इंडियन बैंक Indian Bank

इलाहाबाद ALLAHABAD

**TT NAGAR BRANCH BHOPAL**

**Date: 09.02.2024**

**M/s CHISTEC MULTIFOOD PRIVATE LIMITED (Company)**
**B-5, 1ST Floor, commercial complex, Vidhya Nagar, behind Petrol pump, Bhopal, M.P.**
**Directors:-1) Mr.Amritam Rathore**
**2) Mrs. Sonali Singh**
**3) Mr.Mangilal Meena**

**Madam/Dear Sir,**

**Sanction of Credit Facilities:**
**Account: CHISTEC MULTIFOOD PRIVATE LIMITED (Company)**

With reference to your Proposal dated 25/01/2024 for Fresh Sanction of Secure overdraft of 94.00 Lac we are pleased to inform you that we have sanctioned you the following Credit facilities:

| Facility | Existing | Sanctioned | Margin | Rate of Interest/ Commission | Period |
|---|---|---|---|---|---|
| **Fund Based** | | | | | *Rupees in Lac* |
| **Secure Overdraft (Fresh Sanction Under IB TRADE WELL Scheme)** | **0.00** | **94.00** | **40.24% on Immovable security** | **Repo[6.50%]+ Spread[2.50%]**<br>**i.e., Effective ROI 09.00%** | **On Demand Maximum 12 Months or earlier at the discretion of Bank** |
| **Term Loan** | **0.00** | **0.00** | NA | **NA** | NA |
| Sub total | **0.00** | **94.00** | As above | | |
| Non Fund Based | | | | | |
| BG Limit | **NA** | | | | |
| Interchangeability (if any) | **NIL** | | | | |
| Modifications/ other approvals | Concession of ROI under MSME SAMRIDHI CAMPAIGN vides Circular No. ADV233/2023-24 dated 02.02.2024 | | | | |
| **Total** | **0.00** | **94.00** | **As per Above** | | |

**The sanction details are enclosed herewith along with the following Annexure:**
**1. Specific Terms and Conditions**
**2. Mandatory Covenants**
**3. Mandatory Negative covenants**
**4. Repayment Schedule**
**5. Drawing Power Calculations**
**6. Financial Covenants**
**7. Fees and Charges**
**8. General Terms and Conditions**
**9. Facility and borrower's Constitution specific conditions**

**Please return the duplicate copy of this sanction letter along with Annexure duly signed by the authorized signatories and Guarantors in token of having unconditionally accepted all the terms and conditions mentioned therein.**

## Sanction Details

## Fresh Sanction of Secure Overdraft Credit Limit under IB TRADE WELL Scheme

**1. Borrower Details:**

| | | | | |
|---|---|---|---|---|
| **Name Of Borrower** | **M/s CHISTECH MULTIFOODS PRIVATE LIMITED** | **Rating (Ram Rating)** | | |
| **Constitution** | **Company** | **Internal** | | |
| **Address** | • Registered Office: C-86, Sagar Pearl, Behind HP Petrol Pump, Hoshangabad Road, Bhopal Madhya Pradesh 462026<br>• Factory- B-5, 1st Floor Commercial Complex Vidhya Nagar, Behind Petrol Pump Bhopal Madhya Pradesh | Obligor Rating | Facility Rating | Combined Rating |
| | | IB-BBB | FR 3 | IB-A |
| | | **RAM Rating done on Projected financials of FY 2024-2025 and rating Awarded is IB-A** | | |
| | | **External** | | **NA** |

**2. Key Persons:**

| Sr. No. | Name | Proprietor/ Partner/ Director/ Guarantor | DIN | PAN and UID | CIBIL, CRIF Score | Relation with Promoters | Beneficial Owners |
|---|---|---|---|---|---|---|---|
| 1. | **Mr. Amritam Rathore S/o Ashit Singh Rathore**<br>511, Block-A Eden Park, Hoshangabad Road, Misroud, VTC Huzur, Bhopal M.P. 462047<br>**DOB**: 16.05.2002<br>**Mob:** 9329071065 | Director and Guarantor | 09376535 | FGQPR9232A 6525-6982-5141 | **CIBIL : 734 Experian : 802** | To be Opened | Self |
| 2. | **Ms. Sonali Singh D/o Mr. Satya Naryan Singh**<br>H No 510/1, Area Jain Mandir, Kamla Nehru Nagar ward, Jabalpur Madhya Pradesh 482001<br>**DOB**: 09.03.1991 | Director and Guarantor | 07641578 | GVPPS0480E 9972-2277-7323 | **CIBIL : 735 Experian : 801** | To be Opened | Self |
| 3. | **Mr. Mangi Lal Meena S/o Mr. Ram Prasad**<br>H No. 10/2, Village bheri, Post badanagar, Kurawar, rajgarh, Narsinghgarh, MP 465667<br>**DOB:** 01.01.1972 | Director and Guarantor | 10477631 | DKXPM8565G 5894-0466-1744 | **CIBIL : 756 Experian : 750** | To be Opened | Self |

**3. Facilities Sanctioned:**

| Facility | Existing | Sanctioned | Margin | Rate of Interest/ Commission | Period |
|---|---|---|---|---|---|
| **Fund Based** | | | | | **Rs In Lakh** |
| **Secure Overdraft (Fresh Sanction Under IB TRADE WELL Scheme)** | **0.00** | **94.00** | **40.24% on Immovable security** | **Repo[6.50%]+ Spread[2.50%]**<br>**i.e., Effective ROI 09.00%** | **On Demand Maximum 12 Months or earlier at the discretion of Bank** |
| **Term Loan** | **0.00** | **0.00** | **NA** | **NA** | **NA** |

| | | | | | |
|---|---|---|---|---|---|
| Sub total | 0.00 | 94.00 | As above | | |
| **Non Fund Based** | | | | | |
| BG Limit | NA | NA | NA | NA | NA |
| Interchangeability (if any) | NIL | | | | |
| Modifications/ other approvals | Concession of ROI under MSME SAMRIDHI CAMPAIGN vides Circular No. ADV233/2023-24 dated 02.02.2024 | | | | |
| Total | 0.00 | 94.00 | As per Above | | |

**4. Securities:**

**4. a Primary Security-**

| Particulars | Ownership | Nature of charge | Date of Valuation | Value in (Lakhs) |
|---|---|---|---|---|
| Property -1<br>Commercial Diverted Land on Part of Khasra No. 58/2, Situated at Village bilhari, Patwari Halka No. 104, Tesheel- Narsingh Garh, Dist Rajgarh M.P.<br>AREA: 1.179 Hect/ 2.91 Acre | Sole Owned By Mangi Lal | Registered Mortgage | 20.01.2024 by Er. Manoj Gupta & Associates | FMV: Rs. 174.80 lac<br>**RSV: Rs. 157.30 lac**<br>DSV: Rs. 139.80 lac |
| **Sub Total** | | | | **157.30** |

**1. b Collateral Security:**

| Facility | Details of Security | Market Value | Date of valuation | Basis of Valuation |
|---|---|---|---|---|
| **Secure Overdraft** | Hypothecation of entire stocks, book debts and other current assets of the firm existing and future. | Stock: Rs. 96.29 lac.<br>Receivables: 67.18 Lac | As per Projected Balance sheet of FY 2023-24 | |
| | **Total** | **Rs. 163.47** | | |

| | |
|---|---|
| **Sub Total** | **163.47** |
| **Immovable security** | **157.30** |
| **Total** | **320.77** |
| **Our share** | **100.00%** |
| **Collateral security coverage of our proposed exposure of Rs. 94.00 Lacs (%)** | **173.90%** |
| **Primary (Immovable Property/ Liquid security) of Proposed exposure. 94.00 Lac** | **167.34%** |

**4. c Guarantors:** **(in Lakhs)**

| Name of the Director/ Guarantor | Net worth as on 26.12.2023 | Compiled on date | CIC Consumer Score | Date of Credit Report |
|---|---|---|---|---|
| **Mr. Amritam Rathore S/o Ashit Singh Rathore** | **Rs. 84.25 Lac** | **Branch Report Dt. 24.01.2024**<br>**CA Certified Net worth Statement vide UDIN 23411716BJZXOR6559 done by CA V K SHAW dated 20.01.2024** | **CIBIL : 734 Experian: 802** | **11.01.2024 & 02.02.2024** |
| **Ms. Sonali Singh D/o Mr. Satya Naryan Singh** | **Rs. 171.71 Lac** | **Branch Report Dt. 24.01.2024**<br>**CA Certified Net worth Statement vide UDIN 2311716BJXOS7550** | **CIBIL : 735 Experian: 801** | **11.01.2024 & 02.02.2024** |

| | | | | |
|---|---|---|---|---|
| | | done by<br>CA V K SHAW<br>dated 20.01.2024 | | |
| Mr. Mangi Lal Meena S/o Mr. Ram Prasad | Rs. 465.97 Lac | Branch Report Dt. 24.01.2024<br><br>CA Certified Net worth Statement vide UDIN 22311716BJZXOT3848 done by<br>CA V K SHAW<br>dated 20.01.2024 | CIBIL : 756<br>Experian: 750 | 11.01.2024 & 02.02.2024 |

4.d Others

| Security Details | Description | Value | Valuation Date | Nature of Charge |
|---|---|---|---|---|
| NIL | | | | |

2. Repayment:

| A | Facility | NA |
|---|---|---|
| 1. | Date of Sanction | NA |
| 2. | Date of Availment | NA |
| 3. | Period of Loan | |
| 3.a | Sanctioned Door to Door Tenor | NA |
| 3.b | Holiday Period | NA |
| 3.c | Repayment Period | NA |
| 4. | EMI | NA |
| 5. | Rate Of Interest and Reset Clause | NA |

| B | Facility | Secure Overdraft (SOD)– Under IB TRADE WELL Scheme |
|---|---|---|
| 1. | Purpose | For Purchase of Stock, Financing Book debts and other current assets. |
| 2. | Period | **12 Months or earlier at the discretion of Bank.**<br>For review of the account branch to ensure to submit the proposal before 03 months of due date. |
| 3. | Repayment | **On Demand,**<br>The bank will always be at liberty to stop making further advance or cancel the credit facility at any time without prior notice and without assigning any reason even though the said limit/credit facility has not been fully availed of." |
| 4. | Interest Reset Clause | The RBI Repo Rate and Spread prevailing on the date of first disbursement, whether partial or full, will be applicable till next reset date as and when decided by the bank, irrespective of change in the applicable RBI Repo Rate and Spread during the interim period. The prevailing rate/spread fixed by bank as per last Circular No. 200/2023-24 dated 11.12.2023. |

## ANNEXURE-I
## PROPOSAL SPECIFIC TERMS AND CONDITIONS

**A. Pre Disbursement Terms and Conditions:**

Terms and Conditions of
" IB Trade Well Scheme"

1. GST Registration Number for applicant is mandatory, if not exempted as per GOI guidelines.
2. Benchmark Norms as per MSME Policy to be complied. All securities should be adequately insured with Bank Clause – Premium to be borne by the borrower.
3. Branch should ensure filing of charges and satisfaction of charges as applicable to other advances.

4. Verification of Stocks and book debts (for OCC) to be carried out by branch official on monthly basis. For SOD, annual stock & book debt statement with agewise classification of book debts to be obtained. For OCC, simplified monthly stock statement showing opening stock, purchases, cost of sales and closing stock to be obtained. Detailed stock and book debt statement (with age-wise break up) at the end of each quarter duly certified by CA to be obtained.
5. Deviation if any in any of the product features to be placed to COLCC (GM) for approving relaxations.

Other Pre Disburse Conditions;

1. Fresh Documentation, including, Due Diligence sheet, Visit Reports, Credit Reports with Asset Liabilities statement of Borrower and Guarantors, Acknowledgment of sanction letter from Borrower and Guarantors, Hypothecation agreement, Guarantee agreement and other agreements, along with creation of Fresh Equitable mortgage, as security with NEC and search report, genuineness of title deeds, Engineers valuation report (in standard bank's format) and perfection of all other securities to be done prior to the release of the credit facilities, as per standard bank norms. Guide on documentation as per Circular No. ADMIN.64/2019-20 dated 31.03.2020 and ADV-262 dated 24.12.2021 to be meticulously followed. Checklist of documentation detailed in Point 6 above. Comprehensive list is appended branch to execute whichever applicable.

2. Branch to ensure to obtain following documents mandatorily before disbursement of loan proceeds;
   - Ensure that All Mortgage properties are SARFAESI complaint.
   - All documents in Original including link sale deeds and certified copies as mentioned by empanelled advocate in LSR.
   - Latest Property tax receipt, Diversion certificate and Latest fee paid receipts, up to date taxes/municipality rent receipt in respect of land & building mortgaged and all other documents as mentioned in NEC reports / Bank's manual on mortgage should be held for property already / to be mortgaged.
   - Branch to Obtain demarcation Map for Proposed Collateral Security.
   - Branch to obtain NOC from Narmda Jhabua Gramin Bank Kurawar Branch before Disbursement.

3. Branch to ensure Security Interest charge of Secure Overdraft over Stock & Book debts in CERSAI covering complete credit exposure. Also ensure charge over Stocks, Book Debts other assets in CERSAI before release of credit facilities.

4. Branch to ensure Mandatory insurance of Stock/ Raw Material, machinery/ Fixtures covering full value (Both Existing and Fresh Procured), with hypothecation clause of the bank. Insurance of All Immovable Properties mortgaged to us, against Fire, earthquake other natural calamities also to be insured with bank clause.

5. Branch to ensure that perfection and genuineness of Security (primary and collateral) in Favour of bank Interest.

6. Branch to ensure Registration of Memorandum of Deposit of Title Deed with SRO in Registered mortgage for Fresh Credit facilities sanctioned. Facilities will be released after completion of Documentation and Registration of mortgage with our bank.

7. Branch to ensure that Documentation and Mortgage Charges and other fees and charges will be realized prior to release of the credit facilities.

8. Branch is instructed to undertake Document Electronic Verification and Approval (deva) for Fresh Secure Overdraft facilities and obtain necessary approval from Nodal/Zonal office before disbursement.

9. Branch to ensure to link CIFs of Director and Guarantor to Proposed Fresh Credit facilities of M/s

CHISTECH MULTIFOODS PRIVATE LIMITED for reflection of exposure in CIBIL and CRIF.

10. The Manager should verify & satisfy himself about the details of assets & liabilities & other particulars furnished by the applicant / guarantor in their Credit Declaration form before disbursement. Proofs/ details of Asset/liabilities should be held by branch

11. Cost of stamp and other expenses will be borne by the borrower separately and Actual charges for registering of charges to be borne by the borrower.

12. Branch to have a strict control over the Disbursement of funds and to be released in accordance with the requirement.

Undertaking from the Borrower that undertake -

- It shall furnish necessary information / documents as may be required from time to time in connection with the credit facilities extended by the bank.
- Name of the Borrower(s) does not appear in RBI Defaulters' list, RBI Willful Defaulter's list, RBI Caution list, CIBIL Defaulters List (Suit filed and non suit filed) and ECGC SAL. A Borrower(s) with identical name appearing in the above defaulters' list should submit an affidavit confirming that he is not the same person whose name is appearing in the defaulters' list followed by certificate from the company.
- It shall insure the asset(s) charged with the Bank for full value covering all applicable risks in the joint names of the borrower(s) and the lenders unless otherwise it is specifically exempted by the lenders.
- The Borrower without Bank's permission in writing shall not sell or dispose off or create security / encumbrances on the assets charged to the bank in favour of any other bank / FI / company / firm or individual.
- To ensure continuity and safeguarding of securities, the borrower shall provide revival letter / Acknowledgement of debts along with balance confirmation annually i.e. every year.
- In case the Loanee / borrower fails to pay the Bank's dues within the stipulated time and/ or the account becomes non-performing asset as per the norms of Reserve Bank Of India, the Bank/RBI will be at liberty to publish the name and address of the Loanee / borrower along with the details of outstanding dues payable by such Loanee / borrower to the Bank and also other relevant details in the newspaper and other Publicity media.

## POST DISBURSEMENT TERMS AND CONDITIONS

1. Branch to ensure Mandatory insurance of Stock/ Raw Material, Plant Building, machinery/ Fixtures etc. covering full value (Both Existing and Fresh Procured), with hypothecation clause of the bank. The mortgaged properties should also be covered against riots, strikes, civil commotion, cyclone, earthquake, and other natural calamities whenever such risks are apprehended and insurance cover against them is deemed necessary by the Bank. (Terms and conditions of sanction). All insurance policies should be taken out in the joint names of the Bank and the borrower.
2. Encumbrance Certificate for 4 months immediately after the creation of the EM and subsequently on yearly basis should be obtained.
3. The credit facilities to be used for the purpose for which it is sanctioned.
4. **Branch to ensure that the Immovable Properties Mortgaged are physically demarcated and bounded by fencing/ boundary wall etc.**
5. **Branch to ensure that Estimations and Projections as declared by the borrower are met invariably and in case of Shortfall in PAT and TNW exists, Fresh infusion of Promoters Capital in the firm which needs to be verified from fresh balance sheet till date duly verified by regular auditor will be obtained. The Current Ratio and TOL/TNW ratio breaching the usual benchmark should be brought down to benchmark level with said infusion until next FY.**

6. **Branch to ensure registration of Bank Charge over immovable properties with revenue authorities and due depiction of bank charge in the Khasra.**

7. **Branch to ensure that Group account is standard Regular in all respects. Instant account and Group account to reviewed strictly in time from competent authority.**

8. **Branch to mandatorily submit FEEDBACK REPORT in standard bank Format within 30 days from the disbursement of Sanctioned facility.**

**Credit Risk Rating System / Modules**

1. The internal rating would be done at least once in each year for all existing standard borrowal accounts.

2. No Fund based/Non fund based credit proposal (fresh/enhancement/reduction/ review/renewal) should be forwarded /placed before the sanctioning authority without having valid and confirmed internal rating based on rating or scoring models as per applicability.

3. Fresh internal rating is essential for proposals which are being placed to different credit committees for interest rate concessions, waiver of charges, permission for NOC, and permission for deviation.

4. Details like the confirmed rating, date of confirmation, approving authority should be incorporated in the Credit proposal. A copy of final company rating report (RAM) should be available with the branch for verification by the Inspecting Officials.

| Entry Barrier for financing Segment | | Entry Barrier |
|---|---|---|
| **Exposure where rating is applicable** | **Project** | Combined internal rating IB BBB (Based on RAM) and Project rating P (Based on RAM) |
| **Exposure where Model is applicable** | **Scoring** | Internal rating BBB (Based on Scoring Model) and CIBIL Score of 70 or Experian/Equifax/CRIF Highmark Score of 650 |
| **Short Term Loans** | | External rating of AA (+ or -)/A1 |
| **All others** | | Combined internal rating IB BBB (Based on RAM) |

**Credit Information Company / Bureau (CIC)**

There are various Credit Bureaus set up for the purpose viz. M/s CIBIL (Credit Information Bureau of India Limited), M/s Experian Credit Information Company of India Pvt. Ltd; and M/s Equifax Credit Information Services Pvt. Ltd , CRIF HIGHMARK etc whose services the Bank utilizes

**Accessing of Consumer Credit Information from CICs**

• The Bank shall verify as to whether the names of the borrowing entity/ Guarantors/Directors / Partners/Trustees of the borrowing entity are listed in the latest caution list / defaulter's list circulated by RBI / ECGC (SAL).

In case of Personal loan products, any two of the four Credit Information companies (CIBIL/CRIF HIGHMARK/ EXPERIAN/ EQUIFAX) are to be verified. CIBIL Commercial Credit Information Report (for all non-individuals) to be verified for products other than personal loan products.

• Sanctioning authorities should sanction Home Loan and other Personal Segment Loan Products only after due diligence and after verification from any of the above four Data Base/Credit information companies (CIC) in case of loan amount of less than Rs 50 lakh and from any two of the above four CIC in case of loan amount of Rs 50 lakh and above.

• Branches/offices shall invariably draw CIBIL Detect Search Report in addition to the CIR from CIC's and satisfy themselves that there is no adverse information about the borrower in the reports drawn.

• All existing guidelines inclusive of Bank's Credit Policy/ Retail Schemes etc shall remain applicable

**Credit Reports from Bankers & Exchange of Information**

1. Bank will obtain credit opinion on Borrower/Director/Partner/ Guarantor/associate concerns from their existing financing Banks, from time to time. Bank may also seek statement of Bank accounts, with other banks.

**Current Accounts**

2. The borrowers should confine their dealings with our Bank. In case of consortium arrangements,

proportionate turnover should be routed.

3. The firm's Current Account with other banks/FI to be closed with immediate effect. The closure letter/ statements to obtained and verified by branch under information to us.

4. Where ever borrowers are availing credit facilities from other banks, they will be required to give periodic declaration about the current accounts / other accounts maintained by them with and the credit facilities enjoyed from other banks.

5. In terms of RBI guidelines, borrowing entities cannot open current accounts with other banks, without obtaining a No objection certificate from the Financing banks.

**CERSAI Search**

6. Status of properties mortgaged is checked through reference to Central Registry (CERSAI) and Bank's charge over Mortgaged property/ies has been registered with CERSAI wherever applicable, periodically, charges to be borne by the borrower.

**OTHER POST DISBURSEMENT CONDITIONS**

**1.** Bank officials would be free to visit the unit / office / godowns at any time to verify the end use of funds and to monitor the progress from time to time. Borrowers would provide full access to the premises and also access to the books and records maintained at various branches / offices

**2.** The Bank will have the right to examine at all times the company's books of accounts and to have the company's project sites 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.

**3.** The borrowers must get their accounts audited annually and the audit should be completed within 3/4 months from the closing date of last financial year and submit annual audited accounts to the Bank immediately after audit. Companies must also file the same with ROC under intimation to the Bank.

**4.** Any major change in management involving transfer of ownership requires our prior permission.

**5.** In case of change in the card rate of charges/fees of the bank before the date of next review, effective rate of charges/fees will remain the same after adjustment with the modified rate till next review of the account.

**6.** No cash to be disbursed in favour of the associates/ group companies. All remittance exceeding Rs.1 Lac will be done through electronic system only.

**7.** If the borrowing concern contemplates any change in its constituents, the prior approval of the Bank in writing will have to be obtained. If no such permission has been obtained in advance, the Bank shall have the right to suspend further operations of accounts consequent upon reconstitutions/ change.

**8.** Any overrun in the cost of project shall be solely met by the borrower by raising equity and / or additional funds in the manner acceptable to the Bank.

9. The advance must be used for the purpose for which it is sanctioned. Theborrower shall provide an "End use certificate" from the chartered accountant. The "end use certificate" shall certify that the funds drawn down have been used for the purpose mentioned in the loan application. Any deviation will be dealt with as per RBI guidelines.

10. Unless otherwise specified, the sanction of Working Capital limits availed will remain in force for a period of one year from the date of sanction. Any request for renewal / enhancement should be made at least three months in advance and the application should be accompanied by all the relevant data as required by Bank.

11. Processing charges for renewal of facilities will be charged irrespective of whether the renewal papers are submitted or not. However, continuation of facilities will be at the sole discretion of the Bank.

15. Securities offered for one or more facilities and charged to the Bank shall also stand as additional security for all other facilities now granted or to be granted from time to time.

16. Fixed assets charged to the Bank are subject to valuation at least once in three years or at shorter periodicity as per the decision of the Bank.

17. The Borrower shall ensure that the balance in the account including the periodical interest charged / chargeable is well within the drawing limit at all times.

18. Interest will be charged on the last working day of the month on per annum payable monthly basis or as prescribed by Reserve Bank of India/Bank and shall be serviced within a maximum period of 15 days.

19. Bank is entitled to transfer or assign the whole or part of their rights and obligations under/in respect of the facility to other persons/entities without notice to the borrower.

20. In case of non availment/ partial availment of limits/deterioration in a borrower"s credit worthiness, the unavailed limits are cancellable unconditionally.

22. Monthly declaration of stocks with breakup of stocks as less than 6 months old and others shall be submitted in the Bank"s format within 10 days from the end of every month. Non-compliance in this regard may lead to the return of cheques issued for want of cover as the Drawing Limit in such cases will be marked as "Nil". Delayed submission will also attract levy of additional interest as per Bank"s rules in force from time to time.
23. While submitting stock statements, the amounts payable to creditors / suppliers of materials, dvance received against orders, etc., as on the date of stock statement as also the full particulars of stocks sent to subcontractors for processing shall be furnished.
24. Stocks under hypothecation shall be converted into pledge at the Bank"sdiscretion as and when considered necessary.
25. Monthly declaration of book debts with break up as Upto the tenor of book debts accepted during sanction and others shall be submitted in the Bank"s format within 10 days from the end of every month. Noncompliance in this regard may lead to the return of cheques issued for want of cover as the Drawing Limit in such cases will be marked as "Nil". Delayed submission will also attract levy of additional interest as per Bank"s rules in force from time to time. The word tenor shall imply the age of book debts starting from the date of creation of debt.

## ANNEXURE-II
## MANDATORY COVENANTS

| | |
|---|---|
| **Mandatory covenants**<br><br>**(Pre Disbursement)** | 1. The borrower should maintain adequate books of accounts, as per applicable accounting practices and standards, which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.<br>2. 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.<br>3. 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 managements consultants of the Bank's choice. Cost of such inspection shall be borne by the borrower.<br>4. Promoter's shares in the borrowing entity should not be pledged to any Bank /NBFC/ Institution without our consent. |

| | |
|---|---|
| **Mandatory covenants**<br><br>**(Post Disbursement)** | **1.** The Borrower(s) shall submit<br>Provisional financial statement within one month from the date of balance sheet,<br>• Audited financial statements within three months from the date of balance sheet<br>• Quarterly / Half yearly unaudited performance statement within one month.<br>**2.** In case of default in repayment of the loan / advances or in the payments of the interests 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 / units and its directors /partners /Partners as defaulters /wilful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.<br>**3.** The borrower should not induct into its Board a person whose name appears in the wilful defaulters list of RBI / CICs. In case such a person is already on the Board of the borrowing company, it would take expeditious and effective steps for removal of that person from its Board. Nominee directors are excluded for this purpose<br>**4.** In the event of default in repayment to the Bank or if cross default has occurred the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interest.<br>**5.** In stressed situation or restructuring of debt, the regulatory guidelines provide for conversion of debt to equity. The Bank shall have the right to convert loan to equity or other capital in accordance with the regulatory guidelines.<br>**6.** After provision for tax and other statutory liabilities, unless expressly permitted |

| | |
|---|---|
| | otherwise the Bank will have a first right on the profits of the borrowers for repayment of amounts due to the Bank<br>**7.** 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.<br>**8.** Effect any change in the borrower's capital structure where the shareholding of the existing promoter(s) gets diluted below current level or 51% of the controlling stake (whichever is lower ), without prior permission of the Bank – for which 60 days" prior notice shall be required. In case of limited liability Proprietorships and Proprietorship firms promoters would mean managing partners for the purpose of this covenant.<br>**9.** The borrower will utilize the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines. |

**ANNEXURE-III**
**MANDATRORY NEGATIVE COVENANTS**

| | |
|---|---|
| **Mandatory Negative covenants**<br><br>**(Pre Disbursement)** | No commission to be paid by the borrowers to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.<br><br>Fund Based Limits both in Working Capital and Term Loan, should be regulated through an Escrow Mechanism as agreed among banks to avoid any kind of diversion of funds. |
| **Mandatory Negative covenants**<br><br>**(Post Disbursement)** | **a)** 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 securitization, the Bank will suitably inform the borrower(s) and guarantor(s).<br>**b)** The undernoted covenants will be subject to prior notice being given by the borrower and being agreed to by the Bank. If the Bank turns down the borrower's request but the later still goes ahead, Bank shall have the right to call up the facilities sanctioned:<br>**1.** Formulate any scheme of amalgamation or reconstruction<br>**2.** Undertake any new project, implement any scheme of expansion/diversification or capital expenditure or acquired fixed assets (except normal replacements indicated in funds flow statement submitted to and approved by the bank) if such investment result into breach of financial covenants or division of working capital funds to financing of long-term assets<br>**3.** Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies), normal trade credit or security deposits in the ordinary course of business or advances to employees can, however be extended. Such investment should not result in breach of financial covenants relating to TOL/Adj. TNW and current ratio agreed upon at the time of sanction<br>**4.** Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increase indebtedness beyond permitted limits, stipulated if any at the time of sanction<br>**5.** Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).<br>**6.** Declare dividends for any year except out of profits relating to that year after making all dues and necessary provisions and provided further that such distribution may be permitted only if no event of default / breach in financial covenant is subsisting in any repayment obligations to the Bank.<br>**7.** Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company firm or persons |

| | |
|---|---|
| | **8.** Sell, assign, mortgage or otherwise dispose of any of the fixed assets charge 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).<br>**9.** Enter into any contractual obligation of a long term nature or which, in the reasonable assessment of the Bank, is detrimental to lender"s interest, viz acquisitions beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the borrower / net means of promoters etc., leveraged buyout etc.<br>**10.** Change the practice with regard to remuneration of Directions by means of ordinary remuneration or commission, scale of sitting fees etc. except where mandated by any legal or regulatory provisions<br>**11.** Undertake any activity other than the sale of products arising out of its own Service operations. (Not applicable in case finance is for trading activity only).<br>**12.** Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.<br>**13.** Repay monies brought in by the Promoters / Directors /Principal Shareholders and their friends and relatives by way of deposits /loan/advances. Further, the rate of interest, if any, payable on such deposits /loan / advances should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject to regular repayment of installments to term loans granted / deferred payment guarantees executed by the Bank or other repayment obligation, if any, due from the borrower to the Bank<br>**14.** 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.<br>**15.** The borrower shall deal with our bank /banks under consortium / multiple banking arrangements exclusively, shall not open current account/s with any other bank without our prior permission. The borrower"s entire business relating to their activity including deposit, remittances, bills / cheques purchase, non-fund based transactions including LC"s and BG"s, Forex transactions, merchant banking, any interest rate or currency hedging business etc. should be restricted only to the financing banks under consortium / multiple banking arrangement.<br>16. Approach capital market for mobilizing additional resources either in the form of debt or equity. |

## ANNEXURE IV
## APPLICABLE IN CASE OF TERM LOANS

Not Applicable

Pre Penalty charges

2.00% of outstanding balance / drawing limit (whichever is higher) to be recovered as pre-payment charges, if loan is prepaid.

**Conditions:**

1. No Prepayment penalty would be payable to lender if:

1.1 Pre Payment is made at the instance of the lenders or as per the terms of sanction with respect to the mandatory repayment.

1.2 If interest on the reset date/ repricing date is not acceptable to the borrower, the borrower would have the option to prepay the outstanding facility within next three months from date of spread reset / receipt of advice from the lender by giving a notice of 30 days.

1.3 If The pre payment is made from surplus cash accruals generated by borrower or equity infusion, no foreclosure or pre payment penalties shall be levied on any floating rate term loan sanctioned, for purposes other than business, to individual borrowers with or without co obligant.

2. Pre-payment charges of 2.00% to be recovered for pre-payment of more than one quarterly installment or three monthly installments on such excess prepaid amount.

## ANNEXURE V
## APPLICABLE IN CASE OF WORKING CAPITAL LOAN

| | |
|---|---|
| **Total Value of stocks (closing balance of stocks, their value as per market rates or cost price, whichever is lower)** | **A** |
| **Less: Excess of Sundry Creditors (Stocks)**<br>**Excess of other Sundry Creditors** | **B**<br>**C** |
| **Net Value of Stock** | **D=A-B-C** |
| **Add: Eligible Trade Debtors including advance for stocks and expenses as envisaged at the time of assessment** | **E** |
| **Less: Outstanding under Bills discounted** | **BD** |
| **Net Value of debtors** | **F=E-BD** |
| **Total eligible current assets** | **G=D+F** |
| **Less: Stipulated Margin** | **H** |
| **Advance Value** | **I=G-H** |
| **Sanctioned Limit** | **J** |
| **Drawing Power** | **I or J**<br>**Whichever is lower** |

## ANNEXURE-VI
## FINANCIAL COVENANTS

Tangible Net worth (TNW) = Net Worth - Intangible Assets

Net Worth = Paid up equity capital, free reserves (excluding revaluation reserve), preference share capital due for redemption after 12 years, instruments such as compulsorily convertible preference shares, share application money and fully convertible debentures, Central / State Subsidy, Long term unsecured loan from (a) Government, (b) Government Agencies redeemable beyond 7 years.

Intangible Assets = Items such as goodwill, miscellaneous expenditure, deferred payment expenditure, Preliminary / Pre operative Expenses, Deferred Tax Asset, Accumulated Losses etc.

For working capital:

- The company shall ensure maintenance of current ratio at the estimated level of 1.10:1. (Current ratio refers to current assets divided by current liabilities).
- Interest coverage ratio shall be maintained at the estimated level of 1.50:1. (PAT+ int + depreciation + amortization/interest)
- TOL/TNW will be maintained at the estimated level of 5:1. (TOL = Current liabilities + Term liabilities)

Note: Breach of any of the financial covenant may be considered as an event of default.

## ANNEXURE- VII
## FEES AND CHARGES

| | |
|---|---|
| **Processing Fees (FB and NON FB Limits)** | Above ₹10 lakhs: For Working Capital: Above ₹10 lakhs: 0.20% I.e. 18800.00+GST |
| **Upfront Fees** | Not Applicable |
| **Documentation Fees** | Secure Overdraft: Rs 250 per lakh or part thereof subject to maximum of Rs 60,000/- plus GST |
| **Mortgage Charges** | Secure Overdraft: Rs 300/- per lakh maximum of Rs 25000/- each at the time of initial creation of EM/ other mortgage. (plut GST) |
| **Commitment Charges** | (If utilisation is less than 60%, to be charged on unutilized portion) Above ₹1 Cr upto ₹5 Cr : 0.50% p.a. on unutilised portion. Fund based working capital limits ₹5 Cr and above - 1.00% per annum (exclusive of the overall ceiling of 2.00% penal interest) on the unutilised portion of the fund based working capital limits (Appropriate tax to be levied over and above |
| **BG Commission** | Not Applicable |
| **Inspection and** | 0.05% p.a. per lakh minimum RS 3500 p.a. & maximum Rs 25000 p.a. |

<table>
<tr><td>supervision Charges</td><td>chargeable quarterly + GST<br>Bank will have the right to examine at all times the borrower's books of accounts and to have the borrowers 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</td></tr>
<tr><td>Others</td><td>CIC REPORTS:
<table>
<tr><th>Report Type</th><th>Consumer in Rs.</th><th>Commercial in Rs.</th><th>Amt to be credit in BGL Head</th></tr>
<tr><td>CIBILInformation Bureau of India Limited</td><td>30.00</td><td>805.00</td><td>97234</td></tr>
<tr><td>M/s Experian Credit information Company of India Pvt. Ltd</td><td>32.00</td><td>863.00</td><td>94483</td></tr>
<tr><td>M/S Equifax Credit Information Services Pvt. Ltd</td><td>30.00</td><td>805.00</td><td>94484</td></tr>
<tr><td>CRIF HIGHMARK</td><td>30.00</td><td>805.00</td><td>94485</td></tr>
</table>
GST Verification<br>Rs. 300.00 per GST per Annum<br><br>CERSAI Registration:<br>1. Upto 5 Lakhs: Rs. 50.00 + GST<br>2. Above Rs. 5 Lakhs: Rs. 100.00 + GST<br><br>All other charges incurred on legal, insurance and any other charges as per extant guidelines. As per Circular No. GENL-62/2019-20 dated 27.03.2020</td></tr>
<tr><td>Penal Interest</td><td>Each of the following events will attract penal interest. The bank will be at liberty to charge penal interest over and above the eligible rate in the event of any of the following subject to an overall penal interest rate of 2.00% points.
<table>
<tr><th>Event of default</th><th>Penal rate</th></tr>
<tr><td>Non submission /delayed submission of renewal data at least one month prior to due date.</td><td>1%</td></tr>
<tr><td>Non submission/delayed submission of stock statement</td><td>1%</td></tr>
<tr><td>Non submission /delayed submission of MSOD and or QIS /FFR statements where ever stipulated, within due date</td><td>1%</td></tr>
<tr><td>Non submission of Audited Balance sheet within 8 months of closure of Financial year and quarterly performance details as per stipulated date</td><td>1%</td></tr>
<tr><td>For the period of overdue interest / instalment in respect of Term Loan 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, receivables, etc.</td><td>2%</td></tr>
<tr><td>Non compliance of terms of sanction within the stipulated period</td><td>1%</td></tr>
</table></td></tr>
</table>

Note:
1. Mere paying penal interest will not oblige the bank to allow the non-compliance of the requirement to continue.
2. The commitment charge will be exclusive of the overall ceiling of 2% of penal/additional interest stipulated by RBI.

## GENERAL TERMS AND CONDITIONS

1. Perfection of securities should be ensured as per standard Banks norm.
2. Bank's name plate showing that the Current assets & Fixed assets are hypothecated to the Bank will be displayed at prominent place of the project
3. Banks charge on the securities must be registered with the ROC/CERSAI within the prescribed time period. Any modification in charge is also to be duly registered. All extraneous charges to be satisfied immediately with ROC.
4. The immovable properties mortgaged to the Bank will be valued / re-valued once in three years. However, Bank may go for an earlier revaluation, in cases of change in construction, acquisition by Govt. authorities or any other happening that may have a bearing on the value of the security. In case of consortium/JLF, bank may accept valuation / search report form valuer/ lawyer empanelled with any of the member bank of consortium.
5. All assets (stocks / fixed assets/ Primary Collateral) charged to the Bank as security for advances are to be comprehensively insured against the risk of theft / burglary, fire & Strikes, Riots, Malicious Damages, with an insurance company, in the name of borrower guarantor, with Bank Clause, at the borrower's expenses, unless insurance is specifically waived or not required to be taken as per provisions relevant to the lending scheme.
6. The amount of insurance must be the value of highest stocks maintained by the borrower during last one year, when it became due for review or the projections as made by the borrower, whichever is higher. Insurance cover should be available with the branch.
7. The Branch should ensure to that NEC and legal opinion report as well as Valuation reports for all mortgaged properties is strictly in latest bank's approved format and not more than three years old.
8. The borrower / mortgager shall not lease or create / renew tenancy on the property without prior written permission of the Bank and any default by the borrower / mortgagor shall render such lease / tenancy invalid and Bank can evict the lease / tenant under SARFAESI Act.
9. Branch is instructed that all the loan accounts of the firm/partners with other banks/FI's are standard and regular. All the over dues as reflected by CIBIL/CRIF must be immediately repaid and account statements must be submitted to this office.

**a)** Pre Disbursement:

1. Bank reserves the right to vary the spread at any point of time, by giving due notice to the borrower.
2. The Bank reserves to itself the right to cancel / suspend / reduce any or all the limits sanctioned and to alter / amend / vary the terms of sanction including rate of interest at its sole discretion without assigning any reason whatsoever.
3. Bank reserves the right to increase the rate of interest by modifying the spread in case of downward migration in rating based on audited / provisional balance sheet.
4. Our rate of interest should not be less than that of any other banks" rate of interest lending for the same purpose and if the same is under consortium/MBA.
5. Sanction is valid for a period of 3 months only. Subsequently the bank reserves the right to refuse revalidation. On revalidation, bank reserves the right to change the terms and conditions including rate of interest based on the review of the proposal at the time of revalidation.
6. In case of non acceptance of some of the terms and conditions stipulated in the sanction, the borrower should take up with the bank their request for amendment in sanction terms within 15 days from the date of communication of sanction terms by the bank/branch. The amendment however will be at the sole discretion of the bank on merits.
7. Any revalidation and / or modification in sanction terms after 15 days will attract further processing charges at 25% of the original processing charges.
8. Borrower should inform the bank, any drawdown of Rs.10.00 crore and above, at least 2 days in advance.
9. The advance will be released only upon payment of processing fee/upfront fee, EM creation charges and any other charges as may be prescribed by the Bank from time to time.
10. Bank is entitled to charge and recover various fees/charges like legal opinion charges, Engineers valuation fee, inspection charges, charges for doing search with ROC, ROC registration charges , EM registration charges etc from the borrower as per the rules of the Bank as applicable from time to time

11. Acceptance of immovable properties offered as security is subject to the legal opinion (unqualified) of the Bank's approved lawyer(s), conveying a clear, valid, subsisting and marketable title, valuation of the property by the Bank's Approved Engineer and furnishing of up-to-date certificate showing Nil encumbrance and up-to-date tax paid receipt. The cost to be borne by the borrower.

12. In addition to these terms and conditions all the facilities sanctioned shall be subject to the Bank's rules as well as the directives issued by RBI from time to time.

13. The assets and liabilities statement of persons who have offered their personal guarantee to be furnished once in a year.

14. The duplicate copy of the sanction letter to be returned duly signed by the authorized signatory as token of acceptance of terms and conditions.

b. Post Disbursement General Conditions:

1. The advance must be used for the purpose for which it is sanctioned. The borrower shall provide an "End use certificate" from the chartered accountant. The "end use certificate" shall certify that the funds drawn down have been used for the purpose mentioned in the loan application. Any deviation will be dealt with as per RBI guidelines.
2. Unless otherwise specified, the sanction of Working Capital limits availed will remain in force for a period of one year from the date of sanction. Any request for renewal / enhancement should be made at least three months in advance and the application should be accompanied by all the relevant data as required by Bank.
3. Processing charges for renewal of facilities will be charged irrespective of whether the renewal papers are submitted or not. However, continuation of facilities will be at the sole discretion of the Bank.
4. Property tax paid receipts for the properties under mortgage shall be produced every year.
5. All assets charged to the Bank shall be adequately insured against all attendant risks at the expense of the borrower(s). The Insurance policy with the Bank clause (viz. Bank as mortgage, hypothecatee or pledgee as the case may be) shall be lodged with the Bank. The insurance cover shall be kept in force at all times through prompt renewals and with suitable enhancements to include any increase in the value of securities. Bank has tie up with UIIC ltd whose services may be utilized for this purpose.
6. Machinery, equipment, vehicles, etc., charged to the Bank shall be painted with the Bank's name or affixed with the bank's name board. Bank name board with specific mention of the branch name shall be displayed prominently both inside and outside the premises where stocks hypothecated / pledged to the Bank are stored.
7. Securities offered for one or more facilities and charged to the Bank shall also stand as additional security for all other facilities now granted or to be granted from time to time.
8. Fixed assets charged to the Bank are subject to valuation at least once in three years or at shorter periodicity as per the decision of the Bank.
9. The Borrower shall ensure that the balance in the account including the periodical interest charged / chargeable is well within the drawing limit at all times.
10. Interest will be charged on the last working day of the month on per annum payable monthly basis or as prescribed by Reserve Bank of India/Bank and shall be serviced within a maximum period of 15 days.
11. Bank is entitled to transfer or assign the whole or part of their rights and obligations under/in respect of the facility to other persons/entities without notice to the borrower.

## ANNEXURE IX
## OTHER TERMS AND CONDITIONS

1. Facility Specific Conditions:

| | |
|---|---|
| **Company** | a) The Company shall pass necessary Resolution under the Companies Act 2013, for execution of documents and availment of facilities from the Bank. |

| | |
|---|---|
| | b) The company shall submit auditors" certificate to the effect that the present and proposed borrowings as per this sanction are within the borrowing powers of the company.<br>c) Wherever registration of charge with Registrar of Companies (ROC) is necessary, it should be complied within the mandatory period as per ROC guidelines. This will also apply to consortium advance where individual documents are obtained pending execution of joint documentation. In any case, the Registration of charge should be complied with before disbursement within 30 days of the execution of the document.<br>d) Search will be conducted at the office of the Registrar of Companies to ascertain the subsisting charges, if any. All fees, charges and other expenses in this regard shall be to the account of the borrower(s).<br>e) In the event of slippage in Asset Classification of the borrower's accounts, the Bank will have the discretion to have a Nominee Director on the Board of the Borrower Company. |
| OCC / OVERDRAFT | 1) Stocks of more than 6 months old will not be reckoned for drawing power, unless specifically approved by the Bank. Whenever job works are undertaken, the goods received for job works should be kept distinctly and not included with the borrowers" stock under hypothecation.<br>2) Monthly declaration of stocks with breakup of stocks as less than 6 months old and others shall be submitted in the Bank's format within 10 days from the end of every month. Non-compliance in this regard may lead to the return of cheques issued for want of cover as the Drawing Limit in such cases will be marked as 'Nil". Delayed submission will also attract levy of additional interest as per Bank's rules in force from time to time.<br>3) While submitting stock statements, the amounts payable to creditors / suppliers of materials, advance received against orders, etc., as on the date of stock statement as also the full particulars of stocks sent to subcontractors for processing shall be furnished.<br>4) Stocks under hypothecation shall be converted into pledge at the Bank's Discretion as and when considered necessary.<br>5) Monthly declaration of book debts with break up as Upto the tenor of book debts accepted during sanction and others shall be submitted in the Bank's format within 10 days from the end of every month. Noncompliance in this regard may lead to the return of cheques issued for want of cover as the Drawing Limit in such cases will be marked as 'Nil".<br>Delayed submission will also attract levy of additional interest as per Bank's rules in force from time to time. The word tenor shall imply the age of book debts starting from the date of creation of debt.<br>6) The book debt statements should be certified by a Chartered accountant once in a quarter. |

**Others:**

**REVIEW RENEWAL OF LIMITS**

1. All credit facilities have to be reviewed / renewed annually or before on the discretion of the bank, on the basis of audited financial statements and other documents relating to Sales, tax returns, stock and book debts statements, external ratings, licenses / permissions, valuations, sales and profit projections for the next year etc. to be submitted by the borrower as per requirement of the Bank
2. Audited financial statements will be required for review, in all cases with credit limits of Rs 25 Lac and above and tax audit report is also required where sales turnover is Rs 1Cr & above. Borrower shall submit complete review proposal along with all necessary documents at least two months before the due date of review. Otherwise additional interest of 1% above the existing rate of interest will be charged on the entire outstanding in CC limit, till the time the Audited Financials are submitted.
3. In case, review proposal is submitted after 3 months from the date of book closure, provisional balance sheet pertaining to previous financial year must be provided, with an undertaking that there will not be adverse variation of more than 10% in Sales, Net Profit, Net Worth, NWC etc

**REPAYMENT AND RECOVERY**

**1.** The Borrower is required to make repayment of the loan amount and the interest thereon, strictly as per the term of Sanction.

2. In case there is a default in repayment of principal or interest, the loan account, is classification as Special Mention Accounts (SMA) as per the following categories –

| SMA Sub-categories | Basis for classification – Principal or interest payment or any other amount wholly or partly overdue between |
|---|---|
| SMA-0 | 1-30 days |
| SMA-1 | 31-60 days |
| SMA-2 | 61-90 days |

'Default' means non-payment of debt when whole or any part or installment of the amount of debt has become due and payable and is not repaid by the debtor or the corporate debtor, as the case may be. For revolving facilities like Secure Overdraft, default would also mean, without prejudice to the above, the outstanding balance remaining continuously in excess of the sanctioned limit or drawing power, whichever is lower, for more than 30 days.

**3.** Further, the account may also be reported on RBI platforms viz. CRILC, Central fraud registry etc., in case account is classification as "Special Mention account"; "Non-corporate borrower"; "Willful Defaulter", "Red Flag Account"; "Fraud account" etc.

**4.** The classification of the account to Non-Performing asset (NPA) will be as per the IRAC norms of the Reserve Bank of India.

**Recovery Measures**

**1.** In the event of default, necessary legal action for recovery of dues by Bank against the borrower will be taken including suit filing with Court / DRT etc.The bank may take action under the SARFAESI Act, 2002 for recovery of its dues. The Bank may entrust the task of recovery to a recovery agent, if required.

**2.** 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 any individual information as to the said securitization to the borrower and/or guarantor(s).

**Non-cooperative Borrower**

**3.** Bank may declare a Borrowing entity including its Partner, partners, promoters, directors etc. as "Non Cooperative Borrowers", after due process, if they do not provide necessary information required by the bank to assess their financial health even after two reminders; or deny access to securities etc. as per terms of sanction or do not comply with other terms of loan agreements within stipulated period; or are hostile / indifferent or are in denial mode to negotiate with the bank on repayment issues; or play for time by giving false impression that some solution is on horizon; or resort to vexatious tactics such as litigation to thwart timely resolution of the interest of the lender/s.

**Willful Defaulter**

**4.** Willful default broadly covers -

**1)** Deliberate non-payment of dues despite capacity to repay.
**2)** Siphoning-off funds to the detriment of the defaulting unit
**3)** Assets financed either not purchased or subsequently misappropriated
**4)** Diversion of funds
**5)** Disposal / removal of securities without bank's knowledge;

**5.** Bank may publish photographs of borrowers, including Partners/ partners/ directors/ guarantors of borrower firms/ companies who have been declared as willful defaulters

**RFA / Fraud account declaration**

**6.** In case the Borrowers/Guarantors defraud the bank or defraud any member bank in consortium / MBA finance, the account will be reported as a "Red Flag Account" or a "Fraud account" on RBI website. No restructuring or grant of additional facilities shall be made in the case of Red Flagged Accounts or fraud accounts.

**DISCLAIMER**

**1.** This sanction does not vest in any one of the rights to claim any damage against the Bank for any reason whatsoever

**2.** The terms and conditions of this sanction are subject to modification by the Bank as may be considered necessary at any point of time at the sole discretion of the Bank

The Bank shall have right to recover in part or in full or withdraw/stop financial assistance, at any stage, without any notice or giving any reason at the discretion of the bank, if the company fails to comply with the terms & conditions or guidelines/policy of the Bank.

**Yours Faithfully**



**Branch Manager**