

Dated 25/08/2021

The Asst. General Manager,
State Bank of India,
SME Branch, Ranipur- Haridwar

**Subject:- Request for sanction of fresh Term loan for setting up a new unit at Halol,
Panchmahal (Gujarat) and renewal of existing working capital limits**

Dear Sir/Mam,

We take this opportunity for conveying our sincere thanks for the various credit facilities provided to us from time to time.

We would like to bring to your kind notice that we have achieved Sales Turnover of Rs 81.88 crs with a PAT of Rs 1.97 crs (cash accruals 4.04 crores) during the financial year ended on 31.3.2021. We are confident of achieving the estimated turnover of Rs 125.00 crs for the current financial year thereby resulting in an Annual growth of more than 50% in the Sales turnover.

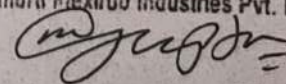
We take pleasure in informing you that our products are well accepted in the market and our Brand **SPRINGFIT** is one of the most reputed brands in the market. Our products command a good market share and the products are well known for its quality. We have developed a vast network of Distributors and Dealers across the country and we are also doing aggressive Advertisement campaign both in Electronic and Print media.

We have also received major export orders from an International Company for manufacturing the products in our unit and to be marketed by them on regular basis. Our Coimbatore unit is also running successfully.

We propose to set up a new unit for manufacturing our existing product range i.e Mattresses, Pillows and Quilts. We have already acquired Land measuring 1 Hectare at Halol, Panchmahal, (Gujarat). Halol on the outskirts of Baroda and close to NH 8 (Connecting the national capital Delhi to the Financial Capital Mumbai). We have got it registered in the name of our company at a cost of Rs 89.83 Lakhs (Rupees Eighty Nine Lakhs and Eighty Three Thousand only). The new unit is being set up for increasing the production capacity and also for catering to our customers/Distributors in the Central and Western India. The new unit shall also give us advantage from the view point of Logistics as we would be able to reduce the transportation and handling costs and also increase our turnover without increasing the holding level of finished goods. The proposed unit at Halol shall also be having more automation as compared to our existing units.

The Halol unit is expected to start production within one year from the month of sanction of term loan.

For Varahamurti Flexirub Industries Pvt. Ltd



Director

Varahamurti Flexirub Industries Pvt. Ltd.

4th Floor, 401, K.M Trade Tower, Radisson Hotel

Kaushambi, Sector - 14, Ghaziabad UP - 201010

E-mail: admin@springfit.com

E-mail: sales@springfit.com

TOLL FREE: 80 1016 1016

Website: www.springfit.com

We also request
1. Reduction in
2. Allow 50%
3. Redu
4. A

COST OF PROJECT

The total cost of setting up of new unit at Halol works out to Rs 10.20 crs. (Rupees Ten crore Twenty lakhs only) as detailed below.

Particulars	Cost In Lakhs
Land and Site Development	89.83
Building	410.00
Plant and Machinery	360.00
Misc. Fixed Assets	160.00
Total	1019.83

Means of Finance

The cost of the new unit estimated at Rs. 10.20 crs is proposed to be financed as under:

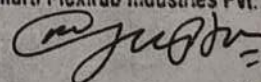
1.	Promoters Contribution	2.60 cr
2.	Term Loan from Bank	7.60 cr
	Total:	10.20 crs

The Promoters already infuse additional funds for the above said purpose to the extent of Rs 1.20 crs by way of unsecured loan/quasi equity in the current financial year.

The Halol unit Loan is proposed to be repaid in 78 monthly installments of Rs 9.74 lacs each plus interest separately starting from April 2023.

The Accruals of the Company are adequate for meeting the repayment of loan also and the average DSCR for the overall tenure of all Term loan works out to 3.9.

For Varahamurti Flexirub Industries Pvt. Ltd



Director

We also request for

1. Reduction in margin of LC to 15%
2. Allow 50% concession in upfront fees and processing fees for the overall credit facilities
3. Reduction in Interest.
4. Allow additional CC Account in Baroda

We would also like to bring to your kind notice that we shall create equitable mortgage in respect of land purchased at Halol and also create first charge in favor of the Bank for all the fixed assets being acquired by the Company

We are enclosing herewith the following documents for your kind perusal and necessary action:-

1. Project Report for Halol, Panchmahal (Gujrat)
2. Audited Balance Sheet as on 31st March, 2020.
3. Provisional Balance Sheet as on 31st March 2021
4. D S C R Calculations
5. Repayment schedule of the Existing as well as proposed Term loans.
6. C.M.A Data
7. Copy of Title Deeds of land purchased at Halol (Khasra No. 26)
8. Copies of GST returns for Jan 2021 to March 2021 along with a brief summary of Month wise sales.
9. Copies of GST returns for the current financial year along with a brief summary of Month wise sales.
10. Net worth statement of the Directors.

Thanking you

Yours faithfully,

For Varahamurti Flexirub Industries Private Ltd

For Varahamurti Flexirub Industries Pvt. Ltd.

(Director)

Director