



ভারতীয় স্টেট ব্যাংক
শিল্প বিত্ত সংস্থা শাখা
মধ্য কর্পোরেট সমূহ
M/s. Hanuman Agro Industries Ltd.
NICCO House, 2 Hare Street,
6th Floor, Kolkata-700 001.

State Bank of India
INDUSTRIAL FINANCE BRANCH
MID-CORPORATE GROUP
KOLKATA

No. 115/400/11/03/1

Date: 16.05.05

Dear Sir,

COMMERCIAL ADVANCES
SANCTION OF CREDIT FACILITIES

With reference to your letter No. Nil dated 31.1.05 addressed to us, we are pleased to advise that you have been sanctioned the following credit facilities:

[Rs. in crores]

Facility	Existing	Proposed
FBL		
i. Cash Credit	4.50	4.50
Total FBWC	4.50	4.50
ii. Term Loan *	--	10.50*
Total FBL [A]	4.50	15.00
NFBL		
iii. LCs	0.40	0.40
iv. BGs	0.10	0.10
Total NFBL [B]	0.50	0.50
TOTAL EXPOSURE [A+B]	5.00	15.50

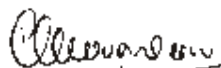
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- i. LC Limit for acquisition of Capital Goods of Rs. 8.00 crores within Term Loan Limit
 - ii. FCNRBTL of USD 2.33 million within the above Term Loan of Rs.10.50 crores on a fully hedged basis with swing facility after one year.
2. The above limits are as per the terms and conditions set out in Annexures 'A' to 'B' including security and pricing in addition to the special terms and conditions enumerated below:



- i. Upfront fees @ 0.25% of the Term Loan sanctioned will be recovered immediately.
- ii. The term loan will also be governed by the bank's standard covenants attached hereto.
3. Please note that terms and conditions as already advised to and accepted by you in terms of our sanction letters No.IFB/ADV/12/653 dated 07.9.04 will continue to be applicable unless specifically amended in terms of this letter.
4. Please arrange to complete all the formalities of documentation, including that of creation/extension of mortgage, and also arrange to fulfill the pre-disbursal conditions/stipulations at an early date to enable us to release the facilities.
5. We request you to please return the duplicate copy of this letter and annexures duly signed by authorized signatory of the Company and the Guarantors of the advance in token of having accepted the terms and conditions of sanction. Please also arrange to pass suitable Board Resolution in this regard and arrange to call on us for executing the necessary security documents along with certified copy of the Resolution for our record.

Yours faithfully,



Asstt. General Manager/Chief Manager

Encl.: as above



ANNEXURE "A"

M/S. HANUMAN AGRO INDUSTRIES LTD.
TERMS AND CONDITIONS FOR TERM LOAN

1. **Limit** : Rs. 10.50 crores.
2. **Security** :

Primary : Hypothecation of Plant & Machinery, Mortgage of land and Building.

Collateral : Extension of charge on current assets

Guarantee :
A) Personal Guarantee of
I. Sri R. Kanoria
II. Sri Anjan Kanoria
III. Sri Anil Kanoria

B) Corporate guarantees of Associate concerns who extended finances to the Company by way of unsecured loans
3. **Documents** :
i) As per Revised C & I Manual on documentation
ii) Recital for Equitable Mortgage Form C-10
4. **Rate of Intt.** :
I) For Term Loan
1.25 % over SBAR [PLR], applicable to SBTL-1 credit rating. Effective rate will be 11.50 % p.a. at monthly rests.

II) For FCNRB(TL)
LIBOR + CRA linked spread which is presently 4 % plus the usual forward premium.
5. **Insurance** : All the Fixed Assets of the Company will be insured for full value in the joint name of the Company and the Bank.
6. **Repayment** :
i. The existing term loan will be repaid as per the extant schedule.
ii. The proposed term loan will be repaid in 20 quarterly instalments of Rs 52.50 lacs each commencing from June, 2006



M/S. HANUMAN AGRO INDUSTRIES LTD.
TERMS AND CONDITIONS FOR LETTER OF CREDIT
[INLAND/IMPORT]

1. **Limit** : Rs. 8.00 crores (within the Term Loan Limit of Rs.10.50 crores)
2. **Security** : Extension of hypothecation charge on the Company's Current assets.
3. **Collateral** : As per Annexure "A"
4. **Guarantee** : Nil
5. **Rate Of Commission** : At our standard rates.
6. **Margin** : Inland - Nil %, Foreign - Nil %

Note: RBI's directives on margin on Import Letter of Credit and margin on and holdings of imported raw materials will be adhered to.

7. **Documents** : As per Annexure A.

8. **Other Terms And Conditions :**

- i) Full amount of the outstandings usance bills received under our Letter of Credit and accepted by the borrowers will be earmarked [deducted] against the advance value of stocks and other eligible drawing power [including the stocks covered by the above referred usance bills]. Also whenever bills drawn under the L/C are received but the relative goods are not yet received lien [deduction] for the full amount of the outstandings bills as aforesaid will be earmarked against the advance value documents of title to goods received under our L/C.
- ii) Stamped Letter of undertaking should be furnished to the Bank while applying for opening Letters of Credit in favour of indigenous/foreign suppliers.
- iii) The Company should meet the obligations arising out of the bills drawn under the Letter of Credit opened by the Bank out of their own resources and/or from available drawing power within the existing credit facilities. No overdrawings will be permitted in this connection.



M/S. HANUMAN AGRO INDUSTRIES LTD.
STANDARD COVENANTS FOR TERM LOAN

1. The Bank shall have right to examine at all times the books of accounts of the Company and to have their factories inspected, from time to time, by its officer(s) and / or outside agencies/ Chartered Accountants and the expenses to be incurred by the Bank in this regard will be borne by the Company.
2. The Bank may, at its sole discretion, disclose such information to such institution(s) in connection with the credit facilities granted to the Company if requested by them.
3. During the currency of the credit facilities, the Company 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/ schemes, implement any schemes of expansion or acquire fixed assets without obtaining the Bank's prior consent therefor, unless the expenditure on such expansion etc. is covered by the Company's net cash accruals after providing for dividends, investments etc. or from long term funds received for financing such new projects or expansion and approved by the bank
 - d. invest by way of share capital in or lend or advance funds to or place deposits with any other concern. Normal trade credit of security deposits in the usual course of business or advances to employees etc. are, however, not covered by this covenant;
 - e. enter into borrowing arrangement either secured or unsecured with any other Bank, financial institution, Company or otherwise save and except the working capital facilities granted/to be granted by other consortium-member banks, under consortium arrangement with the Bank and the term loans proposed to be obtained from financial institutions/Banks for completion of the replacement-cum-modernisation programme;
 - f. undertake guarantee obligations on behalf of the Company; and



- g. declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that no default had occurred in any repayment obligations.
 - h. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
 - i. sell, assign, mortgage or otherwise dispose off any of the fixed assets charged to the Bank;
 - j. enter into any contractual obligation of a long term nature or affecting the company financially to a significant extent;
 - k. change the practice with regard to remuneration of directors by means of ordinary remuneration or commission, scale of sitting fees, etc;
 - l. undertake any trading activity other than the sale of products arising out of its own manufacturing operations; and
 - m. permit any transfer of the controlling interest or make any drastic change in the management set-up.
4. The Company should maintain adequate books of accounts which should correctly reflect its financial position and scale of operations and should not radically change its accounting system without prior notice to the Bank.
5. The Company should submit to the Bank such financial statements as may be required by the Bank from time to time, apart from the set of such statements to be furnished by the company to the Bank as on the date of publication of the company's annual accounts.
6. The company shall keep the Bank informed of the happening of any event likely to have a substantial effect on their profit or business: if, for instance, the monthly production or sales are substantially less than what had been indicated to the Bank, the company will inform accordingly with explanations and the remedial steps proposed to be taken.



7. The company shall keep the Bank advised of any circumstance adversely affecting the financial position of their subsidiaries/group companies or companies in which it has invested, including any action taken by any creditor against the said companies legally or otherwise.
8. Monies brought in by the promoters/directors/principal shareholders and their friends and relatives by way of deposits/loans/advances will not be allowed to be repaid by the company without the Bank's prior permission in writing. Further, the rate of interest, if any, payable on such deposits/loans/advances 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 under term loans granted/deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the company to the Bank.
9. The Bank will have a first charge on the profits of the company, after provision for taxation, for repayment of installments under term loans granted/deferred payment guarantees executed by the Bank or other repayment obligations, if any, due from the company to the Bank.

