



BOITL/CR/IIM/15/17

Date: 08/04/2022

M/s YUHO Agro-Processing Industries Ltd.  
P.O Box 6366,  
Mwanza,  
Tanzania

Dear Sir/Madam,

**Re: Revised Sanction Letter for:**

- Term Loan of USD 0.168Mn for the construction of factory building and purchase of plant and machineries, with grace period of 12 months (will be availed in equivalent amount of TZS 385.39Mn):
- SBLC of USD 0.033Mn sublimit of Term Loan of USD 0.168 million. SBLC will be availed for six months, within moratorium period of TL for procuring of machineries.
- Overdraft Facility of USD 0.100Mn for working capital, of which utilization will start after completion of construction of plant (will be availed in equivalent amount of TZS 229.40Mn).

Please refer to your request for Term Loan (TL) facility and SBLC for purchasing of the construction of factory building and purchase of plant and machineries and Overdraft Facility for working capital requirement of the Company. And also refer to our previous Sanction Letter BOITL/CR/HO/2021/144 dated 14/11/2021. Following your conversion from the business name you were operating at the time of your application to Limited Liability Company and additional Security. We are pleased to advise that the requested credit facilities as per Annexure -I, on the terms and conditions thereof as per Annexure -II have been sanctioned. Notwithstanding anything to the contrary stated herein, the outstanding indebtedness, whether actual or contingent, under these facilities is subject to liquidation by you, on first demand by us.

**Borrower:**

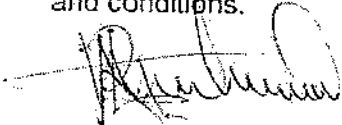
M/s YUHO Agro-Processing Industries Ltd.  
P.O Box 6366,  
Mwanza,  
Tanzania

(Hereinafter mentioned as "the Company" or "the borrower")

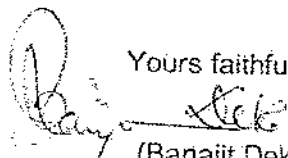
**Lender:-**

Bank of India (Tanzania) Ltd,  
P.O BOX 7581, MAKTABA SQUARE  
Dar-es-Salaam  
Tanzania.

(Hereinafter called "the lender") This letter is issued in duplicate. Please return duplicate copy duly signed by you/an authorized signatory and all the guarantors in token of having accepted the terms and conditions.

  
(Rahim Lema)  
Head of Credit

Yours faithfully,

  
(Banajit Deka)

- General Manager-Dsm.Br.

Account:	M/s YUHO Agro-Processing Industry Ltd	ANNEXURE - I
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**A. Limits**

1a.	Limits (with purpose)	Existing	Proposed	Inc. (+) / Dec.(-) in	Pricing ROI/ Commission	Margin / Terms
Fund Based						
i)	TL- TZS	-	385.39	(+)385.39	1.00% over TZS BPLR Presently 15.00% p.a.	<ul style="list-style-type: none"> <li>✓ Review after one year.</li> <li>✓ <b>Repayment:</b></li> <li>✓ 60 Equated Monthly Instalments of TZS 9,168.401 each to start after moratorium period of 12 months from the start of business operation of the unit i.e. w.e.f. November 2022.</li> <li>✓ Door to door tenor will be 72 months.</li> <li>✓ Interest to be serviced separately as and when charged.</li> <li>✓ Installment is due for payment as on the last day of the month.</li> </ul>
ii)	OD-TZS	-	229.40	(+) 229.40		
Non-Fund Based						
ii)	SBLC-USD (Sublimit of TL) for 6 months.	-	0.033	(+0.033)	0.75% per quarter or part thereof	
	<b>Maximum (i+ii)</b>	-	<b>614.79</b>	<b>(+)614.79</b>		

**# Rate of Interest:**

- The approved Rate of interest is subject to change in accordance with change in Bank's Prime Lending Rate or Credit Rating of the borrower. The Bank reserves the right at its sole discretion to change the rate of interest from time to time depending upon fund position and market conditions, however Bank will notify you whenever any change in applicable rate of interest.
- Interest will be accrued on daily basis and will be charged to the account on the last working day of each month and the Company to service the interest immediately on application.
- Any excess over the limit and any amount not paid when due shall be charged **penal interest at the rate of 5% per annum** over and above the normal rate of interest and remain payable on demand.

Other Approvals: Extension of collateral for personal loan in the name of M/s Hosiana Bernard Kusiga of TZS 46.40 taken over from Tanzania Agricultural Development Bank (TADB)

Account:	M/s YUHO Agro-Processing Industry Ltd	ANNEXURE -II
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**B. ALL OTHER TERMS, CONDITIONS AND COVENANTS, INCLUDING SECURITY (PRINCIPAL & COLLATERAL) APPLICABLE TO THE REVISED FACILITIES:**

Security	<ol style="list-style-type: none"> <li>1. General Debenture of all assets of the company (YUHO Agro-Processing Industries Ltd), present and future.</li> <li>2. Specific charge on plant and machinery to be financed by our bank.</li> <li>3. Legal Mortgage of the farm on plot no. 1 &amp; 3, Block D located at Fumagila area within Mwanza city CT No. 76891 in the name of M/S Hosiana Bernard Kusiga having 99 years of title occupancy valid up to 01st February 2118.(Area 16731 sq. mtrs).</li> <li>4. Legal Mortgage of the farm on plot no. 2 &amp; 4, Block D located at Fumagila area within Mwanza city CT no. 76892 in the name of M/S Hosiana Bernard Kusiga having 99 years of title occupancy valid up to 01st February 2118.(Area 14975 sq. mtrs).</li> <li>5. Legal mortgage of the farm on customary CT No. 38 MNY/4633 located at Ilucha, Manyoni in the name of Hosiana Bernard Kusiga having unexpired title of occupancy. (Area 2.8 Acres).</li> <li>6. Legal mortgage of the farms on customary CT No. 34 MNY/4725 and CT No. 34 MNY/4726 located at Saranda, Manyoni in the name of Hosiana Bernard Kusiga having unexpired title of occupancy. (Area 23.64 Acres).</li> <li>7. Personal Guarantee of Directors: Ms Hosiana Bernard Kusiga and Ms Yuster Zephriine Byabusha.</li> </ol>
Documents to be executed	<ol style="list-style-type: none"> <li>1. Demand Promissory Note.</li> <li>2. Continue Security letter.</li> <li>3. Letter of lien and set off.</li> <li>4. General Undertaking.</li> <li>5. Credit Facility Agreement.</li> <li>6. Personal Guarantee of Directors: of Ms Hosiana Bernard Kusiga and Ms Yuster Zephriine Byabusha.</li> <li>7. General Debenture of all assets of the company (YUHO Agro-Processing Industries Ltd), present and future.</li> <li>8. Specific charge on plant and machinery to be financed by our bank.</li> <li>9. Legal Mortgage of the farm on plot no. 1 &amp; 3, Block D located at Fumagila area within Mwanza city CT No. 76891 in the name of M/S Hosiana Bernard Kusiga having 99 years of title occupancy valid up to 01st February 2118. (Area 16731 sq. mtrs).</li> <li>10. Legal Mortgage of the farm on plot no. 2 &amp; 4, Block D located at Fumagila area within Mwanza city CT no. 76892 in the name of M/S Hosiana Bernard Kusiga having 99 years of title occupancy valid up to 01st February 2118. (Area 14975 sq. mtrs).</li> <li>11. Legal mortgage of the farm on plot No.38 MNY/4633 located at Ilucha, Manyoni in the name of Hosiana Bernard Kusiga having unexpired title of occupancy. (Area 2.8 Acres).</li> <li>12. Legal morigage of the farms on customary CT No. 34 MNY/4725 and CT No. 34 MNY/4726 located at Saranda, Manyoni in the name of Hosiana Bernard Kusiga having unexpired title of occupancy. (Area 23.64 Acres)</li> </ol>
Rate of Interest on TL	1.00% over BPLR Presently 15.00% p.a.
Commission on SBLC	0.75% per Quarter

<b>Amendment charges</b>	0.40% of LC amount (Min USD 60 and Max USD 325) + Swift charges USD 30
<b>Accepting Bills under LC</b>	0.60% of Bill amount Min USD 30, Max USD 180
<b>Retirement of bills under LC</b>	0.60% of Bill amount Min USD 30 Max USD 360
<b>Proposal Processing charges</b>	1.50% for Credit Facility
<b>Documentation</b>	0.30% of limits sanctioned
<b>Modification Charges</b>	0.25% of limits sanctioned
<b>Credit Reference Charges</b>	TZS 100,000
<b>Documentation charges</b>	Actual Legal fees to be incurred in carrying out search, preparation, processing, perfection of security documents and, registration of documents as per Advocate Bill.
<b>Prepayment Charges</b>	2.50% of prepaid amount.
<b>Other Charges</b>	<ul style="list-style-type: none"> <li>a) Inspections charges (Tzs.30,000/-) on each inspection plus out of pocket expenses.</li> <li>b) Valuation and other charges as per bank rules from time to time.</li> <li>c) Insurance premium paid by the bank in case non obtaining of insurance policy by the borrower. In case within one month documentary evidence is not furnished to the Bank from customer <b>Bank will have mandate to debit the account and proceed for payment of insurance for collateral kept as security.</b></li> </ul>
<b>Pre- Disbursement conditions.</b>	<ul style="list-style-type: none"> <li>a) Assets charged to bank to be insured comprehensively and policy should incorporate bank as a First loss payee.</li> <li>b) Recovery of applicable processing charges/documentation charges.</li> <li>c) Carrying out Credit process Audit as per bank's guidelines.</li> <li>d) Completion of documentation and registering of the charge with the appropriate authorities.</li> <li>e) Valuation of all plots need to be done prior disbursement from our empaneled valuer.</li> </ul>
<b>Post-Disbursement Conditions:</b>	<ul style="list-style-type: none"> <li>(a) Mortgage of factory land and building to be created upon completion of construction of the building in the next review.</li> <li>(b) Valuation of factory land &amp; building and entire fixed assets / plant &amp; machineries to be obtained on completion of project.</li> <li>(c) Inspection to be carried out on half yearly basis.</li> <li>(d) Obtention of Insurance of the assets / securities charged to bank.</li> <li>(e) Borrower shall not be resorted to multiple banking lending without prior permission from us and open any current account/Overdraft account without prior permission from us.</li> </ul>
<b>Other Terms</b>	<ul style="list-style-type: none"> <li>a) Assets charged to bank to be insured comprehensively and policy should incorporate bank as a <b>First Loss Payee. If within one month after expiry is not done at customer side, Bank will notify you in this regard and will debit your account and proceed with Insurance.</b></li> <li>b) Penal interest of 3%p.a will be levied on Non Compliance of the Terms of Sanction and / or out of order position of the loan account.</li> <li>c) Penal interest of 5%p.a will be levied on excess drawings and any amount not paid when due.</li> <li>d) Submission of Land rent receipt for the mortgaged land properties for the</li> </ul>

	<p>current year 2021/2022 to be renewed latest 31<sup>st</sup> July annually. If within two months after expiry of said period submission of land rent receipt is not done at customer side, <b>Bank will notify you in this regard and will debit your account and proceed with payment of land rent.</b></p> <p>e). Fresh valuation to be done after every three years at the cost of the customer's. <b>If within two month after expiry of 3 years valuation period the valuation is not done at customer side, Bank will notify you in this regard and will debit your account and proceed with valuation.</b></p> <p>f) <b>Submission of audited balance Sheet one month before the annual review of your account. In case of delay 5% will be charged.</b></p> <p>g) Inspection to be carried out at Half Yearly intervals.</p>
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**Utilization:** The utilization of the above facility will be allowed after:-

- Submission of acceptance of this offer.
- Satisfactory completion of all legal documentation, including their registration with relevant authorities. **After signing the contract either party has the right to cancel the contract within 10 days of signing. However, any incidental expenses incurred for this facility has to be paid by the customer.**

**Expenses:**

All expenses in connection with the arrangement of the facility, including costs for stamp duty and registration of the security documents, legal and other expenses shall be for the account of the borrower.

**Cancellation/withdrawal of the Facility:**

The facility/ies can be cancelled or withdrawn if, in Bank of India (Tanzania) Limited sole opinion, there is unfavorable material change in relation to the Borrower's financial position, non-adherence to the terms of the contract, breach of covenants, any of the events of default occurs, representation and warranties are found to be not true, unsatisfactory business performance and adverse economic environment. **Interest will be charged @5% p.a. over and above the normal rate of interest from the date of cancellation/ withdrawal/ Demand till the date of payoff of entire dues to the bank if the bank decides to cancel or withdraw the facilities.**

**Taxes:-**

All payments/repayments should be net of and free from any taxes, withholdings and deductions.

**Consent Clause:**

The Borrower agrees and authorizes Bank of India (Tanzania) Limited or credit reference bureau approved by Tanzania Bankers Association (TBA) to:

- Make inquiries from any bank, financial institution or TBA approved credit reference bureau in Tanzania to confirm any information provided by the Borrower;
- Seek information from any bank, financial institution or TBA approved credit reference bureau when assessing the Borrower at any time during the existence of the Borrower's account;
- Disclose to TBA approved credit reference bureau information relating to the Borrower's account maintained at the bank.

## OTHER TERMS AND CONDITIONS

1. The sanction is valid for **6 Months for utilization**. Revalidation, if any, is subject to Bank's policy, Govt. policy and satisfactory progress of the project and no adverse report on the Company, its Directors and other Group Companies.
2. The Company shall not, without Bank's prior consent, repay the loan/advances from its Directors, Promoters and group Companies. Such loan shall be sub-ordinated to the loan from our Bank.
3. Bank reserves the right to terminate the sanction depending upon subsequent change in Bank's policy & Govt. policy and any adverse report on the Company, its financials, its Directors and Group Companies noncompliance of any of the terms and conditions.
4. The Borrower by virtue of accepting the terms and conditions irrevocably authorize the Lender as under:
  - a) That in case of default in repayment of the sum of amount mentioned hereinabove plus accrued interest and charges, as the case may be, the Lender shall take the matter to the commercial court for settlement of the issue.
  - b) To recover the Bank's various charges to the debit of Company's current account or overdraft account.
  - c) To recover professional fee paid to Collateral Manager if and when appointed.
  - d) To recover legal fees if any.
5. This letter shall be governed and construed in accordance with Tanzanian Laws and the courts of Tanzania shall have jurisdiction to settle any disputes that may arise in connection therewith without prejudice to the exclusive right of the Bank to institute proceedings against the Borrower in respect thereof in any other jurisdiction.
6. In the event of default, the bank will have right of set-off against any balances maintained in the other accounts of the Company and to realize collateral with reference to the Company.
7. The Bank reserves the right to revalue the securities/ properties offered to us as collaterals at any time during the tenure of the facilities without giving any notice to you and the charges related to this are to be borne by the Company.
8. Bank reserve the right to appoint Collateral Manager/Receiver Manager at any time should in the opinion of the bank, circumstances so arises. The cost for engaging the Collateral Manager along with legal fees and any other fees shall be borne by the Company.
9. Any delay in submission of following statements, the Borrower shall be liable to pay penal interest @3% per annum over and above the normal rate of interest on the outstanding balance.

Financial data/renewal data resulting in delay in review of credit facilities. Interest shall be charged from the due date of review till the sanction/renewal of credit facilities. The Company to submit the financial data and other related papers to review the credit facilities at least two months before the due date review or as and when asked by the bank.

10. The Borrower unconditionally and irrevocably agree as a condition of the credit facilities extended to the borrower by the Lender that in case the borrower commit default in the repayment of such credit facilities or in the payment of interest and other charges thereon, the Lender or any of its appointed agency will have an unqualified right to disclose or publish the name of the Company or its Directors as defaulters in such manner and through such medium as the bank in their absolute discretion may think fit.
11. Lender will be allowed to inspect the Company's Book debts, purchase, sales, other registers and securities charged to the lender **on Quarterly basis** or at a frequency at the sole discretion of the Bank.
12. Securities, Agreements given by the borrower shall continue to be legally valid and binding notwithstanding any change in the constitution of the Borrower by reconstruction, change in shareholders, amalgamation, and consolidation or otherwise.
13. Either party shall notify the other party of any events which occurs beyond the control of their ability. However, such events will not have any impact for fulfilling the obligations in accordance with the contract entered between the parties

#### **RECALLING OF CREDIT FACILITIES:**

- a) The facilities are payable on demand. Once the facilities are recalled, the outstanding amount together with accrued interest and other charges or fees shall become due and immediately payable, provided that a notice of 30 days shall be served upon the Company and Guarantor or mortgagor as the case may be.
- b) The bank may cancel the facilities any time before the disbursement and the bank is not obliged to disclose its reasons for the cancellation.
- c) It is clearly understood that the bank is not obliged to renew the credit facilities once it is expired. The bank may consider renewal of credit facilities at its sole discretion taking into account among other things, the conduct of the account, financials and whether renewal of the account will be beneficial to the Bank.

#### **COVENANTS OF THE COMPANY:**

##### **Positive Covenants**

1. a) The Borrower shall maintain adequate insurance (COMPREHENSIVE) on its Assets and securities charged to lender with agreed Bank clause as "**BANK OF INDIA (TANZANIA) AS FIRST LOSS PAYEE**" against such risks and amount acceptable to lender. The original policy in respect of assets/stocks shall be provided to the lender by the Borrower. The policies shall be kept in force until the outstanding amounts under the facilities are fully repaid. Original insurance policy to be deposited with the Bank.
- b) The lender may exercise the right to debit Borrower's account and pay the premium to renew the policy before its expiry.
- c) The borrower shall hold any money received under any such insurance as trustees for the lender and apply the same in or towards making good the loss or damage in respect of which they shall have been received, Provided always that the lender may, as its interest appears, require that all such moneys be applied in or towards the discharge of the Facilities amount and interest thereon.

- d) The borrower shall ensure that, except with written consent of the lender to the contrary, any insurance of the charged assets is effected in accordance with the foregoing covenant and the other conditions set out in this facility letter and if any insurance is effected in breach of this covenant then the borrower will hold any moneys received there under as trustees for the lender to be applied as if the same arose under a policy effected under the said foregoing covenants.
2. The principal and interest of any other inter-Company, Director's, Shareholders and Guarantors loan shall be subordinated to lender's loan and shall not be repaid/ transferred until the indebtedness of the Co. is fully liquidated unless otherwise written approval is given by the lenders.
  3. The Borrower shall furnish to the lender with all such information as may be asked from time to time concerning the business, assets, liabilities, Operations and financial conditions of the business.
  4. During the currency of the credit facility the Borrower shall provide to the lender;
    - i) On an annual basis the audited accounts every year within **180 days** of the closing of the concerned financial year of the Borrower.
  5. The Borrower shall at any time permit or enable the lender to inspect books and records, or any other documents, related to the execution or operation and maintenance of the Project, or to the Borrower's business in general, and during such inspection no information reasonably requested by the lender shall be willfully withheld.
  6.
    - a) Maintain its existence and right to carry on its operations and take all steps necessary to obtain or renew all rights, powers, privileges, concessions, trademarks and licenses which are necessary or materially useful in the conduct of its business.
    - b) Maintain its property in good working condition and make all necessary repairs, additions and improvements thereto.
  7. The Borrower shall inform the lender before approaching to other Bank for credit facility.

**Negative Covenants:**

Unless the lender shall otherwise in writing agree, **the Borrower shall not:**

- (a) Create any charge or lien in favour of any third party on any of its assets charged to bank.
- (b) Amend its Memorandum and Articles of Association.
- (c) Sell, pledge, rent or otherwise dispose of any of the assets whose disposal might, in the reasonable opinion of the lender, impair the normal and efficient operation of the project or of the Trust's business as a whole.

- (d) Enter into any management, management agency, selling and/or distributing agreements and/or arrangement of an onerous nature for the payment of management fees, royalties or other charges or enter into any contract or transaction or incur any liability, which is unusual, of a long term nature or outside the ordinary course of business and which by reason of its nature or magnitude might materially affect the interest of the lender, without the prior written consent of the lender.
- (e) Cease carrying on business.
- (f) Materially change the nature of the business of the borrower.
- (g) Materially change the accounting policies of the borrower.

**REPRESENTATION AND WARRANTIES:**

The borrower represents and warrants to the Bank that:

- 1) it is a Limited liability Company validly incorporated and existing under the laws of Tanzania;
- 2) this letter and the Security, when executed, will constitute its legal, valid and binding obligations or those of the provider thereof;
- 3) it has the power to, and all necessary shareholder and corporate consents have been obtained for the acceptance of the facilities, the grant of the security and the execution and delivery of this facility letter and the security; the acceptance of the facilities, or the grant of the security do not contravene any agreement or instrument to which it or the provider thereof is a party;
- 4) it is not insolvent nor have any steps been taken or are, to the best of the knowledge, threatened against it for winding up;
- 5) No action or litigation is pending or, to the best of its knowledge, threatened against it which could reasonably have a material adverse effect on its business, financial condition, or assets.
- 6) There is no dispute between the Directors and between Directors and the Borrower. The Borrower shall bring to the notice of the Lender if there is any such dispute.
- 7) The facilities sanctioned herein may be terminated if any time the representation and warranties is found to be not true.



**Events of Default:-**

The following shall constitute events of default and either cause cancellation/withdrawal of the facility or incur penalties as specified in the Credit Facility Agreement:-

- a) Invalidity or non-perfection of security.
- b) Breach of representation or warranties.
- c) Material change in ownership or management.
- d) Failure to perform as provided for in related agreements.
- e) Failure to pay indebtedness when due.
- f) Breach or non-compliance with any of the conditions stated above.

**Bank of Tanzania Regulations**

It is the condition of this facility letter that the Bank of Tanzania regulations and any subsequent amendments thereof are fully complied with. The Bank shall have the right to revoke/ recall all or any of these facilities at any time, if the facility does not conform to such regulation in-force. Renewal of the facility will; also be subject to such compliance/s.

Please note that the Bank reserves the right to cancel the credit facility/ies mentioned hereinabove at any time and demand repayment of the outstanding debt together with upto date interest and charges, with or without notice and without assigning any reason to you.

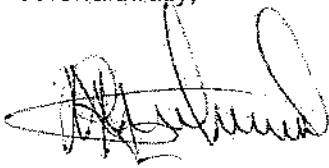
This offer is valid for your acceptance for a period of **14 days**, subject to the above stated conditions.

It is our belief that the facility will meet your Company's business requirements, and we look forward to a lasting and mutually beneficial business relationship.

If all the above terms and conditions are acceptable to you, please returns the duplicate copy of this sanction letter duly signed by you and visit the bank for execution of documents. Please also authorize us to debit the charges in connection with this facility to your current account with us.

We assure you of our best services at all times.

Yours faithfully,



(RAHIM LEMA)  
HEAD OF CREDIT



(BANAJIT DEKA)  
GENERAL MANAGER-Dsm Br

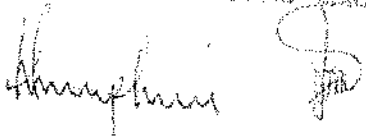
All the above terms and conditions acceptable

Borrower : For YUHO Agro-Processing Industries Ltd

Directors

YUHO AGRO-PROCESSING  
INDUSTRIES LTD.  
P.O. Box 6355  
MANYARA - MCHINGA - TANZANIA

Seal



Personal Guarantee: Ms Hosiana Bernard Kusiga



Ms Yuster Zephrine Byabusha

