

## MASTER FACILITY AGREEMENT

**THIS MASTER FACILITY AGREEMENT** is made and executed and/or deemed to be executed on the date and at the place mentioned in Schedule I annexed hereto between the person(s) named in Schedule I hereof of the **ONE PART**.

**AND**

**IDFC FIRST BANK LIMITED (formerly known as IDFC Bank Ltd)**, a company registered under the Companies Act, 2013 and a banking company within the meaning of the Banking Regulation Act, 1949 and having its registered office at KRM Tower, 7th Floor, No.1 Harrington Road, Chetpet, Chennai 600 031 and amongst others, a branch at the place specified in **Schedule I** hereof (hereinafter referred to as "**the Bank**", which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns) of the **OTHER PART**.

**WHEREAS** at the request of the Borrower, the Bank has sanctioned/agreed to sanction, from time to time, Facilities in terms of the Sanction Letter and upon the terms and conditions set out hereunder.

**NOW, THEREFORE**, in view of the foregoing and in consideration of the mutual covenants and agreements hereinafter set forth, the Borrower and the Bank agree as follows:

### **1. DEFINITIONS AND CONSTRUCTION**

**1.1** In this Agreement, unless the context otherwise requires, the following terms wherever used including the recitals shall have the following meanings:

**"Account"** shall mean the cash credit account or such other account opened/required to be opened by the Borrower with the Bank at the Branch as may be intimated by the Bank to avail the Facilities.

**"Agreement"** shall mean this master facility agreement and includes the Schedules, as amended from time to time, and forming part of this Agreement.

**"Applicable Rate of Commission"** shall mean the commission at the rate mentioned in Schedule I hereof payable by the Borrower to the Bank in connection with the relevant Non-Fund Based Facility.

**"Applicable Rate of Interest"** shall mean the interest at the rate mentioned in Schedule I hereof payable by the Borrower to the Bank in connection with the relevant Fund Based Facility.

**"Affiliate"** in relation to the Borrower means any Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control of the Borrower;

For the purposes of this definition, the term "**control**" in relation to any Person means the power to direct or cause the direction of the management and policies of that Person, whether through the ability to control the composition of the board of directors (or other applicable body performing a similar function) of that Person or by ownership of share capital, voting rights or otherwise of that Person.

**"Assets"** shall mean to include all properties, movable, immovable, tangible, intangible or otherwise, investments, cash-flows, revenues, rights, benefits, interests and title of every description, both present and future.

**"Available Limits"** shall mean the amounts available at any time to the Borrower to be drawn down from the Overall Limits.

**"Availability Period"** shall mean the period during which the Borrower is entitled to make a Drawdown, as mentioned Schedule I hereof.

**"Branch"** shall mean any of the branch of the Bank.

**"Business Day"** shall mean a day other than a public holiday on which the Branch where payment is to be made in relation to the Facilities is open for business.

**"Credit Rating Agency"** shall mean and refer to the domestic credit rating agencies including credit rating agencies identified and/or recognized by the RBI from time to time.

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Classification: **Confidential - Customer Shareable**

**“Drawdown”** shall have the meaning ascribed to it in Section 3(a) of this Agreement.

**“Drawing Power”** in connection with the relevant Facility shall mean the ability of the Borrower to make draws from time to time under such Facility up to the amount of the respective Limit but not exceeding the value of the current assets (as may be determined by the Bank, from time to time), if any, provided as Security to the Bank for such Facility less the corresponding Margin or such other amount as may be ascertained by the Bank from time to time at its sole discretion.

**“Dues”** shall mean the principal/interest/any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

**“Event of Default”** shall mean the occurrence of any one or more of the events as set out in Section 12 of this Agreement.

**“External Benchmark Based Lending Rate (EBR)”** shall mean such REPO Rate as may be prescribed by RBI and decided/announced /notified by the Bank from time to time.

**“External Benchmark Reset Date”** - shall mean the reset of interest rate occurring three months from the date of disbursement and every three months thereafter

**“Facilities”** shall mean the Fund Based Facilities and Non-Fund Based Facilities.

**“Fund Based Facilities”** shall mean fund based facilities more particularly set out in Schedule I hereto sanctioned/agreed to be sanctioned by the Bank to the Borrower as specified in the Sanction Letter issued from time to time or any variations thereto by issue of letters in writing by the Bank and on the terms and conditions set out in this Agreement.

**“Indebtedness”** shall mean all amounts due under the Facilities, including all interests, all commissions, interest tax, Prepayment Charges, costs, expenses and all other amounts whatsoever payable/repayable by the Borrower to the Bank under this Agreement and/or in connection with the Facilities.

**“Interest Reset”** shall have the meaning ascribed in Schedule I.

**“Irregularity”** shall mean and includes draws by the Borrower exceeding the Drawing Power / Limits stipulated from time to time by the Bank against the Facilities and/or non-compliance or breach of the terms and conditions of any authorisation and /or Law and / or this Agreement and / or the other Transaction Documents.

**“Law”** shall mean and includes all statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, RBI, statutory authority, court, tribunal, board or recognized stock exchange.

**“Limits”** shall mean the amount up to which the Borrower can Drawdown under the respective Facilities.

**“Margin”** shall have the meaning ascribed to it in Section 2(d) of this Agreement.

**“Material Adverse Effect”** shall mean the consequence of any event or circumstance which in the sole opinion of the Bank is or is likely to be: (i) adverse to the ability of the Borrower or its Affiliates to perform or comply with its obligations under this Agreement and/or the other Transaction Documents; or (ii) prejudicial to the businesses, operations or financial condition, properties, assets or prospects of the Borrower or its Affiliates.

**“Modified Applicable Rate of Interest”** shall mean interest rate payable by the Borrower as mentioned in Schedule I hereof in place of the Applicable Rate of Interest, in connection with the relevant Fund Based Facility.

**“Modified Applicable Rate of Commission”** shall mean commission rate payable by the Borrower as mentioned in Schedule I hereof in place of the Applicable Rate of Commission in connection with the relevant Non-Fund Based Facility.

**“Non-Fund Based Facilities”** shall mean non-fund based facilities such as letters of credit, bank guarantees, etc., set out in Schedule I hereto, sanctioned/agreed to be sanctioned by the Bank to the Borrower as specified in the Sanction Letter issued from time to time or any variations thereto by issue of letters in writing by the Bank and on the terms and

conditions set out in this Agreement.

**“Overall Limits”** shall mean the aggregate of the Limits of the various Facilities as specified Schedule I hereof or as may be increased/decreased by the Bank from time to time at its discretion.

**“Person”** shall unless specifically provided otherwise, mean to include an individual, statutory corporation, body corporate, partnership, joint venture, association of persons, Hindu Undivided Family (HUF), societies (including co-operative societies), trust, unincorporated organisation, government (central, state or otherwise), sovereign state, or any agency, department, authority or political subdivision thereof, international organisation, agency or authority (in each case, whether or not having separate legal personality) and shall include their respective successors and assigns and in case of an individual shall include his legal representatives, administrators, executors and heirs and in case of a trust shall include the trustee or the trustees for the time being.

**“Potential Event of Default”** shall mean an event which with the giving of notice (if required under the terms of Transaction Documents), lapse of time, determination of materiality, or fulfilment of any other applicable condition or any combination of the foregoing or otherwise, would constitute an Event of Default.

**“Prepayment Charges”** shall mean prepayment charges at the rate specified in the Schedule I hereof to be paid by the Borrower for prepayment of any amount the Fund Based Facilities by the Borrower to the Bank.

**“Purpose”** shall mean the purpose as mentioned in the Schedule I hereof.

**“RBI”** shall mean the Reserve Bank of India established under the Reserve Bank of India Act, 1934.

**Reset Date** shall have meaning ascribed to is in Schedule I

**Reset Interest date** shall have the meaning ascribed to is in Schedule I

**“Revised Applicable Rate of Commission”** shall mean the commission rate payable by the Borrower as mentioned in Schedule I hereof in place of the Applicable Rate of Commission, in connection with the relevant Non-Fund Based Facility.

**“Revised Applicable Rate of Interest”** shall mean the interest rate payable by the Borrower as mentioned in Schedule I hereof in place of the Applicable Rate of Interest, in connection with the relevant Fund Based Facility.

**“Sanction Letter”** shall mean the sanction letter issued by the Bank to the Borrower in connection with the Facilities and would include any variations and amendments thereto, from time to time by issue of letters in writing by the Bank.

**“Schedules”** shall mean schedules attached to this Agreement.

**“Securities”** or **“Security”** shall mean a mortgage, hypothecation, charge, pledge, lien or other security interest securing any obligation of any Person or any other agreement or arrangement having a similar effect in favour the Bank to secure the Facilities as mentioned in Schedule I hereof.

**“Security Cover”** shall mean the security cover that Borrower is required to maintain in relation to the Facilities as mentioned in Schedule I hereof.

**“Transaction Documents”** include this Agreement, Schedules, the Sanction Letter and all other agreements, instruments, undertakings, indentures, deeds, writings, guarantees, letters of comfort and other documents (whether financing, security or otherwise) executed or entered into, or to be executed or entered into, by the Borrower or as the case may be, any other Person, in relation, or pertaining, to the transactions contemplated by, or under this Agreement and/or the other Transaction Document, and each such Transaction Document as amended from time to time.

**1.2** In this Agreement, unless the contrary intention appears:

- (a) A reference to:  
an agreement / document / undertaking / deed / instrument / indenture / writing includes all amendments made thereto from time to time as also all schedules, annexures and appendices thereto.

**“amendment”** includes a supplement, modification, novation, replacement or re-enactment and "amended" is

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to be construed accordingly.

**"authorisation"** includes an authorisation, consent, clearance, approval, permission, resolution, licence, exemption, filing and registration.

**"encumbrance"** includes a mortgage, charge, lien, pledge, hypothecation, any other security interest or any lien or any right of any description whatsoever.

**"repayment"** includes repaid, repayable, repay.

- (b) a reference to a clause, Section or a Schedule of this Agreement shall denote a reference to such clause, Section or Schedule as specified, of this Agreement.
- (c) the singular includes the plural (and vice versa).
- (d) the index to and the headings in this Agreement are inserted for convenience of reference only and are to be ignored in construing and interpreting this Agreement.
- (e) reference to the words "include" or "including" shall be construed without limitation.
- (f) reference to a gender shall include references to the female, male and neuter genders.
- (g) all approvals, permissions, consents or acceptance required from the Bank for any matter shall require the "prior", "written" approval, permission, consent or acceptance of the Bank.
- (h) the words 'hereof', 'herein', and 'hereto' and words of similar import when used with reference to a specific Section or clause in, or Schedule to, this Agreement shall refer to such Section or clause in, or Schedule to this Agreement, and when used otherwise than in connection with specific Sections, clauses or Schedules, shall refer to this Agreement as a whole.
- (i) a reference to a "month" is a reference to a period starting on one day in a calendar month and ending on the date immediately before the numerically corresponding day in the next calendar month, except that if there is no numerically corresponding day in the month in which that period ends, that period shall end on the last day in that calendar month.
- (j) the word "drawals", "draw" and "drawn" shall include disbursements / drawings from time to time under the relevant Facilities and/or issuance of bank guarantees and/or letter of credits and/ or co-acceptance / acceptance of bills by the Bank.
- (k) the term "Schedules" includes Schedule for the relevant Facility as attached to this Agreement from time to time.
- (l) in the event of any disagreement or dispute between the Bank and the Borrower regarding the materiality or reasonableness of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise, the opinion of the Bank as to the materiality or reasonableness of any of the foregoing shall be final and binding on the Borrower.
- (m) (i) all capitalised terms used but not specifically defined herein shall have the respective meanings ascribed to them under the relevant Schedule(s); (ii) all capitalised terms used but not specifically defined in a Schedule shall have the respective meanings ascribed to them in the main body of this Agreement or in the other relevant Schedule(s).
- (n) The Sanction Letter shall be construed as forming integral part of this Agreement. In case of inconsistency between any provision of this Agreement and the Sanction Letter, to the extent of such inconsistency provisions of the Sanction Letter shall prevail.
- (o) In case of any inconsistency between any provision of this Agreement and Schedule of this Agreement, to the extent of such inconsistency provisions of the Schedule shall prevail.

- (p) the terms 'Borrower' shall include, unless repugnant to the context or meaning thereof, in case being a "company" – their respective successors and permitted assigns; in case of a "partnership firm" or "limited liability partnership" – their respective partners for the time being in the firm and the survivor or survivors of them and their respective heirs, administrators, legal representatives and permitted assigns; and in case of a "proprietary concern" or an Individual – their respective heirs, administrators, legal representatives and permitted assigns of the proprietor/Individual.

## 2. AMOUNT AND TERMS OF FACILITY

- (a) Subject to the terms and conditions mentioned in this Agreement and Schedules of this Agreement and the Transaction Documents, the Bank may at its sole and absolute discretion grant/extend to the Borrower all or some of the Facilities as may be agreed upon and specified in Schedule I hereof, for sums not exceeding at any one time in the aggregate of the Overall Limit, in the manner contained in this Agreement. The Limits for each of the Facilities are mentioned in Schedule I hereof. The Facilities may be interchangeable, at the discretion of the Bank. All outstanding amounts of interest, commission, discount, exchange, service charges and other costs, charges and monies in respect of the respective Facilities, whether debited to the Account or not, shall also be included in determining the Available Limits. The Bank shall at its sole discretion extend the Facilities or any part thereof from one or more Branches.
- (b) The Bank shall be entitled to vary at its discretion or at the request of the Borrower, Limits of the Facilities (i.e. increase / decrease) sanctioned to the Borrower as also the Overall Limit.
- (c) The Borrower shall, if required, open an Account with the Bank at the Branch.
- (d) The Borrower shall at all times maintain the Margin as specified in the **Schedule I** hereof. The Bank shall be entitled to, at its sole discretion, vary the Margin(s) both upwards and downwards and the Borrower shall be bound by such a variation.

## 3. DRAWDOWN

- (a) Subject to compliance with the terms and conditions of this Agreement and Schedules, the Facilities may be drawn by the Borrower during the Availability Period in one or more tranches ("**Drawdown**").
- (b) Unless the Bank otherwise agrees, the right of the Borrower to make drawals from the Facilities shall cease on the expiry of the Availability Period.
- (c) The aforesaid drawals shall be utilised by the Borrower exclusively for the Purpose.
- (d) In the event any monies are remaining due and payable by the Borrower to the Bank, whether under this Agreement and/or the other Transaction Documents or otherwise, the Bank may, at its sole discretion, reduce the availability of the amounts of the Overall Limits and / or adjust such monies against the respective Available Limits and all such adjustments shall be treated as drawals by the Borrower.
- (e) The Borrower shall at all times confine the drawals out of the relevant Facilities within the respective Drawing Power. Provided, however, the Bank may at the specific request of the Borrower and at its sole and absolute discretion, allow drawals beyond such Drawing Power including ad hoc / temporary facilities and/or temporary overdraft facilities for such period as may be permitted by the Bank. Provided, further, the grant of such excess drawings to the Borrower shall be liable to be suspended/ discontinued/ revoked by the Bank without any notice to the Borrower. The Borrower shall repay/regularize all such excess drawings on demand unless otherwise specified by the Bank. Till repayment of such excess drawings, the excess drawn amounts shall carry interest at the rate of Revised Applicable Rate of Interest, unless a higher rate has been stipulated by the Bank. All the provisions of this Agreement and the other Transaction Documents and Security created, if any, pursuant to this Agreement will extend to cover such excess drawings.

## 4. INTEREST / COMMISSION / OTHER CHARGES ETC.

- (a) The Borrower shall be liable to pay to the Bank interest on the amounts due on the Fund Based Facilities at Applicable Rate of Interest or as may be intimated by the Bank in writing from time to time. The interest shall be paid by the Borrower at such intervals as may be specified in the Schedule I hereof.
- (b) The Borrower agrees that it shall be liable to pay to the Bank commission at the rate of Applicable Rate of

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Commission on various Non-Fund Based Facilities or as may be intimated by the Bank in writing from time to time.

- (c) The Borrower shall be liable to pay to the Bank interest on the amounts due on the Fund Based Facilities at the Modified Applicable Rate of Interest on account of failure to provide agreed Security Cover or comply with any of the covenants relating to the Security/ Securities, in accordance with the terms of this Agreement as may be intimated by the Bank in writing from time to time.
- (d) The Borrower irrevocably acknowledges and confirms that the occurrence of any conditions, as more specifically mentioned under clause 12 of Schedule I hereto, shall be deemed to require reassessment of initial credit parameters of the Borrower and as a consequence of which the Borrower shall, without demur/protest, be liable to pay to the Bank interest at the rate of the Revised Applicable Rate of Interest on the Fund Bases Facilities, from the date of occurrence of such event or condition, in accordance with the terms of this Agreement.
- (e) The Borrower shall be liable to pay to the Bank commission on the amounts due on various Non-Fund Based Facilities at the rate of the Modified Applicable Rate of Commission on account of failure to provide agreed Security Cover or comply with any of the covenants relating to the Security/ Securities, in accordance with the terms of this Agreement or as may be intimated by the Bank in writing from time to time.
- (f) The Borrower irrevocably acknowledges and confirms that the occurrence of any conditions, as more specifically mentioned under clause 11 of Schedule I hereto, shall be deemed to require reassessment of initial credit parameters of the Borrower and as a consequence of which the Borrower shall, without demur/protest, be liable to pay to the Bank commission at the rate of the Revised Applicable Rate of Commission on the Non-Fund Based Facilities, from the date of occurrence of such event or condition, in accordance with the terms of this Agreement.
- (g) The Applicable Rate of Interest shall be reset on the Reset Date(s) and thereafter the Borrower shall pay to the Bank interest on the Fund Based Facilities at the Reset Interest Rate.
- (h) The interest rate/commission is subject to variation in consonance with RBI directions, statutory and regulatory requirements, conditions of money market, availability of loanable funds, internal policy of the Bank, etc.
- (i) The Borrower irrevocably undertakes and agrees with the Bank, that the Bank in its sole discretion shall have a right to revise the Applicable Rate of Interest / Applicable Rate of Commission as the Bank may deem fit and appropriate, in case of any increase / variation in the un-hedged foreign currency exposure of the Borrower.
- (j) Interest, commission and other charges when debited to the relevant Account by the Bank, shall be calculated on the daily debit balance of such account.
- (k) The Borrower shall be liable to pay the Bank the Processing Fee, Documentation Charges, Cancellation Charges and other fee/charges as more particularly mentioned in Schedule I /Sanction Letter.
- (l) The Borrower shall be liable to pay to the Bank Prepayment Charges on the amount prepaid by the Borrower to the Bank.
- (m) The Borrower shall bear all Taxes in connection with this Agreement and / or the other Transaction Documents. In the event of the Borrower failing to pay the monies referred to above, the Bank shall be at liberty (but shall not be obliged) to pay the same. The Borrower shall reimburse all sums paid by the Bank in accordance with the provisions contained herein. All payments by the Borrower under this Agreement and/or the other Transaction Documents shall be made free and clear of and without any deduction of any Tax, except to the extent that the Borrower is required by Law. Provided that, if any Taxes is/are required to be deducted by the Borrower, the same shall be paid by the Borrower and the Borrower shall, within the time frame prescribed under the Law deliver to the Bank satisfactory evidence that the tax has been deducted at source and duly remitted to the government authority .
- (n) All payments by the Borrower under this Agreement and/or the other Transaction Documents shall be made free and clear of and without any deduction of tax or levy, except to the extent that the Borrower is required by Law to make payment subject to any tax deduction at source under the Law. Provided that, all taxes

required by Law to be deducted by the Borrower from any amounts paid or payable under this Agreement and/or the other Transaction Documents including but not limited to interest, commission, discount, service and other charges, any fees, shall be paid by the Borrower and the Borrower shall, within the statutory time frame prescribed under the Law or 7 days of the payment being made, whichever is later, deliver to the Bank satisfactory evidence in accordance with the prevailing tax laws as may be amended from time to time, that the tax has been deducted at source and duly remitted to the appropriate authority.

- (o) Where interest/commission is charged by the Bank at a concessional rate(s) towards any Facilities under the subsidy scheme or any other scheme(s) formulated by the government and/or RBI and/or any other authority from time to time, the Borrower agrees, declares, confirms and affirms that in the event of the withdrawal, modification and/or variation of such scheme(s), the concessional rate or rates of interest/commission shall stand withdrawn and the normal rate(s) of interest/commission of the Bank applicable at the material time to such Facilities shall become effective and the Bank shall become entitled to charge the Borrower such rate(s) of interest/commission and the Borrower shall pay to the Bank on demand the difference between such concessional rate(s) and the normal rate(s) of interest/commission of the Bank applicable at the material time to such Facilities and such difference shall become due and payable by the Borrower to the Bank from the date the withdrawal, modification and/or variation of such Scheme(s) becomes effective.
- (p) The normal rate of interest would be prescribed by the Bank from time to time. The Bank shall also be entitled to charge at its own discretion such enhanced rates of interest on the account(s) either on the entire outstanding or on a portion thereof as it may fix for any Irregularity and for such period as the Irregularity continues or for such time as the Bank deems it necessary regard being had to the nature of the Irregularity and the charging of such enhanced rate of interest shall be without prejudice to the Bank's other rights and remedies.
- (q) The Borrower acknowledges and agrees that the rates of interest/commission payable by it under the provisions of this Agreement are reasonable and that they represent genuine pre-estimates of the loss expected to be incurred by the Bank in the event of non-payment of any monies by the Borrower.

#### **5. COMPUTATION OF INTEREST, COMMISSION AND OTHER CHARGES**

- (a) Interest, commission, discount and all other charges shall accrue from day to day and shall be computed on the basis of 365 days a year and the actual number of days elapsed.
- (b) The interest/commission on Indebtedness will be charged to the respective Account, unless specified otherwise, on a monthly basis (and in case of closure of individual Facility account on the day of such closure) and payable by the Borrower.
- (c) The interest and commission will be computed at the Revised Applicable Rate of Interest / Modified Applicable Rate of Interest and Revised Applicable Rate of Commission / Modified Applicable Rate of Commission, as the case may be, from the date of happening/non-happening of the relevant events specified in the Schedule I till such events are cured to the satisfaction of the Bank..
- (d) The unpaid interest / commission amounts, if any, shall be compounded with Indebtedness as per the Bank's standard practice in force from time to time.

#### **6. REPAYMENT**

- (a) In the event, any Facilities are granted on revolving basis then the Borrower shall be entitled, subject to Availability Period, cooling period, if any, Available Limits, no Event of Default or Potential Event of Default having occurred and at the discretion of the Bank, to redraw any amount so repaid. Such redrawn amount shall be repaid in the manner as mentioned in the Schedule I hereof.
- (b) The Bank may, in its discretion and subject to no Event of Default or Potential Event of Default having occurred and at the request of the Borrower, rollover/extend/continue the Facility or any part thereof for such period and in such event all terms as applicable for such Facility shall mutatis mutandis apply for the rollover/extended portion of the Facility.
- (c) The Bank may at any time, at its sole discretion without assigning any reasons and without notice to the Borrower cancel the Facilities or any part thereof and demand repayment thereof, and thereupon the Facilities, all interest due and payable thereon and all liabilities and other obligations of the Borrower thereunder to the Bank including interest, commission and other charges shall become due and payable by the

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Borrower immediately to the Bank.

- (d) If the Due Date in respect of any amounts payable under the Facilities falls on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the Due Date for such payment.
- (e) The Borrower shall reimburse all sums paid and/or expenses incurred by the Bank (including by or on behalf of their representatives / consultants / appraiser) in relation to the Facilities immediately. All such sums shall carry interest from the date of payment till such reimbursement at the Applicable Rate of Interest / Applicable Rate of Commission and the Borrower hereby authorizes the Bank to debit any of its account for the aforesaid charged together with interest.
- (f) The Borrower agrees, declares and confirms that, notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other Law, or any terms and conditions to the contrary contained in this Agreement, the Bank may, at its absolute discretion, appropriate any payments made by the Borrower under this Agreement / any amounts realized by the Bank by enforcement of Security or otherwise, towards the dues payable by the Borrower to the Bank under this Agreement and/or other agreements entered into between the Borrower and the Bank and in any manner whatsoever.
- (g) Unless otherwise stipulated in **Schedule I** hereof, all monies payable by the Borrower to the Bank in such mode and manner as the Bank may notify to the Borrower from time to time so as to enable the Bank to realize, at par, the amount on or before the respective Due Date. Credit for all payments by cheque/bank draft will be given only on realization or on the relative Due Date, whichever is later.
- (h) Unless otherwise agreed and specified in the Schedule I hereof, the Borrower shall not, without the approval of the Bank (which approval may be given subject to such terms and conditions as may be stipulated by the Bank including payment of premium and/or any other charges, plus applicable interest tax or other statutory levy), prepay the outstanding principal amounts of the Fund Based Facilities in full or in part, before the Due Dates.
- (i) Overdue shall mean the principal/interest/any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.
- (j) **Non-Performing Asset (NPA)** - is a loan or an advance where interest and /or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan.
- i. the account remains 'out of order' as indicated below in respect of an Overdraft/Cash credit (OD/CC).
  - ii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
  - iii. the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops
  - iv. the installment of principal or interest thereon remains overdue for one crop season for long duration crops.
- (k) **"First In First Out" (FIFO)** - The relevance of 'First in First Out'(FIFO) is in appropriation of payments into the borrowal account; The Principle of FIFO i.e., 'First In First Out accounting method is relevant to arrive at the No of days of overdue for determining the SMA/NPA status. The FIFO principle assumes that, the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the borrower first.
- For example:- If in any loan account as on 01.02.2021 there are no overdues and an amount of Rs. X is due for payment towards principal instalment/interest/charges any payment being credited on or after 01.02.2021 in the loan account will be used to payoff the dues outstanding on 01.02.2021. Assuming that nothing is paid/or there is partial payment (Rs Y) of dues during the month of February, the overdue as on 01.03.2021 will be Rs. X-Y. Additionally, an amount of Rs Z becomes due as on 01.03.2021. Now any payment partial payment into the account on or after 01.03.2021 will be first utilized to payoff the partial due of 01.02,2021(Rs X- Rs Y). If there is more recovery that the Rs. X- Rs.Y then after recovering dues of 01.02.201, the remaining amount will be treated as recovery towards due of 01.03.2021.
- (l) **Age of Oldest Dues** – The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid. In the aforesaid illustration, if the Dues relating to 1st February 2021 remain unpaid till 01.03.2021, the age of the oldest dues is reckoned as 29 days on 02.03.2021.



- (m) **Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**  
Lending institutions will recognize the incipient stress in loan accounts, immediately on Default, by classifying them as Special Mention Accounts (SMA) The basis of classification of SMA /NPA Category shall be as follows:

Loans other than revolving facilities		Loans in the nature of revolving facilities like cash credit/overdraft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-0	Upto 30 days		
SMA-1	More than 30 days and upto 60 days	SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days	SMA-2	More than 60 days and upto 90 days

- (n) **Out of Order** – An account shall be treated as “out of order’ if
- the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit /drawing power for 90 days or
  - the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period

**Illustrative movement of an account to SMA category to NPA category based on delay /non payment of dues and subsequent upgradation to Standard category at day end process:**

Due date of payment	Payment Date	Payment covers	Age of oldest dues in days	SMA / NPA Categorisation	SMA since Date /SMA class date	categorization	NPA Date
01 .01.2022	01 .01.2022	Entire dues upto 01 .01 .2022		NIL			
01 .02.2022	01 .02.2022	Partly paid dues of 01 .02.2022	1	SMA-O	01 .02.2022		
01.02.2022	02.02.2022	Partly paid dues of 01 .02.2022	2	SMA-O	01 .02.2022		NA
01 .03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01 .03.2022	29	SMA-O	01 .02.2022		
		Dues of 01.02.2022 fully paid , Due for 01.03.2022 not paid at EOD 01.03.2022	1	SMA-O	01 .03.2022		

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		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA- 1	01 .02.2022 03.03.2022		
		Dues of 01.02.2022 fully paid , Due for 01.03.2022 not fully paid at EOD 1.03.2022	1	SMA-O	01 .03.2022		
01 .04.2022		No payment of dues of 01 .02.2022 ,01 .03.2022 and amount due on 01.4.2022 at EOD 01 .04.2022	60	SMA 1	01 .02.2022 03.03.2022		
		No payment of dues of 01.02.2022 till 01.04.22 at EOD 02.04.2022	61	SMA 2	01 .02.2022 /02.04.2022		
01 .05.2022		No payment of dues of 01 .02.2022 till 01.05.22 at EOD 01 .05.2022	90	SMA 2	01 .02.2022 /02.04.2022		
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA		NPA	02.05.2 022
01.06.2022	01.06.2022	Fully Paid dues of 01.02.2022 at EOD 01 .06.2022	93	NPA	NA		02.05.2 022
01.07.2022	07.2022	Paid entire dues of 01 .03.2022 & 01.04.2022 at EOD 01 .07.2022	62	NPA	NA	NPA	02.05.2 022
01 .08.2022	01 .08.2022	Paid entire dues of 01 .05.2022 & 01.06.2022 at EOD 01 .08.2022	32			NPA	02.05.2 022

01 .09.2022	01 .09.2022	Paid entire dues of 01 .07.2022 & 01.08.2022 at EOD 01 .09.2022	1				02.05.2022
01.10.2022	01 ,10.2022	Paid entire dues of 01.09.2022 & 01 .10.2022	0	Standard Account with No Overdues			STD from 01 .10,2022

Note- Examples are illustrative and not exhaustive in nature covering common scenarios and that the IRACP norms and Clarifications provided by RBI on the subject will prevail.

- (o) **Amortization Schedule/Repayment Schedule** - The Amortization Schedule shall be provided separately after the disbursement of loan and shall consist details pertaining to exact due dates for repayment of loan, breakup between principal and interest, in case of loan facilities with moratorium on payment of principal and or interest, the exact date of commencement of repayment etc., shall also be specified in the said amortization schedule.

## 7. SECURITY

- (a) The Borrower shall furnish the Security as more particularly detailed in the Sanction Letter and in such form and manner to the satisfaction of the Bank for securing the repayment of the Facilities together with all interests, , all commissions, costs, charges and expenses and all other monies whatsoever due and payable by the Borrower to the Bank under this Agreement.
- (b) The Borrower will, from time to time at the request of the Bank do all such acts and/or execute all such documents as the Bank may consider necessary for creating and perfecting the Security in favour of the Bank.
- (c) Without prejudice to the provisions contained hereinabove, the Borrower agrees and undertakes to create / cause to create in favour of the Bank such additional security as the Bank may require, from time to time, in the event of:
- (i) the market value of the security furnished to the Bank falling below the Security Cover; and/or
  - (ii) the destruction, depreciation or fall in value of any security available to or the title of any security available to the Bank being unclear, unmarketable or encumbered in the opinion of the Bank; and/or
  - (iii) deterioration of credit worthiness of the Borrower/ guarantor(s)/ security providers in the sole opinion of the Bank.

For the purpose of this clause, deterioration in the credit worthiness shall mean and include without limitation, the following events:

- (A) downgrade of the rating of the Borrower/ guarantor by a Credit Rating Agency or as per internal credit assessment made by the Bank;
  - (B) inclusion of the Borrower/ guarantor and/or any of its directors in the RBI willful defaulters list;
  - (C) closure of a significant portion of the Borrower's / guarantor's operating capacity;
  - (D) decline in the profit after tax of the Borrower/ guarantor by more than fifteen percent;
  - (E) any adverse comment from the auditor of the Borrower/ guarantor; and
  - (F) any other reason/ event in the opinion of the Bank constituting or which may constitute deterioration in the creditworthiness.
- (d) In respect of letters of Non-Fund Based facilities, the Borrower shall deposit sufficient cash or other security as may be acceptable to the Bank as cash Margin as stipulated in the Schedule I hereof or as may be stipulated, from time to time, by the Bank.

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- (e) The Bank shall be entitled to and shall at its sole and absolute discretion change the Security Cover applicable to the Security and the Borrower shall be bound by it notwithstanding any Security Cover earlier agreed to by the Bank.
- (f) The Security given pursuant to this Agreement or under any document in terms of this Agreement otherwise or at any time in future shall be and remain a continuing security to the Bank and accordingly shall:
  - (i) not be discharged by any intermediate payment by the Borrower or any settlement of accounts between the Borrower and the Bank;
  - (ii) be in addition to and not in substitution for or derogation of any other security which the Bank may at any time hold in respect of the Indebtedness/Borrower's obligations hereunder; and
  - (iii) be a Security for all amounts due and payable by the Borrower whether under this Agreement.
- (g) The Security created and indemnities and undertakings given herein and/or the Security documents executed in favour of the Bank for the Facilities shall operate as continuing security and/or indemnities and/or undertakings for Indebtedness and liabilities under the Facilities and any other dues to the Bank and will operate as Security for the ultimate balance or aggregate balance with interest thereon and costs charges and expenses if any.

## **8. REPRESENTATIONS AND WARRANTIES**

- (a) The Borrower hereby represents, warrants, assures and confirms that:
  - (i) the Borrower is validly existing under the laws of India and is in compliance with all Laws affecting its business and operations.
  - (ii) the Borrower has the power and authority to execute, deliver and perform the terms and provisions of this Agreement/Transaction Documents and has taken all the necessary action required to authorize the execution, delivery and performance of this Agreement/Transaction Documents and upon execution, this Agreement/Transaction Documents will constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms.
  - (iii) all accounts and financial statements furnished by the Borrower to the Bank have been prepared in accordance with accounting standards and practices in force in India consistently applied during the respective periods (except as stated in the published financial statements) and present true and fair financial position of the Borrower.
  - (iv) the entry, delivery and performance of this Agreement do not conflict with any Law, the Borrower's constitutional documents, any other documents which are binding upon the Borrower or any of its Assets.
  - (v) none of the Borrower and its subsidiaries, Affiliates, promoters, directors, partners, proprietor, karta (including other HUF members) and trustee (as applicable) are in default or been included in any list of defaulters or have committed breach of any agreement with any person who has provided loans or deposits or advances or guarantees or other financial facilities to the Borrower or any regulatory or statutory authority.
  - (vi) there are no legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions or governmental investigations of any nature pending against the Borrower and/or its promoters, directors, partners, proprietor, trustees, and karta (including other HUF members) (as applicable) in management of the Borrower or any of its Assets which individually or in the aggregate would, if adversely determined, have a Material Adverse Effect; The Borrower is not subject to any order, judgement or decree of any court, tribunals, boards, or any governmental department or authority which relates in any manner to this Agreement or the transactions contemplated hereby or thereby or which has or may have a Material Adverse Effect.
  - (vii) there are no claims presently existing or anticipated including but not limited to claims arising out of provident fund or labour dues, income/corporate or other taxes, duties, levies or cesses, royalties,

license fees, lease rentals, interest, costs, penal levies, damages, claims, penalties etc. (whether present, future or contingent) which have not been expressly disclosed.

- (viii) the following events have not occurred and no notice has been served with respect to:
- (A) an application to a court for an order that the Borrower be wound up, that a liquidator, receiver or custodian be appointed for the Borrower or any of its Assets or that the Borrower be placed in bankruptcy; and
  - (B) the passing of a resolution for the winding up of the Borrower or any proposal or apprehension for passing such resolution, a scheme of arrangement, amalgamation or reconstruction or dissolution or reconstitution of the Borrower, or arrangement or composition with, or assignment for the benefit of, all or a class of creditors, or the taking of any action to seize, attach, take possession of or appoint a custodian, receiver, liquidator or manager in respect of the Borrower or any Asset of the Borrower.
- (ix) all taxes due and payable by the Borrower have been paid, and all tax returns and reports required to be filed by the Borrower have been timely and correctly filed. There are no claims now pending or matters under dispute with any tax authority in respect of any taxes, save and except such matters and claims disclosed to the Bank in writing.
- (x) the information furnished by the Borrower to the Bank in connection with or for obtaining the Facilities is true, complete and correct and not misleading in any material respect.
- (xi) all consents and waivers of the shareholders (if the Borrower is a company) of the Borrower, statutory authorities and other third parties that are required in connection with the execution and delivery of this Agreement and the consummation of the transaction contemplated hereby (including, without limitation, any consents required from the banks of the Borrower) has been/shall be duly obtained and effective.
- (xii) the Borrower, its business and the purposes for which the Facilities is to be utilised are in compliance with and are not in default or violation in respect of any Laws.
- (xiii) neither the Borrower, nor any Person acting on its behalf, has been engaged in (i) corrupt practices, fraudulent practices, collusive practices or coercive practices in connection with the Borrower's business and operations, (ii) money laundering or acted in breach of any Laws relating to money laundering; or (iii) the financing of terrorism.
- (xiv) the Borrower has not committed any breach under any agreement entered into with any person for availing any finance facility and neither the Borrower nor its partners/directors/trustee/karta are facing any litigation initiated by another financier including banks.
- (xv) all Security created/ to be created by the Borrower or arranged by the Borrower are free from encumbrance except, such charge, lien or encumbrance as intimated in writing to the Bank.
- (xvi) the Facilities are not being availed for any activities relating to producing or consuming Ozone Depleting Substances, in terms of Montreal Protocol to which government of India is a part.
- (xvii) except to the extent disclosed to the Bank : (i) all the Borrower's contracts or agreements with, or any commitments to, any Affiliates or group companies (if applicable) are on arms' length basis; (ii) (a) where the Borrower is an individual, he/she is not a director or specified near relation of a director of a banking company; (b) where the Borrower is a partnership firm/HUF, none of the partners or members of the HUF is a director or specified near relation of a director of a banking company; and (c) where the Borrower is a joint stock company, none of its directors, is a director or specified near relation of a director of a banking company; (iii)(a) where the Borrower is an individual, that he/she is not a specified near relation to any senior officer of the Bank, (b) where the Borrower is a partnership firm/ HUF, none of the partners or members of the HUF, is a specified near relation of any senior

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officer of the Bank, and (c) where the Borrower is a joint stock company, none of its directors, is a specified near relation of any senior officer of the Bank.

- (xviii) that neither the Borrower nor any other person benefiting in any capacity in connection with or from this Agreement and/or any instruments and/or payments thereunder is a Specially Designated National (SDN) and/or otherwise sanctioned, under the sanctions promulgated/issued by the United States (including its Office of Foreign Assets Control's (OFAC)), India (by RBI or any other regulatory authority), United Nations, European Union, the jurisdiction of the Facility Office and/or any other country from time to time (collectively, the "**Sanctions**"). This representation will continue to remain valid till the repayment of all amounts under this Agreement and conclusion of the underlying transaction pursuant to the Transaction Documents.
- (xix) The Borrower hereby represent, warrant and confirm that the Facility shall not be used for any of the following purposes:
- Illegal & antisocial activity;
  - Purchase of gold in any form including primary gold, gold bullion, gold jewelry, gold coins, units of Gold Exchange Traded Funds (ETF) and units of gold Mutual Funds except for working capital requirement and nor to the silver bullion dealers which are likely to be utilized for speculative purposes.
  - Speculative investment in real estate;
  - Investment in securities, debentures or the stock markets;
  - Money lending activities;
  - Speculative activity not mentioned above; or
  - Any other activities for which the Facility is not extended.

(b) All representations and warranties of the Borrower contained herein shall survive the execution, delivery and/or termination of this Agreement and until the Indebtedness has been repaid in full.

(c) The Borrower will be deemed to have renewed each of these representation and warranties every time it avails of Facilities under this Agreement.

## 9. CONDITIONS PRECEDENT TO DISBURSEMENT

The Bank shall not be obliged to disburse the Facilities unless and until, the Borrower shall have complied with the disbursement conditions stipulated in the Sanction Letter and/or such other conditions as may be stipulated by the Bank from time to time.

## 10. COVENANTS AND UNDERTAKINGS OF THE BORROWER

The Borrower undertakes and covenants with the Bank, as far as applicable to it, as under:

### (a) Positive Covenants

The Borrower covenants and undertakes that, so long as the Facilities or any part thereof are outstanding, and until the full and final payment of all money owing hereunder, it will, unless the Bank waives compliance in writing:

- (i) Utilise the Facilities only for the Purpose.
- (ii) Repay the Facilities, interest, commission thereon and all monies owing to the Bank hereunder, according to the terms hereof.
- (iii) Conduct business in compliance with all Laws, regulations, authorizations, licenses and consents.

- (iv) Notify the Bank of the occurrence of any event or the existence of any circumstances which constitutes or results in any declarations, representations, warranty, covenants or condition under this Agreement and/or the other Transaction Documents being or becoming untrue or incorrect in any respect.
- (v) Promptly inform the Bank of any litigation, arbitration or other proceedings, which have a Material Adverse Effect, within a period of two Business Days upon the same being instituted or threatened by any person whatsoever.
- (vi) Maintain insurances on and in relation to its business and Assets with an insurance company(ies) against such risks and to such extent as is usual and appropriately prudent for Persons carrying on the business such as that carried on by the Borrower.
- (vii) Deliver to the Bank: (a) copies of all documents issued by the Borrower to all its creditors (or any general class of them) at the same time as they are issued; (b) such statements / information / accounts / records / reports / documents, financial or otherwise or as may be required by the Bank from time to time in relation to the Facilities, the Borrower's business and operations, Assets etc. within the period specified by the Bank (c) a certificate from the auditor of the Borrower or independent chartered accountant that the proceeds of the Facility(ies) has been utilized for the Purpose as and when demanded by the Bank; (d) stock and book debt statement at such intervals as may be required by the Bank, from time to time.
- (viii) Deliver to the Bank in form and detail satisfactory to the Bank and in such number of copies as the Bank may request:
  - (A) unaudited semi-annual profit and loss statements and balance sheets, within sixty days, or such other period as reasonably required by the Bank, of the close of each semi-annual period;
  - (B) independently audited annual accounts within six months, or such other period as reasonably required by the Bank, of the close of each financial year; and
  - (C) such other statement or statements or information pertaining to the operations of the Borrower as the Bank may reasonably require, within such period as required by the Bank.
- (ix) Perform, on request of the Bank and at the expense of the Borrower, such acts as may be necessary to carry out the intent of this Agreement including but not limited to executing and delivering such further agreements, undertaking, declarations, assurances and writings; or providing additional Security as the Bank may from time to time require in relation to the Facilities.
- (x) Promptly inform the Bank of any distress or other process of court being taken against any of the Borrower's premises and/or property and/or Assets.
- (xi) Notify the Bank of any material loss or damage which the Borrower may suffer due to any event, circumstance or act of God. Further, the Borrower agrees to intimate the Bank from time to time, details of insurance claims lodged/ filed and received by the Borrower.
- (xii) The Borrower shall file all relevant tax returns and pay all its taxes/duties promptly when due.
- (xiii) The Borrower shall comply with such other conditions as may be stipulated by the Bank from time to time on account of requirement of any Law.
- (xiv) The Borrower shall in respect of goods, movables (including movable plant and machinery) and other assets stored and held in godown owned or hired by or let to the Borrower, provide the Bank and its respective agents and nominees with an unimpaird access to the godowns at all times and where the godowns are hired by or let to the Borrower, the Borrower shall furnish to the Bank a letter from the landlords/owners consent to continue such unimpaird access to the godowns to the Bank and its respective agents and nominees and also declaring that notwithstanding any claim for any unpaid rent the landlords/owners acknowledge the prior claim of the Bank on all the goods, movables and other

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assets stored and held therein and hypothecated, pledged or otherwise charged to the Bank and that the Bank, its respective agents and nominees shall have the right to remove the goods, movables and other assets so stored and held in the godowns whenever desired by the Bank.

- (xv) The Borrower shall submit to the Bank, the information etc. as envisaged under RBI circular No. DBOD.No.BP.BC.94 /08.12.001/2008-09 dated 8th December 2008, as amended from time to time.
- (xvi) The Borrower shall submit to the Bank information regarding its Un-hedged Foreign Currency Exposure (UFCE) in such form and manner and at such intervals as may be required by the Bank from time to time.
- (xvii) The Borrower shall ensure all Asset that are material to the conduct of its business as presently conducted or as proposed to be conducted are in good operating condition and repair, subject to ordinary wear and tear. The Borrower's inventory is in good and marketable condition, does not and will not include any material quantity of items which are obsolete or damaged and is saleable in the normal course of the Borrower's business as currently conducted.
- (xviii) The Borrower shall not, except as may be required in the ordinary course of the business of the Borrower, hereafter, lease, rent or sell or exchange or create encumbrance of any kind upon or over its Assets (including uncalled share capital or any part thereof) without the prior written consent of the Bank nor suffer any such encumbrance to affect the same or any part thereof nor do or allow anything to be done that may prejudice the Security created in favour of the Bank nor do or allow anything to be done that may prejudice the Security created in favour of the Bank.
- (xix) The Borrower shall ensure that the transactions entered into pursuant to the Transaction Documents do not violate any Sanctions, directly or through persons or entities subject to any Sanctions, which may pertain inter alia, to the purpose and/or end use of the Facility, goods manufactured in or originated from/through certain countries, shipment from/to/using certain countries, ports, vessels, liners and/or due to involvement of certain persons and entities.
- (xx) The Borrower shall upon demand pay to or reimburse the Bank in full:
  - (A) The legal costs of the preparation of Transaction Document, creation of security etc;
  - (B) All costs, expenses and fees relating to the periodic valuation, title search, ROC filing, site visit, inspection, insurance and protection/preservation in any other manner of the security tendered to the Bank; and
  - (C) All costs (including legal fees) incurred by the Bank in preserving perfecting or enforcing any of its rights under or in respect of Transaction Documents, or any present or future security and other documents.

(b) **Financial Covenants**

The Borrower covenants and undertakes that, so long as the Facilities or any part thereof are outstanding, and until full and final payment of all moneys owing hereunder, the Borrower shall ensure that financial covenants as mentioned in Schedule I hereto or as stipulated by the Bank from time to time shall be complied with.

(c) **Negative Covenants**

The Borrower covenants and undertakes that, so long as the Facilities or any part thereof are outstanding, and until full and final payment of all moneys owing hereunder, the Borrower shall not, without the prior written consent of the Bank having been obtained:

- (i) Amend or modify its constitutional documents, if any.
- (ii) Contract, create, incur, assume or suffer to exist any indebtedness (*whether incurred as principal or as surety, whether present or future, actual or contingent*) or avail of any credit facilities or accommodation from any bank(s) or financial institution(s) or any person, firm or company in any manner (other than the bank(s) at present providing working capital facilities to the Borrower and as



disclosed to the Bank), except as otherwise permitted under this Agreement.

- (iii) Undertake or permit any merger, de-merger, consolidation, reorganization, dissolution or reconstitution scheme of arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction or dissolution or reconstitution including creation of any subsidiary or permit any company to become its subsidiary.
- (iv) Not to change the composition of the partners in case the Borrower's is a partnership firm.
- (v) Create or permit to subsist any encumbrance or any type of preferential arrangement (including retention arrangements or escrow arrangements having the effect of granting security), in any form whatsoever on any of its Assets which constitute Securities, or (whether voluntarily or involuntarily) sell, transfer, grant lease or otherwise dispose of or deal with (or agree to do any of the foregoing at any future time), any of the Assets which constitute Securities for the Facility except as may be required in the ordinary course of the business of the Borrower.
- (vi) Declare or pay any dividend or authorize or make any distribution to its shareholders / members / partners or permit withdrawal of amounts brought in: (a) unless it has paid all the dues in respect of the Facilities up to the date on which the dividend is proposed to be declared or paid / such distribution is to be made, or has made therefore satisfactory to the Bank, or (b) if an Event of Default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend or authorization or making of distribution.
- (vii) Prepay any indebtedness incurred by the Borrower.
- (viii) Pay any commission to its promoters, directors, managers, partners or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability in connection with any incurred by the Borrower or in connection with any other obligation undertaken for or by the Borrower.
- (ix) Make any investments whether by way of deposits, loans, or investments in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance. This provision shall not apply to loans and advances granted in the ordinary course of business.
- (x) Change the accounting method or policies currently followed by the Borrower unless expressly required by Law.
- (xi) Engage in any business or activities other than those which the Borrower is currently engaged in, either alone or in partnership or joint venture with any other person, nor acquire any ownership interest in any other entity or person or enter into any profit-sharing or royalty agreement or other similar arrangement whereby the Borrower's income or profits are, or might be, shared with any other entity or person, or enter into any management contract or similar arrangement whereby its business or operations are managed by any other person.
- (xii) In the event the Borrower is a body corporate excluding co-operative society, recognize or register any transfer of shares in the Borrower's capital made or to be made by the promoters and their associates except as may be permitted by the Bank.
- (xiii) In the event the Borrower is a body corporate excluding co-operative society, (i) buy back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital now or hereafter outstanding, or set aside any funds for the foregoing purposes, or (ii) except as otherwise provided in this Agreement, issue any further share capital whether on a preferential basis or otherwise or change its capital structure in any manner whatsoever (iii) delist its shares.
- (xiv) The Borrower shall not file any application for seeking immunity under any Law without obtaining prior written consent of the Bank.
- (xv) The Borrower shall not induct on its board or analogous body a person, who has been identified as "Willful Defaulter" as per definition given as per RBI directions/guidelines as director on the board of Borrower. If any director who is willful defaulter as per definition above referred is on the board of

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the Borrower or analogous body or becomes so while being director on the board of the Borrower or analogous body, the Borrower undertakes to get him removed from the board of the Borrower.

- (xvi) Grant any loans, extend any credit to or for benefit of a person other than itself or assume, guarantee, endorse or in any manner become directly or contingently liable for or in connection with the obligation of any person other than itself.

## **11. RECORDS AND INSPECTION**

The Borrower shall keep and maintain in accordance with good business practice and Laws, all statutory books, books of accounts, bank statements / pass books and other records of the Borrower and in particular, maintain records showing the operations and financial conditions of the Borrower and at all times, such records shall be open for inspection by the Bank and /or their authorised representatives and the Borrower shall if so required by the Bank, furnish to the Bank at such intervals as the Bank may request a schedule or copy of all the entries which shall have been made in the said registers. The registers shall clearly indicate which of the Assets have been hypothecated / mortgaged / pledged or otherwise charged to the Bank or to any other person/entity.

## **12. EVENTS OF DEFAULT AND CONSEQUENCES THEREOF**

- (a) The occurrence of any one or more of the following events, as far as applicable to the Borrower, shall constitute an Event of Default under this Agreement:
  - (i) The Borrower fails to pay/repay any monies in respect of the Facilities on the Due Dates, whether at stated maturity, by acceleration or otherwise.
  - (ii) The Borrower fails to create and/or perfect Security within such period as contemplated under this Agreement and/or other Transaction Documents (including Sanction Letter) or such other period as may be allowed by the Bank at its sole discretion.
  - (iii) Any statement, representation, warranty or confirmation made herein or Borrower's proposal / application or in Transaction Documents or otherwise on the part of the Borrower/third party is found to be untrue or incorrect or subsequently becomes untrue or incorrect.
  - (iv) There is a breach or default by the Borrower/third party, if applicable, of any covenant or other obligations herein or the Sanction Letter or Transaction Documents or under any security or other documents executed by the Borrower/third party, if applicable, with the Bank.
  - (v) The Security tendered to the Bank or the charges created thereon in Bank's favour shall become wholly or partially invalid or unenforceable for any reason or are prejudiced for any reason.
  - (vi) The Borrower shall for any reason cease or be unable to carry on business or appointment of a receiver/liquidator of the Borrower's Assets or the Borrower fails to maintain the financial covenants as stipulated.
  - (vii) Any other event/material change which prejudicially alters the Bank's interest or may have Material Adverse Effect including but not limited to nationalization/expropriation and/or compulsory acquisition by the authority of government;
  - (viii) The Facilities are utilised for any purpose other than the Purpose enumerated in this Agreement or the Sanction Letter.
  - (ix) The Borrower ceasing, or threatening to cease, to carry on business.
  - (x) The Borrower is in breach of any agreement with any person who has provided loans, deposits, advances, guarantees or other financial facilities to the Borrower.
  - (xi) The Borrower has, or there is a reasonable apprehension that the Borrower has, voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law, or is voluntarily or involuntarily dissolved, becomes bankrupt or insolvent or if the Borrower has taken or suffered to be taken any action for its reorganization, liquidation or dissolution or insolvency or bankruptcy or if a receiver or liquidator has been appointed or allowed to be appointed of all or any part of the Assets of the Borrower or if an attachment or distress or restraint has been levied on the

Borrower's Assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Borrower or if one or more judgments or decrees have been rendered or entered against the Borrower and such judgments or decrees are not vacated, discharged or stayed for a period of 30 days, and such judgments or decrees involve in the aggregate, a liability which could have a Material Adverse Effect.

- (xii) Any legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions or governmental investigations of any nature pending against the Borrower and/or its promoters, directors, partners, proprietor, trustees, and karta (including other HUF members) (as applicable) in management of the Borrower or any of its Assets which individually or in the aggregate would, if adversely determined, have a Material Adverse Effect.
  - (xiii) The Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due.
  - (xiv) Any consent, authorization, approval or the like, or license of or registration with or declaration to government or statutory or regulatory authority made by the Borrower for entering into this Agreement and/or other Transaction Documents is revoked or terminated and is not in full force and effect.
- (b) The Borrower (if an individual) or any of the partners of the Borrower (if a firm) being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors.
- (c) The death, lunacy or other disability of the Borrower and/or the third party security provider in case of the Borrower being an individual or death, lunacy or other disability of any of the partners and/or the third party security provider in case of the Borrower being a partnership firm.
- (d) Upon occurrence of an Event of Default, the Bank shall be entitled to declare the Facilities to be immediately due and payable and upon such declaration, the same shall become immediately due and payable and the Borrower shall immediately pay the Indebtedness to the Bank without any demur, protest or delay. Without prejudice to the foregoing right of the Bank, the Bank may by written notice to the Borrower do any one or more of the following:
- (i) declare that the obligations of the Bank to make any further advances (if the disbursement is in more than one installment or if the disbursement has not yet been made) shall be cancelled, whereupon the same shall be cancelled; and/or
  - (ii) Enforce the Security provided by the Borrower and /or any other security provider; and / or
  - (iii) exercise any or all rights and recourses conferred under or pursuant to this Agreement and any Transaction Documents; and/or
  - (iv) demand that the Borrower to furnish cash collateral in respect all Non Fund Based Facilities availed by the Borrower but not devolved; and/or
  - (v) exercise all other remedies as available under the Law.

### 13. INDEMNITY

The Borrower hereby agrees to indemnify and keep fully indemnified and hold harmless and save the Bank against : (a) any claims, losses or damages, costs, charges and expenses including litigation expenses whatsoever which may be brought or made against or sustained or incurred by the Bank (and whether paid by the Bank or not) or which the Bank may become liable under or in respect of this Agreement; (b) action or proceedings made or brought against the Bank, its correspondents or confirming banks or agents; (c) any liability or loss incurred or suffered by it, its correspondents or confirming banks or agents; (d) every payment made, obligation, liability, loss and damage, penalties, taxes, etc. whatsoever undertaken or incurred or suffered by the Bank (whether directly or indirectly) under or in connection with and/or arising under this Agreement; (e) against any liability, loss, damages, costs and expenses (including legal expenses) awarded against or incurred or paid by the Bank as a result of or in connection with the Bank granting the Facilities as herein mentioned, without deducting tax in India whether or not such payment attracts withholding tax in India or requires due certification by a qualified accountant.

### 14. DISCLOSURE

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- (a) The Borrower agrees that in addition to any other rights enjoyed by the Bank, in the event of the Borrower committing any default, the Bank shall be entitled to disclose to the RBI or any other statutory or regulatory authority or to any other third person, the name/identity of the Borrower and/or its directors/partners/trustees and the default committed. In case of default in payment of any of the Indebtedness to the Bank, the Bank or the RBI will have an unqualified right to disclose or publish the name of the Borrower and/or its directors/partners/trustees as defaulters (including as wilful defaulters) in such manner and through such medium as the Bank and/or the RBI in their absolute discretion may deem fit. The Borrower further agrees that the Bank may, as it deems appropriate and necessary disclose and furnish to Credit Information Bureau (India) Ltd., and any other agency authorized in this behalf by RBI all or any of the following:
- (i) information and data relating to the Borrower;
  - (ii) the information or data relating to the Facilities availed of/to be availed, by the Borrower; and
  - (iii) the information and details of the default, if any, committed by the Borrower, in discharge of the Indebtedness.
- (b) The Borrower agrees and undertakes that:
- (i) the Credit Information Bureau (India) Ltd., and any other agency so authorized may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
  - (ii) the Credit Information Bureau (India) Ltd., and any other agency so authorized may furnish for consideration, the processed information and data or products thereof obtained by them, to banks/ financial institutions and other credit grantors or registered users, as may be specified by the RBI in this behalf.
- (c) The Bank may at the risk and cost of the Borrower engage one or more person(s) to verify any facts or information furnished by, concerning or pertaining to the Borrower and/or in relation to this Agreement and/or to collect the Indebtedness and/or to enforce any security and may furnish to such person(s) documents, information, facts and figures as the Bank thinks fit and may delegate to such person(s) the right and authority to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto as the Bank may think fit. The Bank shall be entitled to carry inspections at such intervals, as it may deem fit.
- (d) The Borrower hereby agrees and confirms that the Bank will have the right to disclose and share any information pertaining to the Borrower including, but not limited to, credit facility/ies, constitution, net worth, shareholding of the Borrower with (i) any other bank(s)/financial institution(s) in the form and manner prescribed by the RBI; (ii) any agent, contractor, third party service provider or professional adviser (*wherever situate*) of the Bank; (iii) any person to (*or through*) whom the Bank assigns or transfers or novatees (*or may potentially assign or transfer or novate*) all or any of its rights or obligations under this Agreement or Transaction Documents; (iv) any person to whom the Bank is required to make disclosure under the requirements of any law, regulation, guidelines (whether SEBI, RBI etc.) or practice.

## 15. SET-OFF

- (a) In the event of non-payment of the Indebtedness, the Bank may apply all sum(s) from time to time standing to the credit of any account in the name of the Borrower or any other account of which the Borrower is the beneficial owner maintained with the Bank of any of its branches wherever situated irrespective of the title of any such account or the currency in which any such account may be denominated in or towards satisfaction of the Indebtedness and sign all such documents as may be required to effect such application and the Bank shall have a paramount right of lien & set off on all securities, documents etc of the Borrower and all monies which may now or hereafter be payable by the Bank to the Borrower for any reason or purpose whatsoever.
- (b) The Bank may at any time and without notice to the Borrower combine or consolidate all or any of the accounts held in the Borrower's name or any other account of which the Borrower is the (sole) beneficial owner with any branch or of the Bank irrespective of the title of any such account or the currency in which any such account may be denominated.

- (c) The rights conferred on the Bank hereunder shall be in addition to and without prejudice to any other security or securities and other recourses, which the Bank may now or hereafter hold and to any lien, set off or similar right.

**16. WAIVER**

No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default or otherwise under this Agreement or the other Transaction Documents shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default. The rights of the Bank under this Agreement and the other Transaction Documents may be exercised as often as necessary, are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at the Bank's sole discretion.

**17. MISCELLANEOUS**

- (a) All notices, requests, demands, waivers or other communications under or in connection with this Agreement shall be given in writing. Any such notice or other communication will be deemed to have been duly given and being received if : (a) if by personal delivery on the day after such delivery, (b) if by registered mail, on the third Business Day after the mailing thereof, (c) if by next-day or overnight mail/courier or delivery, on the day delivered, (d) if sent by email/facsimile, when sent (on receipt of a confirmation to the correct facsimile number). Provided, however, that no notice or communication to the Bank shall be effective unless actually received by the Bank. Notices or communication may be made to: (i) the Borrower's address or facsimile number or e-mail id, and (ii) the Bank's address or facsimile number specified in **Schedule I** hereof, or to such other address or facsimile number as may be designated by the Borrower and the Bank in writing to each other.
- (b) During the Availability period, the Bank may, in its sole discretion, cancel the Facilities without notice to the Borrower, if any Event of Default or Potential Event of Default has occurred or if it becomes unlawful for the Bank to disburse or continue the Facilities to the Borrower.
- (c) The Borrower unconditionally agrees, undertakes and acknowledges that the Bank has an unconditional right to cancel the un-utilized portion of the Facilities, whether in part or in full, at any time during the currency of the Facility without any prior intimation for such cancellation to the Borrower.
- (d) The entries made in the accounts / account books / records of the Bank maintained in accordance with its usual practice and in compliance with the statutory requirements and/or a statement signed by a designated officer of the Bank, shall be final and binding on the Borrower. Such entries and/or statement shall be prima-facie and conclusive evidence of the existence and amount of obligations of the Borrower as therein recorded in respect of the Facilities.
- (e) Subject to the provisions of the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, the Courts/Tribunals in the city where the branch of the Bank is situated shall have exclusive jurisdiction in relation to this Agreement and all matters arising in connection herewith.

Provided that nothing contained in this Section, shall limit the right of the Bank to take proceedings in any other Court or Tribunal of competent jurisdiction, nor shall the taking of proceedings in one or more jurisdictions preclude the taking of proceedings in any other jurisdiction, whether concurrently or not and the Borrower irrevocably submits to and accepts for themselves and in respect of their property, generally and unconditionally, the jurisdiction of such court or tribunal, and the Borrower irrevocably waives any objection it may have now or in the future to the laying of the venue of any proceedings and any claim that any such proceedings have been brought in an inconvenient forum.

- (f) This Agreement and the other Transaction Documents (unless otherwise specified in any Transaction Document) shall be governed by and construed in accordance with the laws of India.
- (g) The Borrower shall not assign or transfer or novate all or any of its rights, benefits or obligations under this Agreement and the other Transaction Documents without the approval of the Bank. The Bank may, at any time, sell, assign or transfer all or any of its rights, benefits and obligations under this Agreement and the other Transaction Documents to any person(s) of the Bank's choice in whole or in part and in such manner and on such terms as the Bank may decide without any reference to the Borrower. Notwithstanding any such assignment or transfer, the Borrower shall, unless otherwise notified by the Bank, continue to make all

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payments under this Agreement to the Bank and all such payments when made to the Bank shall constitute a full discharge to the Borrower from all its liabilities in respect of such payments.

- (h) Without prejudice to the aforesaid provision, the Bank may (at its sole discretion), without notice to the Borrower, share the credit risk of the whole or a part of the Facilities with any other person by way of participation. Notwithstanding such participation, all rights, title, interests, special status and other benefits and privileges enjoyed or conferred upon or held by the Bank under this Agreement and the other Transaction Documents shall remain valid, effective and enforceable by the Bank on the same terms and conditions and the Borrower shall continue to discharge in full all its obligations under this Agreement and the other Transaction Documents to the Bank. The Borrower shall not have and shall not claim any privity of contract with such person on account of any reason whatsoever. Any such sale, assignment or transfer shall conclusively bind the Borrower.
- (i) Any provision of this Agreement or any other Transaction Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of prohibition or unenforceability but that shall not invalidate the remaining provisions of this Agreement or any other Transaction Document or affect such provision in any other jurisdiction.
- (j) The Borrower hereby agrees and confirms that in case any other person providing any financial assistance to the Borrower imposes any conditions not included herein, or in case any of the terms offered by the Borrower to such person is more favorable to such person than the terms stipulated by, or offered to, the Bank, the Borrower shall promptly inform the Bank of such terms or conditions and such of those terms and conditions as may be considered necessary by the Bank, in its discretion, shall apply to the Facilities as if the Borrower had specifically agreed to such terms and conditions, which terms and conditions shall be deemed to have been expressly incorporated herein.
- (k) This Agreement shall become binding on the Borrower and the Bank on and from the date as specified in Schedule I hereof. It shall be in force till all the monies due and payable under this Agreement and the other Transaction Documents are fully paid off by the Borrower to the Bank.

### Schedule

#### **ADDITIONAL TERMS AND CONDITONS FOR OVERDRAFT FACILITY OVERDRAFT FACILITY**

The Borrower hereby agrees that the Overdraft Facility, being advanced by the Bank to the Borrower shall be governed by the terms of this Agreement and the additional terms contained herein.

#### **1.1 GRANT OF FACILITY**

1. At the Borrower's request, and together with the terms and conditions of the Master Facility Agreement together with the Schedules thereunder, including this Schedule, the Sanction Letter and the Transaction Documents (including creating or providing security in the manner prescribed), the Bank may vide its Sanction Letter grant to the Borrower an overdraft facility ("the Facility") up to the maximum overdraft limit specified in the Sanction Letter. The Bank shall not be liable to lend to the Borrower beyond the maximum overdraft limit, honour any cheques, allow any cash withdrawals (other than withdrawal in respect of the Facility subject to the terms of the Transaction Documents) or meet any further requirements of the Borrower on account of growth in business or otherwise.
  
2. Notwithstanding the maximum overdraft limit, unless the Bank otherwise permits, the Borrower shall not be entitled to operate the Facility beyond the Drawing Power which may be determined by the Bank from time to time on the basis of the Bank's margin requirements and the value of the Security or otherwise . The Borrower is aware and agrees that the Bank may, from time to time, vary the Drawing Power without any intimation to the Borrower, and the Borrower agrees to at all times (and in particular before any cheque is presented for payment) to keep itself informed of the Drawing Power and the Bank's margin requirements as varied from time to time. The Borrower has understood and is aware of the Bank's methodology of computing the Drawing Power and compute the Borrower's' Drawing Power before issuing any cheque or drawing any money under the Facility. The Borrower shall at all times confine the borrowings to the drawing power allotted within the limit of a particular facility, namely, the value of the security less the corresponding margin stipulated from time to time in respect of the said facility or the limit set by the Bank, whichever is lower, and in no case shall the Borrower exceed such limit. The Bank may however at the specific request of the Borrower and in its own discretion, allow drawings beyond such drawing power or limit for such time as may be considered necessary and shall at any time without notice call upon the Borrower to repay such excess drawings. All rights and obligations of the Bank and the Borrower respectively under the Master Facility Agreement and this Schedule, if any and under any sanction letter and/or security documents shall extend to cover such excess drawings notwithstanding the specific limit stipulated herein. The Bank shall not honour cheque(s) issued by the Borrower for the purpose other than agreed upon between the Borrower and the Bank and for amounts exceeding the limits sanctioned.

#### **3. INTEREST**

The Borrower shall pay interest on the daily debit balance in the Account at the rate specified in the Sanction Letter or as may be advised by the Bank from time to time. The Bank may debit the Account with the interest amount. The interest amount shall be payable monthly or on the termination of the Facility, as the case may be.

## Schedule

### ADDITIONAL TERMS AND CONDITIONS FOR OVERDRAFT FACILITY CASH CREDIT FACILITY

The Borrower hereby agrees that CASH CREDIT FACILITY, being advanced by the Bank to the Borrower shall be governed by the terms of this Agreement and the additional terms contained herein.

#### 1. **CASH CREDIT FACILITY**

The Bank may vide its Sanction Letter grant to the Borrower a Cash Credit facility (**CC Facility**) upto "Maximum Cash Credit Facility Limit" specified in the Sanction Letter/Schedule I of the Master Facility Agreement. The Bank shall not be liable to lend to the Borrower under the CC Facility beyond Maximum Cash Credit Facility Limit.

#### 2. **VALUATION**

The Bank shall value the stock-in-trade where the CC Facility is given towards the Stock-in-trade of the Borrower as under:

- a. Indigenous raw materials/ packing materials /component swill be valued at either as per the Bank policy or under current market rates, invoice rates, or Government controlled rates, if any, whichever be lowest.
- b. Imported raw materials will be valued on the basis of the landed cost (i.e. invoice value exclusive of custom duty) or market price, whichever be lower
- c. Semi-finished products will be valued on the basis of the cost incurred on their manufacture i.e. cost of raw materials plus labour charges
- d. Finished products manufactured by the borrowing unit will be valued at the cost price or market price, whichever is lower.
- e. The Borrower should also maintain suitable records to evidence the basis of valuation of raw materials, plus components, stocks in-process and finished goods charged to the Bank.

#### 3. **STOCK STATEMENT**

Detailed stock statements monthly/quarterly/half yearly or yearly (or such other period as may be prescribed by the Bank) should be submitted to the Bank in respect of the stocks hypothecated

#### 4. **OWNERSHIP OF STOCKS AND RECEIVABLES:**

Stocks offered for the hypothecation to the Bank should be fully paid for. All raw materials, components and semi-finished goods hypothecated to the Bank should be capable of being used in the process of manufacture of the Borrower's product, while finished goods should be marketable. The Debt so offered by the Borrower towards the CC Facility shall be owned by the Borrower and has not passed overdue date by the days as prescribed by the Bank.

#### 5. **INSURANCE**

The stocks hypothecated to the Bank should be insured comprehensively against all risks including but not limited to fire for their full market value with Bank's name noted as loss payee at the Borrowers' expense. The insurance policies and cover notes, premium receipts, etc. should be deposited with the Bank. It will be necessary for the Borrowers to make punctual payment of all premia and to ensure that no acts /omissions occur in this regard which may invalidate such insurance during the currency of the advance.

#### 6. **RESTRICTION ON END USE**

It is a condition of the arrangement that the Bank finance will not be utilized for any purpose other than for the purpose as mentioned in the Sanction Letter, and the Transaction Documents.

#### 7. **REGULAR TURNOVER**

There should be regular turnover in the stocks hypothecated to the Bank and the Stocks should not be allowed to remain in the Borrower's possession for unduly long periods. In case of there is no regular turnover in the Stocks, the Bank reserves the right to stop further operations on the account and / or to refuse to accept further hypothecation of Stocks until all old Stocks are taken delivery of. Stock more than the period as described in the Sanction Letter, the Individual Facility Sanction Letter (as the case may be) will be termed as old stock and will not be included in the drawing power limit.

#### 8. **EXCLUSION OF OLD STOCK AND OR STOCK NOT TAKEN DELIVERY OF.**

If the Stocks hypothecated are not taken delivery of when called upon to do so, or when old Stocks are removed and subsequently re-hypothecated, the same would be excluded while computing drawing power on the account and the shortfall so created will be require to be made good immediately by the Borrower.

#### 9. **VERIFICATION/INSPECTION**

In respect of the verification /inspection of security hypothecated, the Bank's inspection and other incidental expenses will be recovered from Borrower.

#### 10. **RECORD KEEPING**

Borrower should maintain a record of the Stocks hypothecated to the Bank. The stock statements to be furnished to the Bank should have been written up from these registers and capable of being verified from them.

#### 11. **INCIDENTAL EXPENSES**



In the event of the Bank considering it necessary to protect its security be. The salary paid and incidental charges incurred by the Bank on this account will be debited to the Borrowers' account.

**12. DRAWING POWER**

Where CC facility is offered by the Bank towards drawing power then Drawings shall be restricted to the extent of the Drawing power available to the Borrower as per prescribed by the Bank. The Bank shall calculate the Drawing Power on the basis of [•] statement to be submitted of book debts or stock or other assets as the case may be. The statement to be submitted within [•], days of the succeeding month. No Drawing Power will be calculated in respect of book debts over [•], days or such days as prescribed by the Bank

**13. MARGIN FOR CALCULATING DRAWING POWER**

The percentage for margin for the purpose of calculating drawing power shall be the percentage as prescribed by the Bank

**SCHEDULE I**

1. Date and Place of Execution of the Agreement: S & Chennai.

- Borrower(s) Details;- **BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED.**  
HOUSE NO. 29, WARD NO. 1, ICHHAWAR BRIJIS NAGAR SEHORE [M.P] 466115

Facsimile No.: NA

(a) E-mail id :- .....

2. Bank's Details:

(a) Name of the concerned Branch: IDFC FIRST Bank Ltd

(b) Address: **Bhopal Madhya Pradesh**

3. Details of Sanction Letter: Sanction Letter Ref. No. **BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655** dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.

4. Overall Limits: Rs. 1000000.00 ( Rupees Ten Lacs Only)

5. Details of Facilities

Facility	Proposed Amount (Rs. In Lacs)	Interest/ Commission	Margin	Tenor	Repayment
OD/CC/DLO D	1000000.00	12		12 Month	monthly

6. Security Detail & Security Cover

Collateral Detail	Valuation(Rs), if applicable
Stock	
Security Cover in Percentage term	

7. Other Conditions

(a)	<b>Processing Fee</b>	1.00 % or as may be agreed mutually between the Borrower and IDFC Bank from time to time. Payable upfront at the time of acceptance of Sanction
(b)	<b>Prepayment Charges</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(c)	<b>Applicable Rate of Interest</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from

		time to time.
(d)	<b>Applicable Rate of Commission</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(e)	<b>Modified Applicable Rate of Interest</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(f)	<b>Revised Applicable Rate of Interest</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(g)	<b>Modified Applicable Rate of Commission</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(h)	<b>Revised Applicable Rate of Commission</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(i)	<b>Interest Reset</b>	<ul style="list-style-type: none"> <li>a) The Bank shall also be entitled (but not obligated) to reset the Spread on account of borrowers credit assessment undergoes a substantial change as agreed in the Loan/facility documents.</li> <li>b) The Borrower shall be liable to pay to the Bank the interest including such cost and charges as may be applicable and communication regarding the same is shared either by SMS/Email communication on the registered e mail address.</li> <li>c) EMI amount is intended to be kept constant irrespective of variation in ROI by changing the tenor of the Mortgage Loan. However, the Bank is entitled to increase the EMI at its sole discretion. The tenor of the Mortgage Loan shall also change as per change in EMIs.</li> </ul>
(j)	<b>Documentation Charge</b>	All applicable stamp duties on loan documentation and other charges/expenses/taxes/levies to be borne by the Borrower
(k)	<b>Cancellation Charges</b>	All applicable stamp duties on loan documentation and other charges/expenses/taxes/levies to be borne by the Borrower
(l)	<b>Purpose</b>	Working Capital
(m)	<b>Review Date:</b>	Notwithstanding the terms herein and in conformity with normal business practice, the Bank reserve the right to review the Facility or any of the terms and conditions thereof or any other documents or security relating thereto. The facilities will be reviewed by
(n)	<b>Financial Covenant</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(o)	<b>Special Terms &amp; Conditions</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.
(p)	<b>Availability period</b>	As per Sanction Letter Ref. No <b>BRIJESHNAGAR KRASHAK PRODUCER COMPANY LIMITED KCC/21122022/ 6655</b> dated 21/12/2022 including any addendums/amendments issued thereto and as may be modified from time to time.

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8. Special Conditions non-compliance of which shall attract interest at the rate of Modified Applicable Rate of Interest:
- (a) Default in creation and perfection of Securities as mentioned above within \_\_\_\_\_ days from the date of \_\_\_\_\_.
- (Specify any other conditions mentioned in credit approval which would attract interest at the rate of Modified Applicable Rate of Interest).*
9. Special Conditions non-compliance which shall attract commission at the rate of Modified Applicable Rate of Commission:
- (a) Default in creation and perfection of Securities as mentioned above within \_\_\_\_\_ days from the date of \_\_\_\_\_.
- (Specify any other conditions mentioned in credit approval which would attract commission at the rate of Modified Applicable Rate of Commission)*
10. Special Conditions non-compliance of which shall attract commission at the rate of Revised Applicable Rate of Commission:
- (a) Failure of the Borrower to pay/repay on the Due Dates thereof the Indebtedness or other sum payable under this Agreement.
- (b) Breach of any covenant or provision of this Agreement and/or Schedule or any representation or warranty being false, incorrect, omitted or misleading.
- (Specify any other conditions mentioned in credit approval which would attract commission at the rate of Revised Applicable Rate of Commission)*
11. Special Conditions non-compliance of which shall attract interest at the rate of Revised Applicable Rate of Interest:
- (a) Failure of the Borrower to pay/repay on the Due Dates thereof the Indebtedness or other sum payable under this Agreement.
- (b) Breach of any covenant or provision of this Agreement and/or Schedule or any representation or warranty being false, incorrect, omitted or misleading.
- (Specify any other conditions mentioned in credit approval which would attract interest at the rate of Revised Applicable Rate of Interest)*

12. The following clause shall be inserted as Section 18 of the Agreement:<sup>1</sup>

**Nominee Director**

- (i) In the Event of Default, the Bank shall have the right to appoint and remove from time to time, one director on the Board of the Borrower during the tenure of the Facilities (hereinafter referred to as “**Nominee Director**”).
- (ii) The Nominee Director shall not be required to hold qualification shares and not be liable to retire by rotation.
- (iii) The Nominee Director shall be entitled to all the rights and privileges of other directors including the sitting fees and expenses as payable to other directors but if any other fees, commission, monies or remuneration in any form is payable to the directors, such fees, commission, monies and remuneration in relation to the Nominee Director shall accrue to the Bank and the same shall accordingly be paid by the Borrower directly to the Bank.

Provided that if the Nominee Director is an officer of the Bank, the sitting fees in relation to such Nominee Director shall also accrue to the Bank and the same shall accordingly be paid by the Borrower directly to the Bank along with taxes, if any.

The expenditure incurred by the Bank or the Nominee Director in connection with his appointment or directorship shall be borne by the Borrower. Service tax payable in this regards shall be on the account of the Borrower

- (iv) The Nominee Director shall be appointed as a member of the committees of the Board, if so desired by the Bank.
- (v) The Nominee Director shall be entitled to receive all notices, agenda and minutes, etc. and to attend all general meetings and meetings of the Board or any committees of which he is a member.
- (vi) If at any time, the Nominee Director is not able to attend a meeting of the Board of Directors or any of its committees, of which he is a member, the Bank may depute an observer to attend the meeting. The expenses incurred by the Bank in this connection shall be borne by the Borrower.
- (vii) The Nominee Director shall not be liable for the acts of the Borrower and shall not be considered as an officer in default under the Law. The Borrower shall at all times appoint a compliance officer or a designated officer(s) of the Borrower who shall be the “officer in default” for the purposes of Law.

In the event that any notice or proceedings have been filed against the Nominee Directors by reason of him/them being included within the scope of “officer(s) who is in default”, the Borrower shall take all necessary steps to ensure that the Nominee Directors are held harmless and indemnified from such notice or proceedings. The Borrower shall pay all legal costs and shall indemnify and hold harmless the Nominee Director from all costs, damages, fines, levies etc. that may be levied against the Nominee Director.

- (viii) The Borrower shall, procure a directors’ and officers’ liability insurance policy in favour of all Nominee Director from a reputable insurance company in respect of claims or liabilities resulting from the actions or omissions of the Nominee Director.
- (ix) The Borrower shall indemnify the Nominee Director against any loss suffered by the Nominee Director arising directly or indirectly out of any act of omission or commission by the Borrower, its officials, employees, managers, representatives or agents, as the case may be, due to which such the Nominee Director/s is a party to, or otherwise incurs any loss.

**IN WITNESS WHEREOF** the Borrower has hereunto subscribed the day, month and year set out in this Schedule I.

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<sup>1</sup> Please deleted if sanction does not provide for Nominee Director.

*Signature Clause<sup>2</sup>*

Signed and Delivered by the within named IDFC FIRST  
Bank Limited by the hand of its Authorised Signatory/  
Constituted Attorney Mr.

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<sup>2</sup> Please refer Signature Clause for different entities schedule.