

Date: [Insert Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

Subject: Sanction of Working Capital Facility

Dear [Contact Person Name],

We are pleased to inform you that [Bank/Lender Name] has approved your request for a Working Capital Facility. The terms and conditions of this sanction are outlined below:

1. Facility Details:

- **Type of Facility:** [e.g., Cash Credit / Overdraft / Revolving Line of Credit]
- **Sanctioned Limit:** [Insert Amount and Currency]
- **Purpose:** To meet the working capital requirements of the business.
- **Tenure:** [Insert Period, e.g., 12 months], subject to annual review.

2. Interest and Fees:

- **Interest Rate:** [Insert Rate]% per annum (Floating/Fixed).
- **Processing Fee:** [Insert Amount/Percentage].
- **Commitment Fee:** [Insert Details if applicable].

3. Security and Collateral:

- **Primary Security:** Hypothecation of all current assets, including stocks and book debts.
- **Collateral Security:** [Insert details of property or other assets, if any].
- **Personal/Corporate Guarantee:** [Insert names of guarantors].

4. Key Conditions:

- Submission of monthly stock and book debt statements.
- Maintenance of a minimum current ratio of [Insert Ratio].
- The facility must be used exclusively for business operations.
- Periodic inspection of business premises and records by the Bank.

Please return a signed copy of this letter as a token of your acceptance of the above terms. Upon receipt, we will proceed with the execution of the formal loan agreement and security documents.

Yours sincerely,

[Authorized Signatory Name]
[Designation]
[Bank/Lender Name]

Acknowledgment:

I/We hereby accept the terms and conditions mentioned in this sanction letter.

Signature: _____

Date: _____