**Date: 12-09-2016**

**1. Deviation**

-  NA

**2. Additional document to be obtained (with reason)**

-  Borrower should have at least tax payment receipt for 2016 as it is already September. They should have paid whatever required.

Kindly refer to attached file

- The license has also expired since July 2016, any renewal.

Kindly refer to attached file

- Please print out the bank statement with us as stated in the CA.

Kindly refer to attached file

**3. Additional information**

1. Please update verbal valuation by CARE again for P1 to P3 as the valuation has expired and required to obtain at least one page update.

Yes

1. Please divide the security coverage based on your request to not cross charge the existing collateral. To provide each security coverage in this case.

Yes

1. WC requirement of USD241K should be adequately covered from the OD of USD350K granted where USD280K additional was granted for Working capital purpose. I don’t see the justification to provide more OD to them at this point of time as the WC is in excess of over USD100K.  Please provide a better justification for the loan purpose.Average OD utilization is around 86% with balance of around USD50K left, there should be adequate limit to cover their WC need.

Based on the borrower’s disclosure, the reason of additional TL2 is briefed as follows:

* The borrower used a part of business fund, i.e USD130K to purchase the warehouse (P4).
* After purchase the property, they have renovated as rooms for their staff’s stay and warehouse. And the cost is projected of USD30K. (70% of renovation is completed as at Aug 2016)
* Since the high season is coming (Oct to Apr) for Wedding season, Occasional Party, and New Year, the borrower have to expand their stock by importing more goods to support their customers on time. Therefore, they need more fund for the peak season.
* Noticed that, from the first drawdown of OD1 (Sept-15 to Feb-16), the OD utilization was about 62% and it is increased to 86% after the purchase of the warehouse. Meaning that they have not misused of fund and additional fund is to back up the working capital of the business in the peak season.

1. At this point of time, I am not inclined to support for additional OD as the WC is not justifiable while relationship with the borrower is about 1year only with consistent gearing for additional loan.

* Based on the above reason, we want you to reconsider however the loan has been requested 3 times per year. Moreover, the borrower is a sole banker.
* Based on their creditworthiness, they could approach other banks for additional fund. However, they would like us to be their only bank.

**4. Others**

-  Please amend CA

Yes