



**SANCTION LETTER**

Ref. No: JDV/SB/2022-23/320

Date: 16.03.2023

From,  
**BANK OF INDIA,**  
**Jayadev Vihar Branch**  
1/1 D, Star House  
Jayadev Vihar, Nayapalli,  
Bhubaneswar -751015  
Odisha

To  
**The Directors**  
**M/s GUPTA POWER INFRASTRUCTURE LTD.**  
Regd. Office: EN/62, Sector-v, 7<sup>th</sup> floor Salt Lake, Kolkata  
Corporate office: Cuttack road, Bhubaneswar

Dear Sir,

**Your request for Credit Facility(ies)**  
**Sanction of Credit Facility(ies)**  
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We invite reference to your request for credit facility(ies) and are pleased to offer you, the credit facility(ies) on the broad terms and conditions mentioned in Annexure-I & II of this letter. Notwithstanding anything to the contrary stated or suggested herein, the outstanding indebtedness, whether actual or contingent, under these facilities is subject to liquidation by you, on first demand by us.

This letter is issued in duplicate. Please return duplicate copy duly signed by the authorized signatory/ies in token of having accepted the terms and conditions. All other terms and conditions mentioned in sanction letter no. JDV/SB/2022-23/320 dated 16.03.2023 remains unchanged unless otherwise specified.

Thanking you,

Gupta Power Infrastructure Ltd.

Authorised Signatory

Yours faithfully,

For BANK OF INDIA,

ASSISTANT GENERAL MANAGER

**ANNEXURE – I****1. Details of Loan/Credit Facility(ies):-****Under Consortium Banking Arrangement (Amt. in Rs. Crores)**

Nature of facility	Existing Limit	Sanctioned Limit	Margin (%)	Interest/ Commission	Term	Security
1. WCFBL Cash Credit (Against Stock) ^	74.43	74.43	25%	1Y MCLR (7.25%) + BSS (0.20%) + CRP (0.75%), i.e. 8.20% p.a. (floating)	On demand	Mentioned below
WCFBL Cash Credit (Against Book Debts up to 150 days) ^	74.43	74.43	25%			
<b>Total/Max FBWCL @</b>	<b>74.43</b>	<b>74.43</b>	--	<b>Concession: 0.75% #</b>		
2. WCDL- CESS-2020	4.28	--	Account closed			
<b>Total Fund Based</b>	<b>78.71</b>	<b>74.43</b>	--		--	
3. LC Limit (ILC/FLC/LOC) DA/DP-180 days &&	49.00	49.00	5% in the form of Cash/ TDR	0.50% p.a. (All inclusive)# (concession of 50 bps)	NA	--do--
4. BG limit	113.17	113.17			NA	--do--
<b>Total NFBL@@</b>	<b>162.17</b>	<b>162.17</b>				
<b>Total/ Max Limit</b>	<b>240.88</b>	<b>236.60</b>	--	--	--	--

^ Loan system for delivery of Bank Credit has been implemented in the account & as per extant guidelines and accordingly CC limit to be capped at Rs.29,77,20,000 (40% of Rs.74.43 Cr) and WCDL of Rs. 44,65,80,000 (60% of Rs.74.43 Cr) which is to be rolled over on annual basis as per extant IRAC norms.

# Our Rate of Interest and LC/BG charges should not be lower than that charged by any member banks of the consortium. (Company to submit latest sanction letter of individual member banks advising the ROI on different credit facilities to confirm the same). **Last MCLR for CC & WCDL was reset on 21.09.2022 & 30.09.2022 respectively. Next MCLR for CC & WCDL reset is due on 21.09.2023 & 30.09.2023 respectively. Concession of 50% in applicable charges for PPC is approved by the competent authority.**

**@@ Both way interchangeability from LC to BG limit is allowed by the competent authority.**

**&& FLC limit can be availed by the Company within the overall sanctioned limit without bringing in margin (10%) in FC. However, if due to currency fluctuation if our sanction limit is breached, the difference amount due to such fluctuation shall be topped up by the Company in the form of TDR. **FLC limit will be restricted to Rs. 5.00 Cr with 10% margin.****

**# SECURITY:**

<b>Principal</b>	Paripassu first charge on of stocks (Raw material, WIP, Finished goods) and Book debts (For Working capital)
	Exclusive charge of TDR @ 5% margin for Non fund based limit(BG & LC)
<b>Collateral</b>	1 <sup>st</sup> pari passu charge on Equitable mortgage of Vacant Land (Note-1)
	1 <sup>st</sup> pari passu charge on Equitable mortgage of Land & Building (Note-2)
	1 <sup>st</sup> pari passu charge on Equitable mortgage of Lease Hold Land/ Factory Land (Note-3)

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	1 <sup>st</sup> pari passu charge on Equitable mortgage of Partially Converted Land (Note-4)
	1 <sup>st</sup> pari passu charge on fixed assets of the company and FDR in the name of company. (Note-5)

**Note-1: Details of Collateral Security (Vacant Land):** (Rs. In Crore)

Sl. No.	Vacant Land	Valuation details with Date	Considered Value	Our Share (5.94%)
1.	Land (Gharabari) at Sauria, Athagarh in the name of Sri M.K. Gupta measuring Ac. 21.30 Dec	As per VR dated 26.06.2020 by ER N K Mohanty. <b>MV-3.20</b>	2.72 (85%)	0.16
2.	Land (Gharabari) at Tangi, Choudwar in the name of Sri Abhishek Gupta measuring Ac.2.99 Dec with plot Nos 315,3090,316,317,314,313,318,319 & 310/423.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV-3.59</b>	3.05 (85%)	0.18
3.	Land (Gharabari) at Dhenkanal in the name of Sri Abhishek Gupta measuring Ac.13.52 Dec.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV-5.41</b>	4.60 (85%)	0.27
4.	Land (Homestead) at Gopinathpur, Nuagaon, Nayagarh in the name of Sri Abhishek Gupta measuring Ac.16.16 Dec.	As per VR dated 25.08.2022 by ER N K Mohanty. <b>MV-2.11</b>	1.79 (85%)	0.11
5.	Land (Homestead/ Gharabari) at Bramhapura, Khurda in the name of M/s GPIL measuring Ac 11.579 Dec.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV-7.30</b>	6.20 (85%)	0.37
6.	Land (Gharabari) at Lahanga, Khurda in the name of M/s GPIL measuring Ac 3.980 Dec.	As per VR dated 25.12.2021 by ER Ranjit K Panda. <b>MV-4.78</b>	4.06 (85%)	0.24
7.	Land (Gharabari) at Lahanga, Khurda in the name of M/s GPIL measuring Ac 4.367 Dec.	As per VR dated 25.08.2022 by ER N K Mohanty. <b>MV-5.71</b>	4.85 (85%)	0.29
8.	Land (Gharabari) at Mukundaprasad, Khurda in the name of M/s GPIL measuring Ac.2.574 Dec. ( <b>Khurda Plant site</b> )	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV1-10.34</b> As per VR dated 12.08.2022 by ER Ashutosh Swain. <b>MV2-10.76</b>	8.79 (85%)	0.52
9.	Land (Gharabari) at Mukundaprasad, Khurda in the name of M/s GPIL (erstwhile Gupta Cables Pvt Ltd) measuring Ac 0.750 Dec. ( <b>Khurda Plant site</b> )	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV-3.20</b>	2.72 (85%)	0.16
10.	Land (Gharabari) at Mukundaprasad, Khurda in the name of M/s GPIL (erstwhile Gupta Cables Pvt Ltd) measuring Ac 0.935 Dec. ( <b>Khurda Plant site</b> )	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV-3.99</b>	3.39 (85%)	0.20

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11.	Land (Gharabari) at Kataksahar, Ranapur, Nayagarh in the name of M/s GPIL measuring Ac 0.770 Dec with Plot Nos 33, 55 & 80.	As per VR dated 25.08.2022 by ER N K Mohanty. <b>MV-1.58</b>	<b>1.34</b> (85%)	<b>0.08</b>
12.	Land (Gharabari) at Kataksahar, Ranapur, Nayagarh in the name of M/s GPIL measuring Ac 1.210 Dec with Plot Nos 21,66,93 & 85 as per Annexure VII.	As per VR dated 25.08.2022 by ER N K Mohanty. <b>MV-1.01</b>	<b>0.86</b> (85%)	<b>0.05</b>
13.	Land (Gharabari) at Kochilanuagaon Cuttack, in the name of Sri M.K. Gupta measuring Ac 20.00 Dec with plot Nos 110/109.	As per VR dated 25.08.2022 by ER N K Mohanty. <b>MV-4.36</b>	<b>3.71</b> (85%)	<b>0.22</b>
14.	Land (Gharabari) at Biramachandrapur, Sakhigopala, Puri in the name of Sri J. M. Gupta measuring Ac 6.83 Dec.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV-6.15</b>	<b>5.23</b> (85%)	<b>0.31</b>
15.	Land (Gharabari) at Kataksahar, Nayagarh in the name of M/s GPIL measuring Ac 8.33 Dec.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV1-16.66</b> As per VR dated 15.07.2020 by ER P B Mohapatra. <b>MV2-17.07</b>	<b>14.16</b> (85%)	<b>0.84</b>
16.	Land (Gharabari) at Kaipadar, Khurda in the name of M/s GPIL measuring Ac 9.137 Dec.	As per VR dated 25.08.2022 by ER Ranajit Kumar Panda. <b>MV1-10.35</b> As per VR dated 12.08.2022 by ER Ashutosh Swain. <b>MV2-10.95</b>	<b>8.80</b> (85%)	<b>0.52</b>
17.	Land (Homestead) at Bramhapura, Khurda in the name of M/s GPIL measuring Ac.5.106 Dec.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV-3.22</b>	<b>2.74</b> (85%)	<b>0.16</b>
18.	Land (Gharabari) at Kottam, Dhenkanal in the name of Sri J. M. Gupta measuring Ac 5.80 Dec.	As per VR dated 22.06.2020 by ER N K Mohanty. <b>MV-2.32</b>	<b>1.97</b> (85%)	<b>0.12</b>
19.	Land (Gharabari) at Brahmapura, Khurda in the name of M/s. GPIL measuring Ac 5.133 Dec##	As per various sale deeds (as deeds are within 1 year). <b>MV-0.44</b>	<b>0.37</b> (85%)	<b>0.02</b>
20.	Land (Gharabari) at Taraboi, Khurda in the name of M/s. GPIL measuring Ac 1.946 dec.##	As per various sale deeds (as deeds are within 1 year). <b>MV-0.97</b>	<b>0.82</b> (85%)	<b>0.05</b>
21.	Land (Gharabari) at Sankarpur, Puri in the name of Mr Mahendra Kumar Gupta measuring Ac. 1.667 dec.##	As per VR dated 26.08.2022 by B V Consulting Engineers. <b>MV-10.00</b>	<b>8.50</b> (85%)	<b>0.50</b>
		<b>Sub Total A</b>	<b>90.67</b>	<b>5.38</b>

## Properties offered in lieu of property substituted for Rs 25.00 crore. Details below note no 5.

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**Note-2: Details of Collateral Securities (Land & Building):**

	Residential Plot	Valuation	Considered Value	Our Share (5.94%)
22.	Residential apartment at Hidco(ii), HIDCO, New Town, Kolkata measuring 2114 Sq Ft. ##	As per sale deeds (as deed is within 1 year) <b>MV-0.73</b>	<b>0.73</b>	<b>0.04</b>
23.	Residential apartment at Sector-v Bidhannagar, Naba Diganta industrial township authority in the district of north 24 parganas, Kolkata measuring 1600 Sq Ft ##	As per VR dated 06.08.2022 by ER Tushar Kanti Roy. <b>MV-0.96</b>	<b>0.96</b>	<b>0.06</b>
24.	Flat at North 24 Parganas, HIDCO measuring 4815 Sq Ft ##	As per sale deeds (as deed is within 1 year). <b>MV-1.35</b>	<b>1.35</b>	<b>0.08</b>
25.	Flat no. 101 & 102 at Sipasarubali, Puri measuring 1853 Sq Ft ##	As per VR dated 22.08.2022 by B V Consulting Engineers. <b>MV-0.83</b>	<b>0.83</b>	<b>0.05</b>
26.	Residential at plot no. 1116/3337, khata no. 1593/1801, Laxmisagar, Bhubaneswar. (only land value is considered as building plan approval is not in place) ##	As per VR dated 2.08.2022 by M/S B V Consulting Engineers. <b>MV-1.27</b>	<b>1.27</b>	<b>0.08</b>
		<b>Sub Total B</b>	<b>5.14</b>	<b>0.31</b>

## Properties offered in lieu of property substituted for Rs 25.00 crore. Details below Note No. 5.

**Note-3: Details of Lease Hold Land/ Factory Land:**

	Lease Hold Land/ Factory Land	Valuation	Considered Value	Our Share (5.94%)
27.	IDCO Leasehold Land at Mukundaprasad, Khurda in the name of M/s GPIL measuring Ac.0.750 Dec with Plot Nos 2308 (P) [F/9/1], 2325 (P) [F/18/1] & 2317 (P) [C/40/1] (Khurda Plant)	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV - 2.55</b>	<b>2.55</b>	<b>0.15</b>
28.	IDCO Leasehold Land at Mukundaprasad, Khurda in the name of M/s GPIL measuring Ac 1.034 Dec with Plot Nos 2308 (P) [F/4]. (Khurda Plant site)	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV - 3.52</b>	<b>3.52</b>	<b>0.21</b>
29.	IDCO Leasehold Land at Mukundaprasad, Khurda in the name of M/s GPIL measuring Ac 1.501 Dec with Plot Nos 2308 (P) [65/A & 68/B]. (Khurda Plant site)	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV - 5.05</b>	<b>5.05</b>	<b>0.30</b>
30.	IDCO Leasehold Land at Mukundaprasad, Khurda in the name of M/s GPIL measuring Ac 9.141 Dec with Plot Nos F/9 & F/16. (Khurda Plant site)	As per VR dated 30.07.2022 by ER Ranajit Kumar Panda. <b>MV1 - 22.35</b>  As per VR dated 12.08.2022 by ER Ashutosh Swain. <b>MV2 - 22.35</b>	<b>22.35</b>	<b>1.33</b>

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*[Handwritten signatures and initials]*  
Kiran Gupta

31.	SIPCOT Leasehold Land at Gummidipoondi, Chennai in the name of M/s GPIL measuring Ac 2.55 Dec with Plot Nos D10/S2 (Chennai Plant site)	As per VR dated 26.02.2022 by Best Associates. MV – 2.81	2.81	0.17
32.	SIPCOT Leasehold Land at Gummidipoondi, Chennai in the name of M/s GPIL measuring Ac 0.442 Dec with Shed no 13 & Shed no 18 (Chennai Plant site)	As per VR dated 26.02.2022 by Best Associates. MV – 0.49	0.49	0.03
33.	Factory Land at Kashipur, Utarakhand, in the name of M/s GPIL measuring Ac 0.68020 Dec with Plot Nos 145. (Kashipur Plant site)	As per VR dated 25.02.2022 by M/s. Negi & Associates. MV – 2.24	2.24	0.13
34.	Factory Land at Kashipur, Utarakhand, in the name of M/s GPIL measuring Hec 2.5068 with Plot Nos 132A, 132B & 132C. (Kashipur Plant site)	As per VR dated 25.02.2022 by M/s. Negi & Associates. MV – 8.27	8.27	0.49
Sub Total C			47.28	2.81

**5thNote-4: Details of Partially Converted Land:**

	Partially Converted Land- (Only non-agricultural portion considered for value)	Valuation	Considered Value	Our Share (5.94%)
35.	Land (Bagayata & Jalsaya) at Biramachandrapur, Puri in the name of Sri Abhishek Gupta measuring Ac 6.20 Dec  As per Bhulekh Website: Agr. Land: Ac 0.81 Dec@ Non Agr. Land: Ac 5.39 Dec	As per VR dated 22.06.2020 by ER N K Mohanty. MV – 4.85	4.12 (85%)	0.24

The company has informed that land parcel constitute of multiple plots, few are not yet converted to homestead/Gharbari. The company has already taken up the matter and are expecting the same to be completed shortly.

**Note-5: Details of fixed assets of the company and FDR in the name of company.**

<b>Others:</b>			
Fixed assets of the Company comprising of Building, Plant & Machineries, WIP etc. (Land cost & Intangible assets as per ABS is excluded)	As per ABS 2022	136.01#	8.08
FDRs in the Name of GPIL 2080.401.2088/4 2080.401.2549/2 2080.401.2725/3 2080.401.3025/6 2080.401.3481/4 140055424701/1 (in lieu of property substituted)	As per CBS as on 09.09.2022	2.69 0.97 0.83 0.69 0.23 8.50 13.91	0.82
Gupta Power Infrastructure Ltd.	Sub Total B	149.92	8.90

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# As per ABS 2022, the company has revalued its fixed assets (i.e. an addition of Rs.298.98 Crores) due to which the net block of the company has increased over previous FY' 2021. However, for the purpose of arriving fixed assets hypothecated to the consortium (Excluding land), We have considered gross block without revalued assets. The same is in line with Lead Bank. The Lead Bank has informed that fresh valuation of the fixed asset will be conducted by panel valuer.

**Personal Guarantees of**

1. Mr. Mahendra Kumar Gupta (Managing Director)
2. Mr. Jitendra Mohan Gupta (Director)
3. Mrs. Kiran Gupta (Director)
4. Mr. Abhishek Gupta (Director)

*Company to submit CBD-23 of all the Directors/ Guarantors and supporting documents for ensuring the assets and liability.*

**@ Approval has been accorded by the competent authority subject to following terms-**

- a) Company to submit **closure letter of** current account with ICICI Bank **latest by 31.03.2023. Branch will charge 1% penal interest from 01.04.2023 for non compliance.**
- b) **Company to route proportionate sales through our Cash Credit account and accordingly penal interest of 1% shall be charged for non-compliance. Further branch shall withdraw concession in ROI and charges if proportionate sales is not routed through the account.**
- c) Finance against book debts is restricted up to 150 days old.
- d) Book Debts of Sister Concerns and stock purchased under LC, shall be excluded while computing drawing power. Purchase invoices of sister concerns, if any, is not to be quoted exceeding market rates.
- e) Drawings in cash credit are to be allowed against stock and book debt as advised by Consortium Leader. Drawings against debtors will not be allowed against debtors of more than 150 days old.
- f) Margin will be maintained at 25% for both stock and book debts.
- g) Drawings to be regulated through DP advice of leader bank through stock statements, MSOD, QIS statement. Statement of inventories and receivables to be submitted on monthly basis. Bills Negotiated to be excluded from Receivable.
- h) Purchase invoices of sister concerns/associates/subsidiary, if any, is not to be quoted exceeding market rates.
- i) ASM Audit to be carried out as per decision of consortium mainly by consortium leader if not specified otherwise as per Bank's extant guidelines.
- j) Company to ensure that no forex exposure should be unhedged and should submit CA certificate/certificate from its Statutory Auditors in this regard.
- k) Company to ensure that all assets including machinery & building to be adequately insured

**Other approvals accorded by the competent authority:**

1. Assessment of WCFBL at Rs 1090.00 crore for FY 2022-23 & at the enhanced level of Rs.1180.00 crores for FY 2023-24 for the consortium.
2. Assessment of NFBL at Rs 2500.00 crore for FY 2022-23 and at the enhanced level of Rs.2800.00 crores for FY 2023-24 for the consortium.
  - i. Ceding pari-passu charge on the securities held with the consortium in favor of the lenders for the enhanced limit, subject to **Similar NOC /pari-passu ceding letter from those lenders on reciprocal basis**
  - ii. **Recovery of applicable NOC charges.**
  - iii. **NOC to be issued only for assessed limits.**

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3. Two way interchangeability from Letter of Credit (LC) to Bank guarantee (BG) subject to similar approval from Lead Bank.
4. BG commission to be collected on annual basis upfront on the BGs issued for an amount beyond Rs.1.00 crores with guarantee period of more than one year is to be continued. Commission on BGs other than that will be collected as per bank's norms. No onerous clause should be there in BG and upfront margin to be maintained @ 5%.
5. Collection of Rs.1000/- per bill for both acceptance and/or retirement of bills under our LC is to be continued.
6. Approval for issuance of BG up to 5 years excluding claim period of six months is to be continued subject to no onerous clause in the BG.
7. Approval for continuation of issuance of BG with specific claim period as requested by the beneficiary subject to issue of BG with claim period of one year where there is no mention of claim period by beneficiary and recovery of BG commission on quarterly basis.
8. Approval for collection of commission on bills above Rs.0.10 Crore received for negotiation with or without LCs/for collection at 7/- per thousand and maximum of Rs.1500/- per bill all inclusive is to be continued.
9. In case of LC issued in foreign currency (FLC) within the overall assessed limit, without compulsion of bringing margin in foreign currency subject to close monitoring of currency fluctuation on fortnightly basis and in case it breaches our sanction limit, difference amount due to currency fluctuation to be topped up by the company in the form of Term deposit receipt.
10. Approval for issuance of BG in the name of JV to the extent of Rs.50.00 Cr subject to the following:
  - a) Similar approval from Lead Bank.
  - b) BGs to be issued to the extent of share of the Company in JV.
  - c) Company to submit audited B/S of JV partners on whose behalf guarantee is proposed and Branch will also obtain credit report from Bankers of the JV.
  - d) Before issuance of the BG, all the documents including MOU/Agreement bank guarantee format, counter guarantee/indemnity etc. are to be submitted by Company for scrutiny.
  - e) Signature of the JV partners will be verified from their respective Bankers.
  - f) For BGs to be issued to JV companies, specific resolution, undertaking, counter indemnity and letter will be obtained from JV Companies.
  - g) Guarantees will be issued only for proportionate share of the Company in JV.
  - h) Exposure of BG on behalf of each JV will be restricted to maximum Rs. 10.00 Cr subject to the particular JV not having its own borrowing facilities.
  - i) Company to endeavor to secure the assets & obtain the corporate guarantee of the JV entity.
12. Approval for collection of interest for the bills negotiated under Inland LC during crystallization of the LCs where the interest is payable by the applicant (buyer) as per LC terms.

## ANNEXURE – II

**The sanction /review of above mentioned credit facilities to the company is, inter alia, subject to compliance of the following terms and conditions by the Company:**

1. Insurance copy of primary and collateral securities with bank clause in favour of consortium member banks is to be submitted.
2. Undertaking from the company is to be obtained that they will submit periodical statement of the current account maintained with other bank/branches.
3. Latest property Tax Paid receipts in respect of the properties mortgaged to bank are to be submitted.

4. The company to submit Unhedged Foreign Currency Exposure (UFCE) in every quarter certified by CA. Gupta Power Infrastructure Ltd.



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5. Valuation of the mortgaged properties to be carried out in every three years and cost to be borne by the Company. Also second valuation to be obtained in case of property value is more than 10 crore.

6. Company to ensure that ABS-2021 is uploaded in ROC.

### I. Mandatory Covenants

- 1) The Company should maintain proper /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 prior written notice to the Bank.
- 2) The Company should submit to the Bank such financial statements as may be required by the Bank from time to time in addition to the set of such statements to be furnished by the Borrower to the Bank as on the date of publication of the Borrower's annual accounts.
- 3) In case of default in repayment of the loan / advances or in the payment of the interest 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 name of the Borrower and Guarantors name and/ or the name of the borrower / units and its/their promoters, directors/ partners / proprietors (as well as their photograph) as defaulters / willful defaulters in such manner and through such medium as the Bank or the RBI or such other agencies in their absolute discretion may think fit.
- 4) The Bank will have the right to share credit information related to the Borrower as deemed appropriate with Credit Information Companies (CICs), Information Utilities or any other institution as the Bank may deem fit from time to time.
- 5) The Company should not induct into its Board or as a partner in case of firm, a person whose name appears in the willful defaulters list of RBI /CICs. In case such a person is already on the Board of the borrowing company or partner of the firm, it would take expeditious steps for removal of that person from its Board/Firm. Nominee directors are excluded for this purpose.
- 6) 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 Company to look after its interests.
- 7) 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. The decision of the Bank in this regard shall be final and binding on the Borrower. The Borrower shall, if so directed by the Bank, convert such amount of the debt as decided by the Bank at its sole discretion into fully paid equity shares of the Borrower Company including for acquiring the majority shareholding in the Company. The shares as above shall be issued by the Borrower Company within the period stipulated by the Bank. Conversion of outstanding debt (principal as well as unpaid interest) and other amounts into equity shall be the fair value determined by the Bank in accordance with the guidelines of RBI and/or of the Bank and the same shall be binding on the Borrower.

Bank shall also be within its absolute right to divest its holding in the equity of the Borrower Company acquired as above as and when deemed fit by the Bank and the Borrowers shall ensure that on such divestment the Borrower shall effect the transfer

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10/10/2020



of such shares in favour of the transferee/ new promoters, within the period stipulated by the Bank.

- 9) If at the request of the Borrower or otherwise, the Bank grants certain concession/s, it shall be for the period specified by the Bank or till the next review due date whichever is earlier. Borrower should note that granting/continuing the concession/s is at the sole discretion of the Bank and that the Bank may withdraw/discontinue the said concession/s at any time including during the permitted period. In the event the Borrower enjoys the said concession/s after the permitted period and Bank on Review or otherwise has decided to discontinue/withdraw the said concession/s with effect from a previous date, the Borrower shall forthwith refund/repay the said amounts and in any way within 2 days of Bank's demand, together with interest applicable to the credit facility, from the date of discontinuance of the said concession/s till repayment of said amount by the Borrower. Bank also shall be within its rights to recover the said amounts by debit to the Borrower account or any other account of the Borrower with any Branch of the Bank, without further notice to Borrower.
- 10) Notwithstanding anything contained in any loan/security documents and/or any writing to the contrary, the Bank shall not be obliged to grant or continue the credit facilities except that it shall in its absolute discretion consider fit and Bank shall always be at liberty and at its sole discretion to cancel all or any part of the said credit limits, without prior notice or assigning any reason whatsoever to the Borrower in the event of a) the said credit limits are not utilised by the Borrower and/or b) deterioration of the loan account or diminution in the value or title of the securities and/or c) non-compliance of the terms and conditions of sanction. Borrower shall not be entitled to claim any compensation, damages or otherwise from the Bank on exercising the said right.
- 11) The guarantee/LC commission/charges are presently decided/fixed by the Bank linking with external ratings of short term facilities accorded by credit rating agencies accredited by RBI viz. CRISIL, ICRA, CARE, India Ratings and Brickworks Ratings, ACUTE Rating & Research and/or by search agencies as may be decided by the bank from time to time. Borrower shall get the ratings done by the said agencies at its cost from time to time as may be required by the Bank. As and when the rating is revised, the charges/commission etc. for the BGs/LCs are required to be aligned with revised rating and accordingly it is stipulated as under:
  - a) In case of LC is already open, it will carry the commission/charges applicable as per the external rating of the account at the time of opening of LC. However revised charges/commission due to revision in rating will be applicable for LC opened after receipt of revised rating. In case of CAPEX LC, the borrower shall pay the revised charges/commission from the date of revision in Rating.
  - b) BGs issued upto one year (including claim period) will carry the commission/charges as applicable at the time of issuance of BG irrespective of revision of rating during the year. However in respect of BGs issued for a period beyond one year (including claim period), revised commission/charges shall be payable by the borrower from subsequent quarter of receipt of revised external credit rating.
  - c) The commission/charges for the LC/BG and/or the mode of fixing the commission/charges shall be at the sole discretion of the Bank and the borrower shall be bound by the same. Bank shall be within its right to recover the said amount by debit to the borrowal account and/any other account of the borrower with any Branch of the Bank without further notice to the borrower.
- 13) Borrower should be aware that consequent to amendment to Section 28 of Indian Contract Act 1882, every BG should provide for a claim period of not less than 1 year to ensure that the BG is not hit by the provisions of Section 28 of Indian Contract Act. Providing a claim period of less than 1 year in BG will make the BG open ended thereby beneficiary deriving the right to enforce the BG within the normal limitation



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period i.e. 3 years in case of private person and 30 years in case of Government Departments. This will require the Bank to keep live the BG liability for 3 years and 30 years in case of private and Government beneficiary respectively in cases where the BG is not returned duly cancelled or discharged by the beneficiary. Resultantly the liability of the Borrower to the Bank shall also not be extinguished till the expiry of the aforesaid period (depending on the beneficiary) and a period of 3 years thereafter. If the Bank issues BG with claim period of less than 1 year, it shall be at the sole risk and consequences of the borrower and the borrower shall compensate or otherwise make good the loss/liability whatsoever incurred by the Bank in connection with and consequent upon the Bank issuing Bank Guarantee with claim period of less than 1 year.

- 14) Borrower should note that by issuing the BG as above, Bank may have to honour the demand under the said BG even if the demand is served on the Bank after the claim period stated in the BG. Borrower agrees that Bank if at its sole discretion decides to honour such claim such decision shall be deemed to be authorized by the borrower without any further act or deed. Without prejudice to the right of the Bank to make such payment by debiting the borrower's account/s and/or appropriating the margin/security, the borrower shall fund the amount required for such payment within 24 hours of demand being made by the Bank.
- 15) Borrower should also note that the Bank shall not be bound to and the borrower shall not ask for return of the margin and/or the security kept for such BG till the BG is returned duly cancelled by the Beneficiary. If the BG is issued with a lesser cash margin, the borrower shall also, if so required by the Bank provide 100% cash margin/security for such BG which is not returned by the Beneficiary duly cancelled.
- 16) Bank will have the right to examine at all times the Borrower's books of accounts and to have the Borrower's factories/offices inspected, from time to time, by officer(s) of the Bank and / or qualified auditors and / or by technical experts and or management consultants of the Bank's choice. Cost of such inspection shall be borne by the Borrower.
- 17) After provision for tax and other statutory liabilities, unless expressly permitted otherwise, the Bank will have a first right on the profits of the Borrower for repayment of amounts due to the Bank.
- 18) The Company shall keep the Bank informed of the happening of any event likely to have a substantial effect on their profit or business including 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.
- 19) Borrowers shall not 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 partnerships and partnership firms "Promoters" would mean managing partners for the purposes of this covenant.
- 20) The Borrower will utilize the funds only for the purpose they have been lent and shall not divert or siphon off the funds. Any deviation will be dealt with as per RBI/Banks' guidelines.

21)

Promoter's share in the Borrowing entity should not be pledged to any Bank / NBFC/ Institution/others without the consent of the Bank/lender.



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- 22) Borrower shall maintain Current Ratio (CR), Debt-Equity Ratio (DER) and Debt Service Coverage Ratio (DSCR) at the agreed ratio for all term loans and these are required to be tested annually on the basis of Audited Balance Sheet (ABS). Penal interest will be charged in case of breach of (any or as mutually agreed between the Bank and the Borrower) of the parameters vis-à-vis values as approved. Penal interest will apply from the date after the date of ABS, and shall continue till the breach is cured.
- 23) Further, breach of any financial covenant may at the Bank's option be considered as an Event of Default.
- 24) Each of the following events will attract penal interest/charges as applicable, at rates circulated from time to time, over and above the normal interest applicable in the account:
- For the period of overdue interest / instalment in respect of Term Loans 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 and receivables, etc.
  - Delay in submission of stock statements defined as number of days as per bank specific Policy.
  - Non-submission of Audited Balance Sheet within 8 months of closure of financial year.
  - Non-submission / delayed submission of FFRs, wherever stipulated, within due date.
  - Non-submission of review / renewal data at least one month prior to due date.
  - Non-obtention of External credit risk rating from agency approved by RBI.
- 25) 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.
- 26) The Borrower shall deal with banks under consortium exclusively, shall not open current accounts 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 LCs and BGs, Forex transaction, merchant banking, any interest rate or currency hedging business etc. should be restricted only to the financing banks under consortium / multiple banking arrangements.
- 27) The Bank shall have the right to assign/securitize the loan with or without the underlying assets charged and any such assignment/securitization, shall be binding on the Borrower and the guarantor(s).
- 28) Borrower shall strictly comply with the Bank's Policy on Responsible Financing. In the event of failure to comply with the said policy or any action/activities of Borrower is in violation of the same, the Bank shall be at liberty to re-call the credit facilities / refuse to grant credit facilities.



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16/08/2018



**II. Mandatory Negative Covenants**

1. Without prior consent of the Bank, the Borrower shall not during the continuance of the credit facility granted
  - i. Formulate any scheme of amalgamation or reconstruction.
  - ii. 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 results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.
  - iii. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies/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 the credit facilities sanctioned including TOL/ Adjusted TNW and current ratio agreed upon at the time of sanction.
  - iv. Enter into borrowing arrangement either secured or unsecured with any other bank financial institution, Company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated if any at the time of sanction.
  - v. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other Company (including group companies).
  - vi. Declare dividends for any year except out of profits relating to that year after making all due 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.
  - vii. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any other financial institution, bank, Company, Company or persons.
  - viii. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged 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).
  - ix. 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. acquisition 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.
  - x. Change the practice with regard to remuneration of Directors by means of ordinary, remuneration or commission, scale of sitting fees etc. Except where mandated by any legal or regulatory provisions.
  - xi. Undertake any trading activity other than the sale of products arising out of its own manufacturing operations. (Not applicable in case finance is for trading activity only).
  - xii. Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.
  - xiii. Repay monies brought in by the Promoters/ Directors / Principal Shareholders and their friends and relatives by way of deposits / loans /advances before repaying the entire dues to the Bank. Further, the rate of interest, if any, payable on such deposits/ loans / 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 instalments to term loans granted / deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the borrower to the Bank.
  - xiv. Pay any commission to the guarantor/s for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
  - xv. Approach capital market for mobilizing additional resources either in the form of debt or equity.
2. If the Bank turns down the borrower's request for terms under i) to xv) mentioned above but the later still goes ahead, the Bank shall have the right to call up the facilities sanctioned.

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### III. Other terms, conditions & covenants, etc. applicable to the sanctioned facility (ies):-

1. Without prejudice to the demand nature of the advance(s), the/these credit facility (ies) will remain in force for a period of one year and is/are subject to annual review. Next review will fall due on or before **27.01.2024**.
2. All the sanctioned/enhanced credit limits are to be utilized within a period of 6 months from the date of sanction (**i.e. 27.07.2023**) failing which these facilities will lapse and any revalidation of the same will be considered at the sole discretion of the Bank.
3. The Company to execute necessary security documents/renewal documents for sanctioned/enhanced limit(s) and register stipulated charges with the authorities specified for the purpose within stipulated time limit before release of sanctioned/enhanced limits duly supported by board resolution and wherever applicable with necessary approval from its General Meeting and create and register the charges with the authorities specified for the purpose within stipulated time limit before release of sanctioned/enhanced limits.
4. **Guarantor(s):** The limits availed by the Company shall be secured by personal guarantee of the directors **Mr. Mahendra Kumar Gupta, Mr. Jitendra Mohan Gupta, Mrs. Kiran Gupta and Mr. Abhishek Gupta**.
5. The release of credit facilities is also subject to vetting of security documents by the bank's approved advocate and bank's internal procedure of Credit Process Audit. The charges for vetting of the documents by the Bank's advocate are payable by Company.
6. Stock/book debt statements/MSOD are to be submitted by 10th (or the date stipulated in sanction) of the succeeding month along with monthly select operational data (MSOD) in bank's prescribed formats. Valuation of stocks to be done at cost/invoice/market price, whichever is lower. If these statements are not submitted for a continuous period of 3 months, Bank may initiate further action as deemed necessary by the Bank.
7. The drawing power in the accounts would be arrived at after deducting the unpaid creditors. In the case of book debts no drawings would be allowed against book debts on sister concerns, unless specifically agreed to by the bank, and also those which are more than 120 days old. Drawings would be allowed based on the QIS returns subject to the availability of drawing powers as mentioned above.
8. The Company to display bank's hypothecation plate/board at its Unit/business premises indicating that stocks/assets are hypothecated to the Bank.
9. All the assets charged/to be charged to the Bank to be kept fully insured at all times against all risks (FRSD, Burglary, comprehensive risks etc.) and original Insurance cover note /policy in the name of the Bank a/c borrower Company/Company with Bank's Hypothecation clause to be lodged with the Bank.
10. Any escalation in the working capital to be met by the promoters/Company/Company from their own sources.
11. Borrower should importantly note that it shall be the sole duty / responsibility of the Borrower to ensure that all Tax (Central & State), levies and other statutory dues and payments are paid/ cleared from time to time, and in the event of any restraint orders, request for payment etc. received, the Bank shall be within its right to stop further debit transactions in the account. In such cases, it shall be the sole responsibility of the Borrowers to ensure that such orders are vacated immediately to enable the Bank to consider further operations in the account. **No claim shall lie on the Bank in this regard.**



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12. Borrower should importantly note that Bank shall also be within its right to stop debit transactions in the account if conflicting instructions are given by partners / members of the Borrower company/firm.
13. Cash credit limit of Rs.74.43 crores is repayable on demand. Loan system for delivery of Bank Credit has been implemented in the account & as per extant guidelines and accordingly CC limit to be capped at Rs.29,77,20,000 (40% of Rs.74.43 Cr) and WCDL of Rs.44,65,80,000 (60% of Rs.74.43 Cr) which is to be rolled over on annual basis as per extant IRAC norms. BG limit of Rs.113.17 crores and LC limit of Rs.49.00 crore is repayable on demand. However interest charged in cash credit account to be debited on 21<sup>st</sup> of every month or as and when decided by bank.
14. Any default in complying with terms of sanction within the stipulated time will attract penal interest of 1% p.a. from the date of expiry of such time.
15. Processing charges of Rs.350/- per lakh + GST for cash credit limit is applicable with (50% concession). Processing charges for BG & LC limit of Rs.175/- per lakhs with 50% concession will be levied annually. CERSAI registration, SRO etc. will be payable separately by the Company and the Bank shall be within its right to recover the same by debit to the Company's account.
16. The Company is required to submit QIS I, II & III returns. QIS I (showing estimates) is required to be submitted in the week preceding the commencement of the quarter to which it relates, QIS II (showing performance) within six weeks from the close of the quarter to which the statement relates and QIS III (half yearly operating statement) within two months from the close of the half-year.
17. CMA data to be submitted at least three months before the due date of review.
18. The Company to ensure submission of statement of Assets & Liabilities in Bank's format CBD-23 (duly certified by a C.A.) along with copies of Income Tax and Wealth Tax returns/assessment orders of all the Directors and guarantors every year.
19. The Company to declare/undertake to us:
  - a. to supply to us, audited financial statements of the Company/Company within 8 months from closure of financial year.
  - b. to provide to us promptly information (along with comments/explanation) about all material and adverse changes in your project/business, ownership, management, liquidity, financial position etc.
  - c. 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 institutions or banks or creditors, unless expressly agreed or permitted by bank in writing.
20. Company shall declare the relationship, if any, of the directors of the Company / partners of the Company with the directors of the bank and senior officers of the bank.
21. The Company to submit a stamped declaration cum undertaking to the effect that :-
  - a. the Company or its directors/partners/promoters/guarantors/associate concerns of the Company/Company are not on ECGC Caution list/specific approval list, RBI's defaulters/caution list, COFEPOSA defaulters list or our bank's defaulters list, and that no director of the Company is disqualified u/s 274 of the Companies Act.
  - b. No legal case of any nature has been filed against the Company/its associates affecting the financial position substantially, and in case of any suit is/will be filed against the Company, the bank shall be kept informed.

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Rishan Gupta



22. The cheques drawn by Company/Company will not be honoured by bank if in its view the payment is going towards a purpose for which the facilities are not sanctioned.
23. Bank assumes no obligation whatsoever to meet your further (fund based or non-fund based requirements on account of growth in business or otherwise without proper revision and sanction of credit limits decided at the sole discretion of the bank. Further, if sanction terms are not complied with by you or if your account is classified as Non-performing Asset (NPA), then bank may not allow further withdrawals in the account.
24. (a) Notwithstanding what is stated herein above, we shall at any time and from time to time, be entitled to notify you and charge interest/commission/charges at such notified rates and this letter shall be construed as if such revised rates were mentioned herein. (b) The Company shall pay to or reimburse all costs, charges, expenses (including charges between the attorney or counsel and bank and those of our internal legal adviser/officer and other experts, consultants or professionals), disbursements, taxes, fees, stamp duties etc. whatsoever, incidental or to arising out of the facilities, their negotiation, the preparation, execution, registration and stamping of the documents relating thereto, the preservation or protection of our rights and interests of the enforcement or realization of any security or any demand or any attempted recovery of the amounts due from the Company.
25. Bank shall be entitled to debit the amounts of all costs, charges and expenses to your account and such amounts shall stand secured by all securities given to or created in our favour in connection with the facilities. You indemnify and keep us fully and completely indemnified from time to time against the liabilities including all costs, charges and expenses stipulated herein whether debited to the account of the Company or not.
26. Any failure to exercise or delay in exercising any of Bank's rights hereunder or under any other documents will not act as a waiver of that or any other right nor shall any single or partial exercise preclude any future exercise of that right.
27. So long as any monies are due to the Bank from the Company under any of the facilities, we shall have a lien/charge for such amounts on all your credit balances, deposits, securities or other assets with, any of the branches of Bank of India or of its subsidiaries anywhere in the world and upon the happening of any of the events of default referred herein, we shall be entitled to exercise a right of set off between the amounts due and payable to us and the said credit balances, deposits, securities and other assets.
28. The bank reserves the right to discontinue any/all the credit facilities granted without giving you any prior notice in case of non-compliance and/or breach of any of the terms and conditions based on which the facilities have been sanctioned to you and/or if any information/particulars/documents furnished by the Company are found to be incorrect.
29. The Bank carries out the credit rating exercise every year when the facilities are reviewed. However, it reserves the right to carry out the credit rating exercise of the facilities at frequencies considered necessary and the rate of interest chargeable to the facilities would depend upon the rating obtained by the borrowing Company.
30. The Bank reserves the right to add, amend, alter, cancel and modify any of the terms and conditions stipulated herein above with or without any prior reference to you. Further, the bank's general rules governing advances shall also apply. The Company to abide by such terms and conditions as the bank may stipulate from time to time.



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12/20/2019