

Date: 20-01-2020

To
Kamal Refineries Ltd
Dar es Salaam, Tanzania

Re: Your request for Credit facilities.

Dear Sir,

We request reference to the application received from you for the proposed credit facilities. We would like to inform you that we are in principle agreeable to provide credit facility to you with the following broad Terms and conditions of our Bank.

Facility	Term Loan(USD 0.800 Mn) & Over Draft (USD 0.200 Mn)
Purpose	Term Loan - Purchase of machineries OD Limit – To meet Working Capital requirements.
Project cost	Total cost of machinery as per the Proforma Invoice.
Margin	10-15% of the total Cost of the machinery.
Rate of Interest	USD: 1% over BPLR, presently 8% p.a. (ROI to be charged on daily reducing balance)
Repayment of TL	Maximum 48 EMI. The repayment of EMI to commence after 1 Year Moratorium period from the date of first disbursement. However, interest during the Moratorium period is to be serviced as and when charged in the account. Door to door tenor will be 60 months.
Prepayment	Allowed if loan is closed from own source. However, prepayments charge @2.5% flat on the loan amount to be prepaid if taken over by any Bank.
Facility Fees	Onetime @1.50% of Loan amount.
Document handling charge	Onetime @0.30% of the loan amount
Out of pocket expenses	Actual out of pocket expenses pertaining to the legal fees, documentation and Registration of legal mortgage to be borne by you.
Security	i) Legal mortgage of the landed property in the name of Kamal Alloys Ltd, minimum value should not be less than 125% of the loan amount. ii) Debenture charge on the machinery (existing and to be purchased) and current assets of the



	<p>company.</p> <p>iii) Corporate Guarantee of Kamal Alloys Ltd (Owner of the property)</p> <p>iv) Corporate Guarantee of Kamal Steel Ltd (47% Shareholding)</p> <p>v) Corporate Guarantee of KENTZ INTERNATIONAL FZC. (40% Shareholding)</p> <p>vi) Personal Guarantee of Mr. Gagan Gupta (6% Shareholding)</p> <p>vii) Personal Guarantee of promoter/directors.</p>
Registration/Insurance	<p>Insurance of assets will be in joint name (BOITL and prospective borrower) with Bank as 1st loss payee. The cost of insurance to be borne by the customer.</p>
Others covenants	<p>i) Current Deposit A/c to be opened with our Bank</p> <p>ii) Margin Money, Facility & Documentation Fees, Fees for creation of legal mortgage and First Year insurance premium to be deposited in the CD a/c before disbursement. In case Margin money & insurance premium directly paid to the supplier documentary evidence to be furnished instead of depositing the amount in CD a/c.</p>

Thanks & Regards

Yours sincerely,




 For Bank of India (T) Ltd
 General Manager