FACILITY AGREEMENT

This Facility Agreement **("Facility Agreement")** is made on the date and at a place as mentioned in the Schedule 1 by and between the Borrower, being the person(s) named in the Schedule 1 hereof (hereinafter referred to as the "Borrower" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successor(s) and permitted assign(s)), of One Part The expression 'Borrower', unless it be repugnant to the context or meaning thereof, shall mean and include: (i) in the event that the Borrower is a Company within the meaning of the Companies Act, 2013 or a Limited Liability Partnership, incorporated under the Limited Liability Partnership Act, 2008, its successors; (ii) in the event that the Borrower is a partnership firm for the purposes of the Indian Partnership Act, 1932, the partners for the time being and from time to time and their respective legal heirs, executors and administrators, legal representatives and successors; (iii) in the event that the Borrower is a sole proprietorship, the sole proprietor and his/ her legal heirs, administrators, executors and legal representatives; (iv) in the event that the Borrower is an individual, his/her legal heirs, administrators and executors; (v) in the event that the Borrower is a joint Hindu Undivided Family, the Karta and any or each of the adult members of the HUF and their survivor(s) and his/her/their respective heirs, executors, administrators; (vi) in the event that the Borrower is a society, the members of the governing body of the Society and any new members elected, appointed or co-opted thereon; (vii) in the event that the Borrower is a Trust, the Trustee or Trustees for the time being thereof and their respective legal heirs, executors, administrators and successors of the One Part;

AND

AU SMALL FINANCE BANK LIMITED, a small finance bank having its registered office at 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001, Rajasthan, hereinafter called as the **"Bank"** (which expression shall unless it be repugnant to the context or meaning thereof shall mean and include its successors and assigns) of the **OTHER PART**.

The Borrower and the Bank shall hereinafter be individually referred to as a "Party" and collectively as "Parties".

1. Definitions and Interpretations

1.1 DEFINITIONS

Other than as defined in the body of the Facility Agreement and the Terms and Conditions and unless there is anything repugnant to the subject or context thereof, the terms listed below shall have the following meanings viz.

a. **"Account"** shall mean the current account of the Borrower with the Bank or the account required to be opened by the Borrower at the branch of the Bank so as to avail the Facilities.
b. **"Applicable Law"** shall mean any statute, national, state, provincial, local, municipal, foreign, international, multinational or other law, treaty, code, regulation, ordinance, rule, judgment, order, decree, bye-law, approval of any Governmental Agency, directive, guideline, policy, requirement or other governmental restriction or any similar form of decision of or determination by, or any interpretation or administration having the force of law of any of the foregoing by any Governmental Agency having jurisdiction over the matter in question, whether in effect as of the date of this Facility Agreement or at any time thereafter.
c. **"Bank"** shall mean AU Small Finance Bank Limited.
d. **"Board"** shall mean the board of directors of the Borrower.
e. **"Borrower"** shall mean the person(s) named in the Schedule 1 to the Facility Agreement; including co-borrower also.

f. **"Business Day"** shall mean a day on which the relevant office of the Bank specified in the Facility Agreement, or such other office as may be notified by the Bank to the Borrower, is open for normal business transactions.

g. **"Chartered Accountant"** shall mean independent chartered accountant registered with the Institute of Chartered Accountants of India.

h. **"Credit Rating Agency/ies"** shall mean the domestic credit rating agencies such as Credit Analysis and Research Limited, CRISIL Limited, ICRA Limited, Brickwork India Private Limited and international credit rating agencies such as Fitch, Moodys and Standard & Poor's and such other credit rating agencies identified and/or recognized by the RBI from time to time.

i. **"CRILC"** shall mean Central Repository of Information on Large Credits.

j. **"Drawdown"** shall have the meaning ascribe to clause 2.8 hereof.

k. **"Drawing Power"** in connection with the relevant Facilities, shall mean the drawing power of the Borrower to make drawals from time to time under each of such Facilities upto the amount of respective Limits but not exceeding the value of the current assets, if any, provided as Security to the Bank for such of the Facilities as drawn by the Borrower less the corresponding Margin.

l. **"Due Date"** shall mean the date(s) on which any amounts in respect of the Facilities including principal, interest/ annual percentage rate (annual percentage rate is hereinafter referred to as "APR") (if applicable) or other monies, fall due in terms of the Transaction Documents.

m. **"Event(s) of Default"** shall mean any of the Events of Default specified in clause 9 hereof.

n. **"Facilities"** shall have the meaning ascribed to the term under Clause 2.1 this Facility Agreement.

o . **"Final Settlement Date"** means any date on which all the outstandings in relation to the Facilities under the Transaction Documents have been irrevocable and unconditionally paid and discharged in full to the satisfaction of the Bank.

p. **"Financial Indebtedness"** shall mean all amount due under Facilities, including interest/ APR, tax, penal charges, overdue/temporary overdraft charges on overdue/ temporary overdraft amount, prepayment charges, interest/ APR, commission, commitment charges, costs, expenses and include all other amounts whatsoever payable/repayable by the Borrower to the Bank under this Facility Agreement and/or in connection with the Facilities.

q. **"Financial Quarter"** means each calendar quarter from April 1 to June 30, July 1 to September 30, October 1 to December 31 and January 1 to March 31 of each Financial Year.

r. **"Financial Year"** means the accounting period commencing from April 1 of each year till March 31 of the next year.

s. **"Irregularity"** shall mean and include drawals 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 Applicable Law and / or the Transaction Documents.

t. **"Increased Cost"** shall mean (a) an additional or increased cost (b) a reduction in the rate of return from the Facilities from the Facilities or on the Bank's (or it's affiliate's) overall capital (including, without limitation, as a result of any reduction in the rate of return on the capital brought about by more capital being required to be allocated by the Bank or one of its affiliates or (c) a reduction of amount due and payable under this Facility Agreement.

u. **"Limits"** shall mean the amount upto which the Borrower can Drawdown under the respective Facilities.
v. **"Margin"** shall have the meaning ascribed to it in Sanction Letter.
w. **"Material Adverse Effect"** shall mean the consequence of any event or circumstances which in the opinion of the Bank can result in a material and adverse effect on the condition (financial or otherwise), assets, operations, performance, prospects or business of Borrower/security provider or any other person or its business or the ability of any Borrower/security provider or any other person to perform and comply with its obligations under any Transaction Document or the validity, legality or enforceability of, or the rights and remedies of the Bank under any Transaction Document; or the validity, legality or enforceability of any Security expressed to be created pursuant to any Security Document or on the effectiveness, priority and ranking of any such Security.
x. **"MCLR"** shall mean the "marginal cost of funds based lending rate" of the Bank determined (and revised) in accordance with the guidelines issued by RBI in this regard) (as amended or revised from time to time) and corresponding internal policies of the Bank, as reset from time to time and as revised in accordance with this Facility Agreement.
y. **"Overall Limits"** shall mean the aggregate of the limits of the various Facilities as specified in Schedule 1 hereof or as may be increased/decreased by the Bank from time to time at its discretion.
z. **"Obligor"** shall mean the Borrower and the security provider.

aa. "**Overdue/ Temporary Overdraft Charges**" shall mean interest/ APR charged on overdue/ temporary overdraft amounts and the same shall be levied at the contractual rate of interest of the Facilities as applicable on the date when such an overdue/overdraft interest accrues, as detailed in Schedule2 (Schedule of Charges) hereunder.

bb. "**Penal Charges**", shall mean the charges applicable and at the rate as mentioned in Schedule 2 (Schedule of charges), payable by the Borrower to the Bank upon happening of an Event of Default as mentioned in clause 9 or breach of any of the terms of any of the Transaction Documents.
cc. **"Potential Event of Default"** shall mean an event, which with the lapse of time or giving of notice, determination of materiality or non-fulfillment of any other applicable condition (or any combination of any of the foregoing) would constitute an Event of Default.
dd. **"Purpose"** shall mean the purpose(s) for which the Facilities have been availed of by from the Bank and as more particularly specified in the Sanction Letter hereof.
ee. **"SPDCs"** The Borrower hereby agrees, undertakes and confirms that it shall deliver to the Bank post-dated cheques as a security towards the payment of the outstanding obligations along with the Interest with the Lender named as the payee therein ("SPDCs").
ff. **"RBI"** shall mean Reserve Bank of India.
gg. **"Sanction Letter"** shall mean the letter as of the date specified in Schedule 1 hereof in connection with sanction of the Facilities, and as amended from time to time.
hh. **"Security"** shall mean all the Security Interest and rights created or to be created in terms of the Security Documents.
ii. **"Security Documents"** shall mean all agreements, instruments, undertakings, indentures, deeds, writings and other documents executed or entered into, or to be executed or entered into, by the Borrower or security provider, as the case may be, in relation, or pertaining, to creation of Security Interest as contemplated by, or under the Transaction Documents, and each such Security Documents as amended from time to time.

jj. **"Security Interest"** shall mean any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), preference, priority or other security agreement of any kind or nature whatsoever.

kk. **"Transaction Documents"** include the Facility Agreement, the Terms and Conditions, the Sanction Letter, all other agreements, instruments, power(s) of attorney, undertakings, indentures, deeds, writings and other documents whether financing, security or otherwise executed or entered into, or to be executed or entered into, by the Borrower/security provider or as the case may be, any other person, in relation, or pertaining, to the transactions contemplated by, or under the Transaction Documents, and each such Transaction Documents as amended from time to time.

1.2 Interpretation

(a) The Schedules and Annexures constitute an integral and operative part of this Facility Agreement.

(b) References to a **"person"** or **"Person"** (or to a word importing a person) shall be construed so as 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;

(c) Reference to **"Party"** to any document includes that Party's successors, executors, permitted transferees and permitted assignees, as the case may be.

(d) The word **"drawals"**, **"draw"** and **"drawn"** shall include disbursements / drawings from time to time under the relevant Facilities and / or issuance of BGs and / or LCs.

(e) Unless otherwise specified, whenever any payment to be made or action to be taken under this Facility Agreement, is required to be made or taken on a day other than a Business Day, such payment shall be made or action be taken on the immediately preceding Business Day.

(f) Any consent, approval, determination, waiver or finding to be given or made by any Bank shall be made or given by the Bank in its sole discretion.

(g) In the event of any disagreement or dispute between the Borrower and the Bank regarding the materiality of any matter including any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise, the opinion of the Bank in relation to the materiality of any of the foregoing shall be final and binding on the Borrower.

(h) The Sanction Letter shall be read in conjunction with the provisions of the Facility Agreement and shall form an integral part of the Facility Agreement. To the extent of any inconsistency or repugnancy, Sanction letter shall prevail to all intents and purposes.

(i) 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" - 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. **TERMS OF THE FACILITIES**

2.1 The Borrower agrees to avail from the Bank and the Bank agrees to grant / extend to the Borrower various facilities upto overall limits in the aggregate not exceeding amounts specified in the Schedule 1, hereof / the Sanction Letter (the "Overall Limits/Facilities"), subject to the terms and conditions contained in the Facility Agreement. The Facilities can be interchangeable, at the discretion of the Bank.

(A) In case of DLOD facility: The Bank hereby agrees to grant to the Borrower, a drop line overdraft facility ("DLOF"), as mentioned in the Schedule 1 hereto ("Drop Line Overdraft Facility") for the tenure ("Tenure") and the purpose ("Purpose") mentioned in the Sanction Letter , with different operating overdraft limits (each an "Operating Limit") applicable in different months, starting with an Operating Limit as mentioned in the Sanction Letter ("Initial Dropline Overdraft Limit/Dropline Limit"), and the Borrower can avail the DLOF from a designated current account of the Borrower maintained with the Bank in its individual name.,. The Dropline Limit (or any part thereof) may be disbursed by the Lender/Bank upon receiving a drawdown request from the Borrower. The entire Dropline Limit should be availed of within the number of months ("Availability Period"), if any, from the date of loan sanction, as specified in the Schedule/ Sanction Letter (Availability Period). The Borrower's right to make drawls shall expire at the end of the Availability Period ("Drawdown End Date"). However, the Dropline Limit sanction may be kept open at the sole discretion of the Lender/ Bank for an additional period of such number of days beyond the Availability Period as the Bank/Lender may deem fit. If the Dropline Limit is not drawn completely by the Borrower within the Availability Period, then the Bank shall be entitled to impose penalty, if any, as mentioned in the Sanction Letter. The mode and manner of Disbursement is left to the sole discretion of the Lender/Bank. All disbursements in favor of the Borrower or to any third party on behalf of the Borrower shall be deemed to be made in favor of the Borrower under this Facility Agreement which the Borrower acknowledges being binding on them.

2.2 The Borrower shall open an Account with the Bank at the branch specified in Schedule 1. The Borrower shall at all times maintain the Margin which shall be varied both upwards and downward from time to time by the Bank.

2.3 The amounts upto which the Borrower can draw under each of such Facilities shall not, at any one time, exceed sums / limits (the "Limits") specified against each of such respective Facilities in the Sanction Letter. Provided, however, the aggregate amounts of all the Limits shall not at any point of time exceed the amount of the Overall Limits. All outstanding amounts of interest/ APR, commission, discount, charges and other monies in respect of the respective Facilities, whether debited to the Account or not, shall also be included in determining the availability of the Overall Limits / respective Limits. Unless the Bank otherwise agree, the right of the Borrower to make drawals from the Facility shall cease on the expiry of the Availability Period/ last date of drawl of loan amount, if any as specified in the Sanction Letter.

2.4 The Borrower shall pay to the Bank the Facilities, all interest/ APR, commission, discount, charges on the amounts outstanding from time to time under the Facilities and all other monies, at the rate(s), on the date(s) and in the manner specified in the Sanction Letter or at such other rate(s) as may be decided by the Bank from time to time, at its sole discretion. The Borrower shall also pay all fees and other monies in accordance with the terms of this Facility Agreement. Unless otherwise specified in the Sanction Letter, the Borrower shall repay the Facilities on demand to the Bank.

2.5 (a) Where interest is charged by the Bank at a concessional rate(s) on any of the Facilities granted by the Bank to the Borrower under any "interest subsidy scheme" or any other similar scheme(s) formulated by the Governmental Agency and / or RBI and / or any other authority from time to time, the Borrower agrees, declares and confirms that in the event of the withdrawal, modification and / or variation of such scheme(s), the concessional rate(s) of interest shall stand withdrawn and the rate(s) of interest of the Bank applicable at such point of time to such Facilities shall become effective from the date (hereinafter referred to as the "said date") of such withdrawal, modification and / or variation of such scheme(s) and the Bank shall become entitled to charge and the Borrower shall be liable to pay interest at such usual rate(s) from the said date;

(b) In case the relevant Facilities are eligible for cover under any "guarantee scheme", the Borrower shall bear the guarantee fee paid / to be paid in connection with such Facilities; such guarantee fee may be debited to the relevant Account and shall be treated as part of the Facilities and shall carry interest at the rate specified in the Sanction Letter.

2.6 The Borrower covenants that the Borrower shall deliver to the Bank,

(a) if the Bank so requires, a certificate to the effect that the Facilities have been utilised for the Purpose, within such time and in a manner as may be acceptable to the Bank.

(b) as and when stipulated by the Bank, a certificate from a Chartered Accountant/ the statutory auditor of the Borrower regarding the end use of the Facilities within such time and in a manner as may be acceptable to the Bank, in order to verify, inter alia, that the Facilities have not been siphoned off/diverted for application other than the Purpose.

(c) The proceeds of the facilities are not to be utilized by the Borrower for investments in shares, debentures, advances and inter- corporate loans/ deposits to other companies (including subsidiary and other group companies).

(d) The Borrower expressly recognizes and accepts that the Bank upon granting the Facilities, shall be absolutely entitled to, and shall have full power and authority to sell, assign, securitize, novate or otherwise transfer in any manner whatsoever, in whole or in part, and in such manner and on such terms as the Bank may decide (including if deemed appropriate by the Bank reserving a right to the Bank to retain its power to proceed against the borrower on behalf of the purchaser, assignee or transferee) any or all out standings and dues of the Borrower, to any third party of the Bank's choice without any further reference or intimation or notice to the Borrower, and without seeking any consent of the Borrower. Any such action and any such sale, assignment, securitization, novation or transfer shall bind the Borrower to accept such third party as creditor exclusively or as a joint creditor with the Bank or any other person, as the case may be. Any costs in this behalf, whether on account of such sale, assignment, securitization, novation or transfer or enforcement of rights and recovery of outstandings and dues, shall be to the account of the Borrower.

2.7 The Bank may, on such terms and conditions as the Bank may deem fit, agree to the Borrower's request for enhancement or decrease in the Overall Limits / respective Limits.

2.7A The Borrower agrees and covenants as under:-

- The Borrower hereby agrees and promises with the Bank to pay the amounts outstanding under the Working Capital Term Loan (“WCTL”) granted and/or agreed to be granted by the said Bank to the Borrower as per Reserve Bank of India Credit Policy Guidelines.
- Overdraft and working capital term loan Components may be readjusted as per Reserve Bank of India Directives on bifurcation of fund based credit facilities;
- The Borrower shall be bound to pay to the Bank all amounts as per the repayment terms as specified in the Sanction Letter and all accrued interests, Penal Charge(s), Overdue/ Temporary Overdraft Charges, if any, costs, charges, expenses payable or to become payable by the Borrower to the Bank in connection therewith.

- Bank shall be entitled to recall/ revoke/ cancel the entire amount outstanding, together with accrued interest, Penal Charge(s), Overdue/ Overdraft Charges and other charges, if the performance of the Borrower is not satisfactory or where the Borrower is found to have used the amount for the purpose other than for which WCTL are sanctioned or for any other reason considered necessary.
- The Borrower hereby authorizes the Bank to credit the Loan amounts to the overdraft accounts of the Borrower in instalments, if need be, having regards to the need of the Borrower, unless the Bank consents to any other mode of disbursement. All disbursements in favor of the Borrower or to any third party on behalf of the Borrower shall be deemed to be made in favor of the Borrower under this Facility Agreement which the Borrower acknowledges being binding on them.
- The Borrower hereby also authorizes the Bank to recover the WCTL /interest due from time to time by debit to the Borrower's overdraft accounts or current account(s) as the case may be, without prejudice the Borrower's obligations to repay as undertaken under these presents.

2.8 Subject to the compliance of the terms and conditions of this Facility Agreement, the Facilities may be drawn out of the Account from time to time / disbursed in installments and the Facilities shall be utilised by the Borrower exclusively for the Purpose. The Bank may, at the request of the Borrower, make / allow disbursements / drawals under the Facilities by cheques / pay orders / authorisations and / or by issuance of Bank Guarantees and / or Letter of Credits.

2.9 In the event any monies are remaining due and payable by the Borrower to the Bank, under the 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.

2.10 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 own discretion, allow drawals beyond such Drawing Power 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 all such excess drawings on demand unless otherwise specified by the Bank. Till repayment of such excess drawings, the excess drawn amounts shall attract Penal Charge(s) and Overdue/ Temporary Overdraft Charges. All the provisions of the Transaction Documents and all securities created, if any, pursuant to the Facility Agreement will extend to cover such excess drawings.

2.10A The Borrower accepts, acknowledges and confirms that the Bank shall be entitled to deduct upfront from the Facility amount (in the event not paid by the Borrower before disbursement), the charges as specifically mentioned in the Sanction Letter/ KFS and/ or any other document related to the Facility at the time of disbursement of the Facility amount. The Bank shall disburse the balance Facility amount to the Borrower or any third party on behalf of the Borrower, as the case may be, and the Borrower shall be liable to repay the Facility amount along with the interest as agreed and on such dates/ intervals as and when the same becomes due.

2.11 Interest/ APR and Penal Charge(s), Overdue/ Temporary Overdraft Charges /Commission/Other Charges etc.

(i) The interest/ APR will be charged on the Facilities as specified in Sanction Letter/Schedule 1. The interest/ APR specified in Sanction Letter/Schedule 1 will be computed from the respective Due Dates and shall become payable upon the footing of compound interest with monthly rests or such other rests as may be prescribed by the Bank from time to time.

(ii) Interest on the outstanding amounts under the Facilities / discount or other charges when debited to the relevant Account by the Bank, shall be calculated on the daily debit balance of such Account.

(iii) 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 for rupee Facilities and 360 days for foreign currency Facilities, and the actual number of days elapsed.

(iv) The interest payable by the Borrower shall be subject to the changes based on guidelines / directive issued by RBI to small finance banks from time to time and the changes made by the Bank.

(v) The Borrower(s) agrees and acknowledges that availing of the Facilities shall be subject to payment of processing charges and other charges including but not limited to collection charges, swap charges, interest tax, stamp duty, costs and such other charges as mentioned in the Sanction Letter and the Borrower hereby authorizes the Bank to debit the same from the account in which the overdraft/dropline overdraft facility is running.

(vi) If the Due Date in respect of any amount 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. In case of DLOD Facility: The Borrower agrees without any delay, demur or protest to submit to the Bank, cheques or Electronic Clearing System (ECS) standing instruction with one or more cheques for discharging its/her/his liabilities hereunder. Amount to be mentioned on the cheques (ECS) will be same as the EMR as mentioned in Sanction Letter and same shall be presented on 1st of every month.

(vii) The Borrower agrees that it shall be liable to pay to the Bank commission on various non-fund facilities such as letters of credit, bank guarantees, etc. at the rate specified in the Sanction Letter or as may be intimated by the Bank in writing from time to time.

(viii) The Borrower shall be liable to pay the Bank non- refundable commitment charges as per the Sanction Letter. The Bank shall be entitled to reset the spread on the interest reset date and MCLR/External Benchmark Rate at such frequency as the Bank deems fit. Bank shall also have right to reset the spread consequent to any change in MCLR/EBR and will also have the right to reset the MCLR/EBR if RBI revises the standard provisioning requirement of banking asset or RBI enhancing the risk weightage norms for banking asset or RBI changing the norms for classification of banking assets or downward revision in the credit rating of the Borrower or the security provider or occurrence of event of default or potential event of default or bank's internal review or RBI changing the policy of computation of MCLR/EBR.

Upon reset of MCLR/EBR/spread, the Bank shall notify the Borrower of the revised interest rate and the Borrower shall pay the revised interest rate from the reset date. The interest rate is subject to variation in consonance with RBI directions, statutory and regulatory requirements, conditions of money market, availability of loanable funds etc.

(ix) Timely repayment of the loan facility is essence of this contract. The Borrower acknowledges and agrees that the Borrower shall be liable to pay prepayment/pre-closure charges as per the prevailing policy of the Bank or as mentioned in the sanction letter in case the Facilities are prepaid/pre-closed through any source of funds(s) other than the Borrower's own funds. The decision of the Bank shall be final and binding in this regard.

(i) upon occurrence of a default in payment of any outstandings on the Due Date Borrower shall be liable to pay Penal Charges in addition to the Overdue/ Temporary Overdraft Charges until the outstandings amounts on account of default in payment are paid to the satisfaction of the Bank and/or upon breach of any terms or conditions of any Transaction Documents, the Borrower shall, without any demur or protest, pay the Penal Charges as mentioned hereunder.

(ii) Such Penal Charge(s) and/or Overdue/ Temporary Overdraft Charges shall, in the absence of any conditions under the Sanction Letter shall be payable on demand and in the absence of any such demand, on the next Due Date occurring after the date of default.

(iii) The Penal Charge(s) and/or Overdue/ Temporary Overdraft Charges shall be payable on and from the date of default up to and excluding the date on which such delay/default is rectified to the satisfaction of the Bank or such delay/ default (other than in case of any payment defaults) is waived by the Bank. The Bank's right to claim the Penal Charge(s) and/or Overdue/ Temporary Overdraft Charges shall be without prejudice to the Bank's right to take any other action available to them under the terms of the Transaction Documents or under Applicable Law in respect of such non-payment on a Due Date.

(iv) The Borrower acknowledges and agrees that the Penal Charge(s) and Overdue/ Temporary Overdraft Charges 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.

(v) All payments by the Borrower under the Transaction Documents shall be made free and clear of and without any deduction, except to the extent that the Borrower is required by Applicable Law to make payment subject to any tax deduction at source under the Applicable Law. In respect of taxes payable at source in respect of payments due under this Facility Agreement, the Borrower shall 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.

(vi) The Borrower shall bear all taxes, other imposts, costs, charges, fees and duties including stamp duty (including any differential or additional duties and taxes which may be required pursuant to the provisions of the Applicable Laws from time to time) and relevant registration and filing charges in connection with the Transaction Documents, as may be levied from time to time by any Governmental agency or other authority including those incurred by the Bank, in accordance with the Applicable Laws in respect of or in connection with the Facilities, and the 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. In the event, the Bank has paid monies referred to above; the Bank may debit the sum to any account of the Borrower or charge the same to any Facility.

(vii) The Borrower Agrees to pay to the Bank the amount of any Increased Cost incurred by the Bank or any of its affiliates.

(viii) The Borrower agrees, declares and confirms that, notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other Applicable Law, or any terms and conditions to the contrary contained in the Facility Agreement, the Bank may, at its absolute discretion, appropriate any payments made by the Borrower under the Facility Agreement / any amounts realised by the Bank by enforcement of security or otherwise, towards the dues payable by the Borrower to the Bank under the Facility Agreement and / or other agreements entered into between the Borrower and the Bank and in any manner whatsoever. The Borrowers shall not use the Facility (or any part thereof) for any improper/ illegal/ unlawful/ speculative/ capital market related activities;

(ix) Unless otherwise specified in the Facility Agreement, the Sanction Letter or the other Transaction Documents, all monies payable by the Borrower to the Bank shall be paid into the relevant account through which the Borrower was allowed the operation of the Facilities or to such other account(s) as the Bank may notify to the Borrower by cash, electronic fund transfer, mail transfer or by cheque/bank draft drawn in favour of the Bank on a scheduled bank and shall be so paid as to enable the Bank to realise, at par, the amount on or before the relative Due Date. Credit for all payments by cheque / bank draft will be given only on realisation or on the relative Due Date, whichever is later.

The Borrower acknowledges that any sums, interest, default amount including but not limited to any prepayment premium; and the Penal Charge(s) and Overdue/ Temporary Overdraft Charges are reasonable and that they represent genuine pre-estimates of the loss which would be incurred by the Bank in the event of non-payment or default by the Borrower in accordance with the terms of this Facility Agreement and other Finance Documents. The Borrower waives any right it may have to raise any claim or defence that such payment is or will be in the nature of a penalty and undertakes not to raise such claim or defence.

(x) Borrower declares that: I/we hereby confirm that I/we have handed over the above mentioned cheques ("SPDCs") towards the repayment of EMI/as a security for the Facility availed from the Lender or towards payment of insurance premium as specified above and that all cheques were drawn in favor of "AU Small Finance Bank Limited" and also recorded my/our name on the reverse side of all the cheques. I/we hereby unconditionally and irrevocable authorize and confirm the authority of the Lender as per the provisions of Negotiable Instruments Act ("the act") to fill in the date and the amount on the said cheques and to complete the cheque in all respect and to present the same for the payment. I/we shall ensure that the said cheques are honoured on presentation for payment. I/we agree and acknowledge that I/we have issued the SPDCs voluntarily in discharge of legal debt owed to the Lender by the Borrower. I /we agree, acknowledge and confirm that the SPDCs are intended to be used by Lender to recover the legal debts due from the Borrower to the Lender under various disbursements made by the Lender and hereby unconditionally and irrevocably authorizes the Lender to use the SPDCs for repayment of the Facility. I/we hereby confirms that I am/we are aware of the fact that any dishonor of any SPDCs so issued by me/us and presented by the Lender for payment would constitute an offence under provisions of The Negotiable Instrument Act, 1881 and the Lender may take such action against me/us as may be advised. Prior to the SPDCs issued by me being exhausted, I/we shall issue fresh SPDCs to the Lender, and such instruments would be governed by the provisions of this letter. I/we shall not to take any steps, which in any way, affect or are likely to affect the payment thereunder to the Lender including, without limitation, any stop payment instructions. In the event that there is any change in the authorised signatories for its relevant bank account(s), I/we shall either give unconditional and irrevocable instructions to the bank on whom the SPDCs have been drawn to clear and honour all such SPDCs (details of which shall be provided to the Lender) bearing the signatures of the authorised signatories before the change or, in the alternative, I/we shall issue fresh SPDCs to the Lender or submit fresh SPDCs duly signed by new authorized signatory as the case may be. While all necessary steps would be taken by the Lender to ensure safe holding of the SPDCs and having the same picked up , processed and cleared through agents, courier agencies, correspondent bank(s), the same will be entirely at the my/our risk and cost. ln the event any SPDCs issued as above by me/us is lost in transit or misplaced or for any reason, I /we agree to give replacement cheque(s) to the Lender immediately upon receipt of a written request from the Lender in this regard. If I/we cancel the SPDCs given to the Lender or close the relevant bank account(s) or change the authorized signatory for the relevant bank account(s) or attempts to cancel the SPDCs without the prior written consent of the Lender, such acts shall be deemed to have been committed with a criminal intent to cause wrongful loss to the Lender and would be construed as an Event of Default and the Lender shall be entitled to initiate appropriate legal proceedings including criminal proceedings against me/us and the Borrower, without prejudice to the Lender's other rights and remedies under applicable Law(s).

3. **Representation and Warranties**

(i) The Borrower hereby warrants, represents and confirms that (a) the Borrower and each corporate Obligor are companies, duly incorporated and validly existing under the law of their jurisdiction of incorporation affecting its business and operations. (b)all the information provided by the Borrower to the Bank is true and accurate in all respects, are not misleading and does not omit any material fact, the omission of which would make any fact or statement therein misleading (c) all the licenses, permits and authorizations required for carrying on its business or industry have been obtained and are in full force and effect (d) the Borrower is in compliance in all respects with all Applicable Laws, including environmental laws, and regulations affecting its assets, its business and operations and has good title to or valid leases or licenses of, or is otherwise entitled to use its assets (e) the Borrower has the power to avail of the Facilities from the Bank and the total borrowings including the Facilities are within the prescribed limits, if any (f) the Borrower has the power and authority to execute, deliver and perform the terms and provisions of this Facility Agreement and has taken all the necessary action required to authorize the execution, deliver and performance of this Facility Agreement and upon execution, this Facility Agreement will constitute legal, valid and binding obligations of the Borrower enforceable in accordance with their respective terms (g)the entry into, delivery and performance by the Borrower of, and the transactions contemplated by, the Transaction Documents do not and will not conflict with any Applicable Law, with the constitutional documents, if any, of the Borrower; or with any agreement or instrument which is binding upon the Borrower or on any of its assets (h) no default is subsisting or might result from the execution of, or the availing of the Facilities under, the Facility Agreement by the Borrower (i) the most recent audited accounts of the Borrower have been duly audited and prepared in accordance with applicable accounting principles and practices and represent a true and fair view of its financial condition and there has been no Material Adverse Effect since the date on which those accounts were drawn up (j) all taxes and compliance reports have been filed in time and no claims are pending thereof (k) the facility is 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 party (l) none of the Borrower and its promotors, directors and partners, affiliates, subsidiaries or associate companies or group companies are in default or been included in any list of defaulters or have committed breach of any agreement with any person who has provided loan or deposits or advances or guarantees or other financial facilities to the Borrower or any regulatory or statutory authority (m) there are no legal or other adverse proceedings of any nature pending against the Borrower or its promoter, directors, partners in management of the Borrower or any of its assets which have a Material Adverse Effect (n) the properties mortgaged are mortgaged by its legal owners and there are no encumbrances over the same save and except as permitted by the Bank and the Borrower shall not hereafter encumber the Assets without the permission of the Bank (m) the purpose and the business of the Borrower is legally and regulatory valid (n) no notice has been served with respect to winding up, receivership ,custodian for the Borrower or any of its assets or that the Borrower be placed in bankruptcy; 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 composition with creditors of the Borrower or 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 (o) the borrower has not committed any breach under any agreement entered into with any person for availing any finance facility.

(ii) 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) No director of the Bank is a director, manager, managing agent, employee or guarantor of the Borrower, or of a subsidiary of the Borrower, or of the holding company of the Borrower, or holds substantial interest, in the Borrower or a subsidiary or the holding company of the Borrower and no directors of any other bank, including directors of scheduled cooperative bank and directors of subsidiaries/trustees of mutual funds/venture capital funds, holds substantial interest or is interested as director or as a guarantor of the Borrower; and (iii) No relative (as specified by RBI) of a Chairman / Managing Director or director of banking company, including directors of scheduled cooperative bank and directors of subsidiaries/trustees of mutual funds/venture capital funds (including the Bank) or a relative of senior officer (as specified by RBI) of the Bank, hold substantial interest or is interested as a director or as guarantor of Borrower.

The Borrower shall not induct a person in the capacity of key managerial person/ director / promoter who is a director / partner / member / trustee of a company / firm / association of persons / trust/ a person in charge and responsible for the management of the affairs of the Borrower, as the case may be, identified as willful defaulter. In the event of such a person is found to be a key managerial person/ director / partner / member / trustee of a company / firm / association of persons / trust/ a person in charge and responsible for the management of the affairs of the Borrower, as the case may be, identified as willful defaulter, the Borrower shall take expeditious and effective steps for removal of such person.

(iii) Other than the payment of stamp duty which has already been paid and is shown on the face of each Transaction Document and the filing of forms as required under the Act with the relevant Registrar of Companies, it is not necessary that the Transaction Documents be filed, recorded or enrolled with any court or other authority or that any stamp, registration or similar tax be paid on or in relation to the Transaction Documents or the transactions contemplated by the Transaction Documents. No Potential Event of Default is continuing or might reasonably be expected to result from the availing of the Facilities. No other event or circumstance is outstanding which constitutes a default under any other agreement or instrument which is binding on it or to which any of its assets are subject and no notice has been received and no proceeding is threatened in relation to any other agreement or instrument.

(iv) Disbursement made to one borrower shall amount disbursement to all the borrowers.

(v) The Borrower shall bear all costs of making good any deficit in stamp duty on the documents executed by the Borrower in relation to the Facilities and/or security created by the Borrower in favour of Bank.

(vi) Borrower shall allow the Bank to audit and inspect its books and records and the premises mortgaged and goods hypothecated to the Bank.

(vii) The Borrower irrevocably agrees and consents that the authorized signatory is hereby authorized to authenticate/e-sign/affix digital signature for the purposes of DLOF on any e-platform/digitized platform as may be desired by the Bank.

(viii) The Borrower understands and agrees that the Borrower shall keep its electronic devices used for execution of this Facility Agreement fully updated and protected against any virus, malfunction or cyber related threats. The Borrower agrees that neither the Bank or any e-service/software provider intermediary shall be held responsible for any failure or defect of Borrower’s equipment, other software, facilities, third party applications employed by the Borrower, or internet connectivity or for any reasons in relation to the use of the e-platform/digital platform of the Bank or through any vendor/s appointed by the Bank and electronic and/or digital stamping and/or execution of this Facility Agreement and related documents.

4. **Covenants**

4.1 The Borrower undertakes and covenants with the Bank that the Borrower shall utilize the Facilities only for the Purpose permitted by the Bank and also repay the Facilities and interest thereon and all monies owing to the Bank hereunder, according to the terms hereof and ensure that the payment obligations under the unsecured Facilities, if any will at all times rank at least pari passu with all your other present and future unsecured indebtedness. The Borrower shall conduct business in compliance with all applicable laws, regulations, Authorizations, licenses and consents. The Borrower shall also notify the Bank of the occurrence of any event or the existence of any circumstance which constitute or results in any declarations, representations, warranty, covenants or condition under this Facility Agreement and/or the other Transaction Documents being or becoming untrue or incorrect in any respect. the Borrower shall ensure, that at its own cost and expense (if required), the Borrower shall keep or cause to be kept the security, if any, under the Borrower's Loan Documents, insured against such risks, and for such amount(s) and for such period and in such form(s) as the Lender may from time to time require, with the Borrower named as loss payee therein. "The Borrower shall maintain insurances against such risks and to such extent as is usual and appropriately prudent. The Borrower shall deliver to the Bank copies of all documents, unaudited semi-annual profit and loss statement and balance sheets requested by the Bank with the period specified by the Bank, independently audited annual accounts within six months, or such other period as reasonably required by the Bank from time to time. The Borrower shall promptly inform the Bank of any litigations, or other proceedings, which have a Material Adverse Effect.

4.2 The Borrower shall 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 Facility 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 relations to the Facilities.

4.3 The Borrower unconditionally agrees, undertakes and acknowledges that the Bank shall have the right to unconditionally cancel its outstanding un-drawn commitment in the event of deterioration in the Borrower's creditworthiness.

For the purpose of the above clause, deterioration in the Borrower's creditworthiness shall include without limitation:

(a) downgrade by a Credit Rating Agency;
(b) inclusion of the Borrower and/or any of its directors in RBI's willful defaulters list;
(c) closure of a significant portion of the Borrower's operating capacity;
(d) decline in the profit after tax of the Borrower as per prevailing policy of the Bank.
(e) any adverse comment from the statutory auditor of the Borrower; and
(f) failure of the Borrower/security provider to comply with the terms and conditions of Facility Agreement and/or Security Documents.

4.4 The Borrower unconditionally agrees, undertakes to get itself rated by Credit Rating Agency/ies at such intervals as may be decided by the Bank, failing which the Bank shall have the right to review the applicable interest rate and/or costs, charges and expenses, which shall be payable by the Borrower/security provider and on such date/s or within such period as may be specified by the Bank.

4.5 The Borrower 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 unimpaired access to the godowns at all times and where the godowns are hired by or let to the Borrower, Borrower shall furnish to the Bank a letter from the landlords/ owners consent to continue such unimpaired 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 good, movables and other 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.

4.6 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 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 as defaulters (including as willful 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 (a) information and data relating to the Borrower (b) the information or data relating to the Facilities availed of/to be availed, by the Borrower; and the information and details of the default, if any, committed by the Borrower, in discharge of the indebtedness .The Borrower agrees and undertakes that (a) 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 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.

4.7 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 Facility 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.

4.8 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 any other bank(s)/ financial institution(s) in the form and manner prescribed by the RBI.

4.9. The Borrower undertakes and covenants that the Borrower shall not, directly or indirectly, utilize any part of the Facility, or permit the same to be utilized, for investment, trading, or any speculative or other non-permissible activity involving virtual currencies, including but not limited to cryptocurrencies and/or other similar digital assets. Any breach of this covenant shall constitute an Event of Default under this Agreement, entitling the Lender to recall the Facility forthwith and/or initiate appropriate legal proceedings, including but not limited to recovery actions and enforcement of any other remedies available under Applicable Law.

5. **Negative covenants**

5.1 The Borrower covenants and undertakes that, as long as the Facilities or any part thereof are outstanding, the Borrower shall not, without the prior written consent of the Bank having been obtained (a) contract, create, incur, assume or suffer to exist any indebtedness or avail of any credit facilities or accommodation from any banks (s) or financial institution(s) (b) amend or modify its constitutional documents, if any or any person, firm or company in any manner (other than the Banks(s) at present providing facilities to the Borrower and as disclosed to the Bank,) except as otherwise permitted under this Facility Agreement (c) undertake or permit any merger, de-merger, consolidation, reorganization, scheme of arrangement, or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction including creation of any subsidiary or permit any company to become its subsidiary (d) create or permit to subsist any charge, lien, encumbrance in any form whatsoever on any of its assets which constitute Securities, or (whether voluntarily or involuntarily (e) sell, transfer, grant lease or otherwise dispose of or deal with any of the assets which constitutes Securities for the Facilities (f) in the event the Borrower is a company declare or pay any dividend or authorize or make any distribution

(i) unless it has paid all the dues in respect of the Facilities or has made provisions therefore satisfactory to the Bank or (ii) if any Event of Default has occurred and is subsisting or would occur as a result of such payment (g) prepay any indebtedness incurred by the Borrower (h) pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities (i) undertake any new project, diversification, modernization, which are material in nature, or substantial expansion of any its projects (j) Make any investments whether by way of deposits, loans or investment in share capital or otherwise, in any concern or provide any credit or give any guarantee, indemnity or similar assurance except loans and advances granted in the ordinary course of business (k) change the accounting method or policies currently followed by the Borrower unless expressly required by applicable law (l) engage in any business or activities other than those which the Borrower is currently engaged (m) In the event the Borrower is a company, recognize or register any transfer of shares in the Borrower, capital made or to be made by the promoters and their associates except as may be permitted by the Bank (n) In the event the Borrower is a company (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) 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

5.2 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 Bank of any of its Branches wherever situated 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 set off on all monies, deposits, assets and other properties which may now or hereafter be payable by the Bank to the Borrower for any reason or purpose whatsoever. 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 dominated. The Borrower has also executed a general lien cum set off letter, annexed herewith as Annexure 1, in this regard.

6. **RECORDS AND INSPECTION**

The Borrower shall keep and maintain in accordance with good business practice and Applicable 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 such records shall be open to examination by the Bank and / or its authorised representatives and the Borrowers 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 register shall clearly indicate which of the assets have been hypothecated/mortgaged/pledged or otherwise charged to the Bank or to any other person/entity.

7. Any security(ies) furnished by the Borrower, under any other agreement entered into or to be entered into with the Lender, shall be deemed to be the security(ies) under this Facility Agreement and shall not be discharged till such time all the loan(s)/ facility(ies) are fully discharged to the satisfaction of the Lender. The Borrower has also executed a letter of general lien cum set off in this regard, annexed herewith as Annexure 1, which enumerates the provisions of cross linking, cross collaterization and cross default with respect to all the credit Facilities availed by the Borrower or any other Obligor.

8. **REGULATORY DECLARATION**

8.1 Declarations (in case Borrower is a company): By signing this Facility Agreement, the Borrower hereby declares that as at the date hereof, none of its directors or Guarantor (or any of its directors, if applicable) is a director/senior officer of a director/senior officer of a banking company, or in a specified near relation of a director/senior officer of the Lender. Except to the extent disclosed to the Bank, all the Borrower's contracts or agreements with, or any commitments to, any affiliates or group companies (if applicable) are on arm's length basis. Further, no director of the Bank is a director, manager, managing agent, employee or guarantor of the Borrower/its subsidiary/holding company and no directors of any other Bank, including directors of scheduled cooperative bank and directors of subsidiaries/trustees of mutual fund/venture capital funds holds substantial interest or is interested as director or as a guarantor of the Borrower. The Borrower or any directors/ promoters/ associate concerns/ of any of the Borrower (including the Guarantor) are not and, to the best of their knowledge:

- (i) on the Export Credit Guarantee Corporation's (ECGC's) specified approval list; or
- (ii) convicted under the provisions of Conservation of Foreign Exchange and Prevention of Smuggling Activities Act, 1974; or
- (iii) on RBI's willful defaulters/ caution list; or
- (iv) on the Lender's defaulter list; or
- (v) or not qualified to act as director in accordance with applicable Law.

8.2 In case where the above negative confirmations/ declarations are not true, then the Borrower shall provide a written declaration with details of such relationship to the Lender. If the details of such declaration change during the term of the Facility, then the Borrower shall promptly provide a written declaration to the Lender of any such changes.

8.3 The Borrower hereby gives specific consent to the Bank/Lender for disclosing / submitting the 'financial information' as defined in Section 3 (13) of the Insolvency and Bankruptcy Code, 2016 ('Code' for brief) read with the relevant Regulations/ Rules framed under the Code, as amended and in force from time to time and as specified there under from time to time, in respect of the Credit/ Financial facilities availed from the Bank/ Lender, from time to time, to any 'Information Utility' ('IU' for brief) as defined in Section 3 (21) of the Code, in accordance with the relevant Regulations framed under the Code, and directions issued by Reserve Bank of India to the banks from time to time and hereby specifically agree to promptly authenticate the 'financial information submitted by the Bank/Lender, as and when requested by the concerned 'IU".

9. **EVENTS OF DEFAULT**

The occurrence of any one or more of the following events shall constitute an Event of Default under the Facility Agreement ("Event(s) of Default") and on the question whether any of the above events/circumstances has occurred/happened, the decision of the Bank shall be final, conclusive and binding on the Borrower:

(i) Default has occurred in the payment of any monies in respect of the Facilities on the Due Dates, whether at stated maturity, by acceleration or otherwise.

(ii) Default other than a payment default has occurred in the performance of any covenant, condition or agreement on the part of the Borrower or any other person under the Transaction Documents.

(iii) Any representation, warranty or statement made by any of the Obligors in any Transaction Document to which it is a party, or any other document delivered by or on behalf of it under or in connection with any Transaction Document, is or proves to have been incorrect or misleading in any respect when made or deemed to be made.

(iv) The Security tendered to the Bank or the charges created thereon in Bank's favor shall become wholly or partially invalid or unenforceable

(v) The Borrower shall for any reason cease or be unable to carry on business or appointment of a receiver of the Borrower's assets or the Borrower fails to maintain the financial covenants as stipulated

(vi) The Borrower does not upon demand furnish acceptable additional or alternate security

(vii) There exist circumstances which in the opinion of the Bank prejudicially affects or may affect the Borrower' ability to pay/ repay the amounts due under the Facilities and interest thereon or pay any amount due to the Bank

(viii) There is change in ownership, management and control of the Borrower without prior written consent of the Bank

(ix) Any violation of covenant of Borrower under this Facility Agreement shall also constitute event of default .

(x) If Borrower fails to create security in favor of Bank.

(xi) If Borrower dies.

(xii) If Borrower ceases or threatens to cease its business.

(xiii) 1. If the Borrower, suspends making payment on any of its debts or, by reason of actual or anticipated financial difficulties, commences negotiations with any one or more of its creditors (or any class of them) with a view to rescheduling any of its indebtedness or makes a general assignment for the benefit of or composition with its creditors of admits or is ordered to pay any liability and such liability is not paid when due; and if

(a) The value of the assets of the assets of the Borrower is less than its liabilities;

(b) A moratorium is declared in respect of any indebtedness of the Borrower;

(c) A liquidation order has been passed against the Borrower in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016;

(d) A resolution plan in respect of the Borrower is not submitted to the adjudicating authority at the end of the insolvency resolution process period under the Insolvency and Bankruptcy Code, 2016;

(e) An application is filed by any financial creditor or any operational creditor of the Borrower and/or Obligor for the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.

2. Any corporate action, legal proceedings or other procedure or step is taken in relation to:

(a) the suspension of payments, a moratorium of any indebtedness, insolvency resolution, liquidation, dissolution, administration, provisional supervision or reorganisation (by way of voluntary arrangement, scheme of arrangement or otherwise) of the Borrower;

(b) a composition, compromise or arrangement with any creditor of the Borrower or an assignment for the benefit of creditors generally of the Borrower (or a class of such creditors);

(c) the appointment of a liquidator, receiver, administrator, administrative receiver, compulsory manager, provisional supervisor, insolvency professional or other similar officer in respect of the Borrower or any of their assets;

(d) enforcement of any Security Interest over any assets of the Borrower.

(e) Any other event which prejudicially alters the Bank's interest or may have Material Adverse Effect.

3. The Facilities are utilized for any other purpose other than the purpose enumerated in this Facility Agreement or the Sanction Letter.

(a) If one or more judgments or decrees have been rendered or entered against the Borrower and such judgments or decrees are not vacated, discharges 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.

(b) Failure of Borrower to get itself rated by a credit rating agency/ies.

(c) The Borrower is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due.

(d) If the Borrower without prior written consent of the Bank attempts to create any charge, mortgage, pledge, hypothecation, lien or any other encumbrance over the Borrower's property or any part of the property which is made as security for the repayment of the loan.

(e) If the Borrower being a partnership is under the process of dissolution or is dissolved.

(f) If it is certified by an accountant appointed by the Bank (which the Bank is entitled and hereby authorized to do so at any time) that that the liabilities of the Borrower exceed the Borrower's assets or that the borrower is carrying on business at a loss and (s) If the Borrower defaults in respect of any other indebtedness to the Bank or any of the Affiliates/group companies of Borrower defaults in respect of their indebtedness to the Bank.

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.

4. The Borrower expressly agrees and accepts that in the event of any default being committed by the Borrower under any other agreement with the Lender, under which the Borrower is enjoying financial/ credit facility, such event, shall be considered as an event of default occurred under this Facility Agreement and the Lender, shall be absolutely entitled to exercise all or any of its rights under this Facility Agreement or under applicable law including SARFAESI Act 2002 or any corresponding law and including right to set off in respect of any amount standing to the credit of the Borrower in any/all of the loan/ facility(ies) availed/to be availed from the Lender.

(a) Any financial indebtedness of the Borrower is not paid when due or within any originally applicable grace period.

(b) Any financial indebtedness of the Borrower is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of an event of default, a default or other similar condition or event (however described).

(c) Any commitment for any financial indebtedness of the Borrower is cancelled or suspended by any of its creditors as a result of an event of default, a default or other similar condition or event (however described).

(d) Any creditor of the Borrower becomes entitled to declare any financial indebtedness of the Borrower due and payable prior to its specified maturity as a result of an event of default, a default or other similar condition or event (however described).

10. **WAIVER**

No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default or otherwise under the 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 the 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.

11. **INDEMNITY**

(a) The Borrower shall, without protest or demur, irrevocably and unconditionally pay, indemnify, defend and hold harmless, the Bank against any and all, losses, liabilities, obligations, damages, litigations expenses, judgments, costs, taxes, penalties, charges, expenses (including, without limitation, advisors' fees), claims, fines, penalties, proceedings, actions or demands, whatsoever which may be brought or made against or sustained or incurred by the Bank (whether directly or indirectly and whether paid by Bank or not) or which the Bank may become liable under or in respect of this Facility Agreement and any action or proceedings made or brought against the Bank, its correspondents or confirming banks or agents; without deducting any tax in India whether or not such payment attract withholding tax in India or requires due certification by a qualified accountant.

(b) The Borrower shall upon demand pay to or reimburse the Bank in full a) the legal costs of the preparation of this Facility Agreement, documents creating security and all documents relating thereto (b) all costs, expenses and fees relating to the periodic valuation, inspection, insurance and protection/preservation in any other manner of the security tendered to the Bank and all costs (including legal fees) incurred by the Bank in preserving perfecting or enforcing any of its rights under or in respect of this Facility Agreement, or any present or future security and other documents

12. **MISCELLANEOUS**

All notices or other communications under or in connection with the Facilities shall be given in writing and, unless otherwise stated may be made by letter or facsimile. Any such notice or other communication will be deemed to be effective:

(i) if sent by letter, when delivered personally or if dispatched by post, when recall of the letter is outside the control of the sender; and

(ii) if sent by facsimile, on receipt of a confirmation from 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:

(a) the Borrower's address or facsimile number; and

(b) the Bank's address or facsimile number of its zonal / regional office specified in the Sanction Letter, or to such other address or facsimile number as may be designated by the Borrower and the Bank in writing to each other. The Borrower acknowledges and confirms that notice, if any, provided by the Bank, as specified in this paragraph or in any other manner whatsoever, of any changes in rate(s) mentioned above or any notice from the Bank for payment of amounts at the changed rate(s), shall be treated by the Borrower as sufficient and reasonable notice to the Borrower and the Bank is not bound to issue any further notice of such changes to the Borrower.

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.

12A. **Appropriation of Payments**

Unless otherwise agreed to by Bank any payment due and payable under the Facility Agreement and made by the Borrower or received by Bank would be appropriated towards outstanding dues, in the order, namely:

(a) Interest on fees, costs, charges, expenses and other monies;

(b) Fees, costs, charges, expenses and other monies;

(c) Penal Charges and Overdue/ Temporary Overdraft Charges;

(d) Interest;

(e) Repayment of the principal amount under the Facilities.

Notwithstanding the above, any amount paid to the Bank maybe appropriated by the Bank towards the outstanding dues, in the manner the Bank may deem fit at its sole discretion.

13. After receiving from the Bank, any statement giving details of: the aggregate debit balance in the Account as on the date stated in such statement; the further applicable accrued interest from the aforesaid date mentioned in the aforesaid statement; securities, if any, created for securing the Facilities / the amounts stated in the aforesaid Account, the Borrower shall forward its acknowledgement of the aforesaid indebtedness and the securities, if any, specified in the aforesaid statement, in the form prescribed by the Bank. If the Bank does not receive such acknowledgement from the Borrower within a period of 10 (ten) days from the date of receipt of statement from the Bank, the Borrower shall be deemed to have confirmed the correctness of the entries in such statement and acknowledged the indebtedness for the balance mentioned in the aforesaid statement. Non-receipt by the Borrower of statements pertaining to the Account or the incorrectness of any entry therein shall be brought to the notice of the Bank by the tenth day of every month or on receipt of such statement, as the case may be.
14. The Facility Agreement and all the other transaction documents (unless otherwise specified in any Transaction Document) shall be governed by and construed in accordance with the laws of India.
15. The Borrower shall not assign, securitize, novate or transfer all or any of its rights, benefits or obligations under the Transaction Documents without the approval of the Bank. The Bank may, at

any time, assign, securitize, novate or transfer all or any of its rights, benefits and obligations under the Transaction Documents without notice to the Borrower. Notwithstanding any such assignment, securitization, novation or transfer, the Borrower shall, unless otherwise notified by the Bank, continue to make all payments under the Facility 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.

16. Notwithstanding anything contained above, the Bank may without notice to the Borrower in its sole discretion, 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 the 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 the 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, securitization, novation or transfer shall conclusively bind the Borrower.
17. Any provisions of this Facility 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 Facility Agreement or any other Transaction Document or affect such provision in any other jurisdiction.
18. Any provision of the Transaction Documents 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 the Transaction Documents or affect such provision in any other jurisdiction.
19. (i) On the happening of any event of defaults as stated above, the Bank shall have the right to convert (which right is hereinafter referred to as the "Conversion Right") at its option the whole or part of the outstanding amount of the Facility whether then due and payable or not), into fully paid-up equity shares of the Borrower, at the fair market value on the date or at par, whichever is lower (which date is hereinafter referred to as the "Date of Conversion") and in the manner specified in a notice in writing to be given by Bank to the Borrower (which notice is hereinafter referred to as the "Notice of Conversion").
    (ii) The Conversion Right reserved as aforesaid may be exercised by the Bank on one or more occasions during the currency of the Facility on the happening of the event specified hereinabove.
    (iii) On receipt of Notice of Conversion, the Borrower shall allot and issue the requisite number of fully paid-up equity shares to the Bank, in proportion to its outstanding amounts as on the Date of Conversion and the Bank shall accept the same in satisfaction of the outstanding amounts so converted.
20. The Bank shall be entitled to alter/vary/modify the terms of this Facility Agreement or the Sanction Letter at any time either on its own accord or as may be required by any statutory authority.

    Where the Borrower is an individual) he/she is not a director or specified near relation of a director of a banking company; 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; 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.

Where the Borrower is an individual, that he/she is not a specified near relation to any senior officer of the bank; 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 officer of the bank; where the Borrower is a joint stock company, none of its directors, is a specified near relation of any senior officer of the bank.

21. 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 the Bank 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.
22. The various working capital facilities shall be interchangeable within the Overall Limits and as further detailed in the Sanction Letter.
23. The Borrower unconditionally agrees, undertakes and acknowledges that the Bank has an unconditional right to cancel the outstanding un-drawn commitments under the Facility Agreement at any time during the currency of the Facilities and that the Bank shall endeavour to provide prior intimation of the same to the Borrower. The Borrower unconditionally agrees, undertakes and acknowledges that the Bank shall have the right to unconditionally cancel its outstanding un-drawn commitment in the event of deterioration in the Borrower's creditworthiness.
24. Borrower accepts that if during the duration of this Facility Agreement, there is significant change in law (such as implementation of GST or any other law) which may result into material economic benefits accruing to the Borrower in tax positions after the effective date of law, then both the parties shall consult promptly in good faith to make necessary revisions and adjustments to this Facility Agreement as required.
25. The Borrower undertakes and acknowledges that it is the responsibility of the Borrower to provide the Bank with the appropriate records/ communication address to determine the relevant location of the recipient of service. In case of any tax or related demand due to failure of the Borrower to provide the correct address, the same will be borne by the Borrower.
26. The Borrower undertakes and acknowledges that it is the responsibility of the Borrower to communicate the GSTIN number of particular state for the purpose of billing. In case of unregistered Borrower, the address as given under Borrower's Details would be considered for the purpose of computation of GST. In case of unregistered Borrower, the address as given under Borrower's Details would be considered for the purpose of computation of GST. In case of registered applicants, the address given under Borrower's Details shall be considered as the registered place of business for the purpose of computation of GST. Please note that for the purpose of this Facility Agreement, registered applicant would mean a person registered under the GST Act.
27. For the purpose of this clause, the term 'GST' shall include the Central Goods and Services Tax ('CGST'), the State Goods and Services Tax ('SGST'), Integrated Goods and Services Tax ('IGST'), Union Territory Goods and Services Tax ('UTGST') and any other taxes levied under the GST related legislations in India as may be applicable. The term 'GST legislation/s' should be accordingly interpreted.
28. This Facility Agreement shall become binding on the Borrower and the Bank on and from the date Lender executes the Facility Agreement or the date of acceptance of the Sanction Letter whichever

is earlier. It shall be in force till all the monies due and payable under this Facility Agreement and the other transaction documents are fully paid off by the Borrower to the Bank.

29. This Facility Agreement and all documents executed under/in relation to this Facility Agreement shall be governed by and construed in accordance with the laws of India of Business Banking.
30. The Borrower shall execute in favour of the Bank or any nominee of the Bank any further/additional/fresh deeds/documents etc. whenever required by the bank to do so.
31. This Facility Agreement shall be read in conjunction with the Sanction Letter. In case of any inconsistency, the decision of the Bank in this regard shall be final and binding on the Borrower.
32. The Borrowers and the Guarantors confirm that the Lender may for the purposes of credit reference checks, verification, assignment, securitization, novation etc. disclose any information/documents relating to the Borrowers and the Guarantors (pertaining to the Facility availed by the Borrower) to any third party appointed by it. The Borrowers and the Guarantors further authorize the Lender to disclose said information /documents to RBI, income tax authorities, credit bureau, third parties, credit rating agencies, databanks, corporates, banks, financial institutions or any other government or regulatory authorities, statutory authorities, quasi-judicial authorities.
33. This Facility Agreement shall be operative for the balance from time to time due by the Borrower to the Bank in the Facilities Account relating to the relevant Facilities and such Facilities Account shall not be considered as closed by reason of such Facilities Account being brought to credit at any time or from time to time or of its being drawn upon to the full extent and afterwards brought to credit or ceasing to be in debit due to set off of amounts standing to the credit of any account(s) of the Borrower and this Facility Agreement will continue to be operative and unaffected until such relevant Facilities are terminated and all monies in respect thereof are repaid in full to the Bank.
34. The Bank shall have full right to renew/extend the credit facility at its sole discretion. In the event, any of the credit facilities are granted on revolving basis then the Borrower shall be entitled to, subject to that no Event of Default has occurred and is continuing and at the discretion of the Bank, to redraw any amount so repaid upto the overall limits. Any amount redrawn by the Borrower post expiry of tenure of the credit facility shall amount to deemed renewal of the credit facility and the Borrower shall be liable to repay the amount so drawn without as per the terms of the loan agreement and sanction letter.
35. The terms and conditions of this Facility Agreement is adhered with the terms and conditions of the Recovery Policy as per the RBI circular wherein parties will be abide by provisions regarding
    (i) notice period before taking possession
    (ii) circumstances under which the notice period can be waived
    (iii) the procedure for taking possession of the security
    (iv) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property
    (v) the procedure for giving repossession to the borrower and
    (vi) the procedure for sale / auction of the property.

35A. Appointment of Third Parties/Recovery Agents: The Bank may, in its sole discretion, exercise or discharge any of its rights, functions, powers or duties under the Agreement either by itself (through its officers or employees) or through its appointed third parties (including recovery agents).

The Borrower confirms and expressly consents to the Bank that upon occurrence of an Event of Default, the Bank either by itself (through its officers or employees) or through its appointed third parties (including recovery agents), use the contact details provided by the Borrower and Guarantor to the

Bank to get in touch with the Borrower/Guarantor including their authorised signatory(ies)/ representative(s) and family members and disclose them relevant details pertaining to the Facility.

36. For DLOD Facility:

a) The Borrower shall ensure that the Electronic Debit Instructions (EDI) given to the Bank by the Borrower(s) pursuant to this Facility Agreement; shall not modified or countermanded without prior written permission of the Bank.

b) If not acted upon by the Bank for whatever reason, then without prejudice to the rights of the Bank to recall, revoke/ cancel the entire amount outstanding under the DLOF, the Borrower(s) shall issue such revised instructions as may be necessary to ensure payment to the Bank in terms of this Facility Agreement and/ or to issue and deliver cheques for the repayment of the balance outstanding under the DLOF as per the instructions of the Bank from time to time;

c) The Borrower(s) shall not

i) Close the bank accounts from which cheques have been issued/ EDI has been given:

ii) Issue any communication to the Bank for stopping or postponing for presentment of the said cheques

d) The Borrower shall procure and deliver to the Bank before any drawals are made under the Drop Line overdraft Facility irrevocable and unconditional guarantee(s) from the Persons specified as Guarantor(s) mentioned under the Sanction Letter (in favour of the Bank for the due repayment of the Facility and the payment of all interest and other monies payable by the Borrower, in a form prescribed by the Bank. The Borrower shall not pay any guarantee commission to the Guarantor(s).

e) The Borrower(s) may deliver Electronic Debit Instructions ("EDI") to the Bank with respect to the DLOF Account (which are popularly known as "Standing Instructions") for payment of the Equated Monthly Reductions that are payable by the Borrower(s) to the Bank in accordance with this Facility Agreement and the Schedule 1. For such purpose. the Borrower(s) shall sign and execute all documents/ applications and provide all such information/ documents as may be required for effecting EDI by the Bank.

f) The Borrower shall secure to the satisfaction of the Bank the DLOF together with all interest, liquidated damages, costs, charges and expenses and all other moneys whatsoever due and payable by the Borrower to the Bank ("the said dues"),by creating the Security as mentioned in the Schedule/Sanction Letter in favour of the Bank. The value of the Security to be offered for the DLOF shall be with respect to the drawing power as determined by the Bank from time to time.

g) The Borrower shall ensure that the value of the Security does not diminish during the Tenure and shall furnish upon demand additional security in such form and value as may be required by the Bank from time to time in amounts and values sufficient at all time in the opinion of the Bank to secure the payment of the DLOF provided herein and any other obligations of the Borrower to the Bank.

h) The Borrower further acknowledges and confirms that the credit of the amounts under the DLOF is solely at the discretion of the Bank and may depend on various factors like, drawings beyond the limit specified in the Schedule/Sanction Letter, honouring cheques issued for other than the Purpose, classification of the Borrower(s)'s account as a non-performing asset or on account of non-compliance with the terms of sanction. The Bank does not have an obligation to meet further requirements of the Borrower(s) on account of growth in business etc. without proper review of credit limit.

37. **ARBITRATION**

The Parties hereto unconditionally agree and accept that, any matters, questions, differences and/or dispute, controversy, or claim arising out of or relating to this Agreement, or the breach thereof shall be resolved through Arbitration Proceedings under the Arbitration and Conciliation Act, 1996 (as amended from time to time). Both the Parties also irrevocably agree that seat of all/any arbitration proceedings shall be at Jaipur and the parties have accepted the online mode for conduct of arbitration proceedings. The Parties further agree that the arbitration proceedings shall be conducted online under the aegis of any of the arbitral/ selected ODR (Online Dispute Resolution) institutions mentioned in the Schedule A to the present Agreement. In case the Borrower/ Obligor opts for/ chooses physical arbitration proceedings in place of ODR then they shall opt for the same by sending a relevant written communication in this regard to the selected ODR institute within 7 days of initiation of online arbitration proceeding, at the decided venue/ seat of arbitration i.e., Jaipur.

The list of arbitral/ODR Institutes has been chosen by the Parties after evaluating the concept, Bye laws, process and methodology adopted by them and the parties unequivocally agrees to follows the same. The award given by the competent arbitrator(s) by the selected Arbitral/ ODR institution under the aegis of such ODR institution(s) shall be final and binding on all Parties to the Agreement

In respect of the matters where it is determined in an arbitration proceeding conducted in accordance with the preceding paragraph that (i) the arbitration proceeding provided in such paragraph is unenforceable; or (ii) the subject matter thereof is non-arbitrable under the Indian Arbitration and Conciliation Act 1996, as amended, in such a situation, courts in Jaipur, India will have exclusive jurisdiction in relation to such matters, each party irrevocably waives any right it may have to object to an action being brought in any of those courts, to claim that the action has been brought in an inconvenient forum or to claim that those courts do not have jurisdiction.

38. Bank shall be entitled to contact the Borrower and the Guarantor for any promotional campaign/offers through any electronic media including WhatsApp.

38 A. Grievance Redressal Mechanism:

For redressal of any grievance arising out of this Agreement, the Borrower may adopt the redressal mechanism laid down in the grievance redressal policy of the Bank which is uploaded on the Bank's website www.aubank.in and/or may contact the nodal grievance redressal officer, as per the matrix and on the email/phone number provided in Schedule 1 attached to this Agreement.

39. The date of execution of this Facility Agreement shall be the date as mentioned in Schedule 1. In case the date is kept blank under Schedule 1 of this Facility Agreement and the document is digitally/electronically signed, the date of execution of this Facility Agreement shall be the date when the Facility Agreement was last signed digitally/electronically by either party ("Last Digital Date"). With respect to date of execution of documents executed in relation to the Facilities , the same understanding shall be applied where the document is to be signed by more than one person.
40. The Borrower hereby irrevocably agrees and consents to electronic and/or digital stamping and/or execution of this Facility Agreement and related documents in any manner as deemed fit by the Bank including but not limited using Aadhar or One Time Password (OTP) or Biometric based authentication or USB token based Digital Signature Certificate (DSC).
41. The Borrower hereby irrevocably agrees, consents and authorizes the Bank to use the Borrower's/ authorized signatories' Aadhaar details and core biometric information to authenticate and verify the Borrower/authorize signatories. The Borrower hereby irrevocably agrees and consents that by entering the OTP and/or providing the fingerprint impression (Biometric KYC) of the Borrower /authorized signatories, it shall be treated as implied and voluntarily consent of the Borrower /authorized signatories to the Bank to validate the PAN and use the Aadhaar details for Aadhaar biometric authentication and the Borrower hereby authorizes the Bank to fetch the Borrower's/ authorised signatories' personal details from National Securities Depository Limited (NSDL) and from Unique Identification Authority of India (UIDAI) respectively.

42. The Borrower hereby irrevocably agrees, consents and accepts that the Facility Agreement and related documents may be executed/digitally stamped/stored through the e-platform/digital platform of the Bank or of /through any vendor/s appointed by the Bank and also accept terms of such platform related to execution, e-stamping, data storage etc. The Borrower accepts that the documents accepted and/or executed on such e-platform/digital platform, shall be valid and binding upon the Borrower and can be relied upon and used by the Bank as a proper form of evidence and the undertakes not to raise any dispute or question as regards the terms and conditions accepted thereon and as regards the documents executed on the electronic/digital platform. The Bank or such third party vendors shall be entitled to collect all data of the Borrower relating to IP address, location of the computer or other instrument used for execution and video recording for confirming the transaction.
43. The Borrower hereby irrevocably agrees and accepts that any communication received and/or sent from the Bank /third party vendors/agents etc. appointed by the Bank, whether by way of an SMS, email etc. on the registered mobile numbers/email id(s) of the Borrower/Borrower's authorized signatories available with the Bank shall be treated as valid and binding upon the Borrower. The Borrower also agrees consents and accepts that the Bank shall be at liberty to treat the registered mobile number/email id of the Borrower/Borrower's authorized signatories as valid and permitted cell number /email id for communication.
44. That disbursement of the Facilities into the account of the Borrower would be implied consent of the Borrower to avail the Facilities and to abide by all terms and conditions of the Facility Agreement and related documents and the same shall be valid and binding upon Borrower and no dispute shall be raised as regards the authority of the authorized partners/signatories or otherwise in respect of the documents executed in favour of the Bank..
45. The Borrower irrevocably agrees and consents that the authorized signatory is hereby authorized to authenticate/e-sign/affix digital signature for the purposes of the Facilities on any e-platform/digitized platform as may be desired by the Bank. The Borrower understands and agrees that the Borrower shall keep its electronic devices used for execution of this Facility Agreement fully updated and protected against any virus, malfunction or cyber related threats. The Borrower agrees that neither the Bank or any e-service/software provider intermediary shall be held responsible for any failure or defect of Borrower's equipment, other software, facilities, third party applications employed by the Borrower, or internet connectivity or for any reasons in relation to the use of the e-platform/digital platform of the Bank or through any vendor/s appointed by the Bank and electronic and/or digital stamping and/or execution of this Facility Agreement and related documents.
46. The provisions mentioned in clause 39-45 shall apply to all the documents digitally executed by the Borrower and/or Co-borrowers in relation to the Facilities.
47. The Borrower hereby confirms, acknowledges and agrees that the online acceptance of this Facility Agreement including any addendums hereto through the Website or such other internet or web-based means results in a binding contract between the Parties.
48. The Borrower is aware that transmission of this Facility Agreement, addendums to this Facility Agreement, terms and conditions, instructions, acceptances and communications ('Communications') through electronic means such as email, facsimile, SMS text messaging, WhatsApp, websites, online acceptance, etc. ('Electronic Media') involves a number of risks including fraudulent alterations and incorrect transmissions and absence of confidentiality. However, the Borrower is desirous of receiving Communications from and providing

Communications to the Bank through the Electronic Media for various matters under this Facility Agreement including in relation to the Facility and the operation thereof.

49. In consideration of the Bank permitting the same, the Borrower hereby irrevocably, confirms and undertakes to the Bank as under: (a) The Bank shall be entitled (without being bound to do so) to rely upon the Communications provided through the Electronic Media (and believe the same to be genuine), for their requirements. In case of any question as to what Communications were provided or received, the records of the Electronic Media received by the Bank shall be treated as final, conclusive and binding. (b) The Borrower has ensured and shall ensure that the Communications provided through the Electronic Media to the Bank are provided by the Borrower and hereby agrees and confirms that the Bank shall not be responsible for conducting any verification whatsoever in this regard. (c) The Borrower confirms that the Bank shall not be bound to act in accordance with whole or any part of the communications as it may appear in the Communications so conveyed and the same shall be at the sole risk of the Borrower. (d) The Bank shall not be liable for the consequences of any act or any refusal or omission to act or deferment of action by the Bank on basis of the Communications through the Electronic Media. (e) The Bank shall not be required to await receipt of the Communications in writing before taking any action in connection with the Communications provided through any Electronic Media and the non-delivery and non-conformity of such Communications in writing shall not in any manner prejudice the Bank's rights under this Facility Agreement or otherwise. (f) The Bank may at any time whatsoever without assigning any reason withdraw or modify or add the facility/ies provided to the Borrower in relation to the Communications through Electronic Media. (g) The Borrower is aware and confirms that the Bank is agreeing to act on any Communications provided through Electronic Media only by reason of and relying upon the undertaking and indemnities contained in this Clause.

PART A
ADDITIONAL PROVISIONS RELATING TO SPECIFIC PRODUCTS
(LETTER OF CREDIT(S) / LC)

1. **DEFINITIONS**

(i) In this Part, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.

"Amounts Devolved" means the sum of the payments due from the Borrower under all the LCs for which the Documents have been presented to and paid by the Bank but reimbursement thereof has not yet been made by the Borrower to the Bank.

"Applicable Rate of Exchange" means -

a) in case a forward exchange contract / swap has not been booked by the Borrower with the Bank, the applicable foreign currency bill selling rate of the Bank prevailing on the Date of Crystallization. Provided however, that if the relevant rate of exchange is not quoted or not available for any reason on such days, then the rate prevailing on the immediately next Business Day when such rate shall be quoted or be available shall be the Applicable Rate of Exchange;

b) the forward exchange contract / swap rate in case a forward exchange contract / swap has been booked by the Borrower with the Bank.

"Bills" means, as the context may permit or require, any or each of the bills of exchange drawn under the LCs.

"Date of Crystallisation" means the 10th day after the date of receipt of Documents by the Bank under the LCs in the case of a Sight LCs, or the date of maturity in the case of a Usance LC or as per applicable rules from time to time.

"Defaulted Amounts" shall have the meaning ascribed to it in clause 3 (Payment and Interest) of this Part, and, as the context may permit or require, shall mean any or all of such Defaulted Amounts.

"Documents" means the documents as specified under the LCs (including all bills) and drawn up in accordance with the terms of the LCs opened under the LC and / or the documents as specified under / or in connection with co-accepted bills.

"Documentary Credit Application" means, as the context may permit or require, any or each of the Borrower's application(s) to the Bank for opening LCs and all supporting documents furnished by the Borrower in respect thereof to the Bank.

"Goods" means the relevant goods described in the Documentary Credit Application.

"LC Outstanding" means the sum of the value of all the LCs opened by the Bank on behalf of the Borrower for which the Documents have not been presented to the Bank as well as the LCs where documents are received but are not due for payment / outstanding for payment.

"Letters of Credit" or "LCs" means, as the context may permit or require, any or each of:

(a) Usance LCs and / or Sight LCs, both inland and foreign,

(b) Usance LCs and / or Sight LCs, only foreign,

(c) Usance LCs and / or Sight LCs, only inland,

issued / opened by the Bank as per the Documentary Credit Application to the Bank for opening LCs and all supporting documents furnished by the Borrower in respect thereof to the Bank.

"Sight LCs" means the LCs which provides for payment by the Bank to the negotiating bank on presentation of relevant Documents drawn under the LCs.

"Suppliers" means the suppliers of Goods as per the terms of the LCs.

"SWIFT" means Society for World Wide International Financial Telecommunications, which expression shall include its successors and assigns.

"Usance LCs" means the LCs which provides for payment by the Bank on maturity as per the terms of the LCs.

(ii) All capitalised terms used but not specifically defined herein shall have the respective meanings ascribed to them under the relevant portions of the Facility Agreement.

2. LC FACILITIES

The Bank has, at the request of the Borrower, agreed to open Letters of Credit in foreign currencies and / or in rupees in favour of the Suppliers for amounts to the maximum extent of the respective Limits specified in the Facility Agreement (the "LC Facilities", which expression shall, as the context may permit or require, mean any or each of such LC Facilities) from time to time. Provided, however, the total of LC Outstanding and Amounts Devolved under the LC Facilities shall not at any point of time exceed the amount of the respective Limits.

3. PAYMENTAND INTEREST

(i) The Borrower shall accept and / or pay all Bills drawn in terms of the:

(a) Sight LCs, on presentation of Documents; and

(b) Usance LCs, on the date of its maturity.

(ii) If, on default by the Borrower in paying the Bills / amounts paid / payable by the Bank in respect of the LCs on the Date of Crystallisation, the Bank is called upon / required / expected to pay or has paid, all or any of the monies in pursuance of the LCs, the Borrower shall forthwith pay / reimburse to the Bank, all amounts payable or as the case may be, paid by the Bank under the LCs together with all interest, costs, charges, expenses and monies whatsoever stipulated in or payable under the Transaction Documents. The Bank shall be entitled, at its sole discretion, without any further consent from the Borrower, to debit any of the account at the branch specified in the Schedule 1 to the Facility Agreement and / or any of the other branches of the Bank, with the amount of any payments the Bank is required to make / makes under or in respect of the LCs, as also all interest, commission, charges and other monies payable by the Borrower in respect of the LCs.

(iii) (a) Notwithstanding the above and without prejudice to the Bank's other rights and remedies under the Facility Agreement, the Bank shall be at liberty to crystallise on the Date of Crystallisation, the Borrower's outstanding liability in respect of the LCs denominated in foreign currencies, by converting the foreign currency amount into Rupees, whereupon the Borrower shall forthwith pay / reimburse to the Bank the Indian rupee equivalent of such foreign currency amount as calculated at the Applicable Rate of Exchange in respect of such LCs (the "Defaulted Amounts - FC LC") and until such payment by the Borrower, the same shall unless otherwise agreed to by the Bank in writing be deemed to be on demand loan to the Borrower and shall, without prejudice to any other rights and remedies available to the Bank, carry interest at the rate specified in the Sanction Letter. Any difference on account of exchange fluctuations in the rates of foreign currencies involved between the payment made by the Borrower to the Bank and the actual amounts incurred by the Bank shall be borne by or be given credit to the Borrower. All payments made by the

Bank in foreign currencies may be, at the option of the Bank, converted into rupees with reference to the actual cost to the Bank (including all commission or other bank charges and out-of-pocket expenses) in remitting the foreign currencies.

(b) Notwithstanding the above and without prejudice to the Bank's other rights and remedies under the Facility Agreement, the Bank shall be at liberty to crystallise on the Date of Crystallisation, the Borrower's outstanding liability in respect of the LCs denominated in rupees (the "Defaulted Amounts - RLC") and until such payment by the Borrower, the same shall unless otherwise agreed to by the Bank in writing be deemed to be on demand loan to the Borrower and shall, without prejudice to any other rights and remedies available to the Bank, carry interest at the rate at the rate specified in the Sanction Letter.

Defaulted Amounts LC FC and Defaulted Amounts - RLC are hereinafter referred to as the "Defaulted Amounts".

(c) Notwithstanding anything contained herein, the interest payable by the Borrower with respect to the Facility shall be subject to the changes in interest rates made by the RBI from time to time.

4. BORROWER'S CONFIRMATIONS

(i) The Bank may in its sole and absolute discretion and without reference to the Borrower and without the Bank being required to ascertain whether or not there was any breach on the part of the Borrower of the agreements / contracts underlying the LCs and without the Bank being required to go into the validity thereof or otherwise and notwithstanding any directions to the contrary given by the Borrower or any other person on the ground of a dispute as to the liability of the Borrower or otherwise, admit or compromise and pay or submit to arbitration or dispute or resist any claim or demand made against the Bank under or in respect of such LCs and the benefit of the Facility Agreement shall continue to be available to the Bank in respect of any action or repayment which the Bank may take or make in respect of such LCs / LC Facilities.

(ii) The Borrower shall not amend or agree to amend or grant waiver of any of the provisions of the Documents.

(iii) The LCs will be opened by the Bank only as per the provisions of Applicable Laws and regulations including exchange control norms laid down by RBI and import trade regulations.

(iv) Import LCs will be opened by the Bank against valid import licences, wherever applicable.

(v) In respect of Usance LCs, the goods received under the unpaid LCs will be excluded from the value of stocks for arriving at Drawing Power for availing fund based financial assistance.

(vi) In case of high value LCs, the Borrower shall, if so required by the Bank, furnish projected cash flow statements; In addition, the Bank shall be entitled to also call for opinion reports from reputed information exchange bureaus or from other banks / institutions in India or overseas at the costs and expenses of the Borrower.

(vii) The Bank shall issue LCs only in a form acceptable to the Bank.

(viii) The Borrower shall make adequate arrangement for retiring the Documents under the LC Facilities and does not contemplate to seek any financial assistance from the Bank for such purpose, unless otherwise previously arranged with the Bank.

(ix) The Borrower shall have furnished to the Bank at the time of submitting the Documentary Credit Application, the following, duly completed: a) order together with the order confirmation of Supplier; or b) proforma invoice of Supplier duly countersigned by the Borrower; or c) indent / offer from Supplier or his authorised agent together with the exchange control copy of the relative import licence; or d) Any other documents as may be specified by the Bank from time to time.

(x) The Borrower shall submit to the Bank the exchange control copy of the relative customs bills of entry within the time limit stipulated by RBI.

(xi) In the event the Borrower requests the Bank to issue delivery order ("DO") pending receipt of Documents to enable the Borrower to clear the goods covered under the LCs, the Borrower shall:

(a) accept and retire the Documents irrespective of any discrepancy on receipt or on due date without any demur whatsoever; and

(b) indemnify and keep the Bank indemnified against any liability, loss, damages, costs and expenses (including costs between attorney and client) awarded against or incurred or paid by the Bank as a result of or in connection with the Bank issuing DO and / or the Borrower refusing to accept any discrepancy in the Documents on receipt or on due date.

(xii) In the event agency commission is payable in India or abroad, the Borrower shall deduct the same and request the Bank to open the LCs for the net amount of the contract value. If the invoice(s) presented for negotiation by the foreign Suppliers indicate agency commission amount(s) payable to the local agents of such Suppliers, the Borrower shall promptly effect the payment of such commission in equivalent rupees out of its own resources and submit to the Bank the receipt(s) from the local agents of such Suppliers.

(xiii) (a) the Documentary Credit Application shall be deemed to have been accepted when advice thereof has been sent to the beneficiary through SWIFT / tested telex / airmail;

(b) the date of receipt of Documents by the Bank under the LC Facilities as registered in the records of the Bank shall be conclusive and binding on the Borrower;

(c) the import of Goods is / are not in contravention of Trade Policy / Exim Policy guidelines and / or any other laws, policy and guidelines prescribed by the Governmental Agency from time to time;

(d) it has a valid Import Export code number assigned by the Director General of Foreign Trade;

(e) it is authorised to undertake imports of the Goods, wherever applicable; and

(f) the transaction covered under the LC Facilities does not involve and is not designed for the purpose of any contravention or evasion of the provisions of Foreign Exchange Management Act, 1999 or of any rule, regulations, notifications direction or order made thereunder or of any other law, rule, regulation or direction.

(xiv) the LCs may be amended and / or modified by the Bank in its absolute discretion, including for an increased limit on the Borrower giving the Bank written instruction for the same and in such an event, such amendment / modification will be deemed to form part of the relevant Documentary Credit Application and will be governed by the terms hereof and the Borrower agrees, covenants, records and confirms that it shall be bound by the same as if such amendment / modification including the increased limit had originally constituted the term of the LCs.

(xv) the LC Facilities shall be utilised only for the purpose as has been disclosed to the Bank in Documentary Credit Application, unless otherwise previously permitted by the Bank in writing.

(xvi) the Bank shall be entitled, at its sole discretion and without any reference to and / or consent of the Borrower, to make payment of the bills under the LCs on presentment thereof or on the due date thereof.

(xvii) notwithstanding the possibility, existence, pendency or continuance of any dispute or differences or of any arbitration proceedings or of any suit or other legal proceedings whatsoever between the Borrower and the beneficiary or beneficiaries of the LCs and / or between the Borrower(s) inter-se which may directly or indirectly arise out of or under or in connection with the subject matter(s) of the LCs or which may affect the legality or validity of the LCs and / or any transaction(s) directly or indirectly connected with or relating to or arising out of subject matter(s) of the LCs, the reasonableness or propriety or validity of any such payment shall be conclusive and binding on the Borrower so far as concerns the Borrower's liability to the Bank under the Facility Agreement.

(xviii) In respect of goods or documents of title to goods in favour of the Bank / held by the Bank released by the Bank in its sole discretion at the request of the Borrower, the Borrower agrees, confirms and undertakes that :

(a) the Borrower shall receive hold and store the underlying goods and / or documents and / or any other goods / documents delivered by the Borrower to the Bank as trust agents for the Bank until sale and as such trust agents, sell the goods (if so required by the Bank at such price as the Bank may approve) and upon sale and as long as any monies remain due the Bank, hold the sale proceeds on trust for the Bank and immediately upon receipt thereof, pay the said proceeds to the Bank without any deduction and at the same time advise the Bank of the account and the transaction in respect of which such payment is made;

(b) the Bank shall have full authority to demand and receive from any person(s) the purchase money of such goods or any part thereof;

(c) the Borrower shall at its own cost insure and keep the aforesaid goods insured to their full value against such risks and with such insurers acceptable to the Bank, and hold the policies on behalf of the Bank and in the name of the Bank, and if required assign, and deliver the policies to the Bank and ensure payment to the Bank of all sums payable by the insurers under or in respect of such policies;

(d) the Borrower shall store / keep the aforesaid goods separate and shall not raise any finance against the same without the approval of the Bank and the aforesaid goods shall be excluded from the value of stocks for arriving at Drawing Power for availing fund based financial assistance;

(e) the Bank, its officers, servants and agents shall be at liberty at all times without notice to the Borrower, to inspect the aforesaid goods and retake possession or demand redelivery thereof to the Bank (which the Borrower undertakes to give on demand) and remove and sell the same in such manner and upon such terms and conditions as to price and otherwise as the Bank may in its absolute discretion think fit and otherwise to take whatever steps the Bank consider expedient for the protection of their interest therein and enforcement and realization of security;

(f) the aforesaid goods shall be a security to the Bank for the payment of all monies payable to the Bank from the Borrower under the LC Facilities and all monies in respect thereof under the Transaction Documents; and

(g) the aforesaid goods shall in all respects be treated by the Borrower in the books of the Borrower as belonging to and held on behalf of the Bank.

(xix) if for any reason whatsoever the liability of the Bank extends beyond the validity period specified in the LCs or if the Bank is prevented by any action initiated by the Borrower or otherwise from making payment of part or whole of the amounts under the LCs, the Borrower shall be liable to pay commission also for the period for which the Bank remains liable under the LCs and / or the period for which the payment of the amounts under the LCs / discharge from the obligations under the LCs has been delayed.

(xx) the Borrower shall provide / deposit immediately on demand and without demur, additional acceptable security to the Bank and / or sufficient amounts by way of 100% cash margin on the amounts of the LCs in respect of which the Bank is restrained from making payment.

5. NO LIABILITY

The Borrower agrees that the transmission of all instructions and communications under the LCs and the shipping of Documents and the Goods thereunder is entirely at the Borrower's risk. The Bank or its correspondents or agents or confirming banks shall not be responsible for any error or delay in such transmission or loss or delay in delivery of the Documents or the Goods.

6. INDEMNITY

The Borrower hereby agrees to:

(i) pay to the Bank on demand, all costs (including legal and litigation costs and expenses on full indemnity basis) customs duty, penalty, demurrage, storage charges, clearing and forwarding charges and all other charges and expenses which the Bank may be put to or suffer or incur in connection with the Goods and / or the documents of title to Goods covered by the LCs including for re-shipment thereof for any reason whatsoever, or in the exercise or enforcement of any right or power hereby conferred or otherwise howsoever.

(ii) indemnify and keep fully indemnified and save the Bank against:

(a) any claim, loss or damage, 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 the LCs;

(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 by reason of it having established the LCs;

(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 from all or any or some of such LCs; and

(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 making payment to the Suppliers, under the LCs, without deducting tax in India whether or not such payment attracts withholding tax in India or requires due certification by a qualified accountant.

7. **SALE OF GOODS**

(i) On the happening of any of the Events of Default, the Bank shall be entitled without prejudice to any of its other rights contained in the Facility Agreement or under the Applicable Law and without notice to the Borrower (which the Borrower hereby expressly waives), to sell the Goods whether before or after their arrival either by public auction or tender or by private contract and subject to such conditions as the Bank may deem fit to impose, or otherwise dispose of or deal with the Goods or any part thereof and / or with the relative documents of title to the Goods in any manner whatsoever, without being bound to exercise any of these powers or liable for any loss in the exercise or non-exercise thereof. The proceeds realised from sale of the Goods or transfer or any document of title, remaining after deducting therefrom the costs and expense of and incidental to such sale or transfer, shall be applied in or towards payment or satisfaction of the amount(s) due to the Bank in respect of any payment made by the Bank under the LC Facilities for the account of the Borrower, and interest thereon and all costs charges and expenses as hereinabove mentioned. The Borrower shall accept the Bank's account of sale or realisation as conclusive evidence both in and out of court as to the amount(s) realised and expenses incurred, and shall pay forthwith any shortfall or deficiency remaining after such application. The Bank shall not be liable to the Borrower for any loss which may occur pending sale or disposal of the Goods and / or document of title of goods, whether by reason of theft, damage, deterioration or decay of the Goods or depreciation in the value thereof or otherwise whatsoever be the cause.

(ii) The Borrower agrees and undertakes to sign, execute and deliver to the Bank from time to time on demand made by the Bank, such further or other deeds, documents and writings and do all such acts, matters and things as may be required by the Bank for better perfecting the title of the Bank to the Goods so as to render the same readily saleable or transferable by the Bank to any purchaser(s) at all time.

PART B
(BANK GUARANTEE ("BG") / STAND BY LETTER OF CREDIT ("SBLC"))

1. **BG / SBLC FACILITIES**

The Bank has, at the request of the Borrower, agreed to grant to the Borrower working capital facilities by way of issue of bank guarantees / standby letter(s) of credit (the "BGs", which expression shall, as the context may permit or require, mean any or each of such BGs and all renewals made thereto from time to time) in favour of entities / persons acceptable to the Bank guaranteeing / undertaking payment obligations / obligations to make payment upto the guaranteed amount in case of shortfall in performance / non-performance in terms of various contracts / agreements entered into between the Borrower and the respective beneficiaries, upto the maximum extent of the amounts of respective Limits specified in the Facility Agreement (the "BG Facilities"). Provided, however, the total of amounts outstanding under the BG Facilities shall not at any point of time exceed the amount of the respective Limits.

2. **PAYMENTAND INTEREST**

(i) If the Bank is called upon to pay, or pays, all or any of the monies in pursuance of the BGs, the Borrower shall, without questioning the reasonableness or validity or otherwise of any payment made or required to be made by the Bank under the BGs, forthwith pay to the

Bank, all amounts payable or as the case may be, paid by the Bank, including without limitation, all costs, charges and expenses whatsoever payable or paid, suffered or incurred by the Bank in respect of or in relation to or arising out of the obligations undertaken under the BGs (collectively, the "Defaulted Amounts - BGs") and until such payment by the Borrower, the same shall unless otherwise agreed to by the Bank, be deemed to be on demand loans to the Borrower carrying interest at the rate specified in the Sanction Letter. The Bank shall be entitled, at its sole discretion, without any further consent from the Borrower, to debit any of the Account at the branch specified in the Schedule 1 of the Facility Agreement and / or any of the other branches of the Bank, with the amount of any payments the Bank is required to make / makes under or in respect of the BGs, as also all interest, commission, charges and other monies payable by the Borrower in respect of the BGs.

(ii) All payments made by the Bank in foreign currencies may be, at the option of the Bank, converted into rupees with reference to the actual cost to the Bank (including all commission or other bank charges and out-of-pocket expenses) in remitting the foreign currencies.

3. BORRROWER'S CONFIRMATION AND DECALRATION

(i) The Borrower agrees and confirms that:

(a) the Bank is authorised to determine, at its sole discretion, whether a demand complies with the relevant BG issued by it or is discrepant and upon a payment being made or a determination being made by the Bank of a valid demand having been made, the determination will be conclusive and final evidence that the demand is correct and has been properly made. The Borrower shall not be entitled to and hereby irrevocably waives all rights and entitlements to claim against, object or dispute the aforesaid determination of the Bank or any payments made by it under the BG, whether or not finally the demand was determined to be discrepant;

(b) if the Bank pays any demand under the BG such amount shall be regarded as having been properly paid for the purposes of this Facility Agreement;

(ii) The Borrower further confirms and declares that:

(a) it is in compliance with provisions of applicable Laws with respect to the transactions that are the subject matter of the BG and the transactions covered under the BG do not involve or are not designed for the purposes of any contravention or evasion of any provision of any Applicable Laws.

(b) The Borrower further confirms and declares that the BG may be amended and/or modified by the Bank in its absolute discretion upon receipt of written request from the Borrower and in such an event, such amendment/modification will be deemed to form part of the existing BG and will be governed by the terms hereof.

4. ADDITIONAL PROVISIONS

The Borrower further agrees, confirms and undertakes as follows:

(i) the Borrower shall indemnify the Bank and keep the Bank indemnified against all actions, proceedings, claims, demands, duties, penalties, taxes, losses, damages, actions, costs, charges and expenses (including costs between attorney and client) and other liabilities 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 the BGs;

(ii) the Bank may in its sole and absolute discretion and without reference to the Borrower and without the Bank being required to ascertain whether or not there was any breach on the part of the Borrower of the agreements / contracts underlying the BGs and without the Bank being required to go into the validity thereof or otherwise and notwithstanding any directions to the contrary given by the Borrower or any other person on the ground of a dispute as to the liability of the Borrower / the Bank or otherwise, admit or compromise and pay or submit to arbitration or dispute or resist any claim or demand made against the Bank under or in respect of such BGs, and the indemnities of the Borrower contained in the Facility Agreement shall continue to be available to the Bank in respect of any action or payment which the Bank may take or make;

(iii) the Borrower shall

- (a) duly and punctually observe, perform and comply with all the covenants, obligations and conditions of all the agreements / contracts underlying the BGs including due payment and discharge of all its payment obligations under such contracts / agreements on the due dates; Borrower to ensure that all interest/ fees/charges debited to the borrower's account is cleared on their respective due date.
- (b) not create or permit to subsist, any encumbrance of any nature whatsoever over all or any part of the underlying agreements / contracts or its rights thereunder;
- (c) not amend or agree to amend or grant waiver of any of the provisions of the underlying agreements / contracts
- (d) the BGs will be issued by the Bank only as per the provisions of Applicable Laws and regulations including those laid down by RBI;
- (e) the Bank shall issue BGs only in a format acceptable to the Bank;
- (f) in case of bid bond / earnest money deposits / advance payment / retention money BGs, stipulated under project exports or if the BGs are issued under any Export Promotion Capital Goods Scheme (EPCGS), the Bank shall be entitled to obtain counter guarantees from Export Credit Guarantee Corporation (ECGC) or similar authority, at the costs and expenses of the Borrower;
- (g) if for any reason whatsoever the liability of the Bank extends beyond the validity period specified in the BGs or if the Bank is prevented by any action initiated by the Borrower or otherwise from making payment of part or whole of the guaranteed amounts to the beneficiary of the BGs, the Borrower shall be liable to pay commission also for the period for which the Bank remains liable under the BGs and / or the period for which the payment of the guaranteed amount / discharge from the guaranteed obligations has been delayed;
- (h) the Borrower shall provide / deposit immediately on demand and without demur, additional acceptable security to the Bank and / or sufficient amounts by way of 100% cash margin on the outstanding amounts of the BGs, which in the Bank's opinion are likely to be invoked due to non / inadequate fulfillment of obligation, in particular of performance undertaken under the BGs. The Borrower shall accept the Bank's judgement on the likelihood of guarantee obligation being unfulfilled, as final and binding;
- (i) in the event of the interest rate on the principal amount of the financial assistances guaranteed by the Bank increasing for any reason whatsoever beyond the percentage specified in the underlying agreements / contracts and consequentially the liability

and obligation of the Bank under the BGs increasing, the Borrower shall indemnify and keep indemnified the Bank to the extent of Penal Charge(s) and Overdue/ Temporary Overdraft Charges if any, and liability paid in such form as may be determined by the Bank.

PART C

(EXPORT FINANCE)

EXPORT PACKING CREDIT FACILITIES

Export finance can be categorized into two main types: ‘Pre-Shipment Finance’ and ‘Post-Shipment Finance,’ depending on the stage at which the financial assistance is provided. ‘Pre-Shipment Finance’ refers to the funding extended to Borrower before the shipment of goods, whereas ‘Post-Shipment Finance’ pertains to the financial support extended to the Borrower after the goods have been shipped.

Definition

Pre-shipment Finance or Packing Credit: refers to any loan, advance or any credit facility extended by the Bank to the Borrower towards financing the acquisition, processing, manufacturing, or packaging of goods before shipment, or for covering working capital expenses related to providing export services. Such loan or financial assistance is based on a letter of credit opened in favor of the Borrower, either directly or on behalf of another party (in case of hypothecation/ assignment of letter of credit), by an overseas buyer. Such loan or financial assistance may also be provided against a confirmed and irrevocable order for the export of goods and services from India, or any other evidence indicating an order from India placed on the Borrower or another person (in case of sub-contracting), unless the requirement for lodgment of export orders or letters of credit with the Bank has been waived. Pre-shipment Finance can be offered in INR or foreign currency as may be decided between the Bank/ Lender and the Borrower.

DISBURSEMENT CONDITIONS

The Borrower hereby confirms and agrees that:

a) The Pre-shipment Finance or Packing Credit may be on running account basis or on order basis by way of packing credit loans. In case of running account facility, the export order to be submitted within 30 days from the date of disbursement. The facility under Pre-shipment Finance shall not extend to any sub-suppliers.
b) The disbursement of funds under Pre-shipment Finance may occur in stages, contingent upon the Borrower’s export requirements.
c) Goods being exported shall be eligible for unrestricted export, meaning they should not fall under prohibited or restricted categories. If restrictions apply, a valid license permitting exportation must be in place.

Rate of Interest:

1. The Borrower agrees and confirms that the Bank may fix the interest rate under the Pre-shipment Finance based on the cost of funds or may adopt repo linked lending rate (RLLR) for

rupee financing, or alternate reference rate (ARR) for foreign currency financing as per internal policy of the Bank on interest rates.

2. In response to alterations in the Bank's officially communicated Repo rate, the interest rate will be recalibrated on every third-month anniversary from the initial disbursement or setup of the Limit, as applicable. The Bank shall be at liberty to adjust the frequency and date of the reset in accordance with prevailing RBI guidelines and shall communicate the Borrower of the same.
3. The Bank shall be at liberty to modify the spread at any time, prompted by a significant shift in the Borrower's credit evaluation or due to a deterioration in the credit risk profile. Any adjustments to the "spread" will be conveyed by the Bank through methods such as letters, emails, SMS, WhatsApp, statements of accounts, or any other suitable means.
   The Borrower is considered to have received notification of Repo rate changes when they are posted on the branch notice board or the bank's website (www.aubank.in) and the Borrower is obligated to adhere to the revised interest rate.

LIQUIDATION OF PRE-SHIPMENT FINANCE

The Borrower agrees and acknowledges that liquidation of the outstanding amount under the Pre-shipment Finance shall be done from:

a) the proceeds of unfinanced export bills.
b) the EEFC balances.
c) converting into post-shipment credit upon the submission of post-shipment document.
d) utilizing rupee resources corresponding to the extent of completed exports.
e) for running accounts, the bank should prioritize marking off individual bills on a First-In-First-Out (FIFO) basis.
f) when settling PCFC/PCRS from rupee resources/EEFC, the client must provide evidence that the export has been completed or the inward remittances have been received. It is essential to verify that the remittance dates are subsequent to the date of loan disbursal.

ADDITIONAL CONDITIONS

The Borrower hereby agrees and acknowledges:

a) that Pursuant to the Borrower's request, the Bank has formally consented to extend the working capital facilities, specifically in the form of Pre-shipment Finance. These funds under Pre-shipment Finance may be provided in foreign currencies and/or in INR, with the stipulation that the amounts do not exceed the predetermined Limits.
b) That any payments made by the Bank in connection with the Pre-shipment Finance shall be regarded as advances extended to the Borrower by the Bank and can be charged to the Account.
c) That bills drawn on entities with a history of dishonoring documents in the past will not be accepted for purchase or discount. The overseas buyer, country, or any associated entities involved in the export process should not be listed in any banned or sanctioned registers, in accordance with prevailing guidelines.
d) To mandatorily comply with the current RBI guidelines and modifications and amendments thereof from time to time and Foreign Trade Policy, including settlement and liquidation processes.

e) Besides standard insurance, to also secure coverage for all transit risks from the warehouses until marine insurance takes effect. The Borrower shall also arrange for forward exchange contracts as may deemed necessary by the Bank.
f) That the Borrower may be required to furnish export insurance policy coverage on case-by-case basis, upon request by the Bank. The Bank reserves the right to request a credit/opinion report on the counterparty on a case-by-case basis, with all associated charges to be borne by the Borrower.

To settle PCFC/PCRS through EEFC/INR based on completed exports, the Borrower must furnish credible evidence of the export transactions. In instances where liquidation involves funds from another bank, the Borrower should present a letter from that bank, duly signed by an authorized signatory of that bank, confirming that the export proceeds were not used to repay packing credit with them. This precaution is taken to prevent dual financing. Alternatively, the remitting bank can convey the necessary details in their authenticated SWIFT message.

Post-Shipment Finance: refers to any loan, advance or credit facility offered by the Bank to the Borrower exporting goods/services from India. The loan or credit facility under Post-Shipment Finance is extended to the Borrower from the date of advancement of the credit after the shipment of goods/rendering of services from India until the realization of export proceeds, in accordance with the period specified by the RBI in this regard. It encompasses any loan or credit facility provided to the Borrower, either in consideration of or secured by any duty drawback granted by the Government of India from time to time.

DISBURSEMENT CONDITIONS

The Borrower hereby confirms and agrees that the Post-Shipment Finance can be availed in the form of:

i) Export bill purchased/ discounted/ negotiated.
ii) Advances against collection bills.
iii) Advance against duty drawback receivable from Government

The disbursement of funds under Post-shipment Finance may occur in stages, contingent upon the Borrower's credit requirements.

Goods and services being exported shall be eligible for unrestricted export, meaning they should not fall under prohibited or restricted categories. If restrictions apply, a valid license permitting exportation must be in place.

RATE OF INTEREST

1. The Borrower agrees and confirms that the Bank may fix the interest rate under the Pre-shipment Finance based on the cost of funds or may adopt repo linked lending rate (RLLR) for rupee financing, or alternate reference rate (ARR) for foreign currency financing as per internal policy of the Bank on interest rates.
2. In response to alterations in the Bank's officially communicated Repo rate, the interest rate will be recalibrated on every third-month anniversary from the initial disbursement or setup of the Limit, as applicable. The Bank shall be at liberty to adjust the frequency and date of the reset in accordance with prevailing RBI guidelines and shall communicate the Borrower of the same.

3. The Bank shall be at liberty to modify the spread at any time, prompted by a significant shift in the Borrower's credit evaluation or due to a deterioration in the credit risk profile. Any adjustments to the "spread" will be conveyed by the Bank through methods such as letters, emails, SMS, WhatsApp, statements of accounts, or any other suitable means.
   The Borrower is considered to have received notification of Repo rate changes when they are posted on the branch notice board or the bank's website (www.aubank.in) and the Borrower is obligated to adhere to the revised interest rate.

LIQUIDATION OF POST-SHIPMENT FINANCE

The Borrower agrees and acknowledges that liquidation of the outstanding amount under the Post Shipment Finance can be done from:

a) Through export proceeds from the date of shipment
b) Out of EEFC balances
c) Proceeds of other unfinanced collection bills
d) Out of rupee resources of exporter. However, the corresponding shipping bill will remain outstanding, and the amount will be shown as outstanding in EDPMS. Therefore, the exporter's liability for realization would continue till the export bill is realized.

ADDITIONAL CONDITIONS

The Borrower hereby confirms and acknowledges:

a) That the Borrower may be required to furnish export insurance policy coverage on case-by-case basis, upon request by the Bank. The Bank reserves the right to request a credit/opinion report on the counterparty on a case-by-case basis, with all associated charges to be borne by the Borrower.
b) In the event Borrower fails to ensure the delivery of proceeds of the exports on the due date, a report in this regard shall be submitted by the Bank to the RBI. The Borrower shall be at liberty, without any reference or prior approval of the Borrower, to follow up with the concerned overseas buyer of the Borrower for remittance of export proceeds directly to the Bank.
c) that pursuant to the Borrower's request, the Bank has formally consented to extend the working capital facilities, specifically in the form of Post Shipment Finance. These funds under Post Shipment Finance may be provided in foreign currencies and/or in INR, with the stipulation that the amounts do not exceed the predetermined Limits.
d) That any disbursement made by the Bank in connection with the Post Shipment Finance shall be regarded as advances extended to the Borrower by the Bank and can be charged to the Account.
e) That bills drawn on entities with a history of dishonoring documents in the past will not be accepted for purchase or discount. The overseas buyer, country, or any associated entities involved in the export process should not be listed in any banned or sanctioned registers, in accordance with prevailing guidelines.
f) To mandatorily comply with the current RBI guidelines and modifications and amendments thereof from time to time and Foreign Trade Policy, including settlement and liquidation processes.
g) Besides standard insurance, to also secure coverage for all transit risks from the warehouses until marine insurance takes effect. The Borrower shall also arrange for forward exchange contracts as may deemed necessary by the Bank.

h) that the bills that are negotiated or purchased will be crystallized by the bank if they are not realized within 30 days from the expiry or due date. The bill's foreign currency value will be converted into Indian rupees using the current prevailing TT selling rate.

4. BORROWER'S CONFIRMATION

The Borrower hereby confirms that the Borrower is required to maintain a distinct account and inventory/stock record for the goods associated with the EXPORT PACKING CREDIT FACILITIES. Additionally, the Borrower must provide the Bank monthly statements detailing purchases and the use of goods in the manufacturing of finished products.

At no juncture should the outstanding amounts under the EXPORT PACKING CREDIT FACILITIES

surpass the corresponding Limits. The Bank retains absolute discretion to decide the specific amount, within the respective Limits, that it will advance or permit to remain outstanding in the relevant account at any given time.

If stipulated by the Bank, the Borrower shall procure cover from Export Credit Guarantee Corporation ("ECGC") or other insurer and / or take a packing credit whole turnover pre-shipment policy of ECGC or other insurer.

Part D

(Forward Contracts)

Definitions

Forward Contract: refers to a financial agreement between the Bank and Borrower that involves the future exchange of a specified amount of one currency for another at an agreed-upon exchange rate. This agreement is made with the intention of hedging against potential fluctuations in currency exchange rates.

Anticipated exposure: An exposure to the exchange rate of INR against a foreign currency on account of current and capital account transactions permissible under FEMA, 1999 or any rules or regulations made thereunder, which are expected to be entered into in future.

Contracted exposure: An exposure to the exchange rate of INR against a foreign currency on account of current and capital account transactions permissible under FEMA, 1999 or any rules or regulations made thereunder, which have already been entered into.

iii. For the purpose of (i) and (ii), the term exposure would also include those arising out of transactions between residents that are denominated in a foreign currency but settled in INR or are linked to a foreign currency or are linked to a benchmark denominated in foreign currency.

Hedging – The activity of undertaking a derivative contract to offset the impact of an anticipated or a contracted exposure.

User – Any person as defined under para 2 (u) of FEMA, 1999 whether resident in India or resident outside India

Bank shall classify a user as per the User Classification Framework as provided below to this direction and shall comply with the guidelines applicable in each case.

i. For the purpose of offering derivative contracts to a user, the Authorised Dealer shall classify the user either as a retail user or as a non-retail user.
ii. The following users shall be eligible to be classified as non-retail users:
   a. All entities regulated by a financial sector regulator subject to general or special permission of the concerned regulator
   b. Exim Bank, National Bank of Agriculture and Rural Development (NABARD), National Housing Bank (NHB) and Small Industries Development Bank of India (SIDBI)
   c. Companies with a minimum net worth of Rs 500 crores d. Persons resident outside India other than individuals
iii. Any user who is not eligible to be classified as a non-retail user shall be classified as a retail user. iv. Any user who is otherwise eligible to be classified as a non-retail user shall have the option to get classified as a retail user.

Key features of a Forward Contract:

The Borrower is prohibited from entering into forward contracts, swaps, options, or any other liability management contracts related to the payment of interest or other obligations under the Facility Agreement, unless prior approval is obtained from the Bank and subject to the terms and conditions specified by the Bank. If the Bank grants approval for such contracts, they must be exclusively executed through the Bank.

a) Contracts will be finalized only upon the submission of documentary evidence demonstrating the underlying exposure, satisfying the bank's requirements. A certificate affirming that the exposure covered by the contract has not been addressed by any other bank is also required.
b) Depending on the forex market's volatility, the Bank reserves the right, at its absolute discretion, to request necessary cash margins for the booking of Forward Contracts. Adherence to and compliance of all RBI and Bank guidelines pertaining to Forward Contracts is obligatory upon the Borrower.
c) The Borrower must provide a written confirmation that neither the Borrower nor its directors listed on its board appears in the RBI/CIBIL defaulter list or the SAL of ECGC. Additionally, Bank shall be at liberty to independently verify this information using the MBP-1 submitted by the directors of the Borrower.
d) The credit exposure for all merchant Forward Contracts will be calculated daily as the replacement cost of outstanding forward contracts. If the recalculated exposure results in net payables to the Bank exceeding 75% of the held margin, the Borrower must deposit additional margin to maintain a minimum cash margin as stipulated, over and above payable amounts due to mark-to-market valuation. Failure to meet margin calls within three working days or if net payables surpass 80% of the cash deposit held as margin gives the Bank the right to close one or more contracts without further reference or communication to the Borrower. The Borrower is liable to indemnify and compensate the Bank for any resulting losses to the Bank.
e) Adherence to all exchange control and import trade control regulations is mandatory for the Borrower. The Bank reserves the right to suspend the booking of further contracts before the Due Date and recover the amount upfront from the Borrower on the date of cancellation.

f) Swap gains resulting from the cancellation of a contract will only be credited on the Due Date. Forward contracts are not to be booked for arbitrage or speculative purposes but strictly for hedging exchange transactions arising from actual or anticipated remittances (inward or outward), substantiated by the Borrower's turnover.

g) Any change in shareholding pattern or management structure or constitution of the Borrower must be communicated to the Bank. The amount proposed for forward limit cover is indicative, and the bank will enter such contracts purely at its discretion. The Bank may choose not to accept bookings, even if the outstanding contracts amount is below the amount proposed for forward limit cover, depending on the nature of proposed contracts and market conditions.

Directions in case of retail Users

i. Eligible products – Forwards, purchase of call and put options (Only European options), purchase of call and put spreads, swaps.

ii. All Forward Contracts with retail clients shall be executed at the ongoing interbank / market rates and shall be time stamped. For all other derivative contracts, the mid-market mark of the derivative shall be disclosed to the Borrower before entering into the contract and the same must be included in the term sheet. Mid-market mark of a derivative is the price of the derivative that is free from profit, credit reserve, hedging, funding, liquidity, or any other costs or adjustments.

iii. All applicable fees / commissions / service charges etc. related to the contract shall be charged by the Bank separately and shall not be part of the price of the contract.

Directions in case of non-retail Users

i. Eligible products – Any derivative contract, including covered options, which the Bank can price and value independently and is approved by the board of the Bank, provided that the potential loss from the derivative transaction to the User, in any scenario, does not exceed the loss that the User would face if he had left the position unhedged.

ii. All new products must be cleared by the board (or its equivalent) of the Bank before being offered to its Borrower.

A person, whether resident in India or resident outside India, may enter into a foreign exchange derivative contract or exchange traded currency derivative contract in accordance with provisions contained in Schedule I of RBI Notification No. FEMA 25 /RB-2000, dated 3rd May 2000.

i) That such contracts shall be for the purpose of hedging a contracted or anticipated exposure. Provided that contracts not based on a contracted or anticipated exposure may be undertaken, as may be permitted by the Reserve Bank of India, provided further that transactions that involve the Rupee but are settled by delivery of a foreign currency shall be undertaken only by an authorised dealer or a person not resident in India and such other persons as may be permitted by the Reserve Bank of India, in terms of the directions issued in this regard by the Reserve Bank of India.

ii) That such person shall share the details of the exposure with the authorised dealer when called upon to do so by the authorised dealer.

Part E

(Applicable for Bill / Invoice Discounting / Financing)

This part shall be applicable to bill / Invoice discounting / financing extended/to be extended by the "Lender" which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors, novatees, transferees and assigns) to its Borrower(s) (as defined hereinafter)

WHEREAS:

The Facility (defined hereinafter) which would be provided to the Borrower up to the amount as specified in the Transaction Documents and subject to the terms and conditions as mentioned in this Part E and the Transaction Documents.

1. DEFINITIONS AND INTERPRETATION

1.1 The below definitions are in addition to the definitions already provided in the Agreement of which this Part E is an integral part, and the terms defined in the Agreement shall have the same meaning and apply in the same context to this Part E, except when defined separately hereunder. The words capitalized but not defined in this Part E shall have the meaning assigned to them in the Transaction Documents. In case of conflict between any of the terms under the Agreement and this Part E, the terms under this Part E shall prevail.

1.2 The following words and expressions shall, unless the context otherwise requires, have the following meaning:

a) "Affiliates" shall mean, in relation to group companies, sole proprietorship and partnership firms directly or indirectly, owned and/or controlled and/or under common control of/by all or any of the Borrower and/or Co-Borrowers/Obligors whether jointly or severally. In case any such affiliate is a natural person (including partners of a partnership firm forming party of the Affiliate), then the term "Affiliate" in relation to such natural person shall also mean any person who is a Relative of such natural person as defined under the Act and/or any Affiliate of such natural person.

b) "Application Form" means the application form submitted by the Borrower for applying for the Facility.

c) "Authorisations" include approvals, clearances, licenses, actions, authorisations, consents, resolutions, filings, rulings, permits, certifications, exemptions etc. for undertaking, performing or enforcing the terms of the Transaction Documents.

d) "Authority" includes any government or any governmental or semi-governmental agency or body, regulatory authority or judicial or quasi-judicial body or administrative entity/person, public department or statutory authority.

e) "Control" (and its cognate expressions) means, in relation to an entity, the power, ability or right, directly or indirectly, to direct the management or policy decisions of that entity and/or to appoint the majority of directors or management body (as applicable) of the relevant entity, in any manner whatsoever.

f) "Credit Limit" means the maximum amount up to which the bills/ Invoices will be discounted/ financed as more particularly described in the Transaction Documents.

g) "Credit Period" means a period to be calculated from the date of invoice/ delivery/ date of discounting/ financing of each bill/Invoice (as the case may be) relating to the Obligors and set out in the Transaction Documents.

h) "Default" includes Events of Default as specified in the Transaction Documents and also under this Part E.

i) "Discounted Value" means the amount arrived at in respect of each Invoice/ bill by providing a margin to the accepted value under the Invoice/ bill as set out in the Transaction Documents including all taxes, which is discounted/ financed by the Lender.

j) "Encumbrance" means any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, security interest or other encumbrances of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security (including comfort letters, undertakings etc.) under Applicable Law;

k) "Existing Facility" means bill / Invoice discounting / financing facility already availed by the Obligors, vide facility agreement executed by and between the Obligors and the Lender for the goods invoiced by the Seller/s / Borrower and as also further availed sub-limits, availed under the maximum facility limit covered under such earlier facility agreement.

l) "Facility" shall be a part of Facilities under clause 2.1 of the Agreement and shall mean the credit facility(ies), including bill / Invoice discounting / financing facility and any sub limit thereof availed/to be availed by the Borrower from the Lender from time to time and shall mean and include wherever the context so requires the Existing Facility

m) "Financial Statements" mean the certified true copies of audited financial statements.

n) "Guarantor" means the guarantor, if any, as mentioned in the respective Transaction Documents.

o) "IBC" shall mean the Insolvency and Bankruptcy Code, 2016 along with all rules and regulations thereunder and all such amendments to the same made from time to time and shall also include any succeeding enactment in that regard for the time being in force.

p) "Indemnified Person" includes: (i) the Lender, its Affiliates and any attorney, agent or other person appointed by them; and (ii) any officers, partners, shareholders, directors, employees or agents of any of the above persons.

q) "Interest for Credit Period" means the interest amount to be paid by the Borrower to the Lender, for discounting/ financing the bills/ Invoices, as set out in the Transaction Documents.

r) "Invoices" includes the following:

(i) accepted commercial bill / invoice on the basis of the rates accepted by the Borrower; or

(ii) supplementary bill / invoice for price variation claim if applicable with the relevant documents in support of price variation claim or;

(iii) lorry receipt/railway receipt evidencing movement of goods along with goods acceptance receipt; or

(iv) covering letter from the Borrower giving details of all the invoices and the amounts; or electronic invoices generated by the

Purchasers on receipt of goods supplied by the Obligors

s) "Losses" include any and all costs, charges, expenses, damages, penalties, fine, imposts, payments, losses, demands, liabilities, claims, actions, proceedings, penalties, fines, damages, judgments, orders or other sanctions.

t) "Material Adverse Change" means the occurrence of any event(s) or circumstance(s) which has or could reasonably be expected to have a Material Adverse Effect.

u) "Outstandings" or "Obligations" shall include, at any time, all amounts payable by the Obligors to the Lender pursuant to the Transaction Documents including but not limited to the present and future obligations and liabilities of the Obligors to pay/ repay without limitation the principal amount of the Facility, interest and Penal Charges, Overdue/ Temporary Overdraft Charges thereon and all stamp duties, Taxes, expenses, fees, liquidated damages, indemnities, costs, charges and expenses including without limitation any statutory or legislative charges, penalties, if any, in connection with the Facility; and such other expenses incurred in relation to any exercise by the Lender of its right, together with legal fees and court costs.

v) "Payment Instrument(s)" or "PI(s)" means the repayment of Outstandings under the Facility on or before the Due Dates(s), and/or other amounts payable under this Part E, by any of the following modes: (a) ECS/NACH; (b) NEFT (National Electronic Fund Transfer); (c) SPDCs; (d) RTGS; (e) Standing instructions at the bank; and (f) Any other instrument suitable from time to time, as set out in the Sanction Letter.

w) "Purchasers" means and include any person who purchases goods/avail services in relation to the Invoice(s) in pursuance of the purchase order/ indents placed by the Purchasers in relation to such goods/ services/Invoice(s), the details of such Purchaser are as set out in the Transaction Documents.

x) "Purchase Invoice" means Invoices raised and issued by the Seller against the supply of goods/services rendered made by the Seller to the Borrower.

y) "Purpose" shall mean the purpose for which the Facility is sanctioned as specified in the Transaction Documents.

z) "Rate of Interest" shall mean the discounting rate and/or rate of interest applicable for the Facility and as more specifically mentioned in the Transaction Documents and as may be amended by the Lender from time to time in accordance with the Transaction Documents.

aa) "RBI" means the Reserve Bank of India.

bb) "Sales Invoice" means Invoices raised and issued by the Borrower being the Seller against the supply of goods /services rendered made by the Borrower to the Purchasers.

cc) "Seller" means and includes any person which supplies goods/provides services under the Invoice(s) in pursuance of the purchase order / indents placed by the Borrower in relation to such goods/services/Invoice(s), the details of such Seller are as set out in the Transaction Documents.

dd) "Tax" or "Taxes" includes any and all present and future taxes, duties, imposts, cess, levies, surcharge, including without limitation, with respect to or on gross receipts, sales, services, turn-over, ad valorem or value addition, use, consumption, property, franchise, capital, occupation or payroll, license, excise, documents (such as stamp duties), profit, gains (including capital gains), severance, production, withholding, alternative or add-on minimum, transfer or environmental, and other customs and taxes, duties, assessments, cess, imposts, surcharge, charges and/or fees of any kind whatsoever, together with any interest or penalty, addition to tax or additional amount howsoever imposed, withheld, levied, or assessed by any Authority. Taxes shall include any variation or change therein, or the rates thereof, during the term of the Agreement, or the imposition of any new or further taxes (including Goods and Services Tax) but shall not include tax on the income of any Party.

2. BILL/ INVOICE DISCOUNTING/ FINANCING FACILITY

2.1 In case the Borrower is availing the Purchase Invoice discounting/ financing facility/Sales Invoice discounting/ financing facility/electronic Sales Invoice facility / electronic Purchase Invoice facility from the Lender, the terms and conditions and process are detailed in the Sanction Letter/Transaction Documents.

2.2 The Lender may at its sole and absolute discretion and without any prior intimation to the Borrower enhance or reduce the Credit Limit and the same shall be acceptable and binding upon the Borrower. However, upon receipt of a formal written request in the format and manner as may be specified by the Lender, from the Borrower for increase in the sub limit for the Credit Limit and/or the Credit Limit, the Lender may at its sole and absolute discretion increase the sub limit of the Credit Limit and/or the Credit Limit on a specific occasion or for such period of time as the Lender may deem fit.

2.3 The Lender reserves the right to decline to discount/finance all or any of the Invoices/bills presented by the Borrower, without notice or assigning any reasons thereof.

2.4 The Obligors shall, forthwith upon the request of the Lender, furnish to the Lender all such details and evidences as the Lender may require concerning the Facility or the Transaction Documents or utilisation of amount under the Facility. The Borrower shall, within timelines specified in the Transaction Documents and if so required by the Lender, provide an end use certificate to the Lender.

2.5 In the event Borrower exhausts the Credit Limit and pays all the amounts due under the Facility within the Credit Period then the Borrower shall be entitled to get further Invoices/bills discounted/ financed to the extent of available Credit Limit on the same terms and conditions mentioned in the Transaction Documents or the Bank may determine from time to time.

2.6 The Borrower agrees that an online request for utilization of the Facility, is subject to Applicable Law, inherent risks and the policies of the Lender as may be applicable from time to time.

2.7 In the event of a default in payment of Outstandings on the relevant Due Dates, the Lender may, refuse the Borrower to utilize any further amounts under the Credit Limit.

2.8 It will be the sole responsibility of the Obligor to ensure that all username and passwords as may be shared by the Lender with the Obligor are kept confidential and not revealed/ disclosed to any third party, including any person claiming to represent the Lender, or its agents and shall take all possible care to prevent discovery of the username or password by any person. Such transmission methods involve the risk of possible unauthorized alteration of data, unauthorized usage therefore for whatever purposes and/ or virus attacks and are susceptible to a number of frauds, misuse, hacking, malicious, destructive or corrupting code, programme or macro which could affect the online facility for such utilization. This could result in delays in the processing of discounting/ financing the Invoice/bills or failure in the processing of such requests and the Lender shall not be responsible for the same. The Obligors shall exempt the Lender from any and all responsibility/ liability of such misuse or virus attacks/ transmission to the Borrower's system and shall not hold the Lender responsible / liable therefor.

2.9 In no event shall the Lender be liable for any Losses due to loss or improper or unauthorized use of the passwords, login information, data, onetime passwords etc. on the website of the Lender or through any electronic mode and the Obligor shall be solely responsible for the same. Further, the Lender shall not be liable for any Losses due to any delay or inability to use the Lender's website or services provided by any electronic mode, the provision of or failure to provide services by the Lender, or for any information, software, products and services obtained through the Lender's websites, or otherwise arising out of the use of the Lender's website, whether based on contract, negligence, strict liability or otherwise.

2.10 Further, it is hereby clarified that the Lender is agreeing to undertake such transaction based on instructions given by the Obligors and the Lender is not bound to check the accuracy and the authenticity of instructions. It shall be the duty of Obligors to ensure that such instructions are not misused by the Affiliates or staff/members of the Obligors or any third party. The Lender accepts no liability for the consequences arising out of erroneous information supplied by the Obligors. If the Obligors notice an error in the information supplied to the Lender, the Obligors shall immediately advise the Lender and the Lender will endeavor to correct the error wherever possible on a "reasonable efforts" basis.

2.11 The Lender reserves the right to discontinue the online utilization facility for discounting/ financing such bills/ Invoice or any part thereof at any point of time, but the Lender shall endeavor to provide a prior notice to the Obligors in this regard save and except in circumstances where Lender has discontinued such facility or any part thereof to comply with any regulatory requirement or as a consequence of the Obligors committing any breach of the terms or conditions contained in the Transaction Documents. The Lender shall not be liable for any damages, claims of any nature whatsoever by reason of such termination or discontinuation.

2.12 For the purpose of availing the said Facility, the Lender may require the Borrower to maintain the Account with the Lender.

3. TENURE

The Facility under Part E is intended to be a continuing facility unless recalled by the Lender. The Lender shall review the Facility annually or at such other shorter periodic basis as the Lender may decide from time to time. Pursuant to such review, the Lender may decide to either, (a) discontinue the Facility, or (b) renew the Facility on the same terms and conditions, or (c) renew the Facility on such modified terms and conditions as the Lender may deem fit. At the conclusion of each review of the Facility, the Lender shall issue a written notice to the Borrower indicating the Lender's decision at such review of the Facility. In case of renewal of the Facility, the provisions of the Transaction Documents shall continue to be made applicable till revised relevant Facility Document is issued in respect of such renewal and thereafter the provisions of such relevant Facility Document shall be read and construed in accordance with this Part E.

4. REPAYMENT AND INTEREST

In additional to existing clauses for repayment and interest under the Transaction Documents following additional clauses shall apply to this Facility under Part E:

4.1 Upon expiry of the Credit Period, the Lender shall be entitled to recover from the Borrower all amounts due under the Facility and the Borrower shall pay / cause to pay to the Lender all amounts due under the Facility along with Penal Charges, Overdue/ Temporary Overdraft Charges on or before the expiry of the Credit Period

4.2 The interest for the Credit Period shall be charged at the Rate of Interest set out in the Transaction Documents.

4.3 The interest for Credit Period, Penal Charges, Overdue/ Temporary Overdraft Charges, and margin stipulated are subject to change from time to time at the sole discretion of the Lender and as per the guidelines of the RBI, Government of India and any other Authority. The Borrower agrees that the interest for Credit Period mentioned herein will be reviewed every quarter/month as decided by the Lender from time to time.

5. MODE OF REPAYMENT

5.1 The Borrower shall repay/pay the monies in respect of the Facility through any PI(s). The Lender may, in its sole discretion, require the Borrower to adopt or switch to any alternate mode of payment and the Borrower shall comply with such request, without any demur or delay.

5.2 The Borrower shall issue, in favor of the Lender, the PI(s) as agreed with the Lender towards payment/repayment of the Outstandings. The PI(s) issued by the Borrower in respect of the Facility may also be used by the Lender for any subsequent Facility availed by the Borrower from the Lender and all the provisions hereof shall apply thereto. Wherever required, the Borrower shall issue irrevocable instructions (in a form and substance satisfactory to the Lender) to the Borrower's bankers to ensure periodic payment to the Lender pursuant to the PI(s) issued by the Borrower. The failure of the Borrower's bank for any reason to so transfer any such amounts to the Lender shall tantamount to a failure by the Borrower to pay the amounts and shall constitute an Event of Default. The Borrower shall provide to the Lender a confirmation (in a form and substance satisfactory to the Lender) of the acceptance by the Borrower's bank of the above instructions.

5.3 Save and except with the prior written consent of the Lender, the Borrower shall not, under any circumstances, revoke, cancel or alter the instructions or cancel or issue stop-payment instructions with respect to the PI(s) issued or do or omit to do anything which may result in the Borrower's bank not transferring the amounts equal to the Outstandings/amounts due under the Transaction Documents to the bank account of the Lender on the relevant Due Date. Any attempt to do so shall be considered as an Event of Default.

5.4 If any amounts (not being the principal amount of the Facility or interest thereon) are outstanding for payment by the Borrower either under the Transaction Documents or on account of Financial Indebtedness of the Borrower to the Lender, under this Facility, the Lender shall be entitled to encash the PI(s) for the satisfaction of such outstanding amounts notwithstanding that PI(s) have been issued for repayment of the principal amount of the Facility and/or interest thereon, and the Borrower shall continue to be indebted to the Lender for the Facility and/or interest, as the case may be.

5.5 Notwithstanding anything contained in the Transaction Documents, and irrespective of the mode of payment selected by the Borrower in the Transaction Documents, upon any default by the Borrower in payment of Outstandings on the Due Date pertaining to the

Facility, any non- realization of the Outstandings on the Due Date by the Lender, the Lender shall be entitled, without prejudice to its other rights under the Transaction Documents and Applicable Law, to present and/or re-present the PI(s), if any, issued by the Borrower in favor of the Lender in connection with the Facility. Irrespective of the mode of payment/date of payment, selected by the Borrower in the Transaction Documents, the Lender shall be entitled to require the payment and/or collection of the Outstandings and all other amounts comprising the Outstandings, by any other PI(s), if any, issued by the Borrower in favor of the Lender or utilizing any other mode or manner of payment or repayment of the Outstandings and all other amounts comprising the Outstandings.

5.6 All PI(s) issued by the Borrower in favor of the Lender are for the purpose of discharge of the Outstandings that may be due to the Lender under the Facility and that the same are not proposed to be issued as and by way of a security for any purpose whatsoever. The PI(s) are intended to be used at any time by the Lender as the Lender may consider fit and proper, to recover the Outstandings owed by the Borrower to the Lender, and the Borrower, by executing the Application Form and other relevant Transaction Documents, has unconditionally and irrevocably authorised the Lender for the same.

5.7 By execution of the Application Form and other relevant Transaction Documents, the Borrower has unconditionally and irrevocably authorised the Lender to fill one or more of the PI(s) delivered to the Lender for an aggregate amount not exceeding the maximum amount due by the Borrower to the Lender under the Transaction Documents (including those pertaining to any amount subsequently availed by the Borrower) without notice to Borrower in this behalf. In the absence of such authority having been given by the Borrower to the Lender, the Lender would not have granted the Facility to the Borrower.

5.8 The authority given by the Borrower to the Lender herein to fill in the details of the PI(s) including the amounts payable is as permitted under the provisions of Section 20 of the Negotiable Instruments Act, 1881 and the same does not amount to a material alteration of the said PI(s) by the Lender. By execution of the Transaction Documents, the Borrower has agreed and confirmed that in the event the acts of the Lender in filling the PI(s) as aforesaid are construed by any court, tribunal, Authority or other person or forum, judicial, quasi-judicial, non-judicial, governmental, semi- governmental or non-governmental to be an alteration within the meaning of the Negotiable Instruments Act, 1881:

5.8.1 the Borrower has provided Borrower's consent for such an alteration and that by reason of such alteration, the PI(s) shall/should not be construed to be void or otherwise unenforceable and the Borrower has agreed and accepted to honor such PI(s) when presented for payment;

5.8.2 the Borrower has confirmed that such alteration is made to record the common intention of the Lender and Borrower, which common intention is to fill in the PI(s) with the amounts due by the Borrower to the Lender and to present the same for payment on such dates as the Lender may in its absolute and sole discretion decide.

5.9 In this regard the Borrower has also agreed to irrevocably nominate, constitute and appoint the Lender acting through any of its officers, agents as the true and lawful attorney for the Lender on its behalf and its cost and risk to do, execute and perform all or any of the following acts, deeds, matters and things that is to say:-

5.9.1 To appoint or engage any agent, courier agencies, correspondent banks for ensuring safe holding of PI(s) and having the same picked up, processed and cleared at the Borrower's risks and costs;

5.9.2 Generally to do, perform and execute all acts, deeds, matters and things relating to or concerning or touching the repayment of the Facility;

5.9.3 For the better doing, performing and executing all the matters and things aforesaid, the Borrower hereby further grants unto the said Lender full power and authority to substitute and appoint in its place and stead on such terms as it may think fit one or more attorney(s) to exercise for the Borrower as the Borrower's attorney(s) any or all the powers and authorities hereby conferred, to revoke any such appointments and to substitute or appoint any other person(s) in place of such attorney(s) as Lender may from time to time think fit;

5.9.4 The Borrower has also agreed to ratify and confirm all and whatsoever that the Lender shall do or cause to be done in or about the premises by virtue of the powers herein given; and

5.10 The authority and powers given to the Lender under the Transaction Documents is for a consideration and is irrevocable under Section 202 of the Indian Contract Act, 1882 and such authority/power shall survive the death/winding up/dissolution of the Borrower. Further, the Borrower will be required to honor all the PI(s) when presented for payment by the Lender and not to take any steps, which in any way are likely to affect the payment thereunder to the Lender.

5.11 If the Lender for any reason modifies the amount of the Instalment, the Borrower shall issue fresh PI(s)/instructions to the Borrower's bank to ensure that the amount of the modified Instalment is transferred to the Lender under PI(s) and the Borrower shall provide the Lender with proof of these instructions and the acceptance thereof by the Borrower's bank. Failure to provide such fresh instructions shall be considered as an Event of Default by the Borrower.

5.12 If the Due Date in respect of any amounts payable in respect of the Facility 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.

5.13 Credit for payments by any method will be given only on realisation or on the relative Due Date(s), whichever is later. The acceptance by the Lender of any payment which is less than the full Instalment or other amounts due and owing at such time shall not constitute a waiver of the Lender's right to receive payment in full at such time or at any subsequent time or a waiver of any other right whatsoever of the Lender under the Transaction Documents or Applicable Law.

5.14 The Borrower shall promptly issue fresh PI(s), as and when requested by the Lender, if the PI(s) submitted by the Borrower to the Lender are exhausted or about to exhaust or if the Lender is facing any difficulty/impediment for any reason whatsoever in presenting such PI(s) or if required at any time by the Lender at its sole discretion.

5.15 The Lender shall not in any way be responsible for delay, omission, or neglect in encashment, damage or loss of any PI(s) for any reasons whatsoever, and shall not be liable to the Borrower in this respect.

5.16 The Borrower may, subject to prior approval by the Lender, be permitted to swap/exchange the PI(s) issued to the Lender with alternate PI(s) subject to payment to the Lender of the charges as specified in the Transaction Documents.

5.17 Any dishonor of any PI(s), would constitute an offence under Section 138 of the Negotiable Instruments Act, 1881 or Section 25 of the Payment and Settlement Systems Act, 2007, as the case maybe.

5.18 If any one or more than one or all the PI(s) delivered to the Lender by the Borrower:

5.18.1 is/are lost, destroyed or misplaced while in custody of the Lender or its agents, or

5.18.2 becomes non-encashable due to any reason;

then, the Borrower/the Borrower's executors/heirs/successors shall, within the timelines specified in the Transaction Documents, of receipt of any intimation of such loss, destruction or non-encashment of such PI(s) or misplacement (as the case may be) from the Lender or immediately on such PI(s) or any of those being or becoming non-encashable due to any reason, immediately deliver to the Lender such numbers of fresh PI(s) to replace such PI(s). The replacement PI(s) shall be drawn in the manner mentioned in Transaction Documents or as directed by the Lender. Any non-presentation on the part of the Lender of any PI(s) (due to any reason whatsoever) shall not in any manner affect the liability of an Obligor to pay/repay the Outstandings or its other obligation under the Transaction Documents or in respect of the Facility.

5.19 The Borrower shall not give any instructions to the Lender, to not deposit or otherwise to not encash any or all of the PI(s) given by it. In the event of the Borrower or any other person on behalf of the Borrower giving such instructions, then it shall be presumed that the same was done to avoid prosecution under the provisions of the Negotiable Instruments Act, 1881/Payment and Settlement Systems Act, 2007. Any dishonour of the PI(s) or their being returned unpaid for any reason shall give rise to the presumption that, the Borrower from the very inception had no intention to honour the PI(s) and the same were given with a malicious intention to fraudulently obtain the Facility and the Borrower shall be liable to be prosecuted under the provisions of any law applicable in this regard.

5.20 The Borrower shall have and shall maintain sufficient balance in the account of the drawee bank for payment of PI(s) issued by the Borrower on and immediately prior to the Due Date(s) when the relevant PI(s) become mature and payable and thereafter to honour any such PI(s).

5.21 No notice, reminder or intimation shall be required to be given by the Lender to the Borrower prior to the presentation of any PI(s) to the drawee banks for encashment thereof.

5.22 In case of PI(s), PI(s) shall be drawn on a bank acceptable to the Lender and situated in a locality in the city/ town where the concerned branch of the Lender is situated. The number of such PI(s) shall be equal to the Outstandings payable by the Borrower to the Lender.

5.23 In the event that the Borrower does not deliver to the Lender PI(s) in respect of all the Outstandings payable by the Borrower to the Lender in settlement of the Outstandings to the Lender under the Transaction Documents at the same time and chooses to do so in Outstandings, the Borrower shall at least 6 (six) months prior to the date on which the last PI(s) already delivered by the Borrower to the Lender becomes due for payment, deliver to the Lender the next set of PI(s) in respect of balance Outstandings payable by the Borrower to the Lender in settlement of the Outstandings to the Lender under the Transaction Documents.

5.24 In case of any failure to receive the Outstandings or any other amounts due, through the electronic clearing system (debit) for any reason whatsoever as specified by the Borrower, the Lender shall, irrespective of the mode of payment selected by the Borrower in the Transaction Documents, be entitled to require the payment and/or collection of the Outstandings/other amounts, or the Payment Instruments, if any, submitted by the Borrower, by means of electronic clearing system (debit). The Lender may adopt the aforesaid process by itself or through such other person permitted for the same.

6. OBLIGORS' UNDERTAKING AND OBLIGATIONS

By way of execution of the Application Form and the relevant Transaction Documents, each of the Obligors has agreed, acknowledged, confirmed, undertaken and covenanted to these conditions in addition to the conditions as agreed to under the Agreement:

6.1 The Lender shall have the right to appoint, whenever they consider necessary, any chartered accountant / cost accountant / firm of chartered accountants for carrying out any specific assignment/s, to examine the financial and/or cost accounting systems and procedures adopted by the Obligors or as concurrent/internal auditors. The Obligors shall give full co-operation and provide the necessary assistance to the chartered accountant / cost accountant / firm of chartered accountants so appointed by the Lender in carrying out its examination and the same shall be at the sole costs and expenses of the Obligors. The costs, charges and expenses including professional fees and travelling and other expenses for such examination shall be payable by the Obligors. In the event, the Obligors fail to make such payment, the Lender can pay such expenses to the chartered accountant / cost accountant / firm of chartered accountants, and the Obligors shall be liable to reimburse the said expenses to the Lender, together with interest thereon at the same rate as on defaulted amounts from the date of such payment by the Lender.

6.2 The Borrower will not include the details of the bills/ Invoices to be discounted/ financed by the Lender under the said Facility in the book debt statement to be submitted to working capital bankers/banks.

6.3 The receivables due under the Invoices/ bills discounted/ financed by the Lender under the said Facility shall not be considered for calculating the drawing power by other lenders of the Borrower.

6.4 In case the Borrower has already availed Existing Facility, then in such event such Existing Facility will be merged with the Credit Limit.

6.5 The Borrower shall inform the Lender about any additions / deletions in the list of fixed Suppliers/Purchasers.

6.6 It shall not avail finance from any other source against the Invoices/ bills discounted/ financed with the Lender.

6.7 Notwithstanding anything contained in this Part E, (i) the Obligors shall provide such Security as may be required under the Transaction Documents and (ii) the Lender may call upon the Obligor to provide for additional Security for securing the Facility and then upon notice to that effect by the Lender, the Obligors shall promptly provide and furnish such additional security in accordance with the Transaction Documents, as may be acceptable to the Lender.

6.8 The Obligors shall have no right of lien or right to set-off (whether under law or contract or otherwise) upon any money against/towards the Outstandings.

6.9 The Borrower shall pay the interest for Credit Period upfront/ rear end/ monthly or at any interval acceptable to the Lender as more particularly set out in the Transaction Documents while furnishing the accepted Invoices.

6.10 If the Lender is unable to exercise its rights as the rightful holder in respect of particular Invoice received from the Borrower under the Transaction Documents, the loss if any incurred by the Lender on this account in the exercise of the rightful holder of the Invoice shall be borne by the Borrower.

6.11 The Obligors shall abide by and perform all its obligations, to supply goods to Purchasers in pursuance of the purchase orders/indents to be placed by them and would continue to make such supplies in accordance therewith from time to time.

6.12 In the event of the said supplies not meeting the specifications of the Purchasers as per the purchase orders/indents and /or for any reason whatsoever, inclusive of due to damage of the goods in transit for delivering the same to the destination stores/site of Purchasers as described in the dispatch instruction thereby the Purchasers do not pay the amounts due under the Invoices or there is short fall in payment of such amount, then and in such event the Borrower shall immediately upon demand being made in that behalf in writing by the Lender, forthwith pay all amounts due under the Invoices/ bills discounted/ financed by the Lender together with Penal Charges, Overdue/ Temporary Overdraft Charges on such amounts and all other costs, charges and expenses.

6.13 The Borrower shall route all payments due from the Purchasers under the Invoices to the Lender, in the manner as desired by the Lender.

6.14 In case of the Borrower availing electronic Purchase Invoice/Sales Invoice discounting/ financing facility, the Borrower shall additionally represent, warrant and undertake as follows:

6.14.1 It shall abide by and perform all its obligations, to supply goods to Purchasers in pursuance of the purchase orders/indents to be placed by the Purchasers / to buy goods from Seller in pursuance of the purchase orders/indents to be placed by the Borrower and would continue to make such supplies/ purchases in accordance therewith from time to time.

6.14.2 All instructions and/or information/ intimation as forwarded by the Purchasers/ Sellers from time to time to the Lender and/or, as the case may be, shall be deemed to be final and binding on the Borrower and the Lender shall not be requested or required to confirm or verify in any manner the validity, authenticity or acceptance of the instruction and/or information/ intimation so received. The Lender shall be entitled to act as per the Transaction Documents on the basis of such instructions and/or information/intimation received. If any amount not due to the Borrower but by mistake or oversight is credited to its Account, the Borrower shall immediately return the excess amount to the Lender and the Borrower unconditionally authorizes the Lender to reverse such credits.

6.14.3 The Lender shall not be liable for acting on the basis of the information so provided by the Purchasers/ Sellers, in the event of any error or omission occurring in that information, or if there is any deficiency in the authority of the person verifying and dispatching the information to the Lender.

6.14.4 The obligations of the Borrower in terms of the Transaction Documents is irrevocable and will not prejudiced, modified or affected by any dispute inter-se between the Purchasers/ Sellers and the Borrower.

6.14.5 The Borrower represents that it has authorized the Purchasers to submit Sales Invoice provided by the Borrower / Sellers to raise Purchase Invoices against the Borrower in electronic form and submit it to the Lender for discounting/ financing under the Transaction Documents.

7. REPRESENTATIONS AND WARRANTIES

7.1 In addition to the representations and Warranties under other Transaction documents each Obligor hereby represents and warrants to the Lender on a continuing basis that:

7.1.1 No Default or Material Adverse Change has occurred or is subsisting;

7.1.2 The Financial Statements of the Obligors and all other statements delivered to the Lender were prepared in accordance with accounting standards applicable in India from time to time consistently applied, save to the extent expressly disclosed in such Financial Statements and give a true and fair view and represent the Obligors' financial condition and operations and contingent liabilities, if any;

7.1.3 No Obligor enjoys immunity against any legal action or proceeding under any Applicable Law or otherwise;

7.1.4 None of the Obligors is in breach of any material agreement to which it is a party including without limitation any agreement entered into with a bank/financial institution/lender. The term material agreement being one which could, in the opinion of the Lender, prejudice any of the rights of the Lender under any Transaction Document;

7.2 The Obligors hereby agree, confirm and acknowledge that it is on the basis of the representations and warranties hereinabove and the terms of the Transaction Documents that the Lender has agreed to make available the Facility to the Borrower.

8. INDEMNITY

8.1 The Obligors shall be jointly and severally liable to indemnify and keep the Indemnified Person(s) indemnified and harmless, within timelines specified in the Transaction Documents of demand, against any Losses incurred as a result of:

8.1.1 the occurrence of any Default or investigation of any event which it believes to be a Default;

8.1.2 breach of any of the terms and/or conditions of the Transaction Documents; and/ or

8.1.3 Any representation and/or warranty provided by the Obligors found to be or becoming untrue, misleading or false in any respect whatsoever.

8.2 The Obligors acknowledge the inherent risks involved in sending the instructions/communications/documents to or by the Lender via facsimile, untested telexes and faxes, telegraph, cable or emails or any other electronic mode and hereby agree and confirm that all risks shall be fully borne by the Borrower and the Borrower hereby assumes full responsibility for the same, and undertakes to indemnify the Lender and keep the Lender indemnified and harmless at all times from and against any and all Losses including any claims and demands by any third party or any other, actions, demands, liabilities, costs, charges, damages, Losses, expenses and consequences of whatever nature (including legal fees on a full indemnity basis) and howsoever arising which may be brought or preferred against the Lender or that the Lender may or may have to suffer, incur or sustain by reason or on account of the Lender having so acted whether wrongly or mistakenly or not, or of the Lender failing to act wholly or in part in accordance with the instructions so received which could be a result of any miscommunication, or technological error beyond the control of the Lender considering the mode in which the same was conveyed.

SCHEDULE - 1

S. No.	Particulars	Description	Details
1.	Execution details	Date	
		Place	
2.	Details of Borrower	Name	
		Address	As per Sanction Letter
3.	Details of Co-Borrower(s)	Name of Co-Borrowers	
		Address of Co-Borrower(s)	As per Sanction Letter
4.	Branch details of the Bank	Name	
5.	Details of Facilities(Overdraft Limits/Dropline Limit/CC Limit/LC/BG)	Overall Limit of Rs. ______________________________ with details as per Sanction Letter	
6.	Sanction Letter	Ref. No.	
		Date:	
7.	Charges		As mentioned on the website of the Bank at <u>https://www.aubank.in/service-fee and in the Schedule of Charges annexed herewith</u> A copy of this Facility Agreement is uploaded on the Bank's website.
8.	Penal Charges		As mentioned in Schedule 2
9.	Overdue/ Temporary Overdraft Charges		As mentioned in Schedule 2
10.	Disbursement in favor of		As per Sanction Letter
11.	Phone number and email id of the nodal	**Level 1**	Call Centre — **Call:** 1800 1200 1200 **Email:** customercare@aubank.in

	grievance redressal officer			**Feedback/ Complaints:** Please visit www.aubank.in on the "Contact us" link or Internet banking or mobile banking.
			Branch	(Please visit www.aubank.in to locate nearest branch)
		Level 2	Regional Nodal Officer	In case of non-resolution of grievances within 7 days to customer's satisfaction, the customer may escalate their grievance to the relevant Regional Nodal Officer. Please visit www.aubank.in on the "Contact us" and click on the "Details of Principal Nodal Officer and Regional Nodal Officers" link or access the link below for the details of relevant Regional Nodal Officer: https://www.aubank.in/grievance-redressal-mechanism-grievance-redressal-mechanism.pdf
		Level 3	Principal Nodal Officer	If the complaint is not resolved or if the customer is not satisfied with the resolution provided within 15 working days, even after contacting various complaint resolution channels, the complaint may be escalated to the Principal Nodal Officer at: **Address:** Bank House, 6th Floor, Mile 0, Ajmer Road, Jaipur, Rajasthan- 302001 **Email:** pno@aubank.in

Schedule 5 (Schedule of Charges)

Schedule of Charges –Emerging Enterprises		
S. No.	**Parameters**	**Emerging Enterprises**
1	Interest Rate	Up to 22%
2	Loan Processing Charges	Up to 5% of loan amount
3	Renewal Fees	Up to 3% of loan amount
4	Stamping Charges	As per State's Stamp Act
5	Documentation charges	At actuals
6	Collection Charges	₹600
7	SI/NACH/ECS Return Charges	₹500 per instance
8	ADHOC limit set up charges	0.50% of Sanction limit; minimum Rs 5000
9	TOD limit set up charges	0.10% of Sanction limit; minimum Rs 1000
10	Swap Charges (Replacement of PDCs/Change of bank)	₹1000
11	Prepayment / Foreclosure charges	5% of principal outstanding, if paid before 12 months; 3% of principal outstanding balance, if paid after 12 months
		5% of limit/s sanctioned, if paid before 12 months; 3% of limit/s sanctioned, if paid after 12 months
		0% on 100% FD backed limit
12	Issuance of Duplicate NOC	₹ 500
13	Lender NOC/Solvency Certificate	0.10% of Solvency Certificate amount Minimum: ₹ 10000, Maximum: ₹ 50000
14	Statement of Account	₹500
15	Amortisation/Repayment Schedule	₹500

16	Bank Certificate (for Conduct of account, Loan details and Interest)	₹1000
17	Foreclosure Statement Charges	₹500
18	Change in Instalment due date	₹500 + difference period interest (if any)
19	Replacement in property/ asset/collateral	₹2500
20	Copy of property/ loan document	₹1000
21	Asset verification charges	At actuals
22	Property valuation charges	₹2500 per valuation or actual (whichever is higher)
23	Property legal charges	₹2500 to ₹ 6500 per legal (State wise)
24	Legal / Sarfaesi/Incidental Charges	
	Arbitration	Upto ₹ 5100
	Execution of Arbitration Awards	Upto ₹ 6800
	Complaint U/s 138 (NI Act)/25 (PASS Act)	Upto ₹ 6800
	Issue of Notice U/s 13(2) of SARFAESI Act	Upto ₹ 11,100
	Enforcement Action U/s 14 SARFAESI Act	Upto ₹ 17,000
	Any Other Legal Action taken by or against Bank	At Actuals
25	Cersai Charges	₹100 per asset
26	Equitable Mortgage Charges	As per state act
27	Provisional/Final IT certificate	Nil
28	Rate reduction or Conversion from Fixed to Floating or Floating to fixed	1% of Sanctioned limit/drawing power
29	Commitment Charges	0.50% of un-utilized amount in case average utilization of limits for the quarter is below 60%
30	Stock Audit/LIE charges	At actuals
31	ROC filling Charges	At actuals
32	Cheque/DD/Disbursement/Loan Cancelation Charges	₹1000 plus interest up to cancellation period
33	Cash Deposit Charges (at the time of Prepayment / Foreclosure only)	₹5 per thousand for cash collection

Penal Charges (Cash Credit/Overdraft/Dropline Overdraft /Term Loan/Other Fund Based accounts)

S. No.	Parameters	NBFC
1	Overdue Charges*	₹ 0.65 per thousand per Day
2	Term Loan Overdue Charges*	₹ 0.65 per thousand per Day
3	Temporary Overdraft Charges (Post Expiry)*	₹ 0.10 per thousand per Day
4	Stock Statement Charges	Upto ₹ 500 Lakhs Limit - ₹5000 ₹ 500 Lakhs to ₹ 1000 Lakhs Limit- ₹ 10000 Above ₹ 1000 Lakhs Limit - ₹ 25000
5	Stock Audit Charges	₹ 25,000
6	Low Churning Charges (<75%)	2% p.a. of Sanctioned Limit
7	Security Pending Charges	2% p.a. of Sanctioned Limit
8	Breach of sanction covenants Charges	2% p.a. of Sanctioned Limit
9	Other non-compliance of terms Charges	2% p.a. of Sanctioned Limit
10	Insurance Pending Charges	₹ 5000 per policy
Note: * All above penal charges are applicable per thousand (or every part thereof).		

Transaction Charges (Cash Credit/Overdraft/Dropline Overdraft accounts)		
S. No.	**Parameters**	**Charges**
1	Cash Deposit Charges in CC/OD/DLOD Account	Upto ₹ 10 Lakh – Nil Charges Beyond free limits charges will be ₹4/1000 (Minimum ₹50/transaction)
2	PAP Cheque Book	Free 200 leaves per month, thereafter ₹2/leaf
3	RTGS/NEFT/IMPS Charges	Free
4	Demand Draft payable at AU SFB Locations (through branch)	50 instruments free per month, thereafter ₹50/instrument
5	Demand Draft Payable-Correspondent Bank Location	10 instruments free, thereafter ₹2.50/1000 (Minimum ₹50; Maximum ₹5000)
6	Outstation cheque collection-Corresponding Bank Location	10 instruments free, thereafter ₹5/instrument + courier charges
7	Local Cheque Issued and returned (Insufficient funds)	Up to 2 returns-₹500/instance, 3rd return onwards ₹750/instance
8	Outstation Cheque Issued and returned (Insufficient funds)	Up to 2 returns-₹500/instance, 3rd return onwards ₹750/instance
9	ECS/NACH return (Insufficient funds)	₹500/instance

10	Outward cheque return (Local)	₹100/cheque
11	Outward cheque return (Outstation)	₹100/cheque
12	DD cancellation/Revalidation	₹100/instrument
13	Stop payment of cheque-Branch	₹50 per cheque or range of cheque in series
* Normal Interest on overdue amount will continue to be charged at the applicable ROI of the loan.		

1) All of the above fees and charges are subject to change as per the Bank's discretion from time to time. Changes in fees and charges are updated on the bank’s website (www.aubank.in).
(2) The charges as applicable on the date of levy and reflecting in the Schedule of Charges of the Bank shall be applicable and binding.
(3) All of the above fees/charges are exclusive of all statutory and Government taxes.
Note - GST and other government taxes applicable as per prevailing rate will be charged over and above the fees and charges.

1. All of the above fees and charges are subject to change as per the Bank's discretion from time to time. Changes in fees and charges are updated on the bank’s website (www.aubank.in).
2. The charges as applicable on the date of levy and reflecting in the Schedule of Charges of the Bank shall be applicable and binding.
3. All of the above fees/charges are exclusive of all statutory and Government taxes. GST and other government taxes applicable as per prevailing rate will be charged over and above the fees and charges.
4. Bank do not levy any loan related and adhoc service charges/inspection charges on priority sector loans up to ₹25000.

Schedule A

1	Exclusive jurisdiction in favour of Court(s) & Tribunal(s) at	Jaipur
		(a) Name: CLRMDR

2	List of Arbitral Institutions / Online Disputes Resolution platform for resolution of disputes by way of Mediation / Arbitration and conciliation	Address: D-871 GROUND FLOOR NEW FRIENDS COLONY NEW DELHI -110025 Contact Details: 9717012845 Emails ID:- info@clrmdr.com
		(b) Name: Resolvere Address: D-871 SECOND FLOOR NEW FRIENDS COLONY NEW DELHI -110025 Contact Details: 011-45131430 Emails ID:- resolvere.info@gmail.com
		(c) Name: Easy Solution Address: G-18/41, Ground Floor, Sector-15, Rohini, New Delhi-110089 Contact Details: 9212710624 MAIL ID: DJRBCLEGAL18@YAHOO.COM
3	Seat of arbitration	Jaipur shall be the seat / venue for Arbitration in the case of proceedings being held physically. In case of hybrid and online disputes resolution proceedings, Jaipur shall be deemed to be the Seat of Arbitration
4	Preferred language of Arbitral Proceedings	English
5	Co-ordinates of Borrower(s) / Guarantor(s) for conduct of Arbitration / Mediation proceedings online.	
	Borrower- As per Sanction Letter	Registered email id, Mobile no., WhatsApp no.: As per Bank's records. (Account information)
	Co-Borrower(1) - As per Sanction Letter	
	Co-Borrower(2) - As per Sanction Letter	

	Guarantor(1) - As per Sanction Letter	
	Guarantor(2) - As per Sanction Letter	

Note:- Borrower(s) and other obligors, if any, undertake to inform bank in writing about any change in the registered mobile number, registered whatsapp number and registered e-mail ID. In case of Borrower(s)'s/ obligors 'failure in communicating any change in the registered mobile number, whatsapp number and e-mail ID to the bank in writing such contact numbers and e-mail ID as on record with the Lender shall continue being the co-ordinates of the respective Party and any communication sent to such co-ordinates shall be treated as a valid service, notwithstanding the contrary/ failed delivery status or report thereof. Proceedings held using such co-ordinates shall be valid and conclusion thereof by way of an order / award shall be binding on the Parties thereto.

Annexure 1

LETTER OF GENERAL LIEN AND SET OFF

To,

AU Small Finance Bank Limited,
19-A, Dhuleshwar Garden,
Ajmer Road, Jaipur
("Lender/ Bank"),

LETTER OF GENERAL LIEN, SET-OFF IN RESPECT OF DEPOSITS/CREDIT BALANCES/MARGIN PAYMENTS/ MONIES created in favour of the Lender and CROSS COLLATERIZATION/CROSS LINKING of PROPERTIES, SECURITIES, ASSETS, RECEIVABLES AND SECURITY INTERESTS ("SECURITY") in consideration of the Lender granting or continuing to make available loan/ facility of Rs. ______________ (Rupees _______________) ("Facility") to the Undersigned, pursuant to the terms of sanction letter ref ___________ dated ____________.

The Undersigned hereby acknowledges, agrees and undertakes that: -

1. The Bank may, at any time, combine or consolidate all or any of the existing accounts of the Undersigned (of whatsoever nature) and set off or transfer any sums standing to the credit of any one or more such accounts in or towards satisfaction of any of the liabilities of the Undersigned towards the Bank on any other account or in any other respect, whether as principal, or surety or otherwise, whether such liabilities be present or future, actual or contingent, primary or collateral and several or joint.
2. The Undersigned:- (a) shall neither withdraw nor shall be entitled to withdraw any such sums (so that the Bank shall have no obligation to release or repay any such sums to the

Undersigned) and shall not do or omit to do any act or thing which may in any way delay or prejudice the Bank's right to retain such sums and/or apply all or any part of such sums in or towards such payment, discharge or satisfaction; (b) shall not mortgage, charge, pledge, hypothecate or otherwise encumber or assign, transfer or otherwise deal with or grant or suffer to arise any third party rights over or against the Security (except for encumbrance already created in favour of the Bank) and/or whole or any part of such sums.

3. The Bank is authorised, in it's absolute discretion, at any time and from time to time to notify any other creditors of the Undersigned of the terms and undertakings set out herein;

4. Notwithstanding anything contrary contained in the Agreement and/or any other document executed in furtherance of the Loan/Facility extended under the Agreement or any other document executed in furtherance of the facility already extended or to be extended by the Lender (which term shall include and the subsidiaries, affiliates/associate entities of the Lender") at a future date ("Transaction Document").

A. the Security created by the Undersigned or any other obligor towards the Facility(s) availed under the present Transaction Documents shall also be a continuing security for:

(i) all other monies that may be due from and payable by the Undersigned on account of the facilities already availed or to be availed from the Lender.

(ii) facility granted / continued to the group companies/associate/affiliates of the Undersigned, as declared from time to time.

B. that any security created by the Undersigned and/or the, under any other Transaction Documents executed or to be executed in favor of Lender and against which the Lender has already extended or shall extend facility, shall be a continuing security for the Facility extended under the present Transaction Documents and the security already extended or to be extended, shall not be discharged till the time all facilities already availed or to be availed from the Lender are re-paid in full and discharged to the satisfaction of the Lender.

C. that the Lender shall have lien and right of set off over all such security created in favor of the Lender under any Transaction Document executed at present, in past or in future, and against all monies, deposits, assets and other properties of the Undersigned, which are deposited with/under the control of the Lender (or any of its group companies) by giving 07 days' prior notice to the Undersigned.

D. that the Lender shall be within its rights to withhold the No Objection Certificates and/or withhold issuance No Dues Certificates and/or withhold the security created, in its sole discretion, for any loan/facility/credit facility pending closure of all other loan/facility/credit facility availed by the Undersigned before or after availing the Loan/Facility/Credit Facility under the present Transaction Documents.

E. The Security created under the Agreement and the liability of the Undersigned shall not be affected, impaired or discharged by winding up (voluntary or otherwise) or by any change in name, merger or amalgamation, reconstruction, takeover of the management, dissolution or nationalization (as the case may be) of any of the Undersigned.

F. that in the event of any default being committed by the Undersigned under any other agreement with the Lender, under which the Undersigned is enjoying financial/ credit facility, such event, shall be considered as an event of default occurred under the present Transaction Documents and the Lender, shall be absolutely entitled to exercise all or any of its rights under the Agreement including right to set off in respect of any amount standing to the credit of the Undersigned in any/all of the loan/ facility(ies) availed/to be availed from the Bank.

5. Nothing herein shall restrict the operation of any general lien, set-off or other rights or remedies available to the Bank, whether by law or otherwise, and this letter of general lien,

set-off and cross collateralization is in addition and without prejudice to any lien, guarantee, mortgage, hypothecation or security now or hereafter held by the Bank;

6. This letter of general lien, set-off and cross collateralization is governed by and shall be construed in accordance with the laws of India and the Undersigned hereby irrevocably submits to the jurisdiction of the Courts at Jaipur. The Undersigned further undertakes, on the Bank's request, to nominate an agent with an address in India to accept service of any legal process in India on behalf of the Undersigned and such agent shall acknowledge in writing to the Bank its appointment as such agent and service of legal process on such agent shall be deemed to constitute service on the Undersigned.

For the Borrower Signed and Delivered by the above-mentioned Borrower/Authorized Signatory Name: Signature: On behalf of the within named Borrower Date: Place:
For the Co-Borrower Signed and Delivered by the above-mentioned Co- Borrower/Authorized Signatory Name: Signature: On behalf of the within named Co-Borrower Date: Place:

Schedule 3

Example No. - 1 (Revolving Facility like Cash Credit / Overdraft)

"**IRAC Circular Refer Para No. 2.1.2 (ii) -** the account remains 'out of order' as indicated at paragraph 2.2 below, in respect of an Overdraft/Cash Credit (OD/CC)

Para No. 2.2 (Part 1) - An account should be treated as 'out of order' if the outstanding balance remains continuously in excess of the sanctioned limit/drawing power for 90 days."

Example Description - SMA and NPA Classification on Revolving Facility like Cash Credit / Overdue cases based on Out of Order (Part 1).

"Example: If outstanding balance is in excess of sanctioned limit/drawing power of a revolving facility like cash credit / overdraft account is March 31, 2021, and amount are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain excess of sanctioned limit/drawing power, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021, i.e. upon completion of 30 days of being continuously in excess of sanctioned limit/drawing power. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

Similarly, if the account continues to remain in excess of sanctioned limit/drawing power, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain in excess of sanctioned limit/drawing power further, it shall get classified as NPA upon running day-end process on June 29, 2021.This is further elaborated as below mentioned table:

Date	DPD	Classification
"31-Mar-21 (Outstanding Balance is Excess of Sanction Limit / Drawing Power*)"	1 / Overdue	
30-Apr-21	31 / More than 30 Days / Completion of 30 Days	SMA-1
30-May-21	61 / More than 60 Days / Completion of 60 Days	SMA-2
29-Jun-21	91 / More than 90 Days / Completion of 90 Days	NPA

* Outstanding Balance can be treated in Excess of Sanctioned Limit / Drawing Power if any Revolving facility (i.e. Overdraft / Cash Credit) Limit provide by bank is Rs. 1 Lacs and Utilization of customer is more than Rs. 1 Lacs

IRAC Circular Refer Para No. 4.2.5 - If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as 'standard' accounts.

Example Description - Upgradation of NPA Account: loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower and all the excess amount of limit sanctioned to borrower is also paid.

Date	DPD	Classification
"31-Mar-21	1 / Overdue	

(Outstanding Balance is Excess of Sanction Limit / Drawing Power*)"		
30-Apr-21	31 / More than 30 Days / Completion of 30 Days	SMA-1
30-May-21	61 / More than 60 Days / Completion of 60 Days	SMA-2
29-Jun-21	91 / More than 90 Days / Completion of 90 Days	NPA
30-Jun-21	Upgrade**	

* Outstanding Balance can be treated in Excess of Sanctioned Limit / Drawing Power if any Revolving facility (i.e. Overdraft / Cash Credit) Limit provide by bank is Rs. 1 Lacs and Utilization of customer is more than Rs. 1 Lacs (say Rs. 1,10,000)

**Upgradation of Account to standard is Possible after excess amount of limit is received from borrower of Rs. 10,000 and entire arrears of interest and principal are paid by the borrower

Example No. - 2 (Revolving Facility like Cash Credit / Overdraft)

*"**IRAC Circular Refer Para No. 2.1.2 (ii)** - the account remains 'out of order', in respect of an Overdraft/Cash Credit (OD/CC)*

***Circular refer Para No. 6 (ii)** - An account should be treated as 'out of order', 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"*

Example Description - NPA Classification on Revolving Facility like Cash Credit / Overdue cases based on Out of Order.

Example: If Prior 90 Days Interest charged/debited in revolving facility like cash credit / overdraft account is more than credit received on account then it shall get classified as NPA upon running day-end process as on Date. The same is explain as below mention table

Date	Transaction Detail	Amount	Classification
1-Jan-21	Customer Use the Limit of Cash Credit / Overdraft Account	100000	
31-Jan-21	Debit Interest	1500	

15-Feb-21	Customer paid the amount	2000	
28-Feb-21	Debit Interest	1500	
31-Mar-21	Debit Interest	1700	NPA*

** NPA is classified due to Interest Charged in last 90 Days is Rs. 4700 (i.e. 1500 + 1500 + 1700) and Credit are received only is Rs. 2000. which is less than the interest charged*

IRAC Circular Refer Para No. 4.2.5 *- If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as 'standard' accounts.*

Example Description - Upgradation of NPA Account: loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower and last 90 Days' interest should be less than credit received during the same period.

Date	Transaction Detail	Amount	Classification
1-Jan-21	Customer Use the Limit of Cash Credit / Overdraft Account	100000	
31-Jan-21	Debit Interest	1500	
15-Feb-21	Customer paid the amount	2000	
28-Feb-21	Debit Interest	1500	
31-Mar-21	Debit Interest	1700	NPA*
30-Apr-21	Debit Interest	1750	
10-May-21			Upgrade**

** NPA is classified due to Interest Charged in last 90 Days is Rs. 4700 (i.e. 1500 + 1500 + 1700) and Credit are received only is Rs. 2000. which is less than the interest charged.*

***Upgradation of Account to standard can be done after Last 90 Days Interest charged are less than credit received and all interest arrear is recovered i.e. Interest Charges is Rs. 6450 (i.e. 1500+1500+1700+1750) and Credit is Rs. 2000. However, borrower need to pay Rs. 4450 (i.e. 6450 - 2000)*

Example No. - 3 (Stock Statement - Cash Credit Account)

"IRAC Circular Reference Para No. 4.2.4 (a & b) - Accounts with temporary deficiencies

Para No. 4.2.4 (a) - Banks should ensure that drawings in the working capital accounts are covered by the adequacy of current assets, since current assets are first appropriated in times of distress. Drawing power is required to be arrived at based on the stock statement which is current. However, considering the difficulties of large borrowers, stock statements relied upon by the banks for determining drawing power should not be older than three months. The outstanding in the account based on drawing power calculated from stock statements older than three months, would be deemed as irregular.

Para No. 4.2.4 (b) - A working capital borrowal account will become NPA if such irregular drawings are permitted in the account for a continuous period of 90 days even though the unit may be working or the borrower's financial position is satisfactory."

Example Description - NPA Classification on Cash Credit account based on Stock Statement is not Updated.

Example: If Stock statement is received of a cash credit account as on March 31, 2021, and further updated stock statement is not received . It shall get classified as NPA upon running day-end process on September 27, 2021. The same is explained in below mention table:

Date	Classification
31-Mar-21 (Stock Statement Received)	
27-Sep-21	NPA

"IRAC Circular Refer Para No. 4.2.5 - If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as 'standard' accounts.

Example Description - Upgradation of NPA Account: loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower and received updated stock statement (i.e. Stock Statement Date should be between last 179 days)

Date	Classification
31-Mar-21 (Stock Statement Received)	
27-Sep-21	NPA
25-Oct-21	Upgrade*

**Upgradation of Account to standard is Possible after receiving updated stock statement (The Date of Stock Statement between 29-4-2021 to 25-10-2021) and entire arrears of interest and principal are paid by the borrower.*

Example No. - 4 (Renewal Due - Revolving Facility)

"IRAC Circular Reference Para No. 4.2.4 (c) - Accounts with temporary deficiencies

Para No. 4.2.4 (c) - Regular and ad hoc credit limits need to be reviewed/ regularised not later than three months from the due date/date of ad hoc sanction. In case of constraints such as non-availability of financial statements and other data from the borrowers, the branch should furnish evidence to show that renewal/ review of credit limits is already on and would be completed soon. In any case, delay beyond six months is not considered desirable as a general discipline. Hence, an account where the regular/ ad hoc credit limits have not been reviewed/ renewed within 180 days from the due date/ date of ad hoc sanction will be treated as NPA."

Example Description - NPA Classification on Revolving facility based on renewal is not to be reviewed.

Example: If Renewal is due of a revolving facility account as on March 31, 2021, and further renewal of account is not done. It shall get classified as NPA upon running day-end process on September 27, 2021. It is further explained in below mention table:

Date	Classification
31-Mar-21 (Renewal Due Date)	
27-Sep-21	NPA

IRAC Circular Refer Para No. 4.2.5 - If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as 'standard' accounts.

Example Description - Upgradation of NPA Account: loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears of interest and principal are paid by the borrower and updated renewal done (i.e. Renewal Date should be between last 179 days)

Date	Classification
31-Mar-21 (Stock Statement Received)	
27-Sep-21	NPA
25-Oct-21	Upgrade*

**Upgradation of Accounts to standard can be done post renewal (The Date of Renewal between 29-4-2021 to 25-10-2021) and after entire arrears of interest and principal are paid.*

Example No. - 5 (Credit Card)

IRAC Circular Reference Para No. 4.2.19.2 - A credit card account will be treated as non-performing asset if the minimum amount due, as mentioned in the statement, is not paid fully within 90 days from the payment due date mentioned in the statement.

Example Description - NPA Classification on credit card.

"Example Detail: If there is Minimum Amount due (MAD) of a credit card account as on March 31, 2021, and MAD are not received before the lending institution runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021.

Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021. It is further elaborated in below mention table:"

Date	Reporting Date MAD Amount	DPD	Classification
31-Mar-21 (MAD Due Date)	1000	1/ Overdue	
30-Apr-21	2000	31/ More than 30 Days / Completion of 30 Days	SMA-1
30-May-21	3000	61/ More than 60 Days / Completion of 60 Days	SMA-2
29-Jun-21	4000	91/ More than 90 Days / Completion of 90 Days	NPA

IRAC Circular Refer Para No. 4.2.5 - If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as 'standard' accounts.

Example Description - Upgradation of NPA Account: loan accounts classified as NPAs may be upgraded as 'standard' asset only if entire arrears (MAD amount) of interest and principal are paid by the borrower

Date	Reporting Date MAD Amount	DPD	Classification
31-Mar-21 (MAD Due Date)	1000	1	
30-Apr-21	2000	31/ More than 30 Days / Completion of 30 Days	SMA-1
30-May-21	3000	61/ More than 60 Days / Completion of 60 Days	SMA-2
29-Jun-21	4000	91/ More than 90 Days / Completion of 90 Days	NPA
30-Jun-21	4000		Upgradation*

**Upgradation of Account to standard is Possible after total pending MAD due of Rs. 4000 is received from borrower*

Example No. –6

IRAC Circular Reference Para No. 4.2.7 (c) - *Asset Classification to be borrower-wise and not facility-wise*

Para No. 4.2.7.1 -*It is difficult to envisage a situation when only one facility to a borrower/one investment in any of the securities issued by the borrower becomes a problem credit/investment and* *not others. Therefore, all the facilities granted by a bank to a borrower and investment in all the securities issued by the borrower will have to be treated as NPA/NPI and not the particular facility/investment or part thereof which has become irregular.*

Example Description - NPA Classification on based on borrower wise and not facility wise.

Example: If any Facility of customer is classified as NPA upon running day-end process as on date, all the facility of the customer need to be classified NPA upon same day. It is further explained as below mention table:

Customer ID	Facility Name	Date	NPA Reason
A	Term Loan 1	29-Jun-21	NPA Classified as per above Example
A	Term Loan 2	29-Jun-21	NPA Classified Due to Customer A Term Loan 1 is classified NPA
A	Cash Credit / Overdraft	29-Jun-21	

IRAC Circular Refer Para No. 4.2.5 - *If arrears of interest and principal are paid by the borrower in the case of loan accounts classified as NPAs, the account should no longer be treated as nonperforming and may be classified as 'standard' accounts.*

Example Description - Upgradation of NPA Account: loan accounts classified as NPAs may be upgraded if arrears of interest and principal are repaid in all the facilities of the borrower

Customer ID	Facility Name	Date	NPA Reason
A	Term Loan 1	29-Jun-21	NPA Classified as per above Example
A	Term Loan 2	29-Jun-21	NPA Classified Due to Customer A Term Loan 1 is classified NPA
A	Cash Credit / Overdraft	29-Jun-21	
A	Term Loan 1	15-Jul-21	Upgrade*
A	Term Loan 2	15-Jul-21	
A	Cash Credit / Overdraft	15-Jul-21	

**Upgradation of Borrower's accounts to standard can be done if arrears of interest and principal are repaid in all the facilities of the borrower*

DECLARATION

The Borrower acknowledges to have read and understood all the foregoing terms of this Facility Agreement, including Part A, Part B, Part C, Part D, Part E and the Key Fact Statement, Schedule and Annexures to this Facility Agreement and is affixing its signature/thumb impression/ common seal on the last page of this Facility Agreement evidencing the same. The Borrower further agrees and confirms that the Parties shall not be required to sign at each page of this Facility Agreement and the signatures at the last page of this Facility Agreement would be sufficient for the purposes of this Facility Agreement.

Borrower confirms that whatever has been stated hereinabove in this Facility Agreement is true and correct to the best of its knowledge and belief and the Borrower has entered into this Facility Agreement voluntarily, with full knowledge of its effect and signing of this Facility Agreement at the last page shall be construed as signing of each and every page of this Facility Agreement and all other documents.

For the Borrower Signed and Delivered by the above-mentioned Borrower/Authorized Signatory Name: Signature: On behalf of the within named Borrower
For the Co-Borrower Signed and Delivered by the above-mentioned Co- Borrower/Authorized Signatory Name: Signature: On behalf of the within named Co-Borrower
For AU Small Finance Bank Limited Signed and Delivered by its Authorized Signatory/ Constituted Attorney Name: Signature: On behalf of the within named Bank/AUSFB