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CIN : L85110KA1924PLC001128

**CREDIT - SANCTIONS**

**CREDIT SANCTION INTIMATION**

Sanction Ref. No.: MCB/03/2022-2023 dated 21.12.2022	
From: The Branch Head, Branch : Bhubaneswar (108)	Mail to: M/s. Gupta Power Infrastructure Limited. EN-62, Sector-V, 7 <sup>th</sup> Floor, Salt Lake City, Kolkata, West Bengal - 700 091.

**Ref: Your Proposal For Credit Facility.**

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With reference to the above, we are pleased to inform you the sanctioning of fresh credit facilities along with terms & conditions of the sanction.

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.

**This sanction is valid for a period of two months.**

Rate of interest/commission subject to change from time to time.

  
Branch Head

**CREDIT FACILITY SANCTIONED:**

**NATURE OF FACILITIES AND LIMITS:**

- 1) Fresh Overdraft/Revolving DPN facility with a limit of Rs.30.00 Crore.
- 2) Fresh Inland/Import LC [DA/DP] facility with a limit of Rs.45.00 Crore.
- 3) Fresh Bank Guarantee facility with a limit of Rs.25.00 Crore.
- 4) Fresh Credit Line for Forward Contract facility with limit of Rs.0.90 Crore.

**RATE OF INTEREST/ COMMISSION:**

| Nature of facility    | Interest/Commission rate                                       |
|-----------------------|----------------------------------------------------------------|
| Overdraft             | Six months MCLR plus spread of 0.30% i.e., 9.50% p.a.          |
| Rev. DPN              | Three months MCLR plus spread of 0.30% i.e., 9.35% p.a.        |
| Inland LC & Import LC | Inland: Rs.200.00 + 1.25% p.a.<br>Import LC: As per annexure I |
| Bank Guarantee        | FBG: Rs.200.00 + 1.50% p.a.<br>PBG: Rs.200.00 + 1.25% p.a.     |
| Cr.line for FC        | Rs.500.00 per contract.                                        |

**MARGIN:**

| Nature of facility | Margin                                                                                        |
|--------------------|-----------------------------------------------------------------------------------------------|
| Overdraft          | 25% on Stock & Book debts/ receivables upto 180 days/advance paid to suppliers on pari passu. |
| Rev. DPN           |                                                                                               |
| Inland & Import LC | 5% Cash Margin.                                                                               |
| Bank Guarantee     |                                                                                               |
| Cr.line for FC     | Nil.                                                                                          |

PERIOD: 12 Months i.e. up to 31.12.2023.

**MODE OF REPAYMENT:**

| Nature of facility | Interest/Commission rate                          |
|--------------------|---------------------------------------------------|
| Overdraft          | On demand/ As per OD rules.                       |
| Rev. DPN           | Six months from the date of release of each loan. |
| Inland & Import LC | Sight: On presentation.<br>Usance: On due date.   |
| Bank Guarantee     | As per individual BG terms.                       |
| Cr.line for FC     | On maturity/ As per contract terms.               |

**SECURITIES:**

|                                                                                                                   |                                                                                                                                                                                                                                                | [Rs. In Crore] |
|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|
| Nature of the security                                                                                            | Description of the Security                                                                                                                                                                                                                    | Value          |
| <b>Prime:</b>                                                                                                     |                                                                                                                                                                                                                                                |                |
| OD: Pari passu first charge on entire current assets of the company.                                              |                                                                                                                                                                                                                                                |                |
| BG/LC: Cash Margin of 5%                                                                                          |                                                                                                                                                                                                                                                |                |
| <b>Collateral:</b>                                                                                                |                                                                                                                                                                                                                                                |                |
| 1)                                                                                                                | Pari passu first charge along with other member banks under consortium by way of deposit of title deeds in respect of 35 immovable properties having total value of Rs.148.94 Crore.<br>Details of properties is furnished in the Annexure-II. | 148.94         |
| 2)                                                                                                                | Fixed Assets of the company                                                                                                                                                                                                                    | 136.01         |
| 3)                                                                                                                | Pledge of term Deposits                                                                                                                                                                                                                        | 13.91          |
| <b>Total:</b>                                                                                                     |                                                                                                                                                                                                                                                | <b>298.86</b>  |
| Personal Guarantee of Mr. Mahendra Kumar Gupta, Mr. Jitendra Mohan Gupta, Mr. Abhishek Gupta and Mr. Kiran Gupta. |                                                                                                                                                                                                                                                |                |

**TERMS AND CONDITIONS:****Specific:****1) Before renewal of the facilities, branch shall comply with the following:**

- Company to furnish appropriate board resolution authorizing the directors to accept all the terms and conditions of our sanction, avail the sanctioned limits with our bank, execute necessary loan documents, pledge, hypothecate, mortgage, lien etc of the assets of the company in favor of the bank.
- Borrower to arrange NOC/letter ceding pari-passu charge on the current assets of the company and all properties held as collateral securities on pari-passu basis from lead Bank & other working capital lenders on reciprocal basis [excluding the cash margin & fixed deposits which are exclusive to our bank].



- c) Applicant shall pay following charges along with applicable GST:

| Nature of Charges           | Amount [in Rs.] |
|-----------------------------|-----------------|
| Processing Charges [@1.00%] | 100,00,000.00   |
| Documentation Charges       | 25,000.00       |
| CRIF/CIBIL Charges          | 3,400.00        |

- 2) All the terms and conditions as laid down by Canara Bank, Lead bank, will hold good for this sanction also and shall be complied.
- 3) The Borrower shall take necessary steps to disclose our Bank's name & corresponding credit facilities sanctioned by our Bank is rated by them in the Press Release issued by the external ratings before 31.03.2023, facility which additional interest of 0.50% p.a. will be charged w.e.f. 01.04.2023.

#### GENERAL CONDITIONS

##### PRE DISBURSEMENT TERMS:

- 1) Borrower shall submit an undertaking letter to the effect that the company will not induct any director/s whose name is appearing under 'wilful defaulters'. In case, the name of any directors has appeared under wilful defaulters in future, the Bank reserve the right to review the rate of interest.
- 2) The company shall give an undertaking to the following:
  - a) Not to divert the funds to its group companies/concerns or any other activities other than the purpose for which the credit facility is sanctioned.
  - b) Not to repay the funds raised by way of deposits/loans from family/friends and relatives if any during the tenure of bank credit.
  - c) Not to pay any commission to its directors for standing as Guarantors with regard to the Bank's loans.
  - d) No legal case of any nature has been filed against the company/its associates/directors/guarantors affecting the financial position substantially and in case of any suit is/will be filed against the company the bank shall be kept informed.
  - e) The company or its directors/guarantors/associate concerns of the company are not on ECGC caution list, RBI's defaulter/caution list and that no director of the company is disqualified u/s 274 of the companies act.
  - f) 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.
  - g) To submit to us AFS of the company every year by the end of 31<sup>st</sup> 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.
  - h) To submit quarterly working results and audited annual reports besides any other information/documents to our Bank as may be required from time to time.
  - i) To submit periodical copies of income-tax/GST assessment orders of the company and its directors/guarantors.
  - j) 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.
  - k) 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.



- l) The company to take prior approval of the bank for opening any account with any other bank/other branch of our bank.
  - m) 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.
  - n) To seek permission from the bank for 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]
  - o) To provide any information promptly about all material and adverse changes in the business/ownership/management/liquidity/financial position etc.
- 3) The company has to submit a certificate attested by their statutory Auditors that dues such as excise, Provident Fund, Gratuity etc., are paid by the Company and there are no pending claims against the Company on such dues and also no statutory dues are outstanding for more than 6 months.
- 4) The company shall submit latest network & income statements of the guarantors.

#### **POST DISBURSEMENT TERMS:**

- 1) Securities charged to the bank shall be insured for full value with all necessary risks with the bank clause. All expenses in this connection shall be borne by the company.
- 2) Borrower to arrange the charge registered on the assets of the borrower & guarantor companies in favour of the bank with the Registrar of Companies within 30 days of execution of documents.

#### **OTHER CONDITIONS:**

- 1) Company to note that if the security is not created within 90 days from the date of first disbursement, Company shall pay additional interest of 1.00% p.a. from the end of such stipulated time period on the entire amount outstanding till the creation of security.
- 2) Borrower to pay of applicable NeSL charges.
- 3) Since the proposed exposure to the borrower is less than 10%, the proposed OD account with us will be a collection account and the funds shall be remitted from this account to the CC/OD accounts with other Banks at the frequency agreed between the bank and the borrower.
- 4) Borrower has been rated as KB-3 based on Audited Financial Statements as on 31.03.2022. Borrower is advised to improve the rating. Borrower to note that if there is deterioration in the credit risk rating, the rate of interest is subject to reset at the discretion of the Bank.
- 5) 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.
- 6) Penal interest of 5% p.a. will be charged for excess drawings/TOD/adhoc limit/overdue installments/interest.
- 7) 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.
- 8) Valuation and legal fees payable to the concerned persons shall be borne by the company.
- 9) Stock and Credit audit will be conducted and the cost shall be borne by the applicant.
- 10) Bank's hypothecation board shall be displayed at company's factory/unit.
- 11) The company shall pay the requisite fees for registration/modification/satisfaction of charge as notified by the Government/Central Registry from time to time. Consent letter for uploading the information into the Central Registry shall be obtained from the owner/s of the property/ies.



- 12) The applicant 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/stops financial assistance at any stage, without any notice or giving any reasons for any purpose whatsoever.
- 13) 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.
- 14) Guarantor/s to note that "as per RBI Circular DBOD.No.CID.41.20.16. 003/2014-15 dated 9.9.2014 [Guidelines on Wilful Defaulters - Clarification regarding Guarantor, Lender and Unit] the liability of the surety is coextensive with that of the principal debtor unless it is otherwise provided by the contract. Therefore, when a default is made in making repayment by the principal debtor, the banker will be able to proceed against the guarantor/surety even without exhausting the remedies against the principal debtor. As such in case the borrower commits default in the repayment of the loan/advance or in the payment of interest thereon or any of the agreed installments of the loan on the due date, the Bank will have an unqualified right to proceed against the guarantor even without exhausting the remedies against the borrower. In case guarantor refuses to comply with the demand made by the bank, despite having sufficient means to make payment of the dues, such guarantor may also be treated as a wilful defaulter, as per extant guidelines.
- 15) Borrower to note that the Bank shall withdraw the concessions extended in case of slippage of accounts into stress category/down gradation in the credit rating [internal & external]/reporting to CRILC as SMA 2/non compliances of sanction terms etc.
- 16) Preclosure/Foreclosure charges of 2% will be charged in case of takeover of liabilities by other Banks. Such charges will be calculated based on the sanctioned limit in case of working capital limits.
- 17) The Borrower/Co-obligants/Guarantors to give their consent in the format for onward submission of financial information to the Information Utilities registered with the Insolvency and Bankruptcy Board of India [IBBI] as stipulated under the Insolvency and Bankruptcy Code, 2016 [IBC].
- 18) Borrower shall submit Un-hedged Foreign Currency Certificates on quarterly basis and the same shall be certified by the Chartered Accountant once in a year i.e., position as on 31<sup>st</sup> March of every year.
- 19) The borrower to note that;
- a) The rate of interest for overdraft & WCDPN limit is linked to the six months MCLR & three MCLR of the bank respectively.
  - b) The MCLR prevailing on the date of first disbursement of the loan/renewal of credit limits will be applicable until the next reset date.
  - c) The interest rate on OD & WCDPN shall be reset on half yearly & quarterly basis respectively, reckoned from the date of first disbursement of the loan/credit limits. For arriving the applicable interest rate prevailing external bench mark rate will be reckoned.
  - d) The rate of interest is subject to revision, should there be any down gradation/change in the borrower's credit rating as per Bank's system of rating.



- e) Interest rate shall be subject to the changes in adoption of External bench Marks by the bank from time to time.
- f) The borrower to note that the Bank reserves right to reset the spread on annual basis. Borrower to submit an undertaking letter from the borrower firm & its partners to this effect. Prepayment/foreclosure charges are waived, if the reset/new interest rate is not acceptable to the borrower, subject to prepayment within 45 days from the date of communication of reset.

#### **Overdraft:**

- 1) Monthly stock and book debt statements shall be submitted regularly. Drawings shall be allowed in OD keeping the prescribed margin on stocks and book debts. Branch shall obtain monthly DP allocation from the lead Bank and drawings shall be allowed within the available drawing power/sanctioned limit.
- 2) Drawing power shall be calculated by deducting the creditors.
- 3) While calculating the drawing power, outstanding amount if any under DPN facility and outstanding under metal gold loan facility shall be reckoned.
- 4) Penalty will be levied for delayed/non submission of these statements and the actual penalties shall be ascertained from the branch. Drawing Power in system shall be updated on regular basis and drawings should be allowed within the sanctioned Limits/DP available.
- 5) The statement of book debts shall be certified by the Chartered Accountant at least once in six months.
- 6) Commitment charges for under utilization of sanctioned overdraft limit is waived.

#### **Revolving DPN:**

- 1) DPN Loan should be released to the OD account of the borrower.
- 2) The monthly interest of the DPN Loan should be recovered from the Overdraft account of the borrower.
- 3) Each DPN account shall be opened for a maximum period of six months.
- 4) The DPN accounts should be closed on its due date by transferring the balance outstanding, if any, to the borrowers Overdraft account.

#### **BANK GUARANTEE:**

- 1) Branch shall issued the Bank Guarantees only for the purpose for which the limit is sanctioned.
- 2) No further guarantees should be issued in case invoked bank guarantees are not settled by the company.
- 3) Bank guarantees shall be in the Bank's standard format. Performance under shall be monitored
- 4) In case of any variation in the Model Format for Bank Guarantee, branch shall get the format cleared by the local legal counsel/HO-Legal Department before issue.
- 5) Borrower to pay 100% cash margin for Bank Guarantees covering disputed liabilities.
- 6) On expiry of BG, original BG shall be surrendered. On failing to surrender the original BG after the expiry date/claim period the BG will attract non-cancellation charges from the date of expiry/completion of claim period as per Bank's guidelines.
- 7) In case of invocation of BG's, the protested bill account shall be closed on the same day of invocation of BG by debiting Overdraft account of the borrower.
- 8) Commitment charges of 0.25% shall be charged on quarterly basis for under-utilization of sanctioned overdraft limits on the un-utilized portion, if average utilization during each quarter is less than 50% of the sanctioned limits.



### INLAND/ IMPORT LC:

- 1) In case of Usance Inland LC's the tenor shall not exceed 180 days.
- 2) The bills received under sight LC's shall be retired on first presentation and in the case of usance on due date.
- 3) In case of devolvement of LC's, the protested bill account shall be closed on the same day of devolvement of LC by debiting Overdraft account of the borrower.

### Credit Line for Forward contract:

- 1) Forward Contracts to be established after receiving specific request from the company and adhering to the terms and conditions laid down under FEMA Directives.
- 2) Forward contract shall be booked in consultation with ID, who will monitor the transactions as per the Policy Guidelines.
- 3) Borrower to note that as per the extant guidelines of the bank, with the sanctioned credit line Rs.0.90 Crore, the borrower can book Forward contract of maturity upto one year with notional value of Rs.45.00 Crore.
- 4) Once Forward Contract is booked same shall be marked in the order copy.
- 5) Forward cover contracts shall be duly stamped, as per State Stamp acts and signed by authorized signatories of the borrower.
- 6) Depending on the volatility of forex markets, the bank in its absolute discretion may insist for requisite cash margins for booking of forward contracts despite sanction of the limit.
- 7) Incase contracts booked on contracted exposures, the following have to be submitted:
  - a) The branch shall obtain the evidence of underlying exposure within 15 calendar days of the forward booking. In the event the evidence of underlying exposure is not provided within the stipulated timelines, the contract shall be cancelled. Losses upon cancellation shall be recovered from the customer, however, any gains shall not be passed on to the customer.
  - b) An undertaking from the customer that the same underlying exposure has not been covered with any other AD Category I bank/s. Where hedging of the same exposure is undertaken in parts, with more than one AD Category I bank, the details of amounts already booked with other AD Category I bank/s should be clearly indicated in the declaration. This undertaking shall also be obtained as a part of the deal confirmation.
  - c) Quarterly certificates from the statutory auditors of the users, that the contracts outstanding at any point of time with all AD Category I banks during the quarter did not exceed the value of the underlying exposures.
  - d) Contracts once booked under Contracted Exposure basis will remain on Contracted exposure basis only and can not be shifted to Anticipated Exposure.
- 8) Incase of contracts booked on anticipated exposure, the following have to be submitted:
  - a) An undertaking that the supporting documentary evidence will be produced before the maturity of all the contracts booked.
  - b) A certificate of import/export turnover of the customer during the past three years duly certified by their CEO/CFO/Proprietor/Managing partner and that all guidelines have been adhered to while utilizing this facility.
  - c) Quarterly declaration, duly certified by the Statutory Auditor, regarding amounts booked with other AD Category I banks under this facility.

  
BRANCH HEAD

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:

Signature of the Applicant/Guarantors

Date: