

## **LOAN AGREEMENT (TRADE ADVANCE)**

This **LOAN AGREEMENT (TRADE ADVANCE)** is made on the date and at the place mentioned in the Schedule hereunder this agreement

BETWEEN

**"The Borrower"** whose name, address and description are mentioned in the Schedule hereunder this agreement of the **ONE PART**;

AND

**IDFC FIRST BANK LIMITED (Formerly known as IDFC Bank Limited)**, a company registered under the Companies Act, 2013 and a banking company within the meaning of Banking Regulation Act, 1949 having its Registered Office at KRM Tower, 7th Floor, No: 1, Harrington Road, Chetpet, Chennai - 600031 (hereinafter referred to as **"the Lender"** or **"the Bank"** which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns) of the **OTHER PART**

### **WHEREAS:**

- 1) The Borrower is in the business of selling various products manufactured by different manufacturers.
- 2) The Borrower has approached the Bank for a revolving facility for the purpose of part-financing its working capital requirement and at the request of the Borrower, the Bank sanctioned to the Borrower a **short term working Capital Loan Facility** in the form **of Trade Advance/Inventory Funding Loan** ( herein after referred to as **"the Facility"** or **"the Loan"**) details of which are mentioned in the Schedule of this agreement for the purpose of meeting short term working capital requirements for procuring the Stocks from the Manufacturers.

### **NOW, THEREFORE, IT IS AGREED AS FOLLOWS:-**

#### **ARTICLE 1**

- 1.1. The Borrower's Application made to the Bank and the subsequent correspondence (hereinafter collectively referred to as **"the Borrower's Proposals"**) shall be deemed to constitute the basis of this Agreement and the Loan as hereinafter stated, and the Borrower hereby warrants the correctness of each and every statement and particulars therein contained and undertakes to carry out the particulars therein contained and undertakes to carry out the Borrower's proposals therein set forth.
- 1.2. The Borrower hereby declares and confirms that the Loan shall be governed by the terms and conditions of the Letter of sanction and this agreement. If there is any inconsistency between this agreement and the sanction letter, the sanction letter shall prevail over this agreement to the extent of that inconsistency.
- 1.3. The Bank agrees to grant and the Borrower agrees to avail from the Bank the Facility (details of which are mentioned in the Schedule hereunder this agreement)) to be utilised as short

term working capital for purchasing of the Stock from the Manufacturer. The Facility may be increased or decreased by the Bank at its sole and absolute discretion from time to time.

1.4. The Borrower shall ensure to maintain a margin as stipulated in **the Schedule** of this agreement.

1.5. **INTEREST:**

- i. The Borrower undertakes to pay to the Bank interest on the Facility at the rate specified in **the Schedule** hereunder. The above would be subject to change from time to time in accordance with the changes in the Base rate/MCLR (and/or any other benchmark rate applicable to the Bank) / spreads announced by the Bank and Reserve Bank of India directives/ policy guidelines of the Bank.
- ii. The Borrower further undertakes to pay interest payable/ compounded at monthly rests during the currency of the Loan in such manner as may be specified by the **Bank** to the Borrower.
- iii. All interest which shall during the continuance of this Agreement accrue due on the Loan or any part thereof and for the time being remaining unpaid, and all other monies which have become payable under this Agreement shall, in case the same be not paid on the dates on which they become due, carry further interest at the rate as provided in the Schedule hereunder this Agreement, interest payable by the Borrower for the period of default, shall become payable.
- iv. The Bank reserves the rights to revise the interest rates in case of downgrading of Credit Risk Rating of the Borrower or for any other reason as per the discretion of the Bank.
- v. In the event of any adverse change in the Credit Risk Rating of the Borrower, non compliance of the terms and conditions of sanction or any other adverse changes in the business of the Borrower/change in the policy guidelines of the Bank/RBI directions, Bank reserves the rights to revise the rate of interest.

1.6. **TERMS OF DISBURSEMENT:**

- 1 The Bank shall, subject to provision of this agreement and sanction letter and unless agreed between the Borrower and the Bank otherwise, disburse the Loan in in one or more tranches by issuing a Banker's Payment Order or a Demand Draft crossed as "A/c Payee Only" or National Electronic Fund Transfer or Real Time Gross Settlement System :
  - a) On the name of Manufacturer or a vendor towards payment of Purchase of Goods or inventory or the vehicles.
  - b) In the name of Borrower.
- 2 The Bank shall disburse the facility upon receipt of request from the Borrower as per Annexure A of this agreement subject to the aggregate facility mentioned in the Schedule hereunder this agreement. However the Bank can cancel/discontinue the Facility at any point of time with or without notice and any reason.
- 3 The disbursement made to the Manufacturer shall be deemed to be a disbursement made to the Borrower under this Agreement. The Borrower agrees and acknowledges that the receipt issued by the Manufacturer shall be deemed to be issued by the Borrower and shall be an effectual receipt and discharge by the Borrower in favour of the Bank.
- 4 The Borrower shall forward to the Bank a Quarterly advice detailing the inventory of the Stock sold to the purchasers, the amounts received thereon and the amount remaining unutilised under the Facility.

- 5 The Borrower hereby undertakes to furnish the Bank such information and data as may be required by the Bank from time to time to assess and satisfy the end utilization of the loan
- 6 The Borrower can avail this revolving facility by tranches at any number of times from the date of sanction letter unless it is cancelled by the Bank. However at any point of time the aggregate loan amount of all the tranches of Loans together shall not be more than the Facility amount mentioned in Schedule of this agreement. Borrower may use the Revolving Loan by borrowing, prepaying, and reborrowing the Available Amount, in whole or in part.
- 7 The first Disbursement under the Facility has to be availed by the Borrower within Six months from the date of sanction and if no amount is availed before this date, the sanction will automatically lapse and the Bank reserves its rights to take any action at its sole and absolute discretion including cancellation of the Loan.
- 8 Notwithstanding what is stated hereinabove, the Borrower hereby agrees that the loan is sanctioned by the Bank on the clear understanding that the Bank hereby reserves its rights to alter/modify the terms and conditions of the sanction of the loan and/ or to stop making further advances and/or cancel the loan and/or recover the Loan in part/full at any time without any prior notice and without assigning any reasons even though the said loan has not been fully availed of by the Borrower and that any advance/disbursement made by the Bank under the Loan shall be repayable by the Borrower on demand by the Bank.

1.7. **CONDITIONS PRECEDENT TO THE DISBURSEMENT/DRAWDOWN:**

Notwithstanding anything to the contrary contained herein the Bank shall not be obliged to disburse the Loan unless and until the Borrower fully complies with terms and conditions of sanction letter and also the following Preconditions

- i. Borrower shall give unconditional acceptance of terms and conditions as per letter of sanction, which shall form part of documentation and be placed on Lender records. Any contravention of terms and conditions shall trigger the penal interest and or recall clause at the option of the Lender.
- ii. Payment of stipulated upfront fees
- iii. Legal audit, if required, will be conducted before disbursement of the loan and irregularities, if any are to be rectified
- iv. Confidential opinion on the Borrowers from the existing Lenders/Lenders along with over dues if any shall be obtained and acceptable to the Lender
- v. The Borrower will execute all financial and security documents and such other documents as advised by the Lender

1.8. **REPAYMENT**

The Borrower shall repay each tranche of the Loan with applicable interest and other charges as stipulated by the Bank at the time of disbursing each tranche of Loan or immediately on sale of goods/vehicle or as may be decided by the Bank from time to time.

The Bank shall be at liberty to specify different dates for repayment of the Loan amount or for any part of the Loan and the Borrower undertakes to pay the same accordingly. In the event of any default in the payment of principal or interest, the postponement, if any, allowed by the Bank (the Bank shall be entitled at their absolute discretion to refuse or allow) penal interest shall be payable by the Borrower as provided in the Schedule of this Agreement the

rate of interest charged for the Loan or such rates of interest as may be decided by the Bank from time to time.

The Borrower hereby undertakes to make good any shortfall in the cash flow/surplus due to not achieving projected level of operations or inadequate cash generations or for any other reasons from their own sources to meet the repayment obligations to the Bank.

The Bank is entitled to adjust disbursement of loan of its retail customers who are purchasing vehicles or Goods from the Borrower against outstanding amount of the Borrowers.

**1.9. PENAL INTEREST ON OTHER DEFAULTS**

The Borrower shall pay penal interest @ the rates described here below above the rate of interest stipulated in the Schedule or as per the Bank's rates of interest prevailing from time to time, for the defaults described hereunder for the period of default and all such default interest which have become payable, but not paid shall stand secured under the securities as mentioned in Sanction letter or to be created by the Borrower in favour of the Bank time to time, provided that nothing contained in this clause shall entitle the Borrower to make any default or delay in compliance on respective due dates.

Sr. No	Nature of default	Penal rate of interest
1	Default in payment of interest and/or installment to any other lender/LENDER	As provided in the Schedule to this Agreement
2	Non compliance with covenants and terms and conditions of the sanction	As decided by the Bank from time to time
3	Non creation/perfection of the securities on the date of disbursement	
4	Non submission of the financial statements	
5	Default/delay in external credit rating	

**For avoidance of doubt it is hereby clarified that the penal interest will be charged on the entire outstanding loan amount.**

**1.10. UPFRONT FEES/PROCESSING CHARGES/FEES etc.**

The Borrower shall pay to the Bank, processing charges, upfront fees documentation charges, commitment charges, inspection charges to the Bank and other charges as provided on the Letter of Sanction or and as may be decided/fixed by the Bank from time to time.

**1.11. TAXES, LEVIES AND DUTIES**

All interest, fees, charges, commission, discount as described hereinabove shall be paid net of all taxes, levies and duties etc. and any taxes, levies and duties payable shall be paid by the Borrower, in addition thereto.

1.12. **APPROPRIATION OF PAYMENTS**

Unless otherwise agreed to by the Bank any monies payable under this Agreement and made by the Borrower shall be appropriated by the Bank in the following manner, namely:

- i) First towards costs, charges, expenses and other moneys payable;
- ii) Secondly, towards Penal Interest;
- iii) Thirdly, towards Interest; and
- iv) Lastly, towards repayment of installments of principal due and payable under this Agreement;

**ARTICLE 2**  
**SECURITIES FOR THE LOAN**

The Borrower shall furnish such Security and/or Guarantees as may be required by the Bank in the terms and manner as satisfactory to the Bank for securing said loan amount together with all interest, penal interest, costs, charges, expenses and other moneys whatsoever stipulated in this agreement or sanction letter.

If the Bank is of the opinion that, at any time during the subsistence of the Agreement, the security provided by the Borrower has become inadequate to cover the balance of the Loan and any interest and other charges relating thereto then outstanding, then upon Bank advising the Borrower to that effect, the Borrower shall provide and furnish to the Satisfaction of the Bank such additional security as may be acceptable to the Bank to cover such deficiency. If the Borrower fails to provide such additional securities then, in such event, the Borrower shall reduce its indebtedness to the Bank in such a manner and to such extent as may be desired by the Bank.

**ARTICLE 3**  
**BORROWER'S WARRANTIES AND REPRESENTATIONS:**

Save and except to the extent already disclosed in writing by the Borrower to the Bank the Borrower hereby warrants and undertakes as follows

- 1) **DETAIL SPECIFIED IN THE LOAN APPLICATION:** The Loan Application of the Borrower to the Bank contains an accurate details of the Borrower's program for financing and executing it, except as approved by the Bank immediately prior to the execution of this Agreement, and the information furnished by the Borrower to the Bank from time to time is true and correct and shall be deemed to form a part of the representations and warranties on the basis of which the Bank has sanctioned the Loan and the terms and conditions on which Bank has sanctioned the loan shall also be deemed to form part of this Agreement.
- 2) **DISCLOSURE OF ANY MATERIAL CHANGES :** Subsequent to the loan application to the Bank, the Borrower has not made any material changes in the details provided in the loan application, the line of activity, the management set-up, scheme of finance except as approved by the Lender from time to time, immediately prior to the execution of this Agreement.
- 3) **INFRINGEMENT OF LOCAL LAWS :** No suit is pending in any court of law in respect of the security offered or to be offered to the Bank nor has the Borrower been served with any notice for infringing the provisions of any Municipal Act or any Act relating to local bodies or Gram Panchayats or with any other process under any of these Acts.
- 4) **DUE PAYMENT OF PUBLIC AND OTHER DEMANDS:** The Borrower has filed all tax returns which are required to be filed and has paid all public demands such as Income Tax, Corporation Tax and all other taxes and revenues and any other statutory dues payable to the Central or State

Government or to any local or other authority and that at present no arrears of any taxes, revenues and dues are due and outstanding except for those demands which are in dispute and are subject to appellate proceedings.

- 5) **LICENSES & APPROVALS :** The Borrower has obtained and produced where applicable, or undertakes to obtain and produce relevant licenses and approvals and undertakes that the Licenses and approvals shall be kept valid to the satisfaction of the Bank.
- 6) **COMPLIANCE OF PROVISIONS OF ALL LAWS AND REGULATIONS IN RELATION TO BORROWINGS:**  
The Borrower states and confirms that the Loan is within the Borrowing limits of the Borrower and that no permission or approvals save those already obtained by the Borrower have to be obtained in order to borrow the Loan from the Bank.
- 7) **NO VIOLATION OF AGREEMENT:**  
The Borrower is not in default under any indenture, mortgage, deed of trust, agreement or other instrument to which it is a party or by which it may be bound. Neither the execution of this Agreement, or any of the instruments and documents to be delivered pursuant to this Agreement, nor the consummation of the transactions herein and therein contemplated, nor compliance with the provisions hereof or thereof will violate any law or regulation, or any order or decree of any court of governmental instrumentality, or will conflict with or result in the breach of, or constitute a default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Company is a party or by which it may be bound or result in the creation or imposition of any lien, charge, or encumbrance upon any property of the Borrower thereunder, or violate any provision of the Articles or Memorandum of Association of the Borrower.
- 8) **NO BURDEN SOME AGREEMENTS:** The Borrower is not a party to any agreements or instruments or subject to any restriction materially and adversely affecting its operations, business, properties or financial condition.
- 9) **CORRECT INFORMATION:** The information furnished by the Borrower in connection with this Agreement or pursuant hereto or in any other Agreement, deed or writing executed between the Borrower and Bank does not contain and will not contain any untrue statement and does not fail and will not fail to state any fact, the failure of which make or will make the statements (herein or therein) in the light of circumstances under which they are made, misleading and all impressions of expectation, intentions belief and information contained herein and to be contained therein, have been and will be honestly made on reasonable grounds after due and careful inquiry by the Borrower.
- 10) **DEFAULTER'S LIST :** Neither the Borrower or their Directors or Partner, their associates/group concerns and the Guarantor figure in any list of "Willful Defaulters" circulated by the Reserve Bank of India or any Lender and Financial Institution or the caution list issued by Reserve Bank of India/Export Credit Guarantee Corporation /Director General of Foreign Trade etc.
- 11) **SUBMISSION OF DOCUMENTS :** The Borrower shall whenever required by the Bank submit statement of annual income certificate and audited by a practicing chartered accountant along with a copy of tax returns filed with the income tax authorities duly certified by such chartered accountant and such other information/documents concerning trade, business, or otherwise as bank may require from time to time.
- 12) **PARTNERS IN THE FIRM :** The Borrower shall not, in case the Borrower being a partnership firm, change the composition of its partners.
- 13) The Borrower hereby declares that: (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/limited liability partnership firm, 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/ limited liability partnership firm, none of the partners or members of the HUF, is a specified near relation of any senior 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. The Borrower agrees that the bank has an unconditional right to revoke and/or recall the entire loan facility if the disclosure as mentioned in this clause is found to be false.

## **ARTICLE 5**

### **COVENANTS AND TERMS TO APPLY DURING THE CURRENCY OF THIS AGREEMENT**

#### **1. PARTICULARS AFFIRMATIVE COVENANTS:**

The Borrower hereby agrees that until the Loan or any interest thereon or any cost, charges, expenses or any other monies remains payable hereunder by the Borrower to the Bank, the Borrower shall

i) **COMPLIANCE WITH TERMS OF SANCTION**

At all times abide by and comply with the terms and conditions of sanction letter of the Bank.

ii) **REPAYMENT OF THE LOAN TO OTHER LENDERS/ FINANCIAL INSTITUTIONS :**

Repay the amount of Loans if any to the other Lenders/ Financial Institutions with due diligence and efficiency and in accordance with sound financial and business practices.

iii) **UTILIZATION OF LOANS:**

Use the proceeds of the Loans shall be as defined in the sanction letter. The Borrower further undertakes not to invest the loan proceeds in shares, stock markets operations, purchase of lands/immovable property or for any other speculative activities or sensitive activities. The Borrower authorizes the Bank to issue mandate/direction to the Borrower's auditor to certify non-diversion/siphoning of funds out of loans facilities availed by the Borrower's. Borrower also authorizes the Bank to issue mandate/directions to Borrower's auditors also to certify extent/amount of diversion/siphoning of funds out of loan facilities availed by the Borrower. The Borrower undertakes to authorize the Borrowers' auditors to provide such certificate as required by the Bank at Borrower's cost

iv) **ADVERSE CHANGES IN THE BUSINESS:**

Promptly inform the Bank of the happening of any events likely to have an adverse effect on the Borrower's business or their profits or business with an explanation or the reason therefore and corrective steps taken.

v) **BOOKS AND RESERVES:**

The Borrower shall :

- a) Maintain at all times true and complete books, records and accounts in which true and correct entries shall be made of its transactions in accordance with generally accepted accounting principles consistently applied and consistent with those applied in the preparation of its financial statements; and.
- b) By means of appropriate quarterly entries, reflect in its accounts and in all financial statements furnished to the Bank pursuant hereto proper liabilities and reserves for all taxes and proper reserves for depreciation, renewals and replacements, obsolescence and amortization of its properties and bad debts

all in accordance with generally accepted accounting principles consistently applied, as above described.

vi) **FURTHER ASSURANCES:**

The Borrower shall, at its cost and expense, upon request of the Bank duly execute and deliver to the Bank such further instruments and do and cause to be done such further acts as may be necessary or proper in the opinion of the Bank to carry out more effectually the provisions and purposes of this Agreement and the security created or to be created pursuant hereto.

vii) **COSTS INCURRED BY LENDER DUE TO ANY LAW Etc.:**

The Borrower shall reimburse to the Bank on demand for all costs incurred and reductions in amounts received or receivable, as determined by the Bank which are attributable to the Loan or any part of it or to the performance by the Bank of its obligations under this Agreement and which occur by reason of the promulgation of any law, regulation or treaty or any change therein or in the interpretation thereof or by reason of compliance by the Bank with any direction, requirement or request (whether or not having the force of law) of any Governmental authority, including without limitation any such COSTS or reduction resulting from:

- a) The imposition or amendment of any tax or
- b) The imposition or amendment of any reserve, special deposit or similar requirements against the assets of, liabilities of, deposits with or for the account of, or Loans by the Bank.

2. **IMPOSTS, CHARGES AND OTHER EXPENSES:**

- i) The Borrower shall duly pay and discharge, (a) all taxes, assessments and governmental charges upon or against the Borrower or its properties or assets prior to the date on which penalties attach thereto, and (b) all lawful claims, whether for tort damages, labour, materials, supplies, services, repairs, wages or otherwise, which might or could if unpaid become a lien or charge upon the properties or assets of the Borrower;
- ii) The Borrower shall pay all costs, and expenses in anyway incurred by the Bank including travelling and other allowances and such additional stamp duty, to pay duties, taxes, charges and other penalties if and when the Borrower is required to pay according to the laws for the time being in force in the State in which its properties are situated or otherwise and the Borrower shall also pay any stamp duty, additional stamp duty, penalty, fine, registration charges and all other costs, charges and expenses incurred or payable in the event any document relating to the security created or to be created.
- iii) In the event of the Borrower failing to pay the monies referred to in sub-clause (i) and (ii) above, the Bank will be at liberty (BUT SHALL NOT BE OBLIGED) TO PAY THE SAME AND THE Borrower shall forthwith on receipt of a notice of demand from the Bank reimburse them all sums so paid by them together with interest thereon at the same rate as provided in the Schedule hereof with monthly/quarterly rests from the date of payment and until such reimbursement by the Borrower, the same shall be debited to the Borrower's loan account and shall stand secured under the security created/to be created-

3. **LEGAL CHARGES**

The Borrower shall, upon notice from the Bank pay or reimburse to the Bank all legal charges, costs and expenses in any way incurred by the Bank for the preservation/protection of the assets of the Borrower or the interest of the Bank in connection with or relating to this transaction including cost of investigation title, searches, travelling allowances, drafting,



stamping and registration of the documents. For the aforesaid purpose, the Borrower shall deposit with the Bank, on account, such amount and within such period as may be required by the Bank.

**ARTICLE 6**  
**EVENT OF DEFAULT ETC.**

**1. The occurrence of any one or more of the following events, shall constitute an Event of Default under this Agreement**

- i) The Borrower defaulted in compliance with any of the terms and conditions of sanction letter.
- ii) Default has occurred in the payment of principal or installment of Interest as and when the same has become due and payable then and in that event the entire amount due and payable together with interest, penal interest and other charges under the said Facility shall forthwith become due and payable
- iii) Interest amounting to at least Rs.500/- has been in arrears and unpaid for 30 days after becoming due.
- iv) The Borrower is unable or has admitted in writing its inability to pay its debts as they mature.
- v) If the Borrower commits a breach of any covenant, conditions, term, warranty or representation under this Agreement or any other agreement between the Borrower and Bank. The agreement entered into between the Borrower with any other financial institution or Lender Project documents/Agreement and such default has continued for a period of 30 days after notice in writing thereof shall have been given to the Borrower by the Bank.
- vi) The Borrower fails to pay to any person other than the Bank any amount when due and payable or any person other than the Bank demands repayment of the Loan or dues or liability of the Borrower to such person ahead of its repayment terms as previously agreed between such person and the Borrower;
- vii) Any information given by the Borrower in its loan application to the Bank for financial assistance, in the Reports and other information furnished by the Borrower in accordance with the Reporting System by the Borrower and the warranties given by the Borrower to the Bank has been found to be misleading or incorrect in any material respect.
- viii) If there is reasonable apprehension that the Borrower is unable to pay its debts or proceedings for taking it into liquidation either voluntarily or compulsorily may be or have been commenced in respect thereof.
- ix) If the immovable properties or movable assets offered or to be offered as security to the Bank for the Loan have not been insured and kept insured by the Borrower or depreciate in value to such an extent that in the opinion of the Bank further security to the satisfaction of the Bank should be given and on advising the Borrower to that effect such security has not been given to the Bank.
- x) The Borrower has taken or suffered any action to be taken for its re-organisation, liquidation or dissolution.
- xi) The Borrower voluntarily or involuntarily becomes the subject of proceedings under any Bankruptcy or insolvency Law or the Borrower is voluntarily or involuntarily dissolved or a receiver or liquidator has been appointed or allowed to be appointed of all or any part of the undertaking of the Borrower.
- xii) If an attachment or distraint has been levied on any properties and assets of the Borrower or any part thereof or certificate proceedings have been taken or commenced for recovery any dues from the Borrower.

- xiii) If the Borrower convenes a meeting of its creditors or proposes or makes any arrangement or composition with, or any assignment for the benefit of, its creditors.
- xiv) 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.
- xv) Termination/invalidity or unenforceability or illegality of any of the Borrowing/Security Documents executed by the Borrower in favour of the Bank for the Loan including failure of any Security to be valid/perfected Security or other documents/Agreements relating to the Borrower's Project.
- xvi) If the Borrower fails to submit the requisite number of PDCs or if any of the PDC is dishonoured
- xvii) Nationalisation or Expropriation etc. of the Borrower's Assets or Operations.
- xviii) Termination of dealership or de-empanelment with the manufacturer or Occurrence of any material adverse change in the Borrower's business operations.
- xix) Nationalisation or Expropriation etc. of the Borrower's Assets or Operations.
- xx) Change of Law which has any material adverse effect on the Borrower's operations.
- xxi) Judgments of any courts or Tribunals or any other Judicial or Quasi judicial body against the Borrower or any other relevant parties affecting significantly to company's operations and its financials
- xxii) If extra ordinary circumstances have occurred which make it improbable in the sole opinion of the Bank for the said project to be carried out and for the Borrower to fulfill its obligation under this Agreement.
- xxiii) Any legal, quasi-legal, administrative, arbitration, mediation, conciliation or other proceedings, claims, actions or governmental investigations of any nature pending against the Borrower or its Affiliates and/or its promoters, directors, partners, proprietor, trustees, (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.

## **2. NOTICE TO THE LENDER ON THE HAPPENING OF AN EVENT OF DEFAULT:**

If any event of default or any event which, after the notice, or lapse of time, or both would constitute an event of default has happened, the Borrower shall forthwith give notice thereof in writing specifying the nature of such event of default or of such event to the Bank.

## **3. REMEDIES :**

If one or more of the events specified herein above ~~in this Article (hereinafter called 'events of defaults')~~ shall have happened for any reason whatsoever (and whether such occurrence shall be voluntary or involuntary or come about or be effected by the operation of law or pursuant to or in compliance with any judgment, decree, or order of any court, tribunal or other authority) then the Bank by a notice in writing to the Borrower, may declare the principal, and all accrued interest on the Loan, to be due and payable forthwith and the security created in favour of the Bank shall become enforceable and the Bank shall have the following rights (anything in this Agreement to the contrary notwithstanding) in addition to the rights and remedies available in the law to the Bank namely:

- i) To stop further disbursements from the loan and to cancel the undisbursed portion of the loan. AND
- ii) To withdraw all concessions in rates of interest, charges and fees etc. and charge interest, commission and fees at normal rates and penal rates. AND

- iii) To enter upon and take possession of the assets of the Borrower; and enforce its rights under Security documents. AND
- iv) The Bank shall be entitled to without prejudice to the other rights and remedies available to the Bank under this agreement and in law or any other recourse available to the Bank in law at the sole discretion in addition to the authority the Bank have been authorized by the Borrower herein to recover the outstandings with all charges etc., AND
- v) to disclose the name of the Borrower and its Directors /partners/promoters to Reserve Bank of India and to publish the name of the Borrower and its Directors/partners/promoters in such manner and through such media as deemed fit by the Bank/RBI. AND
- vi) The decision of the Lender whether an event of default has happened shall be conclusive and binding on the Borrower. AND
- vii) The Borrower undertakes that upon the Borrower's loan account being identified as "Willful Defaulters" as per guidelines of Reserve Bank of India/the Lender, the Borrower will be debarred from availing credit facilities from the Lender and from floating any new ventures for a period of 5 years from the date the name of the Borrower is disseminated from the list of willful defaulter by RBI. The Borrower further agrees that in the event of any wrong/false information submitted, the Lender may consider appropriate civil/criminal legal proceedings as the Lender may feel fit and necessary.

#### **ARTICLE 7** **ATTORNEY OF THE BORROWER**

1. For all or any of the purposes aforesaid, the Borrower irrevocably constitutes and appoints the Lender to be the Borrower's true and lawful attorney to do and execute for and in the name and on behalf of the Borrower, all or any of the following acts deeds and things, that is to say;
  - i) To take over and carry on the business of the Borrower and complete any engagements and contracts;
  - ii) To sign register, file any application forms, contracts, agreements, transfers, acceptance, receipts, acquaintances, returns and any other documents and to sign and endorse all cheques, promissory notes, bills of exchange, bills of lading, dividend mandates or other orders for payment of money or delivery of property;
  - iii) To sell, transfer, assign or deal with any goods, vehicles and other movables;
  - iv) To demand and receive all debts, sums of money, principal money, dividends, interest and dues of whatever nature.
  - v) To appoint selling agents and if necessary to undertake new kind of activity.
  - vi) To realise all the assets whether movable or immovable including the goodwill of the business;
  - vii) If considered proper, to wind up the Borrower's business;
  - viii) To tender contract for purchase, accept and sign the transfer into the name of the Borrower of any securities, shares, stocks, debentures, funds or any other securities, to apply for and accept allotment of any shares and securities and to sell, endorse, negotiate, transfer and assign any securities which do now or shall hereafter stand in the name of the Borrower or to which the Borrower is now or may at any time hereafter be entitled to demand, receive and collect interest and dividend due or to accrue due on any such securities, shares, stocks, debentures, funds and other securities and apply the proceeds of such sale, endorsement, transfer, negotiation and assignment and the recovery of any interest and dividend in satisfaction of any monies due by the Borrower to the Bank and to endorse and transfer all or any such securities, shares, stocks, debentures, funds and other securities which may from time to time or at any time be in the possession of the Bank whether for safe custody or otherwise or held by the Bank as security for any money

- payable to the said Lender by the Borrower in respect of any account or general balance of account or otherwise;
- ix) To appoint a proxy or proxies for the purpose of representing the Borrower and voting in meeting or meetings of any Company or Corporation in which the Borrower holds any shares, debentures, stocks, etc.
  - x) To deal with the assessment of the Borrower in respect of income tax, super tax, wealth tax, gift tax, expenditure tax, capital gains tax and any other taxes on income, revenue or capital and levy of customs and/or excise duties and to apply for and to receive refunds of any such tax or taxes or levy or levies.
  - xi) To attend and represent the Borrower before any authority or tribunal and for that purpose to sign execute and deliver all such documents and make all such declarations as may be necessary;
  - xii) Generally to act in the premises as fully and effectually with all intents and purposes and to do all things as are necessary and which the Borrower would do if personally present.
  - xiii) For all and any of the proposes, aforesaid to appoint a substitute or substitutes;
2. The Borrower hereby agrees to ratify and confirm all the acts, things, deeds performed or to be performed by the Bank or their respective nominees or substitutes in pursuance of any of the aforesaid powers and the powers hereby conferred shall not be determined or affected by the fact of the Bank acting personally or through another in the premises;
  3. The powers vested in the Lender shall be irrevocable and subsist in favour of the Lender till all the dues of the Borrower to the Bank are fully satisfied.
  4. The aforesaid powers under this clause may be exercised by the Bank in its sole discretion but the exercise of the powers is not obligatory on the Bank

## **ARTICLE 8**

### **SET OFF**

Without prejudice to what is stated herein, the Borrower hereby expressly agrees and confirms that in the event of the Borrower failing to pay the amount outstanding under the Loan or any other loan/facility, whether as borrower or guarantor or otherwise, in addition to any general or similar lien to which the Bank or any of its subsidiary/affiliates may be entitled by law, the Bank shall, without prejudice to any of its specific rights under any other agreements with the Borrower, at its sole discretion and without notice to the Borrower, be at liberty to apply any other money or amounts standing to the credit of the Borrower in any account (including fixed deposit account) of the Borrower (whether singly or jointly with another or others) with the Bank or any of its subsidiary/affiliates in or towards payment of the monies due from the Borrower. The rights of the Bank under this Agreement are in addition to other rights and remedies (including without limitation other rights or set off) which the Bank may have.

The Bank may at its absolute discretion appropriate any payments made by the Borrower under this loan Agreement towards repayment of any other loan outstanding under any other loan agreement or transaction entered into by the Borrower with the Bank and/or towards any other Indebtedness of the Borrower and such adjustment and/or appropriation shall be final and binding on the Borrower and the Borrower shall continue to remain liable to the Bank for payment of dues under this loan Agreement in respect of which such sums of money were so paid but were appropriated towards another outstanding dues under any other loan this Agreement or transaction entered into by the Borrower with the Bank or towards another Indebtedness of the Borrower. In addition, the Borrower hereby authorises the Bank to appropriate/adjust any balance amounts of the sale proceeds in

possession of the Bank post appropriation/adjustment of the sale proceeds consequent of proceeds has the power to upon sell/transfer or otherwise disposal of any and/or all security created in its favour of the Bank under the security documents or pursuant to this Agreement upon default/ breach of terms of this Agreement, or deposited with Bank or under its possession or control and appropriate the same towards satisfaction/repayment of any other loan/ amounts due to the Bank on account of under any another agreement or transaction entered into by the Borrower with the Bank and/ or the Indebtedness of the Borrower

The Bank shall have right to apply and/or appropriate and/or set off any credit balance of the Borrower(s) or any monies/assets (including but not limited to property, assets, securities, shares, stocks, and the like) belonging to the borrower(s) coming in the hands of the Bank towards repayment of loan under this agreement or any other agreement upon occurrence of the event of default. Exercise of any such right shall be binding on the Borrower(s).

#### **ARTICLE 9**

##### **INDEMNITY**

The Borrower shall fully indemnify the Bank from and against any expenses, loss, damage or liability (as to the amount of which the certificate of the Bank shall, in the absence of manifest error, be conclusive) which it may incur as a consequence of the occurrence of any Event of Default, of any failure to borrow in accordance with a Notice of Drawing or of any prepayment under this Agreement or otherwise in connection with this Agreement without prejudice to its generality, the foregoing indemnity shall extend to any interest, fees or other sums whatsoever paid or payable on account of any funds borrowed in order to carry any unpaid amount and to any loss (including loss of profit), premium, penalty or expense which may be incurred in liquidating or employing deposits from third parties acquired to make, maintain or fund the Loan (or any part of it) or any other amount due or to become due under this Agreement.

The Borrower further indemnify and keep Bank and its officers / employees fully indemnified and harmless from and against all the consequences of breach of any of the terms, condition, statements, undertakings, representations and warranties of this Agreement as also of any of its representations or warranties not being found to be true at any point of time, including any actions, suits, claims, proceedings, damages, liabilities, losses, expenses or costs faced, suffered or incurred by the Bank. The Borrower hereby agrees to and understands that this indemnity would cover all acts and omissions on the part of the warranties and / or representations of the Borrower. The indemnity provided under the presents shall survive termination of this Agreement.

#### **ARTICLE 10**

##### **DISCLOSURE/SHARING OF INFORMATION**

The Borrower irrevocably agrees and consents to the Bank at any time and in any manner disclosing and/or making available to any agencies, bureaus, affiliates or subsidiaries of the Bank, associations and other persons whosoever any information (including personal and financial information) and documents of or relating to the Borrower, including any credit information, in such cases where the Bank considers appropriate including where such disclosure is permitted or required by or under law or where the Bank is of the view that the interests of the Bank require such disclosure or for furnishing such information and documents for preparation, publication and distribution of credit reports and credit opinions relating to the Borrower to other persons including banks and financial institutions. The provisions of this clause shall survive termination of this Agreement. The Bank shall also have a right to obtain similar information/ reports relating to the Borrower from credit agencies, credit bureaus, other banks and financial institutions as the Bank may deem fit

The Borrower agrees that if the Borrower commits any breach of any provision of this Agreement or any default or delay in the repayment of the Loan or any amount payable under this Agreement whatsoever which the Borrowers is liable to pay, the Bank shall have the unqualified right to disclose or publish the Borrower's name and particulars (including photographs and particulars of accounts), as a defaulter in such manner as the Bank may deem fit

The Bank may disclose Borrowers personal and financial information to the statutory authorities in connection with any legal process that may be initiated by such authorities in accordance with applicable laws. The Bank may also share Borrowers information to provide superior services and may also use Borrowers information to advice about products, services and other marketing materials, which IDFC First Bank may think of been of customers' interest. The Bank shall further reserve the right to disclose the information to any third party if the disclosure of the same is for getting any additional service, products that may be beneficial to the Borrowers as per the sole assessment and discretion of The Bank

**The Borrower Undertake that**

- I. the TransUnion CIBIL Limited. 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 TransUnion CIBIL Limited. and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.
- III. The Bank may use and share the information provided by the Borrowers with its Affiliates and third parties for providing services and any service-related activities such as collecting subscription fees, notifying or contacting Borrowers regarding any problem with, or the expiration of any services etc. In this regard, it may be necessary to disclose Borrowers information to one or more agents and contractors of the Bank and their sub-contractors, but such agents, contractors, and sub-contractors will be required to agree to use the information obtained from the Bank only for these purposes.

**ARTICLE 11**  
**MISCELLANEOUS**

**1      WAIVER :**

Any failure and/or delay on the part of the Bank in exercising any right or power under this Agreement or documents in connection with this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or future exercise thereof or the exercise of any other power or right. The rights and remedies of the Bank provided for in this Agreement are cumulative and not exclusive of any rights or remedies available under the law

**2      ANNUAL REVIEW :**

The loan shall be reviewed by the Lender on annual basis or at any interval of time as per the sole discretion of the Lender.

**3      SERVICE OF NOTICE :**

All notices, requests, demands, waivers or other communications (including Customer Copy of Loan Agreement, Key Fact Statement, Welcome Letter etc., under or in connection with

this Agreement shall be given in writing by mail, e-mail, or fax as mentioned under the Schedule. Any such notice or other communication will be deemed to have been duly given if: (a) delivered personally; (b) sent by registered mail with postage prepaid; (c) sent by next-day or overnight mail/courier or delivery; or (d) sent by email/facsimile. Borrower confirms that all risks shall be fully borne by him and he assumes full responsibility for the same. Borrower agrees to immediately intimate the Bank of any change in the postal address, email ID and acknowledges that the Bank shall not be liable for any loss or damage that may be caused to the Borrower owing to change in address. Borrower understands that the communication, documents through email, SMS, instant messaging app etc., are for his/their own convenience. IDFC FIRST Bank shall not be liable or responsible for any breach of secrecy owing to communication/documents being sent digitally. Borrower shall verify the authenticity of the emails, instant messaging app etc., and shall not hold the Bank responsible for any statements received from frauds / imposters. Borrower shall not hold the Bank liable if any problem arises with his/their computer/mobile network. Borrower understands and agrees that the email statements, SMS, documents, communications will only be sent to the first holder of either registered email id/registered Cell No/ registered WhatsApp number. Borrower shall inform the Bank in writing if there is any change in his/their communication address. The Bank shall not be responsible in case if the Borrower's do not receive the statements due to incorrect communication address provided by Borrower or due to technical reasons. Borrower undertakes to take all necessary steps to ensure confidentiality and secrecy of the login name and password of the internet / email account

#### **4. Request by Borrower through Fax / E-mail/ host to host connectivity/API**

- i) In its day to day business, the Borrower requires to make requests or provide instructions or directions to the Bank from time to time for operation of the said Account/s including but not limited to the matters relating to the payment of moneys therefrom or otherwise to the debit or credit of the said Account/s; and for which purpose the Borrower has requested the Bank to allow the Borrower to give requests, directions or instructions in connection with the same by facsimile transmission (Fax) or by Electronic Mail (E-mail) or through host to host connectivity or through a web Application Programming Interface on the server side ("API") or through mobile application of the Bank. Each such request, direction or instruction intimated to the Bank from time to time by Fax / E-mail/ host to host connectivity/API as aforesaid is hereinafter referred to as "Instruction".
- ii) The Borrower hereby requests and authorises the Bank to rely upon and act or omit to act, at its absolute discretion, in accordance with any Instructions which may from time to time be given in connection with or in relation to the said Account (s) by Fax / Email/host to host connectivity/API by the Borrower or the person(s) authorised by the Borrower to act on the Borrower's behalf ("Authorised Persons") to issue such Instructions.
- iii) In consideration of the Bank acting and/or agreeing to act pursuant to the Instructions, the Borrower hereby irrevocably and unconditionally agrees to indemnify and do hereby indemnify the Bank, its directors and officers (each an "Indemnified Party") and keep the Indemnified Party at all times saved, harmless and indemnified from and against all actions, suits, proceedings, costs, claims, demands, charges, expenses, losses and liabilities howsoever arising in consequence of or in any way related to the Indemnified Party having acted or omitted to act in accordance with or pursuant to any Instruction or the terms of this writing.

#### **5. ASSIGNMENT:**

The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) whole or part of the Loan and outstanding amounts under the Loan or any other rights under this Agreement or any other document pursuant hereto to any person in a manner or under or under such terms and conditions as the Bank may decide in its sole discretion. The Borrower shall not transfer or assign the rights under this Agreement without previous written consent of the Bank.

The Borrower expressly agrees that in the event of any sale, assignment or transfer as aforesaid, to accept the Lender/Assignee to whom the Loan is sold, assigned or transferred as the Lender and make the repayment of the Loan to the Lender/Assignee. The Borrower acknowledges and agrees that the Bank /the Lender/Assignee shall have the right to change the Interest Rate from time to time under its policies at its sole discretion and the Borrower shall be bound by such modifications in totality.

Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstanding and dues shall be to the account of the Borrower. The Borrower undertakes to pay to such assignee the difference between the Loan outstanding and the amount received by the Bank in the event of transfer of the loan under this Agreement to such assignee.

**6. Disclosure / Privacy of Borrower Information:**

- i. In the Event of Default, the Bank shall also be entitled to communicate in any manner it may deem fit, to or with any person or persons including guarantors, person giving reference to loan, with a view to procure assistance of such person or persons in recovering the defaulted amounts including but not limited to visiting the property and/or any place of work of the Borrower.
- ii. The Borrower agrees that the Bank may be required to disclose Borrower personal and financial information to the statutory authorities in connection with any legal process that may be initiated by such authorities in accordance with applicable laws.
- iii. The Bank discourages the Borrower from sending or posting to the Bank's web site any information that the Borrower considers to be confidential or proprietary. Please note that if the Borrower do send or post any such information or material, the Bank will assume that it is not confidential. By sending or posting any information or material, the Borrower grant the Bank/IDFC First an unrestricted, irrevocable license to use, reproduce, display, perform, modify, transmit and distribute those materials or information, and the Borrower agrees that the Bank is free to use any ideas, concepts, know-how or techniques that the Borrower sends or post for any purpose on this web site.
- iv. The Borrower agrees that the Bank may also share Borrower information to provide Borrowers with superior services and a range of offers. The Bank may use this information to advise Borrowers about products, services and other marketing materials, which the Bank think may be of interest to Borrowers. The Bank further reserves the right to disclose the information to any third party if the disclosure of the same is for getting any additional service, products which may be beneficial to the Borrower, as per the sole assessment and discretion of The Bank
- v. The Bank will limit the collection and use of Borrower information only on a need-to-know basis to deliver better service to the Borrowers. The Bank may use and share the information provided by the Borrowers with its Affiliates and third parties for providing services and any service-related activities such as collecting subscription fees for such services, and notifying or contacting the Borrowers regarding any problem with, or the expiration of, such services. In this regard, it may be necessary to disclose the Borrower information to one or more agents and contractors of the Bank and their sub-contractors,



but such agents, contractors, and sub-contractors will be required to agree to use the information obtained from the Bank only for the said purposes. The Borrower authorises the Bank to exchange, share, part with all information related to the details and transaction history of the Borrower to its Affiliates/ Banks/ Financial Institutions/ Credit Bureaus/ Agencies/ Participation in any telecommunication or electronic clearing network as may be required by law, customary practice, credit reporting, statistical analysis and credit scoring, verification or risk management or any of the aforesaid purposes and shall not hold the Bank liable for use or disclosure of this information. The Bank values relationship with Borrower and will at all times strive to ensure Borrower's privacy.

**7. FORCE MAJEURE**

The Borrower shall be liable to perform or fulfil its obligations at all point of time and shall not delay/postpone performance, its obligations in whole or in part, even on the ground of any force majeure event such as acts of God, floods, cyclones, earthquakes, fires, wars, riots, strikes, orders of governmental or other statutory authorities, national emergency, or any other similar causes.

**8. APPROVALS MAY BE GIVEN CONDITIONALLY**

Any approval, consent or permission required to be given hereunder or under any other agreement by the Bank to the Borrower may be given unconditionally or may be given subject to such condition as the Bank deem fit, and in the latter event, the Borrower undertakes to abide by and comply with all the conditions which may be imposed by the Bank without any objection, conditions or dispute.

**9. SEVERABILITY**

Every provision contained in this Agreement shall be severable and distinct from every other such provision and if at any time any one or more of such provisions is or becomes invalid, illegal or unenforceable in any respect under any applicable law, the validity, legality and enforceability of the remaining provisions hereof shall not be in any way affected or impaired thereby.

**10. Entire Agreement & Counterpart**

The Parties confirm that this Agreement and its Annexure and any other documentation pursuant to it represent one single agreement between the Parties. This Agreement may be executed in separate counterparts, each of which, when so executed and delivered, shall be deemed to be an original, but all such counterparts together shall constitute one and the same instrument only.

**11. Supremacy & Amendment**

Any failure and/or delay on the part of the Bank in exercising any right or power under this Agreement or documents in connection with this Agreement shall not operate as a waiver thereof, nor shall any single or partial exercise of any such right or power preclude any other or future exercise thereof or the exercise of any other power or right. The rights and remedies of the Bank provided for in this Agreement are cumulative and not exclusive of any rights or remedies available under the law

**ARTICLE 12**

**Governing Law, Jurisdiction and Arbitration**

The Parties agree that this Agreement shall be governed by the laws of India. The Borrower hereby expressly agrees that all disputes arising out of and/or relating to this Agreement including any transaction document which is:

a) The below the pecuniary jurisdiction limit of the Debt Recovery Tribunals established under Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993), then such dispute shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, by a sole arbitrator, appointed by the Bank. The arbitration proceeding shall be conducted in the English language. The award passed by the arbitrator shall be final and binding on the Parties. The costs of such arbitration shall be borne by the losing Party or otherwise as determined in the arbitration award. The arbitration proceedings shall be held either in Delhi/ Mumbai/ Chennai/ Kolkata and/or such other place as may be notified at the sole discretion of the Bank.

b) Above the pecuniary jurisdiction limit of the Debt Recovery Tribunals established under Recovery of Debts Due to Banks and Financial Institutions Act, 1993 (51 of 1993), then such dispute shall be referred at the sole discretion of the . The exclusive jurisdiction of the courts/tribunals of the city in which the Branch/Bank Outlet of the Bank is situated. Provided that to the extent allowed by law, the Bank shall be entitled to take proceedings relating to a dispute in any court/tribunal of any place with jurisdiction.

OR

To arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, by a sole arbitrator, appointed by the Bank. The arbitration proceeding shall be conducted in the English language. The award passed by the arbitrator shall be final and binding on the Parties. The costs of such arbitration shall be borne by the losing Party or otherwise as determined in the arbitration award. The arbitration proceedings shall be held at Delhi/ Mumbai/ Chennai/ Kolkata and/or such other place as may be notified at the sole discretion of the Bank.

**SIGNED AND DELIVERED** by  
the hand(s) of

1. Shri \_\_\_\_\_,

2. Shri \_\_\_\_\_,

3. Shri \_\_\_\_\_,

Being partners for and on behalf of the  
Partnership firm viz  
M/s \_\_\_\_\_ as well as  
in their individual capacity

The Common Seal of **the Borrower** has been hereunto  
affixed pursuant to the resolution of its Board of  
Directors passed at the Meeting held  
on \_\_\_\_\_ in the presence of  
Mr. \_\_\_\_\_, Director and  
Mr. \_\_\_\_\_, Authorised Signatory  
who have set their respective signatures hereto in token  
thereof

**SIGNED AND DELIVERED** for and on behalf of **IDFC**

**FIRST BANK LIMITED** by the hand of

Shri \_\_\_\_\_, its

\_\_\_\_\_

### SCHEDULE

Date and Place of Agreement	
Name of the Borrower	
Address of the Borrower	
Description of the Borrower	
Manufacturer(s)	
Amount of Facility	
Margin	
Rate of Interest  Penal Rate of Interest <b>(the penal interest will be charged on the entire outstanding loan amount)</b>	
Security to be provided by the Borrower to secure the Facility	1. Mortgage of immovable property being <hr/> 2. Any other security created or to be created by the Borrower/Co-Borrower/Guarantor <hr/>
promoter(s)/partner(s)/Director(s) whose personal guarantee to be provided in favour of the Lender	