



सीआईएन (CIN) L65190MH2004GOI148838

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आईडीबीआई बैंक लिमिटेड  
मिड कॉर्पोरेट शाखा :  
शोरूम नं. 2 एवम् 3, मेजानाईन फ्लोर,  
सनी पैराडाइज, कमल एंड कंपनी के पास,  
टॉक रोड, जयपुर - 302 015 (राज.)  
टेलीफोन : (+91-141) 4133521/541

IDBI Bank Limited  
Mid Corporate Branch :  
Showroom No. 2 & 3, Mezzanine Floor,  
Sunny Paradise, Near Kamal & Company,  
Tonk Road, Jaipur -302015 (Raj.)  
Phone : (+91-141) 4133521/541

## SANCTION LETTER

### In Duplicate

IDBI/JBO/MCG/1008/2020-21

June 20, 2020

The Managing Director,  
ASI Industries Limited  
Marathon Innova, A Wing, 7th Floor,  
Off Ganpatrao Kadam Marg, Lower Parel,  
Mumbai-400013 (Maharashtra)

Dear Sirs,

### Working Capital Assistance of Rs. 26.00 Crore

Please refer to your application and discussions your representatives had with us regarding renewal of the credit facilities sanctioned vide Sanction Letter dated April 03, 2019 and subsequent letter(s) issued to you.

In this connection, we advise that, IDBI Bank is agreeable in principle, to grant to you the following revised credit facilities on the terms and conditions contained in the Term Sheet(s) annexed hereto.

(Rupees crore)

Type of Facility	Overall limit	
	Existing	Revised
ILC/FLC Limit	25.00	26.00
LCBD/OD	0.00	(1.00)
Cash Credit Limit	1.00	0.00
LER ( Inner limit to ILC/FLC)	(2.00)	(2.00)
<b>Working Capital Limit</b>	<b>26.00</b>	<b>26.00</b>

2. The grant of aforesaid credit facilities is subject to the normal terms and conditions contained in the Facilities Agreement and the terms and conditions set out in Appendix-I hereto. This letter shall form an integral part of the Facilities Agreement entered/ to be entered into between you and IDBI Bank, if required.

3. In case the above terms and conditions are acceptable to you, you may return the duplicate copy of this letter duly signed by you/ your authorized person along with two certified copies of the resolution duly passed by the Board of Directors of your company within 30 days from the date of receipt of this Sanction Letter.

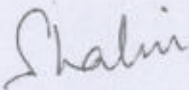
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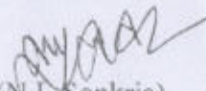


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4. Please note that this communication should not be construed as giving rise to any binding obligation on the part of IDBI Bank unless you communicate to IDBI Bank within 30 days from the date of receipt of this Sanction Letter that the terms and conditions set out herein are acceptable to you and unless the Supplemental Facilities Agreement and other documents relating to the financial assistance are executed by you in such form as may be required by IDBI Bank within 2 months from the date of this Sanction Letter or such further time as may be allowed by IDBI Bank in its absolute discretion.
5. The Overall Limit hereby offered are subject to periodic review by IDBI Bank and **shall be due for renewal/repayment on or before May 19, 2021** unless any individual facility is due for repayment before that date or renewed by IDBI before that date
6. IDBI Bank reserves the right to amend any of the terms and conditions hereof (including reducing or canceling any or all- the credit facilities) at its sole discretion.
7. You are requested to obtain the consent of the guarantors to the financial assistance in token of their having accepted the modification of the Original Sanction Letter.
8. Meanwhile, kindly acknowledge receipt of this Sanction Letter.

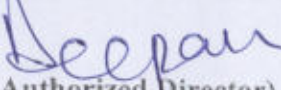
Yours faithfully,

  
(Shalini Sharma)  
Manager

  
(N.L. Sonkria)  
DGM, Branch Head

The Borrower hereby affixes its signature to this document in acceptance of the terms and conditions herein contained.

ACCEPTED  
For ASI Industries Limited

  
(Authorized Director)



GUARANTORS

The Guarantors hereby affixes their signature to this document in acceptance of the terms and conditions herein contained.

1. Shri Deepak Jatia

*Deepak*

2. Shri Tushya Jatia

*Tushya*



APPENDIX I  
(Terms & Conditions of the Financial Assistance)

**I. Letter of Credit (ILC/FLC) Limit**

i	Type of Facility	Letter of Credit (ILC/FLC) Limit
ii	Limit / Amount	Rs. 26 Crore (Rupees Twenty Six Crore only)
iii	Purpose	To meet working capital requirement,
iv	Usance / Commitment /Other charges	2.00% p.a. plus applicable taxes.
v	Other Charges	Documentation charges & out of pocket charges at actuals
vi	Other charges (including documentation and inspection charges)	As per extant guidelines of IDBI Bank Limited
vii	Commitment Charges	As per extant guidelines of IDBI Bank Limited
viii	Security	<u>Collateral</u> 1. Exclusive charge on mining land admeasuring 752 bigah 20.25 biswa situated at Ramganj Mandi, Kota 2. Exclusive charge on Residential plots admeasuring 2626.50 sqr yards and 1577.95 sqr yards situated at Ramganj Mandi, Kota (to be created within three months)  <u>Personal Guarantee</u> o Shri Deepak Jatia; o Shri Tushya Jatia
ix	Margin	10% Cash Margin
x	Tenure of Facility / Repayment dates	LC: Usance of individual LC not to exceed 180 days / 12 months line. Honoring commitments on due dates.
xi	Method or source of repayment	Out of internal accruals / working capital limits
xii	Documeration (Facility specific)	Stamped LC Application.
xiii	Other Conditions (Facility specific, if any)	<ul style="list-style-type: none"> <li>The Company shall honor commitments on due date.</li> <li>The Company shall ensure that stocks purchased under LC are shown separately.</li> </ul>



**2. LCBD/Overdraft Limit**

Sr. No.	Particulars	Terms & Conditions
i	Type of Facility	LCBD/Overdraft Limit
ii	Limit / Amount	Rs.1.00 crore (Rupees One crore only, Inner limit of LC)
iii	Purpose	To meet working capital requirement
iv	Rate of Interest (exclusive of interest tax, other levies / duties)	MCLR(Y) plus 260 bps p.a plus applicable taxes (Present effective rate 11.00% p.a.)
v	Commitment Charges	As per extant guidelines of IDBI Bank Limited
vi	Other charges (including documentation charges)	As per extant guidelines of IDBI Bank Limited
vii	Margin	10%
viii	Security	OD-Same as stipulated above at LC Limit facility under clause No. 1(viii). LCBD-Other Banks Acceptance
ix	Tenure of Facility	12 months line
x	Repayment Terms	OD-Repayable on demand LCBD-O due date
xi	Method or source of repayment	Out of internal accruals
xii	Other Conditions (Facility specific, if any)	Nil

**3. LER Limits:**

i	Individual Facility	LER Limits (Inner limit to ILC/FLC)
ii	Purpose	LER for forward /derivative deals with one year validity
iii	LER (Indicative) Limit	Rs.2 Crore (Rupees two crore only)
iv	Commission	As per Bank tariff
v	Other charges	Documentation and other charges at actual
vi	Security	Same as stipulated above at Cash Credit Limit facility



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		under Clause 1 (viii)
vii	Margin	As per Treasury
viii	Termination Clause	The facilities are valid till 19.05.2021. In case it is not renewed by 19.05.2021, then all the outstanding contract including Spot FX / Forward FX Covers / Options / Swap will be canceled and Marked to Market (MTM) will be exchanged.
ix	Specific Events / Covenants	(e.g. – MTM loss exceeding prescribed limit or time period covenant, Break Clause)
x	Method or source of payment	Out of internal accruals
xi	Documentation	Specimen signatures of the officials authorized by the Board of Directors of the company to accept the facilities and the conditions herein and to give instructions and execute documents in connection therewith. Request letter from Authorized Officials indicating / accepting the terms of the contract for each deal done. Duly Accepted Sanction letter Contract Note Acceptance ISDA Master Agreement & Schedules Risk Disclosure Statement
xii	Covenants	<ul style="list-style-type: none"><li>• Loan Equivalent Risk (LER) is the Bank's internal estimate and hence is only indicative of the potential future loss / profit on account of one or more deals. The models used by the IDBI Bank are confidential and are subject to change without notice.</li><li>• Kindly note that your liability is not limited to the LER amount since this is only an estimate at the time of the deal. The client still has the obligation to honor all commitments of individual deals irrespective of the LER amounts indicated in the sanction letter.</li><li>• The company hereby undertake to us:<ul style="list-style-type: none"><li>➤ To supply to us, within one week of their publication, copies of your provisional quarterly and annual report and audited accounts;</li><li>➤ To provide to us promptly information about all material and adverse changes in your ownership and management;</li></ul></li></ul>



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		<ul style="list-style-type: none"><li>• Notwithstanding what is herein contained, we shall, at any time and from time to time, be entitled to notify you and thereafter charge interest at such notified rate and this letter shall be construed as if such revised rate were mentioned herein. In case of default in the payment of cancellation charges / premium, or compliance with terms and conditions or breach of specific covenants, etc you shall be charged interest at 15%.</li><li>• The Company shall pay to or reimburse all costs, charges, expenses (including charges between the Attorney or Counsel and Bank and those of our internal Legal Advisor / Officer and other experts, consultants or professionals), disbursements, taxes, fees, stamp duties etc. whatsoever, incidental to or 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 or the enforcement or realization of any security or any demand or any attempted recovery of the amounts due from you. We shall be entitled to debit the amounts of all costs, charges and expenses to the account and such amounts shall stand secured by all securities given to or created in our favour in connection with the Facilities. You indemnify us fully and completely against the liability in respect of all such costs, charges and expenses stipulated herein whether debited to your account or not.</li><li>• So long as any monies are due to us from you under any of the facilities, we shall have a lien for such amounts on all your credit balances, deposits, securities or other assets with, any of the offices of the IDBI Bank or of its subsidiaries anywhere in the world and upon the happening of any of the events of default referred herein, we shall be entitled to exercise a right of set off between the amounts due and payable to us and the said credit balances, deposits, securities and other assets.</li><li>• The Company shall not, except after prior written notice to us at least one month in advance, make any</li></ul>
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		alterations in your controlling ownership or any other material change in your management or in the nature of your business or operations during the period of subsistence of facilities.
xiii	Other Conditions	<ul style="list-style-type: none"><li>• Details / Supporting of exposures being hedged (underlying) to be supplied before contract is opened. The company / firm / proprietary concern to undertake that the company / firm / proprietary concern has not entered into any transaction with any other Agency for the underlying transaction hedged with us and also undertake not to do so in future. The company / firm / proprietary concern also undertakes to advise the Bank on repayment / pre-payment closure of the underlying pronto.</li><li>• Acceptance of this Facility Letter authorizes IDBI Bank to close out any or all outstanding deals at the sole discretion of the Bank if margin in terms of condition above, is either inadequate or not provided when required.</li><li>• All monies due to the Bank shall be paid by you on demand / due date / maturity date / settlement date (as applicable) and Bank reserves the right to set-off monies due to it against monies payable to you.</li><li>• In case of trigger of specific event/ covenants the IDBI Bank shall have the right to cancel the related transaction at its sole discretion and you shall pay the Bank all related monies unconditionally.</li><li>• Any gains / losses on cancellation to be received / paid without</li></ul>
	Payments	<ul style="list-style-type: none"><li>• All payments / repayments / reimbursements to be made to us under the Facilities shall be made without fail on the due dates for such payments. Should any due date happen to fall on a day which is not a bank business day (which for the purpose of this letter shall mean a day on which this branch of our bank is open for business) payment shall be made on the following bank business day and such additional time shall be included in the computation of interest.</li><li>• All sums paid to us under the Facilities, whether in respect of principal or interest or commission or</li></ul>



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		<p>charges or otherwise, shall be paid in full without any set-off or counter claim and without any deduction or withholding levies, imposts, duties, charges or withholdings of any nature whatsoever. In the event of any such deductions or withholdings from such payments shall be required, you shall pay to us such additional amount as will result in the receipt by us of the payments which would otherwise have been received if no withholdings or deductions had been made.</p> <ul style="list-style-type: none"><li>• If as a result of any law, regulations or directive, enacted or issued by any governmental, semi-governmental or other competent authority (or any variation in the same) the cost of us maintaining the facilities increases, we shall notify you of the amount or percentage conclusively determined by us of such increase and you agree that you will on our demand, from time to time, pay the amounts so notified from the date of our so notifying you.</li></ul>
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OTHER TERMS AND CONDITIONS

In the event of default in performance of any of the below mentioned covenants IDBI Bank shall have right to review the credit facilities including stipulation of additional security and Terms & Conditions.

The Covenants are as under: -

General	<ul style="list-style-type: none"><li>• IDBI reserves the right to withdraw the facilities in the event of any change in circumstances including but not limited to a material change in ownership / shareholding pattern / management of the firm.</li><li>• The Company shall not divert the facilities to inter-corporate deposits, debentures, stocks and shares, real estate business, etc. In case of diversion to other uses, the facilities will be withdrawn forthwith and will also attract penal interest @ 2% over and above the rate charged till the repayment.</li><li>• The Company shall submit such other information / documents to IDBI as may be required from time to time.</li></ul>
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	<ul style="list-style-type: none"><li>• External rating of investment grade.</li><li>• Current ratio below 1.25 times</li><li>• Incurring early loss</li></ul>
Others	Non submission of QIS, quarterly / audited financial results, and required paper for renewal of limits within prescribed time.
Documents to be obtained	<ul style="list-style-type: none"><li>• Accepted Sanction letter.</li><li>• Board Resolution for acceptance of terms of sanction.</li><li>• Any other document as may be required by IDBI Bank.</li></ul>

1. The Company shall pay processing charges @ 0.25% plus service tax on the entire Working Capital facility payable upfront.
2. In the event of default in performance of any of the aforesaid covenants IDBI Bank shall have right to review the credit facilities including stipulation of additional security and Terms & Conditions.
3. All your assets charged to bank shall be comprehensively insured for the full value with the Bank clause except for LC backed transactions. The company shall be charged flat penalty (penal interest) of Rs. 200/- for each delay beyond the due date for non-renewal of insurance policy(s) in timely manner or inadequate insurance cover.
4. Interest, commission and other charges are subject to variations as may be notified by IDBI Bank from time to time in accordance with utilization level and IDBI Bank's usual practices.
5. The company shall submit QIS / IFA within time frame stipulated by RBI. Any delay in submission of the statements to attract penal interest 2% over and above the rate charged.
6. IDBI Bank reserves the right to carry out inspections of Head Office or main branches at regular interval (as per bank's guidelines) basis by itself or through accredited professional agencies with inspection charges of Rs.10000/- plus taxes and actual expenses at your cost.
7. The company shall submit renewal due 30 days before the due date of renewal of limits; otherwise penalty of Rs.5000/- (flat) up to the due date of renewal and

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Rs.10,000/- (flat) per month thereafter till the date of submission will be charged.

8. The company shall submit audited balance sheet within 6 months from the closure of the financial year. Any delay in submission of the audited balance sheet beyond one month will attract penal interest @ 0.25% p.a. over and above the sanctioned rate of interest.
9. The company shall undertake to maintain capital / Reserves / unsecured loans and NWC at projected level and to bring in additional funds bridge the gap, if any in projected funds.
10. Diligence report as per RBI circular dated 19.04.2009 may be submitted.
11. The company shall agree that in the event of default in repayment of the facility or payment of interest on due dates, IDBI Bank Ltd shall have an unqualified right to disclose/publish the name of the company and its directors to the Reserve Bank of India (RBI), Credit Information Bureau (India) Limited etc. Towards this end, the company gives its consent to IDBI Bank Ltd and /or RBI to publish/disclose its name and names of its directors as defaulters in such manner and through such medium as IDBI Bank Ltd/RBI may decide.
12. The company shall not use the working capital facilities other than working capital purpose. The company shall use NFB assistance for current operations only
13. The company will not invest in new projects without written approval from IDBI bank.
14. The company shall furnish certified copy of NOC from Pollution Control Board and undertake to maintain such permission live during the currency of the facilities.
15. The Lender shall have the right to disclose the information relating to the Borrower to Credit Information Bureau (India) Limited (CIBIL) or any other similar agency, which in turn shall have the right to use the information as authorized in this behalf by RBI.
16. In the event of committing default in the repayment of installment of the loan or payment of the interest on the due dates or defaults committed by the company in discharge of its obligations, IDBI Bank shall have an unqualified right to



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disclose the name of the company and its director to Reserve Bank of India (RBI)/CIBIL. The company shall give its consent to IDBI Bank and /or RBI to publish its name and the names of its directors as defaulters in such manner and through such medium as the IDBI/RBI/CIBIL in their absolute discretion may deem fit.

17. The company shall provide the following certificates at the time of documentations:

a) The company / directors / group companies / guarantors do not figure in RBI defaulter list (as on latest date available) or CIBIL defaulter list (as on latest date available) and the company's/promoter's name(s) does not appear in the caution advice list (as on latest date available). There are no litigations pending against borrowers, other than those in the normal course of business.

b) None of the relatives of any senior officers of the Bank holds substantial interest or is interested as a partner, guarantor / director or guarantor of the company.

c) There are no cases pending against the borrower / guarantor in any court in respect of any dues to banks/ financial institutions.

18. The borrower shall provide on regular basis the information / data relating to its un-hedged foreign currency exposure and, if required by IDBI Bank, take appropriate hedge on uncovered foreign exposure arising from foreign trade and/or foreign investment transactions.

19. In reference to the guidelines issued by the Reserve Bank of India vide its circular No. RBI/ 2013-14/ 41 dated 10.01.14, No. BP. BC. 85/ 21.06.200/ 2013-14 dated January 15, 2014 and RBI circular No. RBI/2013-14/620 DBOD. No.BP.BC.116/21,06,200/2013-14 dated June 3, 2014 regarding the Un-hedged Foreign Currency Exposure. In line with the above circulars, the Company is requested to provide us a certificate from the Company Secretary/Statutory Auditor by giving full details of the company's unhedged forex exposure from all sources including trade, non-trade, foreign currency borrowings, ECBs, etc. on quarterly basis. It may be noted that the pricing of the facilities extended by us to the company is on the premise that you have suitably hedged its unhedged forex exposure, if any. Non-availability of the required information as is being called in relation to the unhedged forex exposure of your company, may necessitate additional provisions / capital requirement and might result in



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increase in the applicable pricing. Additional interest will be applicable on all fund based facilities as per the extent based guidelines, in case the company fails in hedging of its Forex exposure.

20. The company shall provide information relating to all the transactions entered into between the Company and its group company/ subsidiary company/ associate company/ affiliates and all other companies and entities on which it exercises "significant influence" or otherwise has some "control" (hereinafter such companies are referred to as the "Group Companies" and such transactions are referred to as "Group Company Transactions"), as and when the Company enters into such transactions and shall submit a certificate from the Company's company secretary or a company secretary in whole-time practice in the form and manner acceptable to IDBI Bank certifying, that all the Group Company Transactions entered/ to be entered into by the Company are in compliance with the Companies Act, 2013 and the rules there under, on quarterly basis, till the Loan/ Facility is completely repaid. The term "significant influence" for the purpose of this condition shall mean the holding of a beneficial interest by a person, whether singly or jointly with a person acting in concert, in the shares thereof, the amount paid up on which exceeds five lakh of rupees or ten percent of the paid-up capital of the company, whichever is less."
21. The company shall maintain "arm's length distance" from the Group Companies in regards to the business parameters. Transactions between the Company and such Group Companies shall be at market rates. All such Group Companies Transactions shall be reported to the Audit Committee of the Company's Board and such report shall also form part of the annual report to the shareholders. Any capital contribution made by the Company in its Group Companies shall be with prior written permission of IDBI Bank.
22. The company shall undertake for carry out the forensic/special investigative audit, if required.



**SCHEDULE - BILLS OF EXCHANGE**

*The following Terms and Conditions form part of the Sanction Letter dated 20.06.2020*

**1. INDEMNITY FOR BILLS DISCOUNTED**

The Borrower hereby covenants with the IDBI Bank to pay and make good to the IDBI Bank on demand, all such moneys as may be paid by the Bank, or, as the IDBI Bank may become liable to pay under or by virtue or in respect of any Bills discounted by the IDBI Bank under the Facilities as aforesaid, and also at all times hereafter to indemnify and keep indemnified the IDBI Bank against all actions, proceedings, claims and demands, duties, penalties, taxes, losses, damages, costs (as between Attorney and Clients) charges, expenses and other liabilities whatsoever that may be brought or made against or sustained or incurred by the IDBI Bank (and whether paid by the IDBI Bank or not) in consequence of the IDBI Bank having agreed to discount Drawee Bills as aforesaid or otherwise, howsoever in relation thereto and also to pay and make good to the IDBI Bank on demand any such liabilities as aforesaid. For the purpose of this clause, Drawer Bills include Bills drawn on the Borrower by its clients and accepted by the Borrower.

**2. POSITIVE COVENANTS OF THE BORROWER**

In respect of advances granted by the IDBI Bank to the Borrower by way of purchase / negotiation / discounting of clean / documentary / demand / usance bills of exchange drawn by the Borrower on his/its/their various customers and expressed in foreign currency or Indian rupees and whether under letters of credit or otherwise and/or in respect of said bills tendered for collection the Borrower agrees and covenants with the IDBI Bank as under :

- (A) that the bills shall bear, where necessary adequate stamp duty before purchase / negotiation / discounting and shall be drawn by the Borrower in conformity with the proforma prescribed under the Reserve Bank of India New Bill Market Scheme, indicating on the face thereon the description and quantity of goods sold and the number and date of the carrier's receipt.



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- (B) that the bills shall be drawn with a usance, ordinarily, not exceeding 90 days;
- (C) that the bills pertaining to supplies made to Government departments and quasi-Government bodies as well as statutory Corporations and Government Companies shall be drawn in conformity with the proforma prescribed under the Reserve Bank of India Scheme;
- (D) that at the time of offering upcountry usance bills for discount the bills shall be accompanied by railway receipts or motor transport receipts of transport companies (approved by the IDBI Bank in writing) together with the relative original invoices and that the documents will be delivered to the drawees only after the bills are accepted;
- (E) that in the case of local sales bills shall be accompanied by copies of invoices bearing acknowledgment of the purchasers in token of their having received the goods and shall be offered for discount only after acceptance of bills by the drawees;
- (F) that upcountry or local bills shall not be collected by the Borrower through other banks;
- (G) that the Borrower shall ensure that upcountry bills are accepted by the drawees on presentation and paid on due dates. In the event of the bills remaining unaccepted on presentation or unpaid on due dates, the IDBI Bank shall be entitled to recover the amount of such bills along with overdue interest and other incidental charges by debit to the accounts of the Borrower;
- (H) that the IDBI Bank shall be at liberty not to accept cheques drawn on local banks from the drawees in payment of bills drawn on them unless such cheques are tendered at the IDBI Bank before clearing hours on due dates. In the event of cheques being received late after clearing hours on due dates, the IDBI Bank may treat the relative bills as unpaid and may debit the amounts thereof to the account of the Borrower on due dates;



- (I) that the Borrower shall furnish to the IDBI Bank in advance a list of local parties on whom the Borrower intends to draw usance bills for prior approval of the Bank;
- (J) that the Borrower shall abide by such terms and conditions as the IDBI Bank may from time to time stipulate;
- (K) that unless otherwise specified the rates for discounting the bills will be the same rate which is applicable to advances granted to the Borrower against stocks;
- (L) that the IDBI Bank shall be entitled to charge
  - (i) service charges on the amount of each bill and out-of-pocket expenses towards registration, postal charges etc. per instrument as per the Bank's schedule of standard charges in force from time to time; and
  - (ii) overdue interest on bills from the due date to the date of payment and in the case of returned bills from the due date to the date of reimbursement at the rates prescribed by the IDBI Bank from time to time;

Provided always the IDBI Bank at its discretion shall be entitled to revise the aforesaid charges from time to time;

- (M) the IDBI Bank may send the bills either by registered acknowledgment due post or registered post or ordinary post or by any courier service, as may be decided by the IDBI Bank in its discretion to any of its own offices or to any of the Scheduled Banks (reference being to Schedule II of the Reserve Bank of India Act, 1934) or other Commercial Bank and/or Co-operative Bank or directly to the drawees at the Borrower's risk and responsibility as to the losses if any on the bills or the proceeds of the bills or of the goods represented by the bills due to any cause whatsoever and the Borrower agrees to hold the IDBI Bank harmless and indemnified from and against all consequences that may arise from its doing so and from and against all losses, charges and expenses in sending the bills accepted under these arrangements in the manner aforesaid;
- (N) where the bills accepted for collection are drawn on Central / State Government Departments / Agencies and/or Public Sector Undertakings



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and/ or Railways and/or other parties and/or Borrower's customers accompanied by either railway receipts, shipping documents or other documents evidencing title to goods like motor receipts or receipt notes, take delivery notes receipted challans or inspection notes in cases where the railway receipts, shipping documents or motor receipts have been forwarded/direct to the concerned drawees/consignees and offered by the Borrower to the IDBI Bank for collection the Borrower shall deposit with the IDBI Bank copies of the relevant documents along with the bills signed by the Borrower and invoices evidencing despatch of goods to the parties mentioned therein;

- (O) where at the request of the Borrower the IDBI Bank has agreed to include in the Facilities granted under this Agreement credit sales made by the Borrower to the customers of the Borrower whereby finished goods are directly sent to the customers at their requests and copies of the relative invoices with or without receipted challans or accepted delivery notes, receipt notes, inspection notes, are tendered by the Borrower to the IDBI Bank as evidencing despatch of finished goods and where under such circumstances or any other circumstances, the Borrower receives payment of the bills the Borrower shall immediately deposit the proceeds of the bills and the sale proceeds of the goods covered by invoices directly received by the Borrower or the agents of the Borrower whether in cash or by cheques or by any other mode of payment in the said account(s) with the IDBI Bank towards payment of the outstandings in respect of the advances granted on the evidence of such invoices.
- (P) the Borrower shall repay the Bank's advances within such number of days as may be stipulated by the IDBI Bank whether or not the payment of the said bills/invoices is received by the Borrower or if the bills are returned unpaid for any reason whatsoever the Borrower shall reimburse the IDBI Bank immediately on receipt of the Bank's advice;
- (Q) the IDBI Bank shall have first and paramount lien on the bills and the moneys received thereunder and the goods in course of transit covered by the documents of title to goods or other documents which purport to represent rights of title to goods accompanying the bills shall remain pledged to the IDBI Bank and irrespective of its rights as a pledgee of such goods in case of any dispute the IDBI Bank shall also have the Banker's lien on all bills, goods, securities documents and moneys



belonging or purporting to belong to the Borrower for all moneys claims and demands due or to become due from the Borrower to the Bank;

- (R) in case the bills/invoices are passed for payment for a reduced amount, the Borrower authorises the IDBI Bank to accept such reduced payment and the Borrower shall make good the shortage or any loss arising therefrom and the IDBI Bank will not be responsible in any manner whatsoever.
  - (S) where the drawees return unpaid the bills/invoices to the Borrower direct, the Borrower shall immediately on receipt thereof return the bills/invoices to the IDBI Bank and the Bank's acceptances thereof shall be without prejudice to its right for recovery of the amounts covered by the bills/invoices from the Borrower.
3. In respect of advances granted by the IDBI Bank to the Borrower by way of drawee bills acceptance limit and/or drawee bills discounting limit wherein usance bills drawn on the Borrower by the suppliers of goods and accepted by the Borrower are lodged with the IDBI Bank for discounting, the Borrower hereby agrees and covenants with IDBI Bank as under:
- (A) The Borrower hereby confirms that at the request of the Borrower the IDBI Bank has agreed in its sole and absolute discretion to discount usance bills with usance ordinarily not exceeding 90 days, drawn on the Borrower by the suppliers of goods and accepted by the Borrower for an amount at any time not exceeding the drawee bills discounting limit granted within the overall limit (hereinafter referred to as "the Bills").
  - (B) Whenever the Borrower requires the IDBI Bank to discount the Bills, the Borrower shall lodge with the IDBI Bank the Bills together with the original and or copies of invoices and the receipted delivery challans evidencing the supply to the Borrower of the goods by the drawers of the Bills (hereinafter called "the Suppliers").
  - (C) The Borrower hereby confirms and declares that the amounts represented by the Bills drawn on the Borrower by the Suppliers will be due and owing by the Borrower to Suppliers and that the goods represented by the invoices accompanying the Bills will have been duly



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ordered and received by the Borrower and that the amounts of such Bills will be paid by the Borrower to the IDBI Bank at maturity.

- (D) The Borrower declares and confirms that on the IDBI Bank discounting the Bills the IDBI Bank will have good title thereto and will be entitled to have the Bills rediscounted with Reserve Bank of India, Discount and Finance House of India Ltd., any scheduled commercial bank or any other approved financial institution or otherwise deal with the Bills as holder thereof.
- (E) The Borrower further confirms that notwithstanding anything to the contrary contained in any documents or letters written by the Borrower to the Suppliers or by the Suppliers to the Borrower, the Borrower shall be irrevocably, absolutely and unconditionally liable to pay to the IDBI Bank the amounts of the Bills discounted with the IDBI Bank at the maturity of such Bills.
- (F) The Borrower agrees, declares and confirms that the Borrower will be liable to the IDBI Bank as aforesaid on the Bills and that the IDBI Bank shall be entitled to enforce all its rights against the Borrower as the holder of such Bills and that the Borrower shall continue to be so liable notwithstanding any claim, right, dispute or litigation arising or which may arise between the Borrower and the Suppliers/drawers.
- (G) The Borrower agrees and confirms that on the acceptance of the Bills by the Borrower and on the same being discounted by the IDBI Bank the proceeds thereof shall be paid by the IDBI Bank to the Suppliers by means of banker's cheque or by any other means as may be deemed fit by the Bank.
- (H) The amount of discount/commission or exchange at the same rate as applicable to the discounting of drawee bills or such other rate as may be decided by the IDBI Bank as the case may be, will be recovered by the IDBI Bank by debit to the cash credit account of the Borrower at the front end i.e. at the time of discounting the Bills.
- (I) Although the amount of the Bills is payable by the Borrower at maturity of the Bills, the Borrower shall provide adequate funds in the cash credit account to enable the IDBI Bank to recover the same by debit to the



cash credit account of the Borrower in the event of non payment thereof by the Borrower on the due date.

**4. CREDIT TO ACCOUNT NOT TO DISCHARGE LIABILITY UNDER ANY PARTICULAR BILL UNLESS SPECIFICALLY APPORTIONED**

Notwithstanding any of the provisions of the Indian Contract Act or any other law in respect of advances against accepted usance bills where the bills are drawn by the Borrower and accepted by the drawees the Borrower agrees that the subsequent credit to the account(s) under the Facilities, unless specifically apportioned by the Borrower or the IDBI Bank to the discharge of any particular bill, will not discharge the debt represented by such bills.

**5. BILLS ON WHOM NOT TO BE DRAWN**

The Borrower hereby declares that bills shall not be drawn on any of the Borrower's branches nor on any firm in which the Borrower has any proprietary, partnership or other interest and that if on any occasion or occasions the IDBI Bank in its sole discretion accepts such bills for collection and makes advances there against the same shall not be deemed as the IDBI Bank having agreed to accept thereafter other bills of such nature.

**6. UNDERTAKINGS OF BORROWER**

The Borrower undertakes that all bills and documents tendered by the Borrower to the IDBI Bank shall represent genuine sales transactions covering movement of goods represented by the railway receipts or truck receipts or shipping or other documents accompanying such bills that the amounts of such bills shall truly represent the value of the goods so transported/shipped and that every such bill tendered by the Borrower to the IDBI Bank shall be in respect of execution of definite orders received by the Borrower.

**7. IDBI BANK NOT RESPONSIBLE FOR DAMAGE, DELAY, ETC. IN TRANSIT**

The IDBI Bank shall not be responsible for any damage caused to goods moveables and other assets in course of transit covered by the bills accepted by the IDBI Bank as security or for loss of goods moveable and other assets or for delayed / short / wrong delivery of goods moveable and other assets or for delay/wrong presentation of bills to paying authorities or drawees for any reason whatsoever and in case bills are sent for collection direct to other banks or bankers or government department / agencies / institutions or quasi government bodies / public sector undertakings / railways or other parties or



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the Borrower's customers the IDBI Bank shall not be responsible for non receipt by it of the remittance representing proceeds of the bills and the relative bills will be collected entirely at the Borrower's risk and responsibility. The Borrower shall be responsible for the costs and charges incurred by the collecting bank or bankers and shall pay the IDBI Bank these costs and charges.

**8. IDBI BANK ENTITLED TO RECOVER AMOUNTS DUE FOR BILLS DISCOUNTED FROM BORROWER**

The Borrower has assured the IDBI Bank that the IDBI Bank is entitled to recover the amount due to the IDBI Bank on account of discounting of Bills, only from the Borrower at the discretion of the IDBI Bank and the Borrower shall not raise any objection to the demand made by the IDBI Bank for payments accordingly and the Borrower hereby agrees and undertakes to pay the amounts due and payable to the Bank, on account of discounting of Bills drawn on the Borrower, without any demur, merely on a demand by the IDBI Bank stating that the amount claimed is due by way of loss or damage caused to or would be caused to or suffered by or would be suffered by , the IDBI Bank on account of the discounting of Bills drawn on the Borrower. Any such demand made by the IDBI Bank shall be conclusive and binding on the Borrower, as regards the amount due and payable to the IDBI Bank by the Borrower under this agreement. The Borrower further undertakes to pay to the IDBI Bank any money so demanded, immediately, notwithstanding any dispute or claim that the Borrower may have with or against the drawer of the Bill discounted by the IDBI Bank.

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