



UNION BANK OF INDIA
SAMTA COLONY BRANCH
RAIPUR

Ref. ADV/SAMTA:399

Date : 17.02.04

To,
M/S SALASAR SPONGE & POWER LTD
2, DOONGAJI COLONY
RAIPUR

Dear Sir,

**Sub : Your request for sanction
of credit facilities**

1. With reference to your request letter No. Nil dated 08.10.2003 and subsequent correspondence/discussion we had with you/your representative, we have pleasure in advising you that we are agreeable to sanction the following credit facilities at our branch to you as detailed hereunder for a period of one year, subject to periodical review at the Bank's discretion, for financing the activities of the company.

(Rs. in Crores)

Facility	Existing/New Limit	Proposed Limit	Remarks
A. Fund Based Limits :			UNDER COSORTIUM ARRAGEMENT
a Working Capital :			
CASH CREDIT (HYPN)	NIL	0.50	
b. Term Loan :	NIL	9.44	
B. Non Fund Based Limit :	NIL		
TOTAL	NIL	9.94	

2. The terms and conditions governing the Credit Facilities as mentioned above are detailed in Annexures 'A' to 'E'. The company should also comply with all the Government/RBI guidelines as applicable from time to time.
3. The duplicate of this letter may please be returned to us duly signed by an authorised signatory of the company in token of having accepted the terms and conditions as detailed in Annexures.

Accepted the above on the terms and
conditions mentioned in Annexure A to Annexure E

Yours faithfully,

Branch Manager.



Signature of the Borrower

Signature of Guarantors

SALASAR SPONGE & POER LTD
TERMS & CONDITIONS OF SANCTION

a. **Limits :**

Facility	Existing/New Limit	Proposed Limit	Margin	(Rs. in crores)	
				Rate of Interest	
A. Fund Based Limits				Existing	Proposed
a. Working Capital :			As per annexure "c"		
Cash Credit (Hypn.)	Nil	0.50			BPLR + 1% = 11.75% p.a.
b. Term Loan :	Nil	9.44			BPLR + 2% = 12.75% p.a.
B. Non Fund Based Limit	Nil	Nil			
TOTAL	Nil	9.94			

- Interest will be charged at monthly rest.

b. **Security :**

Type of Facility	Details of Primary Security
A. Fund Based :	As per Annexure "D"
a. Working Capital	
b. Term Loan :	
B. Non Fund Based	

Full Description of the Coll. Security	Value
As per Annexure "D"	

c. **Guarantee :** The credit facility is secured by personal guarantee of the following :
(Rs. in crores)

Name of the Guarantor/s	Address	Means
Shri Shiv Kumar Malani	300, Kohat Enclave, Pitampura, Delhi	1.00
Shri Krishan Mohta	Auckland Place, Kolkata	0.04
M/s. Raipur Rotocast Ltd.	587, Urla Industrial Complex, Raipur	3.08
M/s. Malani Holdings P. Ltd.	2, Doongaji Colony, Raipur	1.16

d. **Charge :**

Term Loan : Secured by first pari-passu charge of the fixed assets of the Company.

Working Capital : Secured by first pari-passu charge over entire current assets of the Company and second pari-passu charge over the fixed assets of the Company.

2nd pari-passu charge over the fixed asset (by means of extension of EM over immovable properties and hypothecation of movable P&M) of Raipur Rotocast Limited located at Industrial Complex, Urla, Raipur bearing plot no. 533, 583 and 587, area 6.00 acre (Net Block Rs.2.08 crore)

Drawing Power : Drawing Power shall be regulated on the basis of total value of the prime security available less unpaid portion, less goods received on job work basis, less obsolete items of stock, less stocks older than three months and less margin. In case of advances given to raw material suppliers older than 60 days will not ranked for drawing power.

