

## CUSTOMER COPY



Branch / Office : KUKATPALLY, HYDERABAD

CREDIT SANCTION INTIMATION

Sanction Ref. No.: AGMS/RLPC/350/22697/2018-19/12-09-2018	OR No.:	Date: 12/09/2018
From: The Branch Head, Clpu, Hyderabad [rlpc] Branch	Mail to: <b>Applicant</b> M/s. Voshika Industries, Sy No 268/b/3 Pottipalli Village, Sangareddy, Telangana, Hyderabad, Hyderabad (Dt), Telangana - 502291	

Ref: Your Loan Application Dated 05/09/2018 for Credit Facilities.

With reference to the above, we are pleased to inform sanction of the following fresh/ renewal with/ existing/ enhancement/ reduced credit facilities to M/s. **Voshika Industries** along with terms & conditions of the sanction.

It is to be clearly understood that these facilities are sanctioned subject to the convenience of the Bank and may be cancelled at any time without prior notice before making available the sanctioned facilities. The Bank may revoke in part or in full or withdraw/stop financial assistance at any stage, without any notice or giving any reasons for any purpose whatsoever.

We request you to return one copy duly signed at the relevant space in token of having accepted the facilities sanctioned to you with all the terms and conditions stipulated therein.

On receipt of the copy of credit sanction intimation duly signed by you and on your executing the necessary loan/security documents along with co-obligants/guarantors, furnishing all necessary particulars, required if any, we will arrange to release the facilities.

Karnataka Bank Ltd.

*[Signature]*  
Branch Manager  
Sr. Manager/Chief Manager.

**1.01 Credit Facilities Sanctioned:**

Sector:priority

**a) NATURE OF FACILITY AND LIMITS:**

(Amount in Rs.)

Sl.No	Type of Facility	Type of Limit	Amount	Remark	Purpose
1.	TERM LOAN	Main-limit	12500000.00	Fresh	Purchase Of Machineries
2.	OVERDRAFT	Main-limit	2500000.00	Fresh	Working Capital

**b) RATE OF INTEREST/ COMMISSION:**

(Amount in Rs.)

Sl.No	Type of Facility	Type of Limit	Limit	Rate of Interest/Commission
1.	TERM LOAN	Main-limit	12500000.00	One Year MCLR + 1.00% p.a presently at 9.95% p.a
2.	OVERDRAFT	Main-limit	2500000.00	One Year MCLR + 1.00% p.a presently at 9.95% p.a
Rate of interest is subject to change from time to time.Present applicable One Year MCLR is 8.95 %				

**c) MARGIN:**

(Amount in Rs.)

Sl.No	Type of Facility	Type of Limit	Limit	Margin
1.	TERM LOAN	Main-limit	12500000.00	40 % on cost of machineries to be purchased
2.	OVERDRAFT	Main-limit	2500000.00	25 % on stocks and book debts

**d) PERIOD:**

(Amount in Rs.)

Sl.No	Type of Facility	Type of Limit	Limit	Tenor (in Months)	Initial Holiday/ Gestation/ Moratorium Period (in Months)	Due Date
1.	TERM LOAN	Main-limit	12500000.00	84	9	19/09/2025
2.	OVERDRAFT	Main-limit	2500000.00	12	Not Applicable	19/09/2019

(Amount in Rs.)

Sl.No	Type of Facility	Type of Limit	Limit	Mode of Repayment
1.	TERM LOAN	Main-limit	12500000.00	EMI
2.	OVERDRAFT	Main-limit	2500000.00	On Demand

**f) REPAYMENT SCHEDULE :**

For TL: Repayable in 75 Equated Monthly Installments of Rs.241814/- after an initial holiday period of 9 months. Interest will not be paid during the holiday period.

For OD: On demand as per OD rules.

**g) Processing Charges : Rs. 37500.00 + Applicable Taxes**

**h) Securities for the proposed / renewed facilities :**

(Amount in Rs.)

Facility	Details of Security	Value	Date of Valuation
<b>Prime :</b>			
TERM LOAN ( 12500000.00)	Equitable mortgage of lease hold rights of the property situated at SY No. 268/B/3 (268/aa2), admeasuring Ac1-07 acres, and land converted to the extent of AC 1-05 acres, Pottapally Village, Sadasivapet mandal, Sangareddy Dt.( Lessor is Mr.Pusapati Surya Jagannadha Raju and Lessee, M/s Voshika Industries and lease hold rights to be created in the name of M/s Voshika Industries).		01/08/2018
TERM LOAN ( 12500000.00)	Hypothecation of new Aloe leaf Extractor Machine along with Transfer Pumps, Fitting and fixtures, Aloevira Powder, pulp and Juice making \ machinery, and its accessories	20750000.00	04/08/2018
OVERDRAFT ( 2500000.00)	Hypothecation of stocks in trade		
OVERDRAFT ( 2500000.00)	Hypothecation of book debts		
<b>Collateral:</b>			
	Equitable Mortgage Of Lease Hold Rights Of The Property Situated At Sy No. 268/b/3(268/aa2), Admeasuring Ac1-07 Acres, And Land Converted To The Extent Of Ac 1-05 Acres, Pottapally Village, Sadasivapet Mandal, Sangareddy Dt.( Lessor Is Mr.pusapati Surya Jagannadha Raju And Lessee, M/s Voshika Industries And Lease Hold Rights To Be Created In The Name Of M/s Voshika Industries).		01/08/2018

**1.03 TERMS AND CONDITIONS****Specific:**

1. The supplementary legal opinion shall be obtained confirming the verification of original title deeds at the cost of the borrower.
2. The MCLR prevailing on the date of first disbursement of the Loan / credit limits will be applicable until the next reset date / renewal whichever is earlier, irrespective of the changes in the benchmark/MCLR during the interim.
3. 2% Preclosure/Foreclosure charges will be levied if the account is taken over by other banks excluding Housing loans and Term loans (DPN loans) sanctioned to individuals. Such charges will be calculated based on the sanctioned limit in case of working capital limits and on the balance outstanding in case of Term Loans (including DPN)
4. The rate of interest is linked to the one year MLR of the Bank.
5. Branches should educate the customer regarding pre-closure / foreclosure charges of 2% before releasing the facilities.
6. "Bank's charge created by way of EM of property / immovable properties secured by mortgages other than mortgage by deposit of title deeds/movable and intangible assets shall be noted with CERSAI as per extant guidelines given vide HO/CREDIT/CIR/GF:7/3/12-13 dt. 20.04.2012" and subsequent circulars.
7. Collect actual BIR service charges plus service tax paid and credit it to income BIR Service Charges account at respective CLPU at RO.
8. Collect CIBIL charges @ Rs 100/- per customer report and CIBIL/CRIF charges @ Rs 1000/- per corporate report and credit it to Income-CIBIL charges a/c.
9. Branch should collect Rs. 500/-per occasion delayed payment of EMI/Installment in respect of EMI/Equal monthly installment of more than Rs. 10000/- (If not paid within 30 days from the EMI/Installment due date).
10. The interest will be reset on every yearly basis, reckoned from the date of first disbursement of the loan / credit limits. The applicable MCLR prevailing on the date of reset will be applicable.
11. Processing charges of Rs. 44250/- including service tax shall be collected.

the dealer/vendor of the machineries and original invoice, stamped receipts/vouchers should be submitted.

13. The OVERDRAFT limit shall be released only after release of Term Loan and after commencement of business. The due date of the OD limit shall be 12 months from the date of release. The borrower/s shall pay all the requisite fees and expenditure that is related to the subject facility from time to time.

14. On completion of the project , the machinery installation cum valuation report and/or project completion cum valuation report shall be obtained.

15. Before release, branch has to obtain supplementary legal opinion from panel advocate confirming the validity of the conversion certificate applied and submitted in the name of the lessee, M/s Vodhita Industries.

16. Obtain original title documents/original link documents/approved plan/Latest EC/Tax paid receipts and other documents as specified by the penal advocate for creation of MDT. Advocate should certify that, MDT created is in order and enforceable in Law.

17. For creation of MDT in respect of LEASE HOLD RIGHTS, branch should obtain original LEASE DEED long with copies of sale deed in the name of Lessor, copy of the conversion order and other revenue records confirming the ownership of Lessor. Also obtain approved plan and permission for construction of industrial building. MDT should be executed by the LESSEE.

18. Confirm that due diligence report and BIR are scrutinized and signed by the Branch head and Sales officer and submit the confirmation along with ROA

19. Branch shall ensure that at the time of financial closure, the promoters equity is not less than 40% of promoters contribution( Promoters contribution includes a) Promoters equity b) Unsecured Loans/Loan creditors). Promoters shall bring 60% of such equity as specified above at front end and the remaining 40% of the equity along with other source of funds shall be brought in stages in such a way that stipulated level of debt/ equity is maintained at all times and when the project is complete in all respects the entire promoter's contribution shall be available. The borrowers should be advised in this regard and Auditors certificate should be obtained and held with the branch.

## **GENERAL CONDITIONS**

### **PRE DISBURSEMENT TERMS**

1. The company/borrower to note that the facilities are sanctioned subject to the convenience of the Bank and may be cancelled at any time before making available the sanctioned facilities. The Bank reserves the right to revoke in part or in full or withdraw/stop financial assistance at any stage, without any notice or giving any reasons for any purpose whatsoever.
2. The credit facility should be utilized for the specific purpose for which the same has been sanctioned and if the Bank has reason to believe that the borrower has violated, or apprehends that the borrower is about to violate

the said conditions, the Bank shall have the option to exercise its right to recall the entire loan or any part thereof at once, in addition to its right to withdraw the undrawn limits, notwithstanding anything contrary contained in this Sanction Advice. It is affirmed that this right is without prejudice to the Bank's right to demand the Loan amount for violation of other terms and conditions of the sanction and/or the terms reflected in the loan/security documents to be executed by the borrower/guarantors.

3. Borrower to note that

3.1 Interest rate charged is subject to revision should there be any downgrading in the Risk Rating of the borrower.

3.2 Interest payable shall be subject to the changes in interest rates made by RBI from time to time

4. The Company/firm / borrower shall give an undertaking as follows:

4.1 Not to divert the funds to its group companies or any other activities other than the purpose for which the credit facility is sanctioned.

4.2 Not to repay the funds raised by way of deposits/ loans from friends and relatives if any during the tenure of bank credit.

4.3 Not to pay any commission to its directors for standing as Guarantors with regard to the Bank's loans

4.4 No legal case of any nature has been filed against the borrower/company/ its associates/directors/guarantors/partners affecting the financial position substantially and in case of any suit is/will be filed against the company the bank shall be kept informed.

4.5 That they or the directors/partners/guarantors/associate concerns of the company/firm are not on ECGC caution list, RBI's defaulter/caution list and that no director of the company is disqualified u/s 164(1) of the companies act 2013.

4.6 The company shall not induct a person who is/was director in a company which has been identified as a willful defaulter by the bank/RBI or any bank/FI, on company's board.

4.7 To submit AFS of the company/borrower every year by the end of 31st December of that year failing which penal interest of 1% p.a. over and above the sanctioned rate will be charged on the outstanding balance after the said date.

4.8 To submit periodical copies of income-tax/ sales tax assessment orders of the borrower/concern and its directors/guarantors/partners.

4.9 That any liabilities or obligations under the facilities shall not at any time, rank postponed in point and security to any other obligation or liabilities to other lending institution or banks or creditors unless expressly agreed or permitted by the bank.

4.10 Not to create or permit to subsist any mortgage, charge (whether floating or specific), pledge, lien or other security interest on any of your understandings, properties or assets without prior consent in writing from the bank.

- 4.11 The company/ borrower to take prior approval of the bank for opening any account with any other bank/other branch of our bank.
- 4.12 To obtain a NOC from the bank for further expansion of business, taking up of a new business activity or setting up/ investing in a subsidiary whether in the same business line or unrelated business.
- 4.13 To seek permission from the bank for restructuring/reorganizing the business of the company in the form of merger/de-merger/amalgamation and in case if there is any change in the capital structure (including change in share holding pattern)
- 4.14 To provide any information promptly about all material and adverse changes in the business/ownership/ management/liquidity/financial position etc

## POST DISBURSEMENT TERMS

1. Securities charged to the bank shall be insured for full value with all necessary risks with the bank clause. The Bank shall hold insurance policies, cover notes and premium paid receipts. All expenses in this connection shall be borne by the company.
2. Processing charges at the stipulated rate shall be collected .
3. Bank's Officials are free to make frequent visits to borrower's factory/business premises for inspection purpose or otherwise. Visit charges shall be borne by the Company/borrower.
4. Valuation /legal fees / registration fee of CERSAI payable to the concerned persons shall be borne by the Company/borrower.
5. Fixed assets taken as security will be got revalued by the approved valuer of the Bank once in 3 years at Borrowers cost.
6. Company/Borrower to note that the facilities are sanctioned subject to the convenience of the Bank and may be cancelled at any time before making available the sanctioned facilities. The Bank reserves the right to revoke in part or in full or withdraw/stop financial assistance at any stage, without any notice or giving any reasons for any purpose whatsoever.
7. Branch shall monitor the sales performance of the company closely and ensure that the performance is in line with the estimates/projections made. Penal interest at the rate of 1% shall be charged to the borrower for non-achieving of the sales at least to the tune of 75% of the projections and other covenants as projected at the time of submission of renewal papers. The Audited Financial Statements shall be reckoned for this purpose.
8. Any Recovery in Loan Accounts will be appropriated in the chronological order of demand i.e the earliest demand will be adjusted first.

## OTHER CONDITIONS

Nil



**KBLMSME OTHER THAN VEHICLELOAN BEYND CGTMSE TL EMI**

1. Penal Interest of 5% p.a will be charged for excess drawings/TOD/adhoc limits/overdue installments/interest
2. Obtain ECS Debit Mandate for recovery of EMI in the preprinted format of NACH as given in Annexure I of HO:CREDIT:CIRCULAR:LETTER:GF-62:13:2014-15 dt. 05.09.2014 where the borrower is having operative account with other Banks and ensure registration/acceptance of the mandate with other banks, by duly following guidelines given vide HO: CREDIT-B: CIR: GF: 7 :48 : 2015-16 dt. 27.07.2015 OR Obtain Standing Instruction in form No.1318 (old F.No.420) towards recovery of EMI from borrowers having operative account with our bank. [APPLICABLE IN CASE OF EMI LOANS ONLY]
3. 2% Preclosure/Foreclosure charges will be levied if the account is taken over by other banks excluding Housing loans and Term loans (DPN loans) sanctioned to individuals. Such charges will be calculated based on the sanctioned limit in case of working capital limits and on the balance outstanding in case of Term Loans (including DPN).
4. Branches should educate the customer regarding pre-closure/foreclosure charges of 2% before releasing the facilities
5. Copies of the invoices should be submitted to the branch.
6. Machineries hypothecated to the bank shall be insured for full value with all necessary risks with the bank clause. The Bank shall hold insurance policies, cover notes, and premium paid receipts. All expenses in this connection shall be borne by the borrower.
7. The borrower has liberty to avail the sanctioned limit as per terms of sanction and installment of release arrived at. If borrower does not avail the limit in full, or if Bank is satisfied that the borrower would not need further funds up to the full extent of the limit, or if for reasons which are satisfactory to the Bank it finds that the limit is surplus for the purpose for which it is sanctioned, Bank shall have the liberty, without any previous show cause notice being given to the borrower or surety in this behalf, to reduce the limit to such level as already availed by the borrower and show the account accordingly, as if the sanctioned limit was reduced to that level. The Borrower and Surety undertake not to raise any objection if limit is so reduced

**KBL MSME - BEYOND CGTMSE OVERDRAFT**

1. Penal Interest of 3% p.a will be charged for excess drawings/TOD/adhoc limits for loans sanctioned on or before 31.12.2015 and from 01.01.2016 the same will be charged at 5% p.a
2. Monthly Stocks/ book debts statements as on the last day of every month to be submitted to the branch on or before 7th day of the subsequent month failing which Penalty will be levied for delayed/non submission of these statements from the 8th day till submission at the rate stipulated from time to time which shall be ascertained from the branch



3. The Chartered Accountant shall certify the statement of book debts at least once in six months.
4. Working capital limits are payable on demand. In case limits are to be renewed, the Borrower with all the particulars shall submit renewal application at least 60 days before the due date, failing which penal interest at 5% p.a. over and above the sanctioned rate will be charged on the outstanding balance after the said date.
5. Branch shall allow drawings in Overdraft account keeping the prescribed margin on stocks and book debts. Drawing power shall be calculated by deducting the creditors and goods procured under LC/BG/Buyers' Credit. Penalty will be levied for delayed/non submission of these statements and the actual penalties shall be ascertained from the branch.

#### INSTRUCTIONS TO THE BRANCH

1. Branch to record the Asset ID generated by the system while noting the charge of the Bank with CERSAI and furnish the same in the report on Advance.
2. The Branch should follow the guidelines of the "Manual of Instructions" Part II (Volume I and II) and circulars issued by Head Office from time-to-time in respect of above advance should be strictly followed.
3. Branch should ensure that the applicant is not in the RBI caution list/ ECGC specific approval list before releasing the facilities.
4. Branch to obtain latest encumbrance certificate/ tax/society charges paid receipt etc in respect of mortgaged properties.

#### BRANCH HEAD

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##### ACKNOWLEDGEMENT

I/We acknowledge the receipt of Credit sanction intimation and also hereby confirm that the terms and conditions are acceptable to me/us. I/We undertake to furnish all necessary particulars required by the Bank as and when called for.

Place :

Date :

Signature of  
Applicant/Guarantor/Coobligant/s