



पंजाब नैशनल बैंक
...भरोसे का प्रतीक !



punjab national bank
...the name you can BANK upon !

MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

10.04.2024

The Director,
Vidya Infrastructure Pvt. Ltd.
Flat No-307, 3rd Floor, Syndicate House,
3 Old Rohtak Road,
Inderlok, New Delhi.
North West DL-110035

REG: Sanction of Term Loan (FLR) of Rs. 20.00 Crore- A/c M/s Vidya Infrastructure MCC

Sir,

We are please to inform you that competent authority at ours vides meeting dated 02.03.2024 have accorded approval of the following:

- Takeover with enhancement of Term Loan (FLR) of Rs.20.00 Crore in favour of M/s Vidya Infrastructure Pvt. Ltd. against the lease rental of the property situated at C-15, 16, 17, Sector-59, Noida, Uttarpradesh-201301 (Takeover from IIFL-Rs.16.54Cr. & Additional TL-3.46Cr.)

Approval of other Issue:

- Approval for considering FLR proposal for company letting out its property to its allied concern.
- Approval for release of the Guarantee of Shailendra Kumar.
- Allowing 60 days' timeline for security perfection after take over the limit from IIFL.

Relaxation in Takeover Guideline:

- Approval of considering the takeover proposal where the borrower was in loss for two years out of last three years.
- Approval of relaxation in takeover guideline para 7.3.b in recommending repayment period of 10 years.

Pricing:

Facility	Existing	Applicable	Proposed
Fresh TL-FLR Of Rs.20.00Cr.	Not Applicable As Fresh Sanction	9.85% i.e RLLR+BSP (9.25%) + 0.60%(Spread)	9.85% i.e RLLR+BSP (9.25%) + 0.60%(Spread)
Upfront Fee		1.25%+GST	1.25%+GST
All other charges		As per card rate	As per card rate





MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

Further the committee has directed that:

- Lease to be registered and charges of lease registration to be paid by borrower from its own sources prior to disbursement of credit facilities.
- Prepayment charges to be paid by borrower from its own sources prior to disbursement of credit facilities.
- Remaining amount (Approx. Rs.3.46 Cr.), which is to be used for renovation, to be disbursed in stages?

Additional Terms & Conditions:

A. Pre Disbursement:

1. All the terms of takeover guideline as per LA 185/2022 to be complied before disbursement.
2. The Company will submit a registered lease agreement of Rs.36.00 Lakh with lock in period of 120 months before disbursement.
3. MCC to take up with the borrower to include leasing activity in Udyam Registration.
4. It is to be ensured that present overdue, if any, is to be regularized in the account before release of limits to safeguard banks interest.
5. It is to be ensured that latest outstanding amount at IIFL to be considered for takeover. Any charges over and above latest outstanding amount at IIFL to be borne by the borrower from its own sources.
6. CIR to be obtained from IIFL as per LA 185/2023 dated 16.12.2023.
7. Mrs Rakesh Verma- key Person to be inducted as director in M/s Vidya Infrastructure Pvt. Ltd. Before disbursement.
8. ZO/MCC to obtain guarantee of Mr. Sanjeev Kumar Gupta along with all other guarantee proposed by MCC before release of facility.
9. Upfront Fee/Documentation charges and all other applicable charges as per bank's scheduled charges shall be recovered upfront.
10. Tripartite agreement among bank, lessor, lessee to be done in favour of bank for collection of lease rental to be executed before release of facility.
11. MCC to ensure creation of DSRA equivalent to two months EMI of Rs.0.53Cr. in the shape of FDR under bank lien before disbursement of proposed loan.
12. All applicable statutory approvals to be obtained before release of facility.
13. Legal vetting shall be obtained as per the extant bank's guidelines and ensure no adverse remarks reported.
14. PDC to be obtained as per L&A circular No. 22/2021 dated 29.01.2021.
15. The Letter of Undertaking to be obtained from the prospective borrowers for authorizing bank to receive/collect rent from the lessee.
16. Stamped undertaking is required to be obtained from the borrower (lessor) to the effect that the credit facility taken under this scheme shall not be utilized for



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

speculative purposes.

17. Affidavit-cum-undertaking from the property owner / borrower to be obtained declaring that the leased property / property being mortgaged has been constructed as per the sanctioned plan and / or building bye-laws and as far as possible has a completion certificate also.
18. All other charges (valuation, Legal opinion, insurance etc.) must be recovered separately and not by debit to the loan account, to ensure orderly adjustment of account.

Post Disbursement Condition:

1. An undertaking from lessee (Allied Concern-M/s Opera Global Pvt. Ltd.) to be obtained that it will continue to pay the rent till liquidation of our proposed FLR loan even if lessee vacate the premises within pendency of our loan.
2. Escrow account is to be maintained exclusively with our bank and rent to be deposited in escrow account only.
3. Other ancillary business from the borrower group is to be explored.
4. The borrower is advised to rectify the issue identified in due diligence report.
5. The borrower is advised to be meticulous while preparing books of account in the future.
6. It is to be ensured that inter firm transaction is to be done on arms' length price.
7. Security perfection is to be done, CERSAI to be created and extension of mortgage in group account to be done before release of additional facility.
8. All the securities to be charged to the Bank, shall be comprehensively insured under agreed Bank Clause.
9. Fresh NEC after takeover to be obtained and ensure that no encumbrance other than our Bank's name is reflecting.
10. Security perfection is to be done & CERSAI to be created within 60 days of disbursement failing which 2% penal will be charged on entire outstanding in the account.
11. In case of any change in management in the future, the company to obtain prior permission from the competent authority except mentioned in this proposal.
12. ROC charge in favour of PNB to be filed within 30 days of documentation.
13. Sanctions shall be valid for 6 months, from the date of sanction. Credit facilities not availed within the above period should be treated as lapsed.
14. The visit to the rented premises shall be undertaken once in a year at the time of Review or more often if deemed necessary.
15. In case the account has slipped into SMA-1, inspection is to be done on half yearly basis and in case of SMA-2, inspection is to be done on quarterly basis. The periodicity (half yearly/quarterly as the case may be) shall continue till the account is regularized.
16. At the time of annual review, the revaluation may not be insisted upon if the account has not slipped to SMA-2 on any occasion during the last 3 years.
17. The land lord will pay GST or any other tax payable by him regularly on the rent



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

received from the property and submit the proof of the same (copy of challan /return) to the bank.

18. A letter of undertaking from the borrower addressed to the lessee for paying the rent and acceptance of that letter from the lessee confirming that the rent shall be deposited in the escrow account of our bank is to be obtained before disbursement.
19. Standing instructions to be set up in CBS for transfer of the EMI from the escrow account to Term loan account.

Detail terms and condition of the sanction are enclosed in Appendix-I

You are requested to go through the content of the sanction letter and submit duly signed copy of authorized letter as token of acceptance of terms & condition to the bank.


(C S Joshi)
Chief Manager


(R R Amitabh)
Asst. General Manager



पंजाब नैशनल बैंक
...सरोसे का प्रतीक !



punjab national bank
...the name you can BANK upon !

MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

Appendix – I

Terms & Conditions in the accounts of
M/s Vidya Infrastructure Private Limited BO: Connaught Circus (027620)

Nature	Term Loan (FLR)
Amount	Rs. 20,00,00,000/- (Rs. Twenty Crore)
Purpose	For meeting business needs
Primary Security	Assignment of lease rental receivable from M/s Opera Global Pvt Ltd to the tune of Rs. 38.88 Cr(Net of TDS) receivable in 10 Years starting the following month of disbursement, of 2024.
Rate of Interest	RLLR+Spread i.e. 9.25+0.60% i.e.9.85% in terms of the IRMD L&A Circular 21/2022 for Non CRE MSME Unit.
Repayment	The Proposed loan amount shall be repaid in 120 Equated Monthly installments of Rs.26.26 lakhs.
Pre-payment	In case of pre-payment, borrower to pay 2% over and above the ROI being charged.
Loan / Security Documents	Borrower to execute the Agreement for assignment of lease rentals, Irrevocable Power of Attorney, Irrevocable Letter of Authority authorizing the lessee to remit/pay monthly lease rent to the bank and got noted/acknowledged by the lessee, as prescribed under the Scheme.
Insurance	Mortgaged IP shall be insured in the name of the borrowers and the bank with bank clause against risks of damage, loss, destruction by fire and earthquake for the value equitable to reconstruction cost of the property
Escrow Accounts	All lease rentals shall be routed through the Escrow account maintained with our bank.
DSRA	DSRA equal to 2 month EMI in the shape of FDR (Equivalent to Rs.0.53Cr.) shall be kept under bank lien to ensure timely repayment of EMI.
Specific Undertakings	<ul style="list-style-type: none"> ➤ An undertaking from the borrower shall be obtained that the FLR limit shall not be utilized for Speculative purpose. ➤ Borrower shall submit the Irrevocable power of attorney in favour of the bank (as per bank format) authorizing bank to receive/ collect rent from the lessee along with Letter of Undertaking duly acknowledged by Lessee.





MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

Specific Stipulations:

- 1) Borrower will pay GST or any other tax payables by him regularly on the rent received from the property and submit the proof of the same to the bank.
- 2) Current account maintained with Jammu and Kashmir bank to be closed.
- 3) Borrower shall submit an undertaking that they do not have any outstanding statutory liabilities like income tax, goods & service tax, wealth tax, PF, ESI etc.
- 4) Borrower to submit 4 PDC of the lessee along with the letter of under to debit the account of the company in case non receiving of lease rent on time.
- 5) 2nd NEC of IPs being mortgaged shall be obtained before disbursement of the loan and it shall be ensured that there is nothing adverse reported by the panel advocate.
- 6) Pre-post vetting of the documents to be done in terms of the bank guidelines.
- 7) A certificate from Auditor of company that the account was classified as 'Standard Assets' as on the date of last Audited Balance Sheet is to be obtained before release of takeover facility.

Other conditions:

1. All our credit facilities (FB working capital limits) will be secured by assignment of lease rentals receivable from the M/s Opera Global Private Limited.
2. Collateral (Information in respect of mortgage of IP to be given only in the following format:
 - i) Hypothecation/ Mortgage of Block Assets Immovable Properties: Equitable Mortgage of following IP:

i. Collateral Coverage

					(Rs. in Cr)	
SN	Facility	Details of Security	Owned by	Type of Charge	Date of Valuation	Date of Title Search Report
1	TL (FLR) of Rs. 20.00 Cr.	Industrial Land and Building situated at C15, 16, 17, Block C, Sector-59, Noida District Gautam Budh Nagar	Vidya Infrastructure Pvt. Ltd.	First Charge	14.07.2023 By Approved Valuer GCA Technical Consultants 14.07.2023 HSBD Techserv Pvt. Ltd.	Sunil Kumar Jha & Associates dated 11.08.2023

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

i. **Personal /Corporate Guarantee:**

3. IPs mortgaged with us will be visited on yearly basis however in case account has slipped into SMA-1, Inspection to be done yearly basis and in case of SMA-2, inspection to be done on quarterly basis (as the case may be) shall continue till the account regularize.
4. The validity of the sanction for working capital limit shall be 12 months and the borrower shall arrange submission of complete papers for renewal of limits within 9 months from date of sanction.
5. Borrower shall pay processing fee, documentation charges, inspection charges, commitment charges and other charges as per Bank's schedule of charges, as below:

100-443887-100



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

03	Upfront Fee (One time)	1.25% of the loan amount.
04	Documentation fee	20000/-
05	Inspection Charges	@0.05%; Min. ₹10000/- & Max. ₹30000/-
06	CIBIL Consumer	Rs. 50.00/- per consumer CIBIL report.
	Commercial	Rs. 500/- per commercial CIBIL report.
07	CERSAI Charges	Rs. 100/- per Equitable Mortgage
08	Other service charges	As per Bank's schedule of charges
09	Annual review charges	0.05% of loan outstanding. Subject to maximum Rs.5.00 lacs.
GST @ 18.00% will be additionally recovered on all service charges.		

- The borrower shall not undertake expansion/ diversification/ modernization (except those investments accepted in CMA data) without obtaining prior permission of the Bank and without proper tie up of funds. Similarly, no investment shall be made in associate/ allied/ group concerns without prior bank permission.
- An undertaking be obtained from the party to the extent that the money raised from the Bank shall not be used for speculative purposes in stock market/ real estate.
- The Bank or its authorized officials or other representatives will have the right to carry out periodical inspection or examine the books of accounts of the borrower and to have their factories/ offices/ assets inspected from time to time by officers of the Bank and/ or outside consultants and the expenses incurred by the Bank in this regard will be borne by the borrower.
- In case the company defaults in the servicing of loan/ advance or in the payment of interest thereon or any of the agreed installments of the loan on due date, the bank, CIBIL and/ or Reserve Bank of India will have an unqualified right to disclose or publish the names of the company and its directors/guarantors as defaulters in such manner and through such medium as the Bank/ RBI in their absolute discretion may think fit. Consent of borrowers and guarantors in terms of LA circular no. 70/2016 be obtained.



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

Bank will have an unqualified right to pass on to the Credit Reference Agencies the details of their loan account in such manner and through such medium as the Bank in its absolute discretion may treat fit.

10. During the currency of the Bank's credit facilities, the borrower shall not, without the prior approval of the Bank in writing:
 - a. Effect any change in their capital structure;
 - b. Formulate any scheme of amalgamation or reconstruction;
 - c. Undertake any new project or expansion or modernization schemes or make any capital expenditure other than those estimated/ projected, without obtaining the Bank's prior consent;
 - d. Enter into borrowing arrangements either on secured or unsecured basis with any other Bank, financial institution or otherwise;
 - e. Undertake guarantee obligations on behalf of any other borrower/organization;
 - f. Provide any corporate guarantee to secure any credit liability; or create any charge on its existing as well as future assets in favour of any other FIs/banks, corporate or any other organization.
 - g. Sell, assign, mortgage, alienate or otherwise dispose of any of the assets of the borrower charged to the Bank;
 - h. Enter into any contractual obligation of a long term nature affecting the borrower financially to a significant extent;
 - i. Permit any transfer of the controlling interest or make any drastic change in the management set up;
 - j. Divert/utilize Bank's funds to other sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned.
 - k. Issue Bonus shares and disposes of shareholding of promoters.
11. Margins/ rate of interest are subject to revision from time to time at the sole discretion of the Bank.
12. **The Bank shall charge penal interest under the following circumstances:**
 - a. Irregularities/ overdrawn in cash credit accounts.
 - b. Non/delayed submission of renewal proposal with audited Balance Sheet, CMA data and statement of assets and liabilities of the promoters and guarantors after 9 months from the date of sanction.
 - c. Default in observance of borrowing covenants/ terms and conditions of the sanction.
 - d. Any other eventuality/ situation to be decided by the Bank.





MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

13. The borrower shall execute all necessary legally enforceable loan documents, as per bank guidelines. Documents will be drafted/ vetted by bank's counsel at borrower's cost.
Vetting Certificate from bank's approved counsel confirming proper and valid execution of documents/ securities to be obtained by the Bank and to be kept on record.
Necessary resolution will require to be passed by the Board/shareholders as per Companies Act and as per Memorandum and Article of Association of the company, be obtained from the company appointing the authorized persons for execution of loan documents.
- Common seal of the company, if any, shall require to be affixed on the documents to be executed in terms of the provisions of the Memorandum and Articles of Association of the Company.
20. The borrower will keep the bank informed of the happening of the events likely to have a substantial effect on their operations/production, sales, profits /disbursements etc., such as defaults / overdue, labor problem, lock-out, lay-off, power cut etc., and the remedial steps proposed to be taken by the borrower.
The borrower will also inform the Bank about any report/ notice/verdict received from Sales Tax/ Income Tax or any Govt. Authority/court, along with plan to meet the same.
21. Bank's charge over primary/collateral securities wherever applicable to be got registered/modified with ROC, within the stipulated period of 30 days, as per requirements of the Companies Act, and certificate of registration of charge to be obtained and kept on record.
Search report shall be obtained every year and/or on each registration/modification of charge and the cost in respect will be borne by the company.
- While scrutinizing the search report, Branch Head should also take a view of the charges created in favour of other lenders. Any fresh creation of charges be duly accounted for and explained. Status of charges be also periodically viewed by the Branch Head on website of ROC.
22. Audited Balance Sheet to be submitted by the Company within 6 months from the close of the financial year. MCC Head to also extract the Balance sheets of the company from the website of ROC, and ensure that balance sheet submitted by the company is not in variance with the one filed by the company with ROC.
23. The company will furnish complete details of all the IPs owned by it with their value as per ABS duly certified by its statutory auditors to ensure that all the intended properties of the company are mortgaged to the bank.



P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

24. On receipt of the financial information/documents signed by Chartered Accountant /Firms, the status of membership & address of the CA/Firm should be ascertained from the website of the institute and subsequently confirmation should be sought from the concerned CA/firm about the genuineness of the signatures affixed on the financial information/documents submitted by the borrower to the bank to ensure their authenticity.
25. Bank's nameplate, evidencing hypothecation of security/assets to be prominently, displayed where the securities charged to the bank are kept.
26. Bank will always be at liberty to stop making further advance orcancel the credit facility at any time without previous notice and without assigning any reason even though the said credit facility has not been fully availed of. A supplementary undertaking be obtained in terms of LA Cir. No. 142 dated 24.09.2007.
27. Commitment charges will be levied as per LA Cir. No. 41/2020 on unutilized working capital facility. An undertaking from the company to this effect will also be obtained.
28. Rate of interest is to be charged on monthly basis.
29. Default/ delay in deposit of the installment/ interest as per agreed repayment schedule may have adverse impact on its credit rating and past conduct of the account.
30. Valid and enforceable mortgage of IPs has been created and also obtain NEC of the said IPs as per bank guidelines and certificate from bank approved advocate as per Law Division Circular No. 08/2020.
31. The constructed properties mortgaged with the bank as primary/collateral security will be kept comprehensively insured with agreed bank clause at borrower's cost for reconstruction/market cost as per bank guidelines and the original /certified copy of policy to be kept in bank's record.
32. **The borrower will give undertaking that:**
 - a. Neither the borrower nor any of its promoters/members have ever entered into any negotiated settlement with any bank, none of them is on list of willful defaulters of any bank/RBI and on caution list of ECGC.
 - b. None of the promoters/members is related to directors/ senior officers of PNB.





MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

- c. There are no overdue outstanding against Micro and Small Enterprises/SSI units.
 - d. Borrower has not defaulted to small depositors and debenture holders.
33. The Bank shall have the right to withdraw or modify all/ any of the sanctioned conditions or stipulate fresh conditions, under intimation to the borrower. Borrower shall undertake to give their acceptance to these conditions.
34. Borrower shall give acceptance of terms and conditions as per letter of sanction which shall form part of documentation and be placed on bank record.
35. All other terms and conditions as per HO guidelines issued and to be issued applicable for such type of advances shall be adhered to strictly.

OVERALL TERMS AND CONDITIONS:

To be complied with by the Borrower:

1. The validity of the sanction for Working Capital Limits shall be 12 months and the borrower shall arrange submission of complete papers for renewal of limits at least two months before the expiry of due date of renewal.
2. The Borrower shall execute all necessary legally enforceable loan documents as per bank's guidelines. Documents will be drafted / vetted by Banks' counsels in respect of sanctioned limits of ₹2 crore & above (both FB and NFB), at Borrower's cost.
3. The Company shall under its common seal, if any, authorize any person as its attorney to execute documents on its behalf. In case, the company does not have Common Seal, then the authorization shall be made by either 2 (two) directors, or a director and the Company Secretary.
4. In case of Corporate Borrower, necessary resolution is required to be passed by the Board / Shareholders, as per Company's Act and as per Memorandum & Article of Association of the company.
5. All fund based and non-fund based working capital facilities to be secured by way of 1st charge on all current assets, present & future, (and in case of consortium or



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

multiple banking, charge to be created on paripassu basis with other financing banks).

6. Search Report shall be obtained every year and /or on each registration /modification of charge and cost in this respect to be borne by the company.
7. Search Report / NEC:
 - a. In case of renewal/review of existing limits where time period of 3 years has not lapsed, mortgagor(s) shall indispensably provide an affidavit cum undertaking to the effect that the mortgaged IP is still under their ownership and they have not created any subsequent charge on the mortgaged IP and neither given on rent/lease.
 - b. Search Report/NEC shall be obtained if time period of 3 years has lapsed since the last search report/NEC at borrower's cost.
 - c. In case of enhancement / extension of existing charge on IP, Fresh Search Report / NEC shall be obtained / updated since creation of last mortgage with Bank at borrower's cost.
8. Borrower shall pay processing fee, upfront fee, Lead Bank Charges (if applicable) documentation charges, inspection charges, NeSL charges. CERSAI charges, commitment charges and other charges as per Bank's Scheduled Charges.
9. Borrower shall pay Pre-Payment Charges @2% of the pre-paid outstanding amount in Case of Take Over i.e. Loan is prepaid by the Non-Individual Borrower for Shifting to Other Bank / FI
10. Borrower shall provide "No Lien Letter" from the fabricators in respect of goods sent to them for fabrication/processing.
11. Friends / relatives from whom the unsecured long-term loans have been raised shall provide an undertaking that they shall not withdraw these loans during the currency of the bank loan and the borrower shall undertake not to allow their withdrawal without prior permission of the bank.
12. The Bank shall have the right to withdraw or modify all / any of the sanctioned conditions or stipulate fresh conditions, under intimation to the borrower. Borrower shall undertake to give their acceptance to these stipulations.





पंजाब नैशनल बैंक
...सोसे का प्रतीक !



punjab national bank
...the name you can BANK upon !

MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

13. Bank's charge over primary / collateral securities wherever applicable to be got registered / modified with ROC within the stipulated period of 30 days, as per requirements of Companies Act, and certificate of registration of charge to be obtained and kept on record.
14. During the currency of Bank's credit facilities, the Borrower shall not, without the prior approval of the Bank in writing:
 - a. Divert / utilize Bank's funds to other sister / associate / group concerns or for purposes other than those for which the credit facilities have been sanctioned.
 - b. Issue Bonus shares and dispose of shareholding of promoters wherever specifically stipulated.
15. Margins / rates of Interest are subject to revision from time to time at the sole discretion of the Bank. The bank shall inform any change in Service Charges/Interest rates through the official website (www.pnbindia.in), display in its offices and general announcements from time to time and shall not communicate separately to the borrower.
16. i. Reset of Interest Rate under External Benchmarks
The rate of interest under external benchmark (RBI Repo Rate/Gol 91 days or 182 days T-Bill rate published by FBIL/any other market interest rate published by FBIL) shall be reviewed at least once in three months.
- ii. Reset of Interest Rate in loans Linked to RLLR
 - a. For all loans linked with Repo Linked Lending Rate in case of change in Repo Rate by RBI, the RLLR will be changed from the next working day unless otherwise specified.
 - b. The Mark-up component of all RLLR linked floating rate loans shall be reset in every 3 years from the date of opening of the account.
 - c. Switchover from RLLR to MCLR will not be permitted in schemes/category which have been linked with RLLR mandatorily by RBI.
- iii. Reset of Interest Rate in loans Linked to MCLR
 - a. The MCLR rates will be reviewed on monthly basis which will be applicable to all new loans and credit facilities sanctioned/renewed from the 1st of the following month.
 - b. MCLR prevailing on the date of first disbursement, whether partial or full, shall be applicable till the next reset date irrespective of the changes in the benchmark



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

- during the interim on the floating rate loan and future reset dates shall be determined accordingly.
- c. All MCLR based floating rate loans shall be linked with maximum 1 year MCLR and the reset period shall also correspond to the tenor/maturity of the MCLR to which the loan is linked.
 - d. Reset of spread based on the change of the risk profile of the borrower (upward or downward revision in risk rating) shall be done as and when there is revision in risk rating of the borrower, unless specifically mentioned in the sanction for continuation of concessional spread by competent authority.
 - e. The bank may review the reset clause as and when required.
17. The disbursal of credit facility is solely at the discretion of the Bank.
18. The bank may:
- a. Disallow facility, keeping in view bank's exigencies including any adverse information about the borrower that might have a direct bearing on the advances lent by Bank.
 - b. Disallow drawing beyond the sanctioned limits.
 - c. Dishonor/ return cheques issued for the purpose other than specifically stated in the credit sanction or in this agreement.
 - d. Disallow drawing in the account on its classification as a non-performing asset or on account of non-compliance with the terms of sanction or this agreement.
19. The bank does not have an obligation to meet further requirements of the borrowers on account of growth in business, etc. without proper review of credit limits.
20. Bank will have an unqualified right to pass on to the Credit Reference Agencies the details of his loan account in such manner and through such medium as the bank in their absolute discretion may think fit.
21. The borrower/guarantor shall inform the bank about any change in their office/residential address to bank at the earliest possible. This information of changed office/residential address with telephone no. (landline/mobile) be provided to the bank within 30 days along with residential proof as required under KYC norms.
22. Sanctions in respect of Working Capital and Term Loan facilities shall be valid for 6 months from the date of sanction. Facilities not availed within the above period shall be treated as lapsed. Where documents have been executed within a period of 6





MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

months from the date of sanction, the sanctions shall be valid for next 6 months from the date of documentation.

23. Borrower eligible for ERR shall invariably give consent to External Credit Assessment Institutions (ECAIs) for disclosing the lenders' details i.e. name of the banks and the corresponding credit facilities rated by the ECAIs in the Press Releases.
24. The borrower shall deal with banks under consortium exclusively, shall not open current account/s with any other bank without our prior permission and shall route all sale transactions through accounts. The borrower's entire business relating to their activity including deposit, bills, foreign exchange, merchant banking etc. should be restricted only to the financing banks and routed proportionately if it is a consortium account.
25. No commission to be paid by the borrowers to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers. An undertaking to this effect to be obtained from the borrowers as well as guarantors
26. The borrower shall not undertake expansion/diversification/modernization (except those investments accepted in CMA data) without obtaining prior permission of the bank and without proper tie-up of funds. Similarly, no investment shall be made in associate/allied/ group concerns without prior bank permission.
27. Monies brought in by principal shareholders/directors will not be allowed to be withdrawn without the Bank's permission.
28. The Bank or its authorized officials or other representatives will have the right to carry out periodical inspection or examine the books of accounts of the borrower and to have their factories/offices/assets inspected from time to time by officers of the Bank and/or outside consultants and the expenses incurred by the Bank in this regard will be borne by the borrower.
29. Stocks Audit will be conducted by the Bank's approved Chartered Accountants/Cost Accountants on annual basis. All expenses in connection with the stock audit shall be borne by the borrowers.
30. In case the company commits default in the repayment of loan/advance or in the payment of interest thereon or any of the agreed instalments of the loan on due date, the bank, CICs and/or Reserve Bank of India will have an unqualified right to disclose or publish the names of the company and its directors as defaulters in such manner and through such medium as the bank/RBI in their absolute discretion may think fit.



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

31. The Bank shall charge penal interest under the following circumstances:
- Default in repayment of Term Loans/DPG installments.
 - Irregularities/overdrawing in cash credit account(s).
 - Non-submission/delayed submission of stock statements after the 10th of the following month.
 - Non-submission/delayed submission of quarterly review sheet information after 10 days from the close of the quarter concerned.
 - Non/delayed submission of renewal proposal with audited Balance Sheet, CMA data and statement of assets and liabilities of the guarantors after 9 months from the date of sanction.
 - Default in observance of borrowing covenants/terms and conditions of the sanction.
 - Any other eventuality/situation to be decided by the bank.
32. In case of all borrowers enjoying aggregate fund based working capital limits of Rs.30 crore & above from the entire banking system (except sugar units), borrowers to submit QMS form I as per prescribed proforma within six weeks from the close of every quarter and QMS Form II within 2 months from the close of half year failing which penal interest, as prescribed by the bank from time to time, will be charged for delayed/non-submission of follow up forms.
33. Borrower shall give acceptance of terms & conditions as per letter of sanction which will form part of documentation and be placed on bank records.
- To be ensured by the Branches:
34. It should be ensured before release of limits that the Borrower executes documents and charge creation on primary and collateral security which is valid and legally enforceable. In case of Company it is necessary that the company has necessary borrowing powers and Board / Shareholders have passed necessary resolutions required as per the provisions of Company Act and Memorandum & Article of Association of the company
35. In case the Company commits default in the repayment of loan /advance or in the payment of interest thereon or any of the agreed installments of the loan on due date, the bank, CICs and / or Reserve Bank of India will have an unqualified right to disclose or publish the names of the company and its directors as defaulters in such manner and through such medium as the bank/RBI in their absolute discretion may think fit. Documents to be obtained from the company / directors to this effect and





पंजाब नैशनल बैंक
...भरोसे का प्रतीक !

punjab national bank
...the name you can BANK upon !

MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

kept on record in terms of guidelines issued by SASTRA Division on willful defaulters.

36. Branch to ensure compliance of Pre-Disbursement Terms & Conditions of Sanction and to timely point out deficiencies (if any) in compliance of Pre-Disbursement Terms & Conditions of Sanction for taking corrective actions before disbursement.

LIST OF COVENANTS (15)

- C1.** The borrower should maintain adequate books of accounts as per applicable accounting practices and standards, which should correctly, reflects its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.
- C2.** The borrower 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 accounts.
- C3.** In case of default in repayment of the loan/advances or in the payment of the interest thereon or any agreed instalments of the loan on the due date(s) by the borrower, the Bank and / or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrower/unit and its directors / partners / proprietors as defaulters / wilful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit. (Regulatory)
- C4.** The bank will have the right to share credit information as deemed appropriate with Credit Information Companies (CICs) or any other institution as approved by RBI from time to time. (Regulatory)
- C5.** The borrower should not induct into its Board as person whose name appears in the wilful defaulters list of RBI/CICs. In case such a person is already on the Board of the company, it would take expeditious and effective steps of removal of that person from its Board. Nominee directors are excluded for this purpose (Regulatory).
- C6.** In the event of default in repayment to our Bank or if cross default has occurred, the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests.



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

Cross default will be defined as:

- a. Default by the borrower to any other bank under Consortium / MBA OR
- b. Default by the borrower's associate/ sister concern / subsidiary to our Bank

Further, cross default would be deemed to have occurred only in case default to particular lender(s) is not cured within 30days.

C7. In case of default not corrected within 60 days 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 the regulatory guidelines.

C8. Bank will have the right to examine at all times the borrower's books of accounts and to have the borrower's factories inspected, from time to time, by officer(s) of the Bank and/or qualified auditors and/or technical experts and/or management consultants / appoint ASM of the Bank's choice and conduct Stock and Receivable Audits at the prescribed periodicity as per Banks laid down guidelines. Cost of such inspections /Audits shall be borne by the borrower.

C9. After provision of 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.

In case of Multiple Banking Arrangement/ Consortium, right on the profits of the borrower for repayment shall be on priority of charge/proportionate basis, as the case may be.

C10. The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect on their profit or business; for instance, if the monthly production of 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.

C11. 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 firm 'promoters' would mean managing partner for the purpose of this covenant.





C12. The borrower will utilize the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines.

C13. Promoter's shares in the borrowing entity should not be pledged to any Bank /NBFC/Institution without our prior consent.

C14. Only for Term Loans (>Rs 50 crores) – Covenants (in relation to the undernoted parameters) (i.e. DSCR, Int. Coverage, ACR, Debt Equity ratio) are to be stipulated 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 two of the four parameters vis-à-vis values as approved by the sanctioning authority in the sanction note. The penal interest will apply from the day after the date of ABS, and shall continue till the breach is cured. The details are as under:

Parameter	Benchmark for annual testing	Penalty for adverse deviation
DSCR	As per Bank's extant guidelines on benchmark ratios or as decided by sanctioning authority	Upto 10 % - NIL
Interest Coverage		More than 10 % - 0.50 % p.a
Asset Coverage Ratio		
Debt Equity Ratio		

Further, it may be specifically indicated that the breach of financial covenant may be considered by lenders as an Event of Default

C15. 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 except specifically permitted by the competent authority:

- 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 after 10th of the following month.
- Non submission of Audited Balance Sheet within 8 months of closure of financial year.
- Non submission/ delayed submission of Follow-up/ Review Data such as QRS/ QMS information, Project Progress Report etc. wherever stipulated, within due date



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

- e. Non submission of review/renewal data within the due date. Penal Interest shall be charged from the next day of the expiry of limit till the date of submission of complete papers
- f. Non-obtention of External credit risk rating from agency approved by RBI.
- g. Non-Compliance of Terms & Conditions;
- h. Non-payment of demand bills on presentation and non- acceptance/non-payment of usance bills on due dates;
- i. Excess borrowings arising out of excess current assets and
- j. Extension in validity of sanction

LIST OF NEGATIVE COVENANTS (19)

NC1. In the event of default, or where signs of inherent weakness are apparent. The Bank shall have the right to securitise the assets charged and in the event of such securitization, the Bank will suitably inform the borrower(s) and guarantor(s)

NC2. Formulate any scheme of amalgamation or reconstruction.

NC3. Undertake any new project, implement any scheme of expansion/diversification or capital expenditure or acquire 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.

NC4. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies) / normal trade credit or security deposits in the ordinary course of business or advances to employee can, however, be extended. Such investment should not result in breach of financial covenants relating to TOL/Adj. TNW and current ratio agreed upon at the time of sanction.

NC5. 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.

NC6. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).





MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

NC7. 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.

NC8. Create any charge, lien or encumbrance over the assets charged to the bank in favour of any financial institution, bank, company, firm or persons.

NC9. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% 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)

NC10. 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. acquisitions 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.

NC11. 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.

NC12. Undertake any trading activity other than sale of products arising out of its own manufacturing operations.

NC13. Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.

NC14. Repay monies brought in by the Promoters / Directors / Principal Shareholder and their friends and relatives by way of deposits / loans / advances. Further, the rate of interest, if any, payable on such deposits / loans / advance 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 installments to term loans granted / deferred payment guarantees executed by the bank or other repayment obligations, if any, due from the borrower to the Bank.



MID CORPORATE CENTRE, NEW DELHI-1

P BLOCK, CONNAUGHT PLACE-NEW DELHI-110001

NC15. 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.

NC16(a). The borrower shall open/ maintain current account/s in accordance with the RBI guidelines issued from time to time. (Regulatory)

NC16(b). The Borrower shall deal with us exclusively under sole banking arrangement. In case of facilities under Consortium/ multiple banking arrangement, the borrower shall offer the bank (on a right of first refusal basis) at least prorata business relating to their activities including deposits, remittances, non-fund based transactions including LC's/ BG's, bills/ cheque purchase, Forex transactions and any interest rate or currency hedging business, Merchant Banking, IPO/ FPO, Capital market transactions, Cash Management Product, Vehicle Loan etc.

NC17. No commission to be paid by the borrowers to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.

NC18. Approach capital market for mobilizing additional resources either in the form of debt or equity.

NC19. Fund Based Limits in Term Loan, should be regulated through as Escrow Mechanism as agreed among banks to avoid any kind of diversion of funds.


(C S Joshi)
Chief Manager




(R R Amitabh)
Asst. General Manager