves the right to recall the advance in case any change in ownership pattern / reconstitution / management structure is effected without obtaining Banks prior approval in writing. (The management change could be either change in Promoter / Promoter Director or the core management team)

4 . Comprehensive Insurance of Securities-All the securities charged to the Bank, movable or immovable, shall be kept comprehensively insured with Agreed Bank Clause.

5 . Credit Risk Rating-The borrower shall take steps to improve the credit rating under all relevant parameters.The Bank Reserves the right to increase the rate of interest on advances to the borrower in case of any downgradation in the external / internal credit risk rating of the borrower during the currency of the loan.

6 . Declaration from Borrower / Guarantor to provide information to CIBIL / other credit informant bureau-Necessary documents/declaration from the borrower/guarantors pertaining to Credit Information Bureau of India (CIBIL) shall be obtained.

7 . Display of Banks nameplate-Banks nameplate shall be affixed on all the assets charged to the Bank.

8 . End-use of facilities sanctioned-Advance/Facility sanctioned shall be used for the specific purpose for which it is sanctioned and not for any other purpose. End use of the funds/facility shall be ensured by the Branch/Cluster.

9 . In case of account is being taken over by the other bank/FI, in addition to levying pre payment charges, all the concession/Relaxation/waiver in the service charges, ROI etc. granted since last sanction/review/renewal of the facility or sanction accepted by the borrower with such clause, whichever is earlier in the account shall be withdrawn and respective amount shall be recovered from the borrower. In such cases, prepayment charges as per Banks policy shall be recovered invariably.

10 . Non-induction of long term funds / withdrawal of unsecured loans-Penal interest of 2% over and above the applicable rate shall be levied from the date of sanction if the borrower does not introduce the long term funds or level of unsecured loans is not maintained (as per terms of sanction) which affects the agreed / benchmark ratios.

11 . Obtaining latest CRs of Directors / Guarantors / Proprietor / Partners-Latest CRs of the directors/guarantors/proprietor/partners to be compiled and a copy thereof to be submitted to Head Office/Regional Office, if not already submitted.

12 . Obtaining Latest Valuation Report-Branch/Cluster shall obtain from an approved valuer latest valuation reports of the properties charged to the Bank. The valuation report should show the market, realizable and insurable value of the properties.

13 . Obtaining Title Clearance & Non-encumbrance Certificate-Legal opinion, Non-encumbrance certificate in respect of property to be mortgaged as primary / collateral security shall be obtained in the prescribed format and effective & valid mortgage shall be created before disbursement of credit facilities, unless otherwise permitted by the sanctioning authority.

14 . Obtaining Undertaking for Payment of Tax-An undertaking shall be obtained from the owners of the properties mortgaged to the Bank that there are no arrears of tax including interest leviable thereon under various provisions of Income Tax Act, against them.

15 . Pending Inspection / Audit irregularities-All pending inspection/audit irregularities shall be got rectified.

16 . Recovery of Process fee and other charges-Process fee, documentation charges and other charges shall be recovered as per schedule of charges subject to concessions approved if any. Sanction shall be conveyed to the borrower only after recovery of process fee as per guidelines of the Bank. The Bank reserves the right to withdraw the concessions granted (if any) without assigning any reason.

17 . Registration with Central Registry of Equitable Mortgage created-The branch/Cluster shall register mortgage with Central Registry within 30 days of creation of the mortgage. Modification of the charge on the property should also be registered with Central Registry as per latest guidelines prescribed from time to time. CERSAI registration charges to be recovered from the borrower.

18 . Review / Renewal of Credit Facilities-Renewal / Review exercise of Credit facilities should begin two months prior to the due date for renewal / review / expiry of validity of sanction. The borrower shall submit the relevant information / paper accordingly.

19 . Search Report-Search report in respect of charges already created shall be kept on record.

20 . Statutory / Regulatory Permissions-All statutory and/or regulatory permissions from local or other competent authorities shall be obtained by the branch/Cluster from the borrower (as applicable).

21 . The borrower would require NOC from the Bank for opening of current account or availing credit facilities from other Bank/Financial institutions. In case, it comes to the notice that Banks borrower is maintaining current account with some other bank outside the borrowing arrangement, the matter should be taken up immediately with the borrower for closure of the current account. Simultaneously, the matter should be brought to the notice of the concerned bank and the said bank should be asked to close the current account with in a period of 15 days failing which the matter shall be reported to RBI in consultation with the concerned Cluster Monitoring Office/Head Office. Breach of above terms of sanction shall be treated as non-compliance and 2% penal interest be charged till compliance of terms of sanction as per Banks policy.

22 . Undertaking about legal heirs-Branch/Cluster to obtain an undertaking on affidavit about the names, age and addresses of legal heirs of the borrower / obligants / guarantors, which shall be recorded and updated from time to time.

#### **Additional Covenants:**

1 . (In case of new borrowers, the following additional undertaking to be obtained): -I / we undertake that none of our associate/group concerns is classified as willful defaulter by any other Bank/Financial Institution. I/ we undertake that I/ we shall not induct any person, who is a director on the Board of a Company which has been identified as willful defaulter and further undertake that in case, such a person is found to be on Board of Borrower Company, I /we would take expeditious and effective steps for removal of any such person from the Board of the Company within 30 days of such fact coming to notice. I/ we undertake to furnish appropriate undertaking /affidavits/ certificates as the Bank may require from time to time certifying that the funds comprising of entire amount of loan/ facility/sum due/ amount outstanding in the account have been used exclusively for the purpose for which they were obtained and the same have not been diverted / siphoned off and no misrepresentation of any kind has been made or accounts falsified or any fraudulent transaction has been carried out. I /we undertake that upon identification of aforesaid account as a willful defaulter on account of any of the reasons stated above including any similar reason as stated above, I / we would be debarred from availing bank finance for floating new ventures for a period of 5 years from the date the name of willful defaulter is disseminated in the list of willful defaulters by RBI. I/ we agree that in case of any false /wrong information, the Bank may consider any legal proceedings, civil or criminal, as may be necessary, including publishing of my/ our names along with photos in newspaper/ CIBIL records / other credit information Bureau.



2 . (In cases where the latest audited financial statements of the borrower are not available and the assessment has been made based on the Provisional financial statements certified by the Companys Statutory Auditor) . That the adverse variation between Provisional and Audited financial statements shall not be more than 5% in respect of Sales, Net worth, Networking capital, unsecured loans (treated as quasi-equity).

3 . a.Default in repayment of loan installments and / or servicing of monthly interest or as stipulated in the sanction- 2% p.a. on irregular portion b.Overdrawing / excess drawings in CC/OD account beyond the available drawing power or sanctioned limit including adhoc/ temporary sanctions - 2% p.a. on irregular portion c.Overdue Bills (Demand / Usance)- 2% p.a. for the overdue period d.Non-compliance of terms of sanction. The indicative list of agreed terms and conditions whose non-compliance shall trigger levying of Penal Interest. Induction of fresh funds into the business by the promoter / owner either by way of equity or unsecured loans. Maintenance of benchmark ratios (Leverage Ratio, Current Ratio etc). Maintaining the required level of Net Working CapitalMaintaining the level of unsecured loans and not withdrawing the same during the tenure of the advance- 2% p.a. on Fund based Outstanding till compliance of terms of sanction. Minimum for one month and maximum up to the period of irregularity.Plus 0.25% p.a. on Non-Fund based Outstanding for the period of irregularity. e.Non-submission of Stock / Book Debt Statements, QIS Statements within the stipulated time period 1% p.a. from due date till submission of such statement, subject to minimum of one month. f.Non-Submission of complete papers for renewal/ review two months before the expiry of the due date for renewal 1% p.a. on Fund based Outstanding plus 0.25% p.a. on Non-Fund based Outstanding for the period of irregularity till submission of complete renewal proposal. g. Extension in validity of sanction due to non-submission of complete papers or any other reason on part of the borrower-1% p.a. (for the period of review only) on fund based outstanding plus 0.25% p.a. on Non-Fund based Outstanding, be invariably charged in all borrowal accounts wherein validity has been extended or short review/renewal has been carried out and where the sanctioned terms stipulates this condition. h.Devolvement of LC / BG- 2% p.a. on the irregular portion / or amount not reimbursed to the Bank. i.Irregularity in case of Advances against Bank Deposits / other Paper securities like NSC/ LIPs- 2% p.a. on the irregular portion is to be charged if the outstanding amount is within the value of security (including accrued interest). In case the outstanding exceeds the value of security, interest as applicable to clean advances shall be charged. j.In case a term loan is prepaid by the non-individual borrower for shifting to other Bank/FI. One time prepayment charges of 2% p.a. on the outstanding balance shall be charged. k.In case a Working Capital Loan is prepaid by the borrower for shifting to other Bank / FI One time pre-payment charges of 2% of the total sanctioned limit shall be charged,However, Pre Payment/Fore Closure charges for Term Loan/Working Capital in case of take over from our Bank to other Bank/FIs shall not be applicable for Micro and Small Enterprises in the following cases: 1. Prepayment of fixed rate loans up to Rs.50.00 Lac 2. Prepayment of floating rate loans irrespective of the loan amount..

4 . In case of account is being taken over by the other bank / FI, in addition to levying pre-payment charges (non-individual), all the concession / relaxation / waiver in the service charge, RoI etc. granted since sanction in the account shall be withdrawn and respective amount shall be recovered from the borrower.

5 . In cases where the penal rates are applicable for more than one type of default, the aggregate of such penal rates shall not exceed 3% p.a. subject to the condition that the overall rate of interest including penal charge shall not exceed MCLR/Base Rate/ BPLR + Max. spread + 2%.

- 6 . Not to create any further charge, lien or encumbrance over the assets and properties of the company / firm, charged / to be charged to the Bank, in favour of any other bank, financial institution, Company, firm or person.
- 7 . Not to effect any adverse change in the companys capital structure.
- 8 . Not to effect any change in promoter directors or in the core management team nor any merger/acquisition/amalgamation shall be done without express permission of the Bank in writing.
- 9 . Not to effect any upward change in the remuneration payable to the directors either in the form of sitting fees or otherwise. (In case of any default in payment of interest / installment)
- 10 . Not to extend finance to associate concerns during the currency of the Banks advance without the Banks prior written consent.
- 11 . Not to implement any scheme of expansion/modernization/diversification/ renovation (except normal capex) or sell any fixed assets during any accounting year, except under such scheme, which has already been approved by the Bank.
- 12 . Not to Invest in shares/debentures or lend or advance funds to or place deposits with any other concern except normal trade credit or security deposits in the normal course of business or advances to employees.
- 13 . Not to obtain any financial assistance from any other source without express approval of the Bank in writing.
- 14 . Not to pay any consideration, in whatever form, to the guarantors/guaranteeing directors, either directly or indirectly (except without prior approval of the Bank) for guaranteeing the credit limits sanctioned by the Bank.[Similar undertaking shall also be obtained from the guarantors.]
- 15 . Not to undertake guarantee obligations on behalf of any other company, firm or person without the Banks prior permission in writing.
- 16 . That the names of Borrower or its Directors/Partners or Guarantors do not figure in any list of defaulters circulated by RBI or any bank and Financial Institution nor do the names of partners/ directors/guarantor appear in caution list issued by RBI/CIBIL/ECGC etc.
- 17 . That they will induct capital/unsecured loans/ internal accruals if there is any shortfall in the estimated profitability figure submitted at the time of loan appraisal.
- 18 . To confine its entire banking business relating to activity including deposit, bill business, foreign exchange business to our bank / the member banks of the consortium / JLA (as the case may be). In case of Multiple Banking Arrangement, pro-rata share of the banking business shall be routed through our Bank.
- 19 . To deal exclusively with our Bank/member banks.
- 20 . To declare dividend only after obtaining approval from the Bank [in case of default in payment of interest/installments of Term Loan].
- 21 . To keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business.

22 . To maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit to the Bank at regular intervals such statements as may be prescribed by the Bank in terms of RBI instructions issued from time to time or otherwise. The borrower shall give an undertaking that the Bank reserves the right to periodically inspect their records and books of accounts to ensure the correctness of information furnished by them.

23 . To maintain deposits (unsecured loans) by family members, friends & relatives or directors / partners at estimated / projected level during the currency of the Banks advance.

24 . To submit Audited Financial Statements etc. to the Bank within the stipulated period of time. The borrower will be liable to pay penal interest in case of any delay in submission thereof.

25 . Wherever, the limits of Clean Overdraft have been set up, the rate of interest shall be charged @ MCLR + maximum Spread on monthly rests. However, in case the account is overdrawn because of any irregularity for which penal interest is to be charged, and the nature of overdrawn is clean in nature, the maximum rate of interest shall be MCLR + Maximum Spread + Penal Interest.

#### **Penal Rate of Interest/Pre Payment Penalties:**

1 . a)Wherever, the limits of Clean Overdraft have been set up, the rate of interest shall be charged @ MCLR + maximum Spread on monthly rests. However, in case the account is overdrawn because of any irregularity for which penal interest is to be charged, and the nature of overdrawn is clean in nature, the maximum rate of interest shall be MCLR + Maximum Spread + Penal Interest.

2 . b)In cases where the penal rates are applicable for more than one type of default, the aggregate of such penal rates shall not exceed 3% p.a. subject to the condition that the overall rate of interest including penal charge shall not exceed MCLR/Base Rate/ BPLR + Max. spread + 2%.

3 . Default in repayment of loan installments and / or servicing of monthly interest or as stipulated in the sanction-2% p.a. on irregular portion

4 . Devolvement of LC / BG-2% p.a. on the irregular portion / or amount not reimbursed to the Bank.

5 . Extension in validity of sanction due to non-submission of complete papers or any other reason on part of the borrower-1% p.a. (for the period of review only) on fund based outstanding plus 0.25% p.a. on Non-Fund based Outstanding, be invariably charged in all borrowal accounts wherein validity has been extended or short review/renewal has been carried out and where the sanctioned terms stipulates this condition

6 . In case a term loan is prepaid by the non-individual borrower for shifting to other Bank/FI.-One time prepayment charges of 2% p.a. on the outstanding balance shall be charged. However, Pre Payment/Fore Closure charges for Term Loan/Working Capital in case of take over from our Bank to other Bank/FIs shall not be applicable for Micro and Small Enterprises in the following cases: 1. Prepayment of fixed rate loans up to Rs.50.00 Lac 2. Prepayment of floating rate loans irrespective of the loan amount.

7 . In case a Working Capital Loan is prepaid by the borrower for shifting to other Bank / FI-One time pre-payment charges of 2% of the total sanctioned limit shall be charged.

8 . Irregularity in case of Advances against Bank Deposits / other Paper securities like NSC/ LIPs- 2% p.a. on the irregular portion is to be charged if the outstanding amount is within the value of security (including accrued interest). In case the outstanding exceeds the value of security, interest as applicable to clean advances shall be charged.

9 . Non-compliance of terms of sanction. The indicative list of agreed terms and conditions whose non-compliance shall trigger levying of Penal Interest. Induction of fresh funds into the business by the promoter/owner either by way of equity or unsecured loans. Maintenance of benchmark ratios (Leverage Ratio, Current Ratio etc). Maintaining the required level of Net Working Capital. Maintaining the level of unsecured loans and not withdrawing the same during the tenure of the advance-2% p.a. on Fund based Outstanding till compliance of terms of sanction. Minimum for one month and maximum up to the period of irregularity.

10 . Non-Submission of complete papers for renewal/ review two months before the expiry of the due date for renewal-1% p.a. on Fund based Outstanding plus 0.25% p.a. on Non-Fund based Outstanding for the period of irregularity till submission of complete renewal proposal.

11 . Non-submission of Stock / Book Debt Statements, QIS Statements within the stipulated time period-1% p.a. from due date till submission of such statement, subject to minimum of one month.

12 . Overdrawing / excess drawings in CC/OD account beyond the available drawing power or sanctioned limit including adhoc/ temporary sanctions-2% p.a. on irregular portion

13 . Overdue Bills (Demand / Usance)-2% p.a. for the overdue period

**(C) VARIOUS UNDERTAKINGS TO BE OBTAINED FROM THE BORROWER ON LETTER PAD  
(As applicable according to the constitution of the borrower / to be discussed with the borrower before stipulating any undertaking)**

**The borrower shall undertake:**

1 . To maintain deposits (unsecured loans) by family members, friends & relatives or directors / partners at estimated / projected level during the currency of the Banks advance.

2 . That the names of Borrower or its Directors/Partners or Guarantors do not figure in any list of defaulters circulated by RBI or any bank and Financial Institution nor do the names of partners/ directors/guarantor appear in caution list issued by RBI/CIBIL/ECGC etc.

3 . To deal exclusively with our Bank/member banks.

4 . To declare dividend only after obtaining approval from the Bank [in case of default in payment of interest/installments of Term Loan].

5 . Not to pay any consideration, in whatever form, to the guarantors/guaranteeing directors, either directly or indirectly (except without prior approval of the Bank) for guaranteeing the credit limits sanctioned by the Bank.[Similar undertaking shall also be obtained from the guarantors.]

6 . Not to obtain any financial assistance from any other source without express approval of the Bank in writing.

7 . Not to effect any change in promoter directors or in the core management team nor any merger/acquisition/amalgamation shall be done without express permission of the Bank in writing.

- 8 . Not to extend finance to associate concerns during the currency of the Banks advance without the Banks prior written consent.
- 9 . Not to effect any adverse change in the companys capital structure.
- 10 . Not to implement any scheme of expansion/modernization/diversification/ renovation (except normal capex) or sell any fixed assets during any accounting year, except under such scheme, which has already been approved by the Bank.
- 11 . Not to Invest in shares/debentures or lend or advance funds to or place deposits with any other concern except normal trade credit or security deposits in the normal course of business or advances to employees.
- 12 . Not to undertake guarantee obligations on behalf of any other company, firm or person without the Banks prior permission in writing.
- 13 . Not to effect any upward change in the remuneration payable to the directors either in the form of sitting fees or otherwise. (In case of any default in payment of interest / installment)
- 14 . Not to create any further charge, lien or encumbrance over the assets and properties of the company / firm, charged / to be charged to the Bank, in favour of any other bank, financial institution, Company, firm or person.
- 15 . To confine its entire banking business relating to activity including deposit, bill business, foreign exchange business to our bank / the member banks of the consortium / JLA (as the case may be). In case of Multiple Banking Arrangement, pro-rata share of the banking business shall be routed through our Bank.
- 16 . To keep the Bank informed of the happening of any event likely to have a substantial effect on their profits or business.
- 17 . To maintain adequate books and records which should correctly reflect their financial position and scope of operations and should submit to the Bank at regular intervals such statements as may be prescribed by the Bank in terms of RBI instructions issued from time to time or otherwise. The borrower shall give an undertaking that the Bank reserves the right to periodically inspect their records and books of accounts to ensure the correctness of information furnished by them.
- 18 . To submit Audited Financial Statements etc. to the Bank within the stipulated period of time. The borrower will be liable to pay penal interest in case of any delay in submission thereof.
- 19 . (In cases where the latest audited financial statements of the borrower are not available and the assessment has been made based on the Provisional financial statements certified by the Companys Statutory Auditor)-That the adverse variation between Provisional and Audited financial statements shall not be more than 5% in respect of Sales, Networth, Networking capital, unsecured loans (treated as quasi-equity).
- 20 . That they will induct capital/unsecured loans/ internal accruals if there is any shortfall in the estimated profitability figure submitted at the time of loan appraisal.
- 21 . To pay Penal Rate of Interest / Prepayment Penalties in case of default: (Penal interest over and above the normal interest is applicable in following cases):

22 . a.Default in repayment of loan installments and / or servicing of monthly interest or as stipulated in the sanction- 2% p.a. on irregular portion b.Overdrawing / excess drawings in CC/OD account beyond the available drawing power or sanctioned limit including adhoc/ temporary sanctions - 2% p.a. on irregular portion c.Overdue Bills (Demand / Usance)- 2% p.a. for the overdue period d.Non-compliance of terms of sanction. The indicative list of agreed terms and conditions whose non-compliance shall trigger levying of Penal Interest. Induction of fresh funds into the business by the promoter / owner either by way of equity or unsecured loans. Maintenance of benchmark ratios (Leverage Ratio, Current Ratio etc). Maintaining the required level of Net Working CapitalMaintaining the level of unsecured loans and not withdrawing the same during the tenure of the advance- 2% p.a. on Fund based Outstanding till compliance of terms of sanction. Minimum for one month and maximum up to the period of irregularity.Plus 0.25% p.a. on Non-Fund based Outstanding for the period of irregularity. e.Non-submission of Stock / Book Debt Statements, QIS Statements within the stipulated time period 1% p.a. from due date till submission of such statement, subject to minimum of one month. f.Non-Submission of complete papers for renewal/ review two months before the expiry of the due date for renewal 1% p.a. on Fund based Outstanding plus 0.25% p.a. on Non-Fund based Outstanding for the period of irregularity till submission of complete renewal proposal. g. Extension in validity of sanction due to non-submission of complete papers or any other reason on part of the borrower-1% p.a. (for the period of review only) on fund based outstanding plus 0.25% p.a. on Non-Fund based Outstanding, be invariably charged in all borrowal accounts wherein validity has been extended or short review/renewal has been carried out and where the sanctioned terms stipulates this condition. h.Devolvement of LC / BG- 2% p.a. on the irregular portion / or amount not reimbursed to the Bank. i.Irregularity in case of Advances against Bank Deposits / other Paper securities like NSC/ LIPs- 2% p.a. on the irregular portion is to be charged if the outstanding amount is within the value of security (including accrued interest). In case the outstanding exceeds the value of security, interest as applicable to clean advances shall be charged. j.In case a term loan is prepaid by the non-individual borrower for shifting to other Bank/FI. One time prepayment charges of 2% p.a. on the outstanding balance shall be charged. k.In case a Working Capital Loan is prepaid by the borrower for shifting to other Bank / FI One time pre-payment charges of 2% of the total sanctioned limit shall be charged,However, Pre Payment/Fore Closure charges for Term Loan/Working Capital in case of take over from our Bank to other Bank/FIs shall not be applicable for Micro and Small Enterprises in the following cases: 1. Prepayment of fixed rate loans up to Rs.50.00 Lac 2. Prepayment of floating rate loans irrespective of the loan amount..

23 . Wherever, the limits of Clean Overdraft have been set up, the rate of interest shall be charged @ MCLR + maximum Spread on monthly rests. However, in case the account is overdrawn because of any irregularity for which penal interest is to be charged, and the nature of overdrawing is clean in nature, the maximum rate of interest shall be MCLR + Maximum Spread + Penal Interest.

24 . In cases where the penal rates are applicable for more than one type of default, the aggregate of such penal rates shall not exceed 3% p.a. subject to the condition that the overall rate of interest including penal charge shall not exceed MCLR/Base Rate/ BPLR + Max. spread + 2%.

25 . In case of account is being taken over by the other bank / FI, in addition to levying pre-payment charges (non-individual), all the concession / relaxation / waiver in the service charge, RoI etc. granted since sanction in the account shall be withdrawn and respective amount shall be recovered from the borrower.

26 . (In case of new borrowers, the following additional undertaking to be obtained): -I / we undertake that none of our associate/group concerns is classified as willful defaulter by any other Bank/Financial Institution. I/ we undertake that I/ we shall not induct any person, who is a director on the Board of a Company which has been identified as willful defaulter and further undertake that in case, such a person is found to be on Board of Borrower Company, I /we would take expeditious and effective steps for removal of any such person from the Board of the Company within 30 days of such fact coming to notice.I/ we undertake to furnish appropriate undertaking /affidavits/ certificates as the Bank may require from time to time certifying that the funds comprising of entire amount of loan/ facility/sum due/ amount outstanding in the account have been used exclusively for the purpose for which they were obtained and the same have not been diverted / siphoned off and no misrepresentation of any kind has been made or accounts falsified or any fraudulent transaction has been carried out.I /we undertake that upon identification of aforesaid account as a willful defaulter on account of any of the reasons stated above including any similar reason as stated above, I / we would be debarred from availing bank finance for floating new ventures for a period of 5 years from the date the name of willful defaulter is disseminated in the list of willful defaulters by RBI. I/ we agree that in case of any false /wrong information, the Bank may consider any legal proceedings, civil or criminal, as may be necessary, including publishing of my/ our names alongwith photos in newspaper/ CIBIL records / other credit information Bureau.

#### **(D) GENERAL COVENANTS/ TERMS & CONDITIONS TO BE STIPULATED & APPLICABLE TO ALL FACILITIES**

1 . Obtaining Undertaking for Payment of Tax-An undertaking shall be obtained from the owners of the properties mortgaged to the Bank that there are no arrears of tax including interest leviable thereon under various provisions of Income Tax Act, against them.

2 . Registration with Central Registry of Equitable Mortgage created-The branch/Cluster shall register mortgage with Central Registry within 30 days of creation of the mortgage. Modification of the charge on the property should also be registered with Central Registry as per latest guidelines prescribed from time to time. CERSAI registration charges to be recovered from the borrower.

3 . Obtaining Title Clearance & Non-encumbrance Certificate-Legal opinion, Non-encumbrance certificate in respect of property to be mortgaged as primary / collateral security shall be obtained in the prescribed format and effective & valid mortgage shall be created before disbursement of credit facilities, unless otherwise permitted by the sanctioning authority.

4 . Credit Risk Rating-The borrower shall take steps to improve the credit rating under all relevant parameters.The Bank Reserves the right to increase the rate of interest on advances to the borrower in case of any downgradation in the external / internal credit risk rating of the borrower during the currency of the loan.

5 . Non-induction of long term funds / withdrawal of unsecured loans-Penal interest of 2% over and above the applicable rate shall be levied from the date of sanction if the borrower does not introduce the long term funds or level of unsecured loans is not maintained (as per terms of sanction) which affects the agreed / benchmark ratios.

6 . Statutory / Regulatory Permissions-All statutory and/or regulatory permissions from local or other competent authorities shall be obtained by the branch/Cluster from the borrower (as applicable).

- 7 . Display of Banks nameplate-Banks nameplate shall be affixed on all the assets charged to the Bank.
- 8 . Change in Ownership / Management of the borrower-Prior permission of the Bank in writing shall be obtained in case any change is effected in the ownership pattern / management structure of the borrowing entity. The Bank reserves the right to recall the advance in case any change in ownership pattern / reconstitution / management structure is effected without obtaining Banks prior approval in writing. (The management change could be either change in Promoter / Promoter Director or the core management team)
- 9 . Undertaking about legal heirs-Branch/Cluster to obtain an undertaking on affidavit about the names, age and addresses of legal heirs of the borrower / obligants / guarantors, which shall be recorded and updated from time to time.
- 10 . Declaration from Borrower / Guarantor to provide information to CIBIL / other credit informant bureau-Necessary documents/declaration from the borrower/guarantors pertaining to Credit Information Bureau of India (CIBIL) shall be obtained.
- 11 . Review / Renewal of Credit Facilities-Renewal / Review exercise of Credit facilities should begin two months prior to the due date for renewal / review / expiry of validity of sanction. The borrower shall submit the relevant information / paper accordingly.
- 12 . Obtaining Latest Valuation Report-Branch/Cluster shall obtain from an approved valuer latest valuation reports of the properties charged to the Bank. The valuation report should show the market, realizable and insurable value of the properties.
- 13 . Recovery of Process fee and other charges-Process fee, documentation charges and other charges shall be recovered as per schedule of charges subject to concessions approved if any. Sanction shall be conveyed to the borrower only after recovery of process fee as per guidelines of the Bank. The Bank reserves the right to withdraw the concessions granted (if any) without assigning any reason.
- 14 . End-use of facilities sanctioned-Advance/Facility sanctioned shall be used for the specific purpose for which it is sanctioned and not for any other purpose. End use of the funds/facility shall be ensured by the Branch/Cluster.
- 15 . All the concession granted in the borrowal account by any delegated authority shall be automatically withdrawn, in case of any prevailing irregularity in the account, for the period of irregularity.
- 16 . In case of account is being taken over by the other bank/Fl, in addition to levying pre payment charges, all the concession/Relaxation/waiver in the service charges, ROI etc. granted since last sanction/review/renewal of the facility or sanction accepted by the borrower with such clause, whichever is earlier in the account shall be withdrawn and respective amount shall be recovered from the borrower. In such cases, prepayment charges as per Banks policy shall be recovered invariably.
- 17 . Comprehensive Insurance of Securities-All the securities charged to the Bank, movable or immovable, shall be kept comprehensively insured with Agreed Bank Clause.
- 18 . Obtaining latest CRs of Directors / Guarantors / Proprietor / Partners-Latest CRs of the directors/guarantors/proprietor/partners to be compiled and a copy thereof to be submitted to Head Office/Regional Office, if not already submitted.



19 . Pending Inspection / Audit irregularities-All pending inspection/audit irregularities shall be got rectified.

20 . Search Report-Search report in respect of charges already created shall be kept on record.

21 . The borrower would require NOC from the Bank for opening of current account or availing credit facilities from other Bank/Financial institutions. In case, it comes to the notice that Banks borrower is maintaining current account with some other bank outside the borrowing arrangement, the matter should be taken up immediately with the borrower for closure of the current account. Simultaneously, the matter should be brought to the notice of the concerned bank and the said bank should be asked to close the current account with in a period of 15 days failing which the matter shall be reported to RBI in consultation with the concerned Cluster Monitoring Office/Head Office. Breach of above terms of sanction shall be treated as non-compliance and 2% penal interest be charged till compliance of terms of sanction as per Banks policy.

22 . Acceptance of Terms & Conditions of sanction-The borrower shall be informed of the terms & conditions in writing and acceptance thereof shall be obtained.

### **Authorized Signatory**