



STATE BANK OF INDIA,
COMMERCIAL BRANCH,
6-A, WAY ROAD, LUCKNOW
PH- 0522-2206061-64 FAX-2208168

Courier 25
The Managing Director
K.R.Pulp & Papers Ltd
Jalabod Road
Shahjahanpur(U.P.)

COMM/JK/2003-04/111

Date: 30th June, 2003

Dear Sir,

Advances : C&I Segment

Proposal For Sanction Of Term Loan(FCNRB) Of Rs. 7.70 Crores
And Enhancement In Working Capital (Fund Based) Limits From
Rs. 2.35 Crores To Rs. 3.35 Crores

We acknowledge receipt of your letter (Ref:9/03-04/558) dated 16th June, 2003 related to the captioned matter.

2. While going through your proposal it has been observed that you have proposed for a Term Loan assistance of Rs. 7.70 Crores by way of an FCNRB(TL) for modernization cum capacity expansion of the plant as well as installation of a 2MW captive power plant.

3. In this connection we would like to inform you that any assistance in terms of FCNRB Loans depends upon the availability of Foreign Currency Funds with the Bank at that particular time. Accordingly, while we shall endeavour to process the loan in Foreign Currency terms, the availability of the same in Foreign Currency will depend upon the availability of Foreign Currency Funds with the Bank. In case you are agreeable to the same then please submit us the following additional statements / details :

- a) Audited Balance Sheet and Profit & Loss A/c of the Company for the financial year 2002-03 and
- b) Details of additional collateral being offered by the Company for the enhanced exposure limits. In this context, the possibility of offering the property of M/s KR Oil Industries Pvt. Ltd. situated at Shahjahanpur, as collateral for the proposed Term Loan be also advised.

4. Please urgently arrange as above to enable us to process your loan application.

Yours faithfully,

Assistant General Manager.

BY COURIER

STATE BANK OF INDIA
 COMMERCIAL BRANCH,
 6-A, WAY ROAD,
 GOKHALE MARG, LUCKNOW.
 PH-0522-2206061-64 FAX-2208168

The Managing Director
 K R Pulp & Papers Ltd.
 Jalaabad Road,
 Shahjahanpur (U.P)

COMM/JK/2003-04 / 311

Date 20.08.2003

Dear Sir,

Advance : C&I SegmentM/s K R Pulp & Papers Ltd.Proposal for sanction of Term Loan and enhancement of working capital facilities.

Please refer to your request for sanction of Term Loan cum enhancement of working capital facilities.

2. In this connection, we would like to inform you that due to non arrangement of collateral security on your part, we are unable to accept your request for enhanced exposure limits of Term Loan, however need based working capital proposal will be considered accordingly.

Yours faithfully



Asstt. Genl. Manager
 Mid Corporate

Ref. : 11/04.05/164
Date : 22nd August 2004

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To,

The Asstt. General Manager
STATE BANK OF INDIA
Commercial Branch,
6A, Way Road,
Lucknow

Sub. : **Request for sanction of Term Loan for 2.5 MW Turbine & Renewal of working capital facilities.**

Dear Sir

1. Please find enclosed herewith copy of Audit Balance Sheet for the year ending 31st March 2004 alongwith detailed project report for sanction of Term Loan of Rs. 5.00 Crore for installation of 2.5 MW Captive Power Generation Plant and renewal of our existing working capital facility.
2. We refer your earlier letter ref. CO/WK/2003-04/311 dt. 20.08.03 wherein your goodself have asked us to submit the additional collateral securities to coverup the sanction of Term Loan. The below are the available properties detailed as under which we are offering you as collateral security.

DETAILS OF COLLETERAL SECURITY

| S. No. | Property in the name of | Gata No. | Rakba | Seller |
|--------|-------------------------|----------|-------------|---|
| 1 | Shri Gopal Agarwal | 162 | 0.202 Hect. | Shri Ram Bilas S/o Chetram |
| | | 163 | 0.113 Hect. | |
| 2 | Shri Gopal Agarwal | 158 | 0.340 Hect. | Smt. Shiboo W/o Late Maiku |
| | | 159 | 0.117 Hect. | |
| 3 | Shri Gopal Agarwal | 164 | 0.165 Hect. | Shri Hamidulla S/o Amirulla |
| 4 | Shri Gopal Agarwal | 176 | 0.336 Hect. | Shri Angad Lal, Shri Ram Sevak S/o Shri Yalakram and Shri Raja Ram S/o Shri Laljeet |
| | | 177 | 0.057 Hect. | |
| | | 178 | 0.478 Hect. | |
| | | 180 | 0.218 Hect. | |
| | | 181 | 0.218 Hect. | |
| | | | 2.003 Hect. | |
| | | | 4.849 Acre | |

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3. Further we request you to kindly renew the existing working capital facility.
4. Although we are satisfied in working related to banking with SBI but painfully regret to bring to the following facts relating to higher interest being charged by State Bank of India on our Rupee loan.
 - (A) Presently SBI is charging interest of 12.25% p.a on Term Loan A/c and @11.75% on Cash Credit A/c (Rupee Loan Portion) which is much higher than the rates of other commercial bank.
 - (B) Punjab National Bank and Bank of Baroda in our area are regularly sanctioning the Rupee Loan @9.5 to all the units in Shahjahanpur and offering us the Rupee Loan @9.0% alongwith of foreign currency loans.
 - (C) Since beginning of the unit we are regular in making the repayment of principal and interest to the Bank and have not committed default even for a single day in any account.

In view of the above and in this competitive business scenario we request your goodness to consider the reduction in rate of interest on 12% (Rupee Loan) and Cash Credit A/c (Rupee Loan portion) to 9.0% p.a.

5. Further the processing charge and other charges like Bank draft charges etc. are also being charged by State Bank of India are on very higher side. The following rate offer of Bank of Baroda are being mentioned in Shahjahanpur in their parties :
 - (i) Processing Fees : 50% of processing fees are being waived by the Bank of Baroda to their parties and 50% are being charged from parties.
 - (ii) Draft Charges

| | |
|----------------------------|------------------|
| The draft charges slab are | |
| Draft upto ₹ 10 Lacs | : 1.50% charged. |
| Draft above 1.00 Lac | : 1.00% charged. |

State Bank of India was charging processing fees @Rs.250/- per Lac, and there is no waiver in the charges. We have also come to know that these rates have been enhanced w.e.f 1.10.04 to Rs 280/- Per Lac.

State Bank of India was also charging draft charges of Rs 2.00 per thousand with a concession of 25% of these rates. Recently these charges have also been increased w.e.f 1.10.04 to Rs.2.50 per thousand.

(Contd. . 3)

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We therefore earnestly request your goodself to kindly consider the reduction in processing charges and Bank cash charges to least level or equivalent to the rate being offered by Bank of Baroda in this area.

We hope you will consider the sanction Term Loan of Rs. 5.00 Crore for installation of Turbine of 2.5 MW and will take an early action to sanction the other matter as mentioned in the aforesaid proposal.

Thanking you

Yours faithfully
For K R PULP & PAPERS LTD.


(S.G. Agarwal)
Director

Encls : As above
