

Annexure - II

Format for disclosure of reasons for encumbrance

(In addition to Annexure - I prescribed by way of circular dated August 05, 2015)

Name of listed Company	Sky Gold Limited
Name of the recognized stock exchanges where the shares of the Company are listed	Bombay Stock Exchange (BSE)
Name of the promoter(s) / PACs whose shares have been encumbered	Promoter (s) : 1. Mangesh Ramesh Chauhan 2. Mahendra Champalal Chauhan 3. Darshan Ramesh Chauhan 4. Mahendra C Chauhan HUF 5. Mangesh R Chauhan HUF 6. Darshan R Chauhan HUF
Total promoter shareholding in the listed Company	No. of shares – 39,50,828 % of total share capital - 73.55
Encumbered shares as a % of promoter shareholding	39,50,828 shares encumbered out of 39,50,828 i.e. 100 %
Whether encumbered share is 50% or more of promoter shareholding	Yes
Whether encumbered share is 20% or more of total share capital	Yes

Details of all the existing events/ agreements pertaining to encumbrance

		Encumbrance 1 (Date of creation of encumbrance: 19.09.2018)	Encumbrance 2 (Date of creation of encumbrance: 31.07.2019)
Type of encumbrance (pledge, lien, negative lien, non-disposal undertaking etc. or any other covenant, transaction, condition or arrangement in the nature of encumbrance)		Lock in of shares pursuant to Initial Public offer of Equity shares.	Non-disposal undertaking
No. and % of shares encumbered		No. of shares: 39,50,828 % of total share capital: 73.55	No. of shares: 39,50,828 % of total share capital: 73.55
Specific details about the encumbrance	Name of the entity in whose favour shares encumbered (X)	The Company bought Initial Public offer of Equity shares therefore the shares are locked in pursuant to the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018	The Federal Bank Limited
	Whether the entity X is a scheduled commercial bank, public financial institution, NBFC or housing finance Company? If No, provide the nature of the business of the entity.	No Its pursuant to the requirements of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, therefore this clause is not applicable.	Scheduled commercial bank
	Names of all other entities in the agreement	Listed Company and its group companies (if any) : NA Other entities (if any) – NA	Listed Company and its group companies (if any) : NA Other entities (if any) – NA
Whether the encumbrance is relating to any debt instruments viz. debenture, commercial paper, certificate of deposit etc.? If yes, provide details about the		No	No

	instrument, including credit rating		
Security Cover /	Value of shares on the date of event / agreement (A)	NA	Rs. 73,09,03,180
Asset Cover	Amount involved (against which shares have been encumbered) (B)	NA	Rs. 210,000,000
	Ratio of A / B	NA.	1: 3.48
End money use	<p>Borrowed amount to be utilized for what purpose –</p> <p>(a) Personal use by promoters and PACs</p> <p>(b) For the benefit of listed Company</p> <p>Provide details including amount, purpose of raising money by listed Company, schedule for utilization of amount, repayment schedule etc.</p> <p>(a) Any other reason (please specify)</p>	NA	<p>For the benefit of listed Company (Sanction Letter is enclosed herewith)</p> <ol style="list-style-type: none"> 1. For procurement of raw materials. 2. For import of capital goods.

For and on behalf of Promoter(s) and PAC

Mangesh Chauhan

Date: October 03, 2019

Place: Mumbai

THE FEDERAL BANK LTD
Regd. Office: Aluva, Kerala.

Date: 30/07/2019

To

Sky Gold Limited

265/267, Kanak Chambers, office no.12,13,14
1st Floor, opp Adarsh Hotel, Kalbadevi Road,
Mumbai - 400002

Dear Sir(s),

Sub: Sanction of Credit Facility(ies)

Sub: Sanction of Credit Facility (ies)

We are pleased to inform you that the under noted Credit Facility(ies) are sanctioned to you based on your request and other discussions that we had with you.

S No.	Nature of Facility	Amount Sanctioned (Values in Lakhs)
1	CASH CREDIT	Rs. 2000.00
3	FORWARD CONTRACT	Rs. 100.00
	Total	Rs.2100.00

The aforesaid Credit Facility (ies) are sanctioned at the sole discretion of the Bank and disbursement will be subject to full and complete compliance of the terms and conditions listed in Annexure . Credit facility (ies) are to be used exclusively for the purposes for which they have been sanctioned.

This letter and annexure are issued in duplicate. Please return the duplicate copy of this letter and annexure duly signed by you as a token of having accepted the terms and conditions and undertaking to comply with the same.

We look forward to a mutually beneficial relationship.

Regards
Deep Kapoor
Commercial Banking – Mumbai

We accept the terms and conditions contained in this sanction letter (including the Annexes).

Authorised Signatory/ ies

THE FEDERAL BANK LTD Regd. Office: Aluva, Kerala.

Annexure I

Borrower Name: M/S Sky Gold Limited	
Branch: MUMBAI	Dated : 30/07/2019

1	Nature of Facility	CASH CREDIT - 1	Running PCFC - 1 - (Sublimit of - CASH CREDIT)
2	Unique facility No.	10990001226	10990001226
3	Limit Sanctioned(in Lakhs)	2000.00	1500.00
4	Amount in words	Twenty Crores only	Fifteen Crores only
5	Period (in Months)	12	30 days
6	Repayment Holiday (in months)	0	0
7	Lock Payment During Holiday	Not Applicable	Not Applicable
8	Int. / Comm. /Disc. (% P.A) *	As mutually Agreed	As mutually Agreed
9	Periodicity for reset of interest *	12 Months(starting from the date of loan agreement)	12 Months(starting from the date of loan agreement)
10	Interest rate chargeable *	Not Applicable	Not Applicable
11	Basis for interest reset *	One year MCLR of the Bank, as at the respective reset dates	LIBOR of the Bank, as at the respective reset dates
12	Int.Rests	Monthly	Monthly
13	Interest Charged During	To be paid as and when debited	To be paid as and when debited

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	Holiday Period		
14	Margin (%)	Paid stock- 25% and Book debts (upto 90 days)- 25%	10% on paid stock
15	Processing Charges/Upfront Fee	As mutually Agreed	As mutually Agreed
16	Repayment	LUMPSUM	LUMPSUM
17	Prepayment Penalty	NA	NIL
18	Penal Interest / Liquidated damages (%)	2%	2%
19	Commitment Charges	NIL	NIL
20	Any other fee	NIL	NIL
21	Valuation Fee	NIL	N.A.
22	Additional Interest	NIL	NIL
23	Internal Credit Rating		
24	Category	11	11
25	Sector	292	292
26	Subsector	GEMS AND JEWELLERY (OTHER THAN DIAMOND)	GEMS AND JEWELLERY (OTHER THAN DIAMOND)
27	Activity Code	3690101	3690101
28	Subsidy Details	0.00	0.00

1	Nature of Facility	WCDL - 1 (SubLimit of CASH CREDIT)	EBRD - 1 (SubLimit of CASH CREDIT)
2	Unique facility No.	10990001226	10990001054-5
3	Limit Sanctioned(in Lakhs)	2000.00	1000.00
4	Amount in words	Twenty Crores only	Ten Crores only
5	Period (in	90 days	90 days

Commercial Banking

	Months)		
6	Repayment Holiday (in months)	0	0
7	Lock Payment During Holiday	Not Applicable	Not Applicable
8	Int. / Comm. /Disc. (% P.A) *	As mutually agreed	As mutually agreed
9	Periodicity for reset of interest *	12 Months(starting from the date of loan agreement)	12 Months(starting from the date of loan agreement)
10	Interest rate chargeable *	Not Applicable	Not Applicable
11	Basis for interest reset *	One year MCLR of the Bank, as at the respective reset dates	LIBOR of the Bank, as at the respective reset dates
12	Int.Rests	Monthly	Monthly
13	Interest Charged During Holiday Period	To be paid as and when debited	To be paid as and when debited
14	Margin (%)	NIL	NIL
15	Processing Charges/Upfront Fee	0.000% +GST	0.000% +GST
16	Repayment	LUMPSUM	LUMPSUM
17	Prepayment Penalty	NIL	NIL
18	Penal Interest / Liquidated damages (%)	2%	2%
19	Commitment Charges	NIL	NIL
20	Any other fee	NIL	NIL
21	Valuation Fee	N.A.	N.A.
22	Additional Interest	NIL	-
23	Internal Credit Rating	ORR5,FRR7,FBR5	ORR5,FRR7,FBR5
24	Category	11	11
25	Sector	292	292
26	Subsector	GEMS AND	GEMS AND

Commercial Banking

		JEWELLERY (OTHER THAN DIAMOND)	JEWELLERY (OTHER THAN DIAMOND)
27	Activity Code	3690101	3690101
28	Subsidy Details	0.00	0.00

1	Nature of Facility	FORWARD CONTRACT CCIRS - 8 - 1
2	Unique facility No.	10990001226
3	Limit Sanctioned(in Lakhs)	100.00
4	Amount in words	One Crores only
5	Period (in Months)	12
6	Repayment Holiday (in months)	0
7	Lock Payment During Holiday	Not Applicable
8	Int. / Comm. /Disc. (% P.A) *	Card Rate
9	Periodicity for reset of interest *	12 Months(starting from the date of loan agreement)
10	Interest rate chargeable *	Not Applicable
11	Basis for interest reset *	Card Rate of the Bank, as at the respective reset dates
12	Int.Rests	Monthly
13	Interest Charged During Holiday Period	To be paid as and when debited
14	Margin (%)	10% Cash Margin
15	Processing Charges/Upfront Fee	NA
16	Repayment	LUMPSUM

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17	Prepayment Penalty	-
18	Penal Interest / Liquidated damages (%)	2%
19	Commitment Charges	-
20	Any other fee	-
21	Valuation Fee	-
22	Additional Interest	-
23	Internal Credit Rating	
24	Category	11
25	Sector	292
26	Subsector	GEMS AND JEWELLERY (OTHER THAN DIAMOND)
27	Activity Code	3690101
28	Subsidy Details	0.00

Securities:

Security Description	Value	Borrower Name	Facility	Existing/ Proposed Limit	Type of security
Hypothecation of stock of gold, & silver jewellery at 25% margin. 25% Margin on Book Debts.		Sky Gold	CASH CREDIT	2000.00	Primary
Pledge of shares of HDFC & TCS		Sky gold	CASH CREDIT	2000.00	Collateral

- First pari-passu charge on entire current assets of the company along with icici bank and Yes bank.

Co-Obligants (C) Guarantors (G) :

S No.	Name	C or G	Customer ID	Net worth	Other Nature	Liabs. to our A/c.	Bank Br.
1	Mr. Mangesh Chauhan	CO OBLIGANT					
2	MR Mahendra Chauhan	CO OBLIGANT					
3	Mr Darshan Chauhan	CO OBLIGANT					

25.Details of Partners/Trustees/Proprietors/Directors/Sister Concerns :

SI.No.	Name	Type	Other liabilities if any(Nature of limit)
1.	Sky Gold Ltd		

OTHER MAIN TERMS & CONDITIONS

Pre-Disbursal Conditions

1. A certificate from CA confirming that there are no statutory dues outstanding in the name of proprietor/co.obligant shall be submitted and it is to be confirmed by the branch that there are no dues other than those disclosed to the Bank or in the financial statements
2. 1 PDC's covering the loan exposure signed by the MD from their existing working capital lender and Co obligacy of all the whole-time directors/promoters as per the existing sanctions.
3. Minimum collateral coverage of 50% shall be ensured and the shares shall be marked to market and any shortage in the value shall be brought in by the promoters by way of additional shares. There will not be any release of shares as the value of the shares increase.
4. 50% of the PF amount, if not collected, should be collected at the time of issuing the sanction letter and balance amount while executing the documents
5. Undertaking from company to be obtained stating that- (a) The overall utilization of the limits sanctioned by all banks under multiple banking arrangements shall be within the MPBF level and disbursement shall be subject to DP availability. (b)

Commercial Banking

Business proceeds proportionate to the limits sanctioned by Federal bank will be routed through account with Federal bank.

6. NOC from Yes Bank & ICICI Bank for Pari- Passu Charge.
7. Proportionate cash flows shall be routed through our bank.
8. Sanction is valid for a period of 1 month only.
9. The special resolution shall be initiated for incorporating the borrowing clause by the company.

Annexure V

General Covenants

This will form part of sanction order and to be signed by the borrower along with sanction order.

1. The Sanction order is valid for a period of three months only from the date of this sanction. Any extension of the period/revalidation of sanction order will be at the sole discretion of the Bank. The Bank also reserves the right to change the terms and conditions including rate of interest while reviewing/ revalidating the sanction.
2. As a token of acceptance of the terms and conditions of the sanction order, a copy of the sanction letter shall be duly acknowledged by all parties concerned (including co-obligants and guarantors) and submitted to CAD.
3. Bank will have the right to examine at all times the borrower's books of accounts and to have the borrower's premises inspected, from time to time, by officer(s) of the Bank and / or qualified auditor's and / or technical experts and / or management consultants of the Bank's choice. Cost of such inspection shall be borne by the borrower.
4. The borrower agrees to offer to the Bank on a right to first refusal basis its entire banking business or at least pro-rata business (if under consortium or multiple banking arrangement) relating to remittances, bills / cheque purchase, non-fund-based transactions including LCs and BGs, forex transactions and any interest rate or currency hedging business contemplated
5. The concession in Rate of interest if any, would apply only as long as the facility is promptly repaid, regularized or serviced. For this purpose, prompt repayment shall mean repayment / regularization of dues within 7 days. Concession offered in the ROI shall be

withdrawn in the event of any deterioration in credit quality (i.e. fall in external / internal credit rating, arrears and other irregularities) and / or coverage by securities.

6. The borrower shall maintain adequate books of accounts, which should correctly reflect its financial position and scale of operations and should not radically change accounting system without notice to the Bank
7. Borrower shall submit the statement of accounts of loans availed of by the borrower from other banks / financial institution at regular intervals. All the outside liabilities shall be serviced promptly.
8. The borrower shall keep the Bank informed of events likely to have substantial effect on the profits or business of the borrowers/ associates/ subsidiaries/group concerns/entities in which it has invested, if for instance, the monthly production or sales are substantially less than what had been indicated to the Bank, the company will inform the Bank accordingly and the remedial measures taken in this regard
9. The borrower shall reimburse the bank any expenses/stamp duty incurred by the bank in respect of the credit facility sanctioned.
10. Asset hypothecated/ mortgaged for the credit facilities sanctioned by the Bank to be adequately insured with the Bank named as the loss payee through an insurance company approved by the Bank.
11. Any significant eventualities adversely affecting the cash flows/ profits/ assets of the company shall be intimated to the bank immediately and the branch shall report such events to the sanctioning authority.
12. No assets of the company shall be sold without the prior permission of the bank during the currency of the loans with our bank.
13. During the currency of the loan the borrower shall not resort to finance from any other financial institution only with prior approval from the bank and owner's stake in the business shall not be diluted during the currency of the loan.
14. Promoter's shares shall not be pledged without the specific permission of the bank for each such pledge.
15. Passport details shall mandatorily be obtained from borrowers/coobligants/promoters/guarantors . If the borrowers do not hold a passport, a declaration to the effect that the person does not have passport shall be obtained.
16. Pricing for the facilities is liable to change, if there is any degrade in internal/ external credit rating of the Company.
17. The credit facilities are not available for investment in shares, debentures, advances and inter corporate loans/deposits to other companies (including subsidiary companies)

Annexure VI

General Covenants for Cash Credit

1. All cash flows, trade transaction flows (including foreign inward and outward remittances, export remittances, import payments, bill discounting transactions etc.) and other banking business to be routed through Federal Bank. (post)
2. Stock and book debts (age wise and party wise) statements shall be submitted by 15th of every month based on which Drawing Power will be updated.(post)
3. In respect of borrowers enjoying funded working capital limits DP shall be arrived based on the following;.(post)
 - a. Book debts/receivables representing genuine business transactions only shall be included for arriving drawing power.
 - b. Book debts/ receivable from associate/sister concerns shall not be included for drawing power calculation, unless specific permission in this regard is obtained from the sanctioning authority.
 - c. Maximum age of book debts to be considered for DP shall be 90 days (unless otherwise specified) .
 - d. Value of outstanding bills received under LC and goods acquired on credit will be deducted from total value of stock for arriving DP.
 - e. The value of unpaid stock (under LC, purchased on credit/advance payment received) or slow moving stocks will not be considered for computation of drawing power.
4. The borrower shall submit all the required papers for renewal of the limits, 60 days prior to the due date. .(post)
5. Wherever working capital limits are sanctioned for period above 12 months, such limits will be subjected to annual review..(post)
6. Stock and receivable audit will be conducted in the second half of the Financial Year ..(post)
7. Stock inspection shall be conducted by the bank officials half yearly for the limits below Rs 5.00 Cr and quarterly for the limits above Rs 5.00 Cr. .(post)
8. The following shall be submitted in respect of working capital limit..(post)
 1. Financial Follow up Report-I (QLY) - Six weeks from the close of the quarter to which it relates.
 2. Financial Follow up Report -II (HLY) - Eight weeks from the close of the half-year to which it relates.
9. Stock hypothecated to the Bank should be insured for a value based on

the following:..(post)

- a. 120% of the Credit Limit sanctioned, **or**
- b. Full Market Value of the stock at the time of taking insurance, **or**
- c. Peak stock level position during the past 12 months, **or**
- d. Average level of stock, as on month end, for the past 12 months, whichever is higher

General Covenants Letter of Credit:

1. The LC limit shall be utilized only for procurement of raw materials required by the borrower / goods generally traded by the borrower and /or for import of capital goods for use in the business of the borrower..(post)
2. The relative sale contract of the Letter of Credit shall be submitted. Letters of Credit opened shall not deviate in any way from the terms and conditions specified in the basic Sale Contract..(post)
3. LCs with usance period of more than 6 months or LCs involving Merchanting Trade transactions shall not be undertaken without concurrence from sanctioning authority..(post)
4. If any LC is devolved, no more LCs will be opened without the concurrence from the sanctioning authority..(post)
5. The bill of entry shall be promptly submitted to the Branch and no Bill of Entry shall be pending beyond one month from the due date stipulated by RBI..(post)
6. The stock of goods procured under usance LC, will not be considered for arriving DP for CC limit, if the bill remains unpaid. Such stock should be shown separately in the monthly stock statement..(post)
7. Borrower shall import only those items permitted under Foreign Trade Policy..(post)
8. The borrower shall promptly pay the sight bills received under LC/accept the usance bills on presentation and pay on due dates. No additional drawings / temporary limits will be permitted / granted for the purpose of retiring the bills received under LC. An irrevocable letter of authority shall be furnished by the borrower for debiting account with the amount of the bill drawn under LC together with all bank charges, on receipt /due date of the bill. A bill drawn under LC, in respect of which notice of refusal/discrepancy intimation has been given to the presenting bank, if not accepted on presentation by the borrower within 5 banking days from the date of receipt, will be returned to the presenting bank without further intimation to the borrower..(post)