

कोल्हापुर (मुख्य) शाखा
1519, सी. 'जयधवल' बिल्डिंग,
लक्ष्मीपुरी, कोल्हापुर - 416 002. भारत
Kolhapur (Main) Branch :
1519, C. 'JAYDHAVAI' Building,
Laxmipur, Kolhapur - 416 002. INDIA
Tel. : 264 24 58, 59, 264 00 50
Fax : 0231- 264 09 52
E-mail : bci_kop_m@dataone.in



KLP/DLS/95.

7/11/2006

The Chairman & Managing Director
Shri Chh. Shahu Sah. Sakhar Karkhan Ltd.
Kagal.

Dear Sir

Re - Revalidation of sanction
of Term Loan for co-generation of energy
Plant, for Rs 3000 Lakhs.

We have pleasure in informing you that
the captioned sanction of Term Loan facility was
revalidated by our Head office on 26.10.06.

2. We give below the sanctioned terms of Revalidation.

i. Rate of interest for both Term Loan & existing
CC against pledge of stock of Sugar will be
2% below BPLR minimum 9.50%. [Floating].
This rate will vary with the change in BPLR.

ii All other existing terms of sanction of Term Loan
stands unchanged.

3. Please note the sanctioned terms & acknowledge the
same.

Recd. (Fin)
put up note for B.M.

SHRI CHHATRAPATI SHAHU SAH.
SAKHAR KARKHANA LTD. KAGAL
Inward No. 7075
Date 11-NOV-2006
Section - A/C



Mr. B. K. Dhavale
Chief Manager

BANK OF INDIA
KOLHAPUR (MAIN) BRANCH
1519/C, LAXMIPUR, KOLHAPUR-416 002.
PH: 2642459 / 2642458

Ref.No.KLP:ADV:SDG:309

Date: 14/12/2005

To:
The Managing Director
Shri Chhatrapati Shahu Sahakari Karkhana Ltd.Kagal
At/p Kagal
Dist.Kolhapur.

Dear Sirs,

Your request for Credit Facility
of setting up of Cogeneration Plant
Sanction of Credit Facility


With reference to your captioned request we offer you, the credit facility on broad terms and conditions mentioned in Annexure I & II.

2. 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.

3. This letter is issued in duplicate. Please return duplicate copy duly signed by you in token of having accepted the terms and conditions.

Thanking you,

Yours faithfully,


(S.G.KADAM)
SR. BRANCH MANAGER.

1. Credit Facility Limit
Sanctioned
Term loan (Co gen plant). Rs 3000 lacs
2. Security i) First Pari passu charge on fixed assets of the Karkhana after completing all the pre required formalities such as search report, permission from S.D.F. for pari passu charge and other essential permissions from concerned authorities.
ii) Assignment of receivables from MSFB.
3. Margin : 40.34% of Project Cost including S.D.F loan
- | | |
|------------------|------------------|
| Project Cost | Rs. 5028.87 lacs |
| S.D.F. loan | Rs. 1511.20 lacs |
| Bank Term loan | Rs. 3000.00 lacs |
| Our Contribution | Rs. 517.87 lacs |
4. Rate of Interest: 1.25% Below RBI/RR Minimum 9.50% p.a at monthly rest subject to change as per RBI/ Bank's directions
5. Repayment : 10 half yearly instalments of Rs. 187 lacs with moratorium of 10 months (including interest during construction period) commencing from June 07.
6. Insurance : Against fire/riot etc. risks at your cost.
7. Other stipulations : i) Stamped undertaking that variation between provisional and audited results as on 31/03/05 would not be more than 5%
ii) Stamped undertaking that quasi debt will not be withdrawn during the currency of term loan.
iii) Power purchase agreement to be signed prior to the disbursement of Term loan after its vetting by our legal Dept.
iv) Entire receivables from MSFB shall be assigned in our favour and will be routed through Escrow account with us. The Karkhana shall enter into tripartite agreement with MSFB and our Bank
v) The Society shall maintain minimum amount of one instalment and three month interest in the designated Escrow account after initial moratorium period. All the cost of this account will be borne by the Karkhana.
vi) Accelerated repayment schedule in the future on the basis of cash flows in future from the project.
vii) Agreement with M/s Avant Garde consultant prior to disbursement inter alia guaranteeing generation of 12.5 M.W power with equipments suggested by them and of rated steam consumption for production of power




Amt. in Rs.

10. Charges

Processing charges	70,000
Documentation charges	11,250
Tech. Appraisal fee	3,00,000
TL Appraisal fee	17,70,000
Inspection charge etc.	as applicable

Other terms will be communicated from time to time. The Bank reserves right to change/alter/modify the terms & conditions with intimation to you.


(S. G. KADAM)

SR. BRANCH MANAGER.



ANNEXURE - II

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 3/12/2006.
2. All the sanctioned/enhanced credit limits are to be utilised within a period of 6 months from the date of sanction (i.e. before 3/6/06) 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/firm to execute necessary security documents/renewal documents for sanctioned/enhanced limit(s) duly supported by Board resolution and create and register stipulated charges with the authorities specified for the purpose within stipulated time limit before release of sanctioned/enhanced limits.
4. Company/firm to have title deeds of the immovable assets released from Term Lenders and re-deposit the same at BOI, Uol honyx as an agent and custodian of First Charge and Second Charge holders.
- X5. Where Company/firm agrees to give second charge favouring the Bank, it has to complete the process as mentioned in serial "___" above and create second charge on block of fixed assets within a period of ___ months (to be as per terms of sanction) to secure the last enhanced limits and the present enhanced limits alongwith loan of Rs. _____ sanctioned by us outside the consortium.
- X6. Guarantor(s) : All fund based and non fund based facilities to be guaranteed (Joint & Several guarantee) by Mr./M/s. _____
The firm/Company shall not pay any guarantee commission to the guarantors.
7. 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 documents by the Bank's advocate are payable by firm/Company.
8. Stock/book debt statements are to be submitted at a frequency stipulated by the Bank (monthly/ quarterly) alongwith select operational data (MSOD) in bank's prescribed formats. Valuation of stocks to be done at cost/Invoice/market price, whichever is lower. Non submission of stock/book debts and MSOD statements by 10th (or the date stipulated in sanction) of the succeeding month will attract penal interest @1% p.a. If these statements are not submitted for a continuous period of 3 months, Bank may initiate further action as deemed necessary by the Bank.
9. The drawing power in the accounts would be arrived at after deducting the unpaid creditors, outstanding balance, if any, in the accepted DA L/C account. 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 90 days old. Drawings would be allowed based on the QIS returns subject to the availability of drawing powers as mentioned above.



20. Lead Bank/processing charges of Rs. _____ will be levied annually. Earmarking charges of Rs. _____ p.a. per account for Earmark Limit of Rs. _____ at _____ branch, Documentation charges of Rs. _____ and inspection charges @ Rs. _____ per inspection are payable. Out of pocket expenses incurred towards title verification and valuation of property/assets, inspections/ techno-economic appraisal of the project/unit will be recovered separately.

} Mentioned in
Annexure one

21. Commitment charges : A minimum commitment charge of 1%p.a. will be levied on unutilised portion of working capital limits subject to tolerance level of 15% of such limits. Company/firm to intimate in advance about the level of utilisation of the limit through QIS returns. If overall utilisation of fund based limits during the year is less than 60% of the sanctioned limit, then commitment charges of 2%p.a. will be recovered and the limits will be pruned down at the time of review.

22. In case of default either in the payment of interest, the repayment of the principal amounts as and when due and payable or reimbursement of all costs, charges and the expenses when demanded, you shall pay additional interest at the rate of 2% above the interest rate for the facilities on the overdue interest, costs, charges or expenses and/or from the respective due dates for payment and/or repayment.

23. The firm/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. Any delay without specific approval from the bank will attract penal rate of 1%p.a. for the delayed period.

24. CMA data to be submitted at least one month before the due date of review. Any delay without specific approval from the bank will attract penal rate @1% p.a. In case CMA data is not submitted for a continuous period of three months, the bank may take further action as deemed fit by the Bank.

24A. The company/firm 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 partners and guarantors every year.

25. The company's/firm's entire banking business (including merchant banking, Dividend and interest payments) should be routed through us/ members of the consortium proportionate to the sharing of the working capital facilities.

26. Firm/Company to declare/undertake to us:

✓ to supply to us, audited financial statements of the firm/company within 6 months from closure of financial year. Any delay in submitting these audited financial statements without our specific approval will attract penal interest @1%p.a. In case these statements are not received by us for a continuous period of 3 months, the bank may take further action as deemed fit by the bank.

✓ 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.

✓ 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.



- ✓ the company shall not induct a person who is/was a director in a company, which has been identified as a 'Willful defaulter' by the Bank, RBI or any Bank/FI, on company's Board and if such a person is found to be on the Company's Board, the company shall take expeditious and effective steps for removal of such person/s from Company's Board.

33. The credit facilities shall be utilised only for the purposes for which same are granted and said facilities shall not be 'diverted' or 'siphoned off' or used for any other purposes.

34. In case of default in the repayment of loans/advances/abovesaid facilities or in the repayment of interest thereon or any of the installment of Loan as per stipulated terms, or in the event of diversion or siphoning off or utilising the said facilities for any other purpose other than for which it is granted, the Bank and/or the Reserve Bank of India (RBI) will have an unqualified right to disclose or publish the name of the company/firm or its directors/partners as defaulters in such manner and through such medium as the Bank or RBI or such other agency authorised by them, in their absolute discretion may think fit.

35. Please note that the cheques drawn by firm/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. Further, please note that Bank will not allow cash withdrawals beyond Rs. _____ per cheque/per day.

36. 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.

37. 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) You 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 realisation of any security or any demand or any attempted recovery of the amounts due from you.

38. We 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 your account or not.

39. Any failure to exercise or delay in exercising any of our 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.

