

## RUPEE FACILITY AGREEMENT

THIS RUPEE FACILITY AGREEMENT (“**Agreement/Facility Agreement**”) is made on the date and place as provided in Schedule 4 of this Agreement by and between:

The persons set forth in Schedule 4 of this Agreement (hereinafter referred to as the “**Borrower**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, legal representatives, successors and permitted assigns and includes co-borrower, if any) of the **ONE PART**;

**AND**

**AU SMALL FINANCE BANK LIMITED**, CIN: L36911RJ1996PLC011381, a scheduled commercial bank under second schedule of Reserve Bank of India Act 1934 and a small finance bank under Section 22 of Banking Regulation Act 1949 and having its registered office at 19-A, Dhuleshwar Garden, Ajmer Road, Jaipur - 302001 Rajasthan and a branch office at the place as mentioned in Schedule 4 of this Agreement (hereinafter referred to as the “**Lender/Bank**” which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the **OTHER PART**.

The Borrower and the Lender/Bank shall hereinafter be referred to as the “**Parties**” and individually as a “**Party**”.

### WHEREAS:

A. The Borrower is a non-banking finance company engaged in the business as provided in Schedule 4 of this Agreement. Pursuant to and in consideration of the undertakings, obligations and covenants of the Borrower as contained in this Agreement and the other Finance Documents, the Lender has agreed to provide the Facility to the Borrower in accordance with this Agreement and other Finance Documents. Accordingly, the Parties are entering into this Agreement to record the terms and conditions on which the Facility will be granted to the Borrower by the Lender.

**NOW, THEREFORE**, in consideration of the premises and mutual agreements and covenants contained in this Agreement and other good and valuable consideration (the receipt and adequacy of which are hereby mutually acknowledged), each of the Parties hereby agree as follows:

### 1. DEFINITIONS AND INTERPRETATION

#### 1.1. Definitions

In addition to the terms defined in the introduction, recitals and text of this Agreement, whenever used in this Agreement, unless repugnant to the meaning or context thereof, the following words and terms shall have the meanings set forth below:

“**Actual Security Margin**” means, at any relevant time, Total Value of Security divided by the outstanding Obligations (in absolute terms)

“**Affiliate**” means a Subsidiary or a holding company as defined in the Companies Act, 2013 of a person or any other Subsidiary of that holding company.

“**Applicable Interest Rate**” means the Interest Rate, the Reset Interest Rate or the Revised Interest Rate, as the case may be.

“**Authorisation**” means an authorisation, consent, approval, resolution, license, exemption, filing, notarisation, lodgement or registration; or in relation to anything which will be fully or partly prohibited or restricted by Law or regulation.

“**Availability Period**” means the period commencing on the date of this Agreement, and terminating on the earlier of either the date on which the facility is fully utilized or the date on which Facility is cancelled or terminated by the Lender.

“**Benchmark Rate**” means 12-month average of 1-year T-Bill or any other benchmark rate (“**EBR/MCLR**”) as specified in the Sanction Letter.

“**Borrower’s Loan Documents**” shall mean the loan documents executed between the Borrower and the borrower(s) of the Borrower in respect of the Listed Loan Assets of the borrower.

“**Business Day(s)**” means any day of the week (excluding Saturdays, Sundays and public holidays) on which commercial banks are open for business in Jaipur, Rajasthan.

“**CIBIL**” means TransUnion CIBIL Limited.

“**Control**” shall have the meaning ascribed to the term under the Companies Act, 2013 as amended from time to time.

“**CRILC**” shall mean Central Repository of Information on Large Credits.

“**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.

“**Deed of Hypothecation**” shall mean the Deed of Hypothecation executed between the Borrower and Lender/Security Trustee.

“**Default**” or “**Event of Default**” means an event of default or any event or circumstance specified in Clause 7 (*Events of Default*) which would (with the expiry of a cure period, if any, be or become an Event of Default.

“**Default Interest Rate**” means interest at the increased interest rate in the Event of Default as provided under Schedule 4 of this Agreement.

“**Due Date**” means the date of repayment of Facility as specified in Sanction Letter.

“**Drawdown**” means the lending of the Facility by the Lender to the Borrower pursuant to the issuance of the Drawdown Notice by the Borrower in accordance with the terms and conditions contained in this Agreement.

“**Drawdown Date**” means the date on which a Facility is made available to the Borrower following a Drawdown Notice.

“**Drawdown Notice**” means the notice, received from the Borrower containing date of drawdown notice, amount, facility to be drawn, account details of the account for disbursement, date of disbursement.

“**Facility**” means the term loan facility of upto the amount as provided under Schedule 4 of this Agreement granted by the Lender to the Borrower under this Agreement pursuant to Clause 1.3 (*Facility*).

“**Facility Office**” means the office or offices notified by the Lender to the Borrower through which the Lender will perform its obligations under this Agreement.

“**Final Settlement Date**” means the date when all Obligations have been irrevocably and unconditionally paid and discharged in full to the satisfaction of the Lender in accordance with the terms of the Finance Documents.

“**Finance Documents**” means collectively this Agreement, Sanction Letter, Deed of Hypothecation, Security Trustee Agreement if any, the Guarantee, all other agreements, instruments, 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 or the Guarantor, or as the case may be, any other person, in relation, or pertaining, to the transactions contemplated by, or under this Agreement, and each such Finance Document as amended from time to time.

**“Financial Indebtedness”** means any indebtedness for or in respect of moneys borrowed or deposits or advances of any kind.

**“Financial Statements”** shall mean financial statements as defined in Sanction Letter.

**“Financial Year”** means the accounting period commencing from April 1 of each year till March 31 of the next year or the accounting period commencing from January 1 of each year till December 31 of the same year, as applicable.

**“GAAP”** means generally accepted accounting principles, standards and practices in India.

**“Governmental Agency”** means any government (central or state); or any governmental agency, semi-governmental, quasi-governmental, regulatory entity, supervisory body or judicial or quasi-judicial or administrative entity, department or authority, or any political subdivision thereof, including, without limitation, any stock exchange or self-regulatory organization, established under the Law.

**“Guarantee”** shall mean the corporate/ personal guarantee for the Facility as provided by the Guarantor.

**“Guarantor”** shall mean the person as detailed in Schedule 4 who is providing the Guarantee.

**“INR” or “Rupees”** means the lawful currency of the Republic of India.

**“Interest”** shall have the meaning assigned to such term in Clause 3.1 (*Payment of Interest*).

**“Interest Payment Date”** shall mean the Due Date as mentioned in Schedule 3 or any other period as may be agreed between the Borrower and the Lender.

**“Interest Rate”** shall mean the rate of interest per annum as provided in Schedule 4 of this Agreement.

**“Interest Reset Date”** means the date after the first Drawdown Date as provided in Schedule 4 of this Agreement and thereafter, such other dates as may be mutually agreed between the Borrower and the Lender.

**“Law(s)”** means all applicable central and state Acts, rules, regulations made therein and any other laws in force for the time being.

**“Listed Loan Assets of Borrower”** shall mean the Borrower’s Loan Assets listed in the statement given by the Borrower to the Lender/Security Trustee, if any, within the period as mentioned in the Sanction Letter and which is revised every month/quarter/half year/year and which shall include Borrower’s Loan Assets substituted by the Borrower in place of such Listed Loan Assets of the Borrower in line with Selection Criteria as defined in Sanction Letter.

**“Material Adverse Effect”** means a material adverse effect on the condition (financial or otherwise), assets, operations, prospects or business of the Borrower (taken as a whole) the ability of the Borrower to perform substantially all of its obligations under any Finance Document; or the validity, legality or enforceability of, or the material rights or remedies of the Lender under any Finance Document or any material litigation against the Borrower or Revocation, termination or suspension of any Authorisation of the Borrower.

**“Non-current Asset”** for the purpose of this Agreement shall mean the Borrower’s Listed Loan Assets the amounts payable under which has remained due and unpaid for 01 (one) or more days or as mentioned in the Sanction Letter.

**“Obligor”** shall mean, collectively, the Borrower, the Security Providers and any other person which undertakes any obligation in accordance with the terms of the Finance Documents.

**“Outstanding Amounts/Obligations”** means at any time all the amounts payable by the Borrower to the Lender in relation to the Facility, pursuant to the terms of the Finance Documents (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise).

**“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.

**“Purpose”** shall mean the purpose(s) for which the Facility have been availed of by from the Lender and as more particularly specified in the Sanction Letter and Schedule 4 hereof.

**“RBI”** means the Reserve Bank of India constituted under the Reserve Bank of India Act, 1934.

**“Receivables”** means the monies/receivables (net of financial charges, NPAs, other charges etc.) payable by the borrower(s) of the Borrower to the Borrower under the Borrower’s Loan Documents and includes principal, interest amount, overdue interest, any other interest, service charges, account charges or other similar amounts or any other amount payable or received under the Borrower’s Loan Documents, in line with Selection Criteria as defined in Sanction Letter. Receivables shall also include Receivables substituted by the Borrower in place of Receivables that have become Non-current Asset during the subsistence of this Agreement, additional Receivables provided by the Borrower in the event of the value of total Receivables, during the subsistence of this Agreement, falls less than the Required Security Margin and also Receivables created by the Borrower in terms of Clause 1.5 herein.

**“Repayment Schedule”** means schedule of repayment of the Facility as set out in **Schedule 3** (*Repayment Schedule*).

**“Representations and Warranties”** means and refers to the representations and warranties in **Schedule 1** (*Representations and Warranties*).

**“Required Security Margin”** shall mean the required security margin as specified in Schedule 4.

**“Reset Interest Rate”** shall have the meaning ascribed to the term in Clause 3.2 (*Interest Reset*) hereof.

**“Revised Interest Rate”** shall have the meaning ascribed to the term in Clause 3.1 (*Payment of Interest*) hereof

**“Sanction Letter”** shall mean the letter as of the date specified in Schedule 4 hereof in connection with sanction of the Facility, and as amended from time to time.

**“Security”** means the hypothecation of Receivables by execution of deed of hypothecation by the Borrower.

**Security Provider”** shall have the person referred in Schedule 4.

**“Security Interest”** means any mortgage, pledge, lien, charge, assignment, hypothecation, security interest, or any other agreement or arrangement having the effect of creating an encumbrance.

**“Spread”** means the difference between the Benchmark Rate/ MCLR and the Interest Rate or such other rate as may be specified by the Lender to the Borrower.

**“Subsidiary”** means a subsidiary as defined in the Companies Act 2013.

**“Tax”** means all applicable taxes, levy, impost, duty or any other charges under applicable Law.

**“Tenor”** means the period as provided in Schedule 4 of this Agreement.

**“Third Party”** means any person that is not a signatory to this Agreement.

**“Total Value of Security”**, on any particular date, shall mean the aggregate value of the Receivables. The aggregate value of Receivables for the Purpose of this definition shall be computed by aggregating the principle amount outstanding under the Listed Loan Assets of the Borrower.

“**Security Trustee**” means the trustee as specified in Schedule 4 hereto holding on first pari passu charge in favour of the Lender over the Receivables of the Borrower.

“**Security Trustee Agreement**” means the security trustee agreement dated as specified in Schedule 4 and as amended, acceded and supplemented from time to time.

Schedules shall form part and parcel of this Agreement

## 1.2. Interpretation

The recitals and Schedules constitute an integral and operative part of this Agreement.

- (a) Reference to an “**amendment**” includes a supplement, modification, novation, replacement or re-enactment and “**amended**” is to be construed accordingly.
- (b) Words denoting the singular shall include the plural and vice versa.
- (c) Unless otherwise specified, whenever any payment to be made or action to be taken under this 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.
- (d) Any consent, approval, determination, waiver or finding to be given or made by the Lender shall be made or given by the Lender in its sole discretion. In the event of any disagreement or dispute between any Obligor and the Lender regarding the materiality of any matter, the opinion of the Lender in relation to the materiality shall be final and binding on the Obligor.
- (e) Where any statement in this Agreement is qualified by the expression “**to the knowledge**” or “**to the best of the knowledge or information or belief**” or any similar expression, that statement shall, be deemed to mean that it has been made after due and careful inquiry by the person making such statement. 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, the content of the Facility Agreement shall prevail to all intents and purposes. The Schedules constitute an integral and operative part of this Facility Agreement

- 1.3. **Facility:** Subject to the terms and conditions of this Agreement and upon receipt of a duly completed Drawdown Notice by the Lender, the Lender agrees to make available the Facility to the Borrower during the Availability Period. The Borrower undertakes that the Facility shall be utilised by the Borrower solely towards the Purpose as specified in Schedule 4 of this Agreement.

(a) **Prohibition:** The Borrower further confirms and/or undertakes that the Facility shall not be utilized for the Purposes prohibited under Sanction letter, Laws and RBI guidelines as amended from time to time. Under no circumstances shall the Facility be utilised by the Borrower for, directly or indirectly subscribing to or purchasing any shares/debentures, extending loans to its Affiliates or making any inter-corporate deposits, entering into any speculative transactions or activities; or carrying out any activities not eligible for bank credit as per RBI Guidelines.

- 1.4. **Monitoring:** Without affecting the obligations of the Borrower in any way, the Lender shall have the right (but no obligation), in accordance with this Agreement, to monitor and verify the utilisation of the Facility upon advance notice served upon the Borrower (not exceeding 5 Business Days). The Borrower shall provide end use certificate, if the Lender so requires, from practicing Chartered Accountant confirming that the proceeds of such Facility have been utilised solely in accordance with the Purpose as mentioned in Schedule 4 of this Agreement, within such number of days from the first Drawdown Date as agreed with the Lender.

- 1.5. **Security:** In consideration of the Lender having granted / agreed to grant the Facility to the Borrower and in order to secure the due and timely payment of the Obligations by the Borrower to the Lender and to secure the performance by the Borrower of its obligations under this Agreement, the Borrower:

- (i) Agrees that the Outstanding Amounts under this Agreement shall be secured by hypothecation of the Receivables on exclusive basis or on pari-passu basis as per Security Trustee Agreement (STA) as specified in Sanction Letter and such other securities and collateral securities as may be prescribed by the Lender (“**Security**”) in Sanction Letter and Schedule 4, of this Agreement and if required by the Lender, shall be secured by such additional security/Receivables as may be acceptable to the Lender in the event of the value of total Receivables, during the subsistence of the Facility Agreement, falls less than the Required Security Margin. The Security shall be created in favour of the Lender or the Security Trustee for the benefit of the Lender, as specified in Sanction Letter and shall be deemed to be created from the date of execution of such Finance Documents.
- (ii) Agrees to execute all such deeds, documents and writings as may be necessary for the purpose of creation of the Security as agreed under this Agreement.

## 1.6. Required Security Margin and Actual Security Margin :

The Borrower shall maintain the Required Security Margin till the Final Settlement Date. If at any time, the Actual Security Margin falls below the Required Security Margin or under any other circumstances, if the Lender deems fit, the Borrower shall within thirty (30) days provide and furnish to the Lender, to its satisfaction, such additional security as may be acceptable to the Lender. The Borrower hereby agrees that the Borrower shall sign and execute all such other deeds, documents and forms for this purpose as may be required by the Lender. The Borrower shall substitute the Receivables and Borrower’s Listed Loan Assets which have become Non-current Asset with new Receivables and Borrower’s Listed Loan Assets.

- 1.7. **Insurance (if applicable):** The Borrower shall ensure, at its own cost and expense (if required), 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.

- 1.8. **Guarantee (if applicable):** The Borrower shall procure and deliver to the Lender before any draws are made under the Facility, an irrevocable and unconditional guarantee(s) from the persons specified as Guarantor(s) under Schedule 4 of this Agreement (in favour of the Lender 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 Lender. The Borrower shall not pay any guarantee commission to the Guarantor(s).

## 2. DRAWDOWN AND CONDITION

- 2.1 **Delivery of Drawdown Notice:** The Borrower may, subject to this Clause 2 (*Drawdown and Conditions*), utilise the Facility by

delivering to the Lender a duly completed Drawdown Notice not later than 5 (five) Business Days' notice within the Availability Period. In case of disbursement through multiple tranches, the Lender will only be obliged to allow a Drawdown in respect of the Facility if on the date of the Drawdown Notice and on the proposed Drawdown Date, no Material Adverse Effect has occurred, no Default is continuing or would result from the proposed Facility; and all the representations of the Borrower are correct in all material respects. If the Borrower becomes aware of any event or circumstance which will or may prevent any of the Pre-Disbursement Conditions, Disbursement Conditions and Special Condition mentioned in Sanction Letter from being satisfied, it shall forthwith notify the Lender of the same, in writing. Any disbursement of the tranches of the Facility shall be made at the sole discretion of the Lender. Notwithstanding anything contained herein, it is hereby expressly agreed and understood by the Borrower, that the Lender shall not be bound or obliged to grant any Facility to the Borrower, even if such request for Facility is within the Facility Amount, (which decision shall be at the sole and exclusive discretion of the Lender). It is also agreed by the Parties hereto that in the event the Lender does not grant the Facility to the Borrower, the Lender shall not be required to provide any reasons therefor nor shall the Lender be liable for any damages to the Borrower by reason of the Lender refusal to grant any Facility to the Borrower.

**2.2 Lender's participation:** If the conditions set out in this Agreement have been met, the Lender shall provide the Facility to the Borrower by the Drawdown Date through its Facility Office.

**2.3** The Borrower unconditionally agrees, undertakes to get Facility rated by Credit Rating Agency/ies within a period of 6 (six) months and/or at such intervals as may be decided by the Lender, failing which the Lender shall have the right to review the Applicable Interest Rate and/or costs, charges and expenses, which shall be payable by the Borrower/Obligor/Security Provider and on such date/s or within such period as may be specified by the Lender.

### 3. INTEREST AND FEES

**3.1 Payment of Interest:** The Borrower shall pay the interest ("Interest") on the Facility at the Applicable Interest Rate on each Interest Payment Date. The Lender shall be entitled to revise upwards or downwards the Interest Rate ("Revised Interest Rate"), from time to time, having regard to Law(s) and market conditions at its sole discretion.

**3.2 Interest Reset:** The Lender shall have the right to reset the Interest Rate ("Reset Interest Rate") on each Interest Reset Date in accordance with any of the following options:

- a) The Benchmark rate or the Spread, as the case may be, shall stand revised;
- b) The fixed Interest Rate stands revised; or
- c) In a manner mutually agreed between the Lender and the Borrower.

The Lender shall inform the Reset Interest Rate to the Borrower within such period as may be decided by the Lender and communicated to the Borrower prior to such Interest Reset Date and the Borrower shall be liable to pay interest on the Facility at the Reset Interest Rate and all references in this Agreement and the Finance Documents to the term "Interest Rate" shall mean such Reset Interest Rate.

d) Interest would be calculated from the date of the Loan disbursement i.e. the date of the issuance of the cheque/ transfer instruction / RTGS / NEFT. The Lender would not be responsible for any delay on the part of the Obligors to collect and/or deposit the cheque or otherwise.

**3.3 Default Interest:** In the event, that the Borrower fails to make any payment as and when the same is due to be paid under a Finance Document; or upon the occurrence of any Event of Default or breach of any terms or conditions of any Finance Documents, the Borrower shall pay to the Lender an additional interest at the Default Interest Rate (over and above the Applicable Interest Rate) on amounts in respect of which the default has occurred (whether such overdues have arisen at stated maturity, by acceleration, by mandatory prepayment, or otherwise in accordance with this Facility Agreement). Such default interest will be immediately due and payable on demand to the Lender. Default Interest Rate shall accrue on a daily basis without any notice to the Borrower. The default interest (if unpaid) arising on the Unpaid Sum will be compounded with the Unpaid Sum on any basis that the Lender may select. The Borrower acknowledges that any prepayment premium or the Default Interest Rate represents genuine pre-estimates of the loss.

### 4. REPAYMENT

The Borrower shall repay the aggregate amount of the Facility in accordance with the Repayment Schedule if not demanded earlier by Lender. To overcome operational issues ,holidays etc, It is advised to keep sufficient balance in bank accounts 2-3 days prior to due date of EMI ,for clearance of EMI on due dates ,to avoid penal Interest and other charges and avoid delinquency status. The Borrower hereby agrees, undertakes and confirms that it shall deliver to the Lender post-dated cheques ("PDCs")/NACH/ECS request letter as more particularly described in Schedule 4 towards the payment of the outstanding Obligations along with the Interest with the Lender named as the payee therein. The Lender shall be under any no obligation to provide the Borrower with any notice, reminder or other intimation to the Borrower regarding its obligation to pay the amount(s) payable under the Finance Documents. The Lender reserves the right at any time, after such amounts have become due and payable, to debit any of the Borrower's accounts with the Lender for the principal, Interest and any other Obligations under the Facility owed to the Lender under any of the Finance Documents. If such debiting causes the Borrower's account to be overdrawn, interest shall be payable accordingly. The Lender shall be entitled to debit all amounts due and payable by the Borrower under this Agreement to the Borrower's loan account maintained with the Lender, unless separately reimbursed to the Lender by the Borrower.

**CANCELLATION:** The Lender may also, at its discretion, cancel the undrawn amounts of the Facility, after giving prior intimation to the Borrower. Further, the Lender shall also be entitled to cancel / suspend / terminate access to the Facility at any time on account of regulatory requirements. The Bank shall rearrange the Repayment Schedule and call upon the Borrower to accelerate the repayment, if Borrower's financial position so warrants.

### 5. REPRESENTATIONS AND COVENANTS

Each of the representations and warranties set out in Schedule 1 (Representations and Warranties) and Covenants and Undertakings as set out in Schedule 2 are deemed to be made and repeated by the Borrower on each day (having regard to the circumstances existing at the time of repetition) until the Final Settlement Date.

### 6. REGULATORY DECLARATIONS

**6.1 Declarations:** By signing this 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, or holds substantial interest, in 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.

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.

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

7. **EVENTS OF DEFAULT**

7.1. **Events of Default**

The occurrence of any one of the following events shall constitute an "Event of Default":

- i. The Borrower fails to make payment of any amount due and payable pursuant to a Finance Document at the place and in the currency in which it is expressed to be payable as per repayment schedule below..
- ii. The Borrower committing, in the sole opinion of the Lender, a breach of any terms under the Finance Documents, which breach is not cured (if capable of being cured) within a period of 3 (Three) Business days.
- iii. Any representation, warranty, statement or declaration, covenants and undertaking provided by the Borrower in any Finance Document to which it is a party, or any other document delivered by or on behalf of it under or in connection with any Finance Document, is or becomes false, misleading or otherwise factually incorrect.
- iv. An application is filed by any financial creditor or any operational creditor of the Borrower, or the Borrower itself for the insolvency resolution process under the Insolvency and Bankruptcy Code, 2016.
- v. Any order of attachment, distress, execution or other similar process is enforced against the Borrower.
- vi. It is or becomes unlawful for the Borrower to perform any of its obligations under any Finance Document to which it is a Party.
- vii. The Lender determines in its sole discretion that a Material Adverse Effect exists or could reasonably be expected to occur.
- viii. 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).
- ix. The Borrower ceases or threatens to cease carrying on its business.
- x. All or any part of the Facility is not utilised in accordance with the Purpose.
- xi. If the security, if any, for the Facility is in jeopardy or ceases to have effect or if any Finance Documents including any security document executed or furnished by or on behalf of the Borrower or the Guarantor becomes illegal, invalid, unenforceable or imperfect as per Sanction Letter or otherwise fails or ceases to be in effect or fails or ceases to provide the benefit of the liens, rights, powers, privileges or security interests purported or sought to be created thereby or if any such Finance Document shall be assigned or otherwise transferred, amended or terminated, repudiated or revoked without the approval of the Lender.
- xii. The Borrower is unable or has admitted in writing its inability to pay any of its Financial Indebtedness as they mature or when due;
- xiii. Total Value of Receivables during the continuance of the Facility, become less than equal to the Required Security Margin.
- xiv. failure to supply information such as periodically receivable certificates, periodically information related to portfolio/ financials, end use certificate etc.,
- xv. If there is a change of Security Trustee without Lender's written consent
- xvi. there exists any other circumstance, which in the sole opinion of the Lender is prejudicial to the interest of the Lender;
- xvii. an event of default (or a similar event) has occurred under any other agreement entered into by the Borrower or by any associate/affiliate of the Borrower with the Lender or a person or entity related to the Borrower with the Lender or any associate/affiliate of the Lender;
- xviii. any other default by the Borrower under any financial agreement executed by the Borrower and / or the Guarantor with any person.
- xix. if any loan is accelerated, it would constitute as an event of default.
- xx. An event of default howsoever described and determined to be an event of default by the Lender or any event which with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition or any combination of the foregoing would constitute an event of default occurs under any agreement or document relating to any Financial Indebtedness of the Borrower or if any other lenders of the Borrower including financial institutions or banks with whom the Borrower has entered into agreements for financial assistance have recalled its / their assistance or any part thereof; and any person is in breach of, or does not comply with, any term or condition, whether, financial, performance or otherwise of any Finance Documents.

7.2. **Consequences of Default**

- (a) **Termination:** If any of the Events of Default described herein above shall have happened and/or if the Borrower shall not have drawn the part or whole of the Facility, then in such an event the Lender may terminate the right of the Borrower to make withdrawals. Upon such notice, the undrawn amount of the Facility shall be cancelled forthwith. Further, the Lender may demand all or any part of the Outstanding Amounts and/or the amount due together with accrued interest and all other amounts accrued under or otherwise in connection hereto and / or any other agreements, documents subsisting between the Borrower and Lender and all such amounts shall become immediately due and payable, without further notice or presentment or demand for payment, protest or notice of non-payment or dishonour or other notice or demand of any kind or nature whatsoever or other legal formalities of any kind. Lender shall at all times have the right to accelerate and demand from the Borrower to repay of Outstanding Amounts and/or all or any part of the amounts due together with accrued interest and all other amounts accrued under or otherwise in connection hereto and all such amounts shall become immediately due and payable without any notice.
- (b) **Enforcement of Security Interest:** Upon the occurrence of Event of Default and during its continuance, the Lender or its nominees may, without further authority and without prejudice to its other rights under any Law(s) and under or pursuant to this Agreement and after providing notice, enforce any or all of the Security, at the cost of the Borrower, and may apply the net proceeds of such enforcement towards the payment of the outstanding amounts in accordance with the Agreement. The Lender may also enforce the Security provided by the Borrower, for any other facility availed by the Borrower from the Lender. However, if the enforcement of Security does not cover the full amount of the Financial Indebtedness of the Borrower, the Borrower agrees to pay to the Lender forthwith at the Lender's demand such amount as will make up the shortfall.  
The Borrower hereby agrees to accept as conclusive proof of the correctness of any sum claimed by the Lender to be due from the Borrower in respect of the Facility. In any legal action or proceedings arising out of or in connection with this Agreement, any entry made by the Lender in its books or a statement of account purporting to show an Outstanding Amounts due under this Agreement and signed as correct by the duly authorized officer of the Lender shall be the conclusive evidence of the amount so due and shall be binding on the Borrower.  
The Lender on occurrence of any Event of Default shall apply and/or appropriate and/or set off any credit balance standing upon any account of the Borrower with the Lender towards satisfaction of any sum (whether of principal, interest or otherwise) due to the Lender hereunder from the Borrower.
- (c) The Borrower agrees that in accordance with the provisions of the RBI Circular on "Resolution of Stressed Assets- Revised Framework" dated February 12, 2018, as amended or modified or replaced from time to time, the Lender shall be entitled to identify incipient stress in the Borrower's account held with it immediately on default and pursuant thereto, create different sub-categories of such accounts. The Borrower agrees that the Lender shall report credit information about the Borrower if the aggregate fund based and non-fund based exposure of the Lender is above the limit specified by RBI, in this regard, from time to time, to Central Repository of Information on Large Credits ("CRILC").
- (d) In addition to the above, the Lender shall also have a right to nominate a director on the board of directors of Borrower to protect the interest of the Lender and normal fees and expenses of such director shall be defrayed solely by Borrower.
- 7.3. **Borrower to give notice of Event of Default:** If any Event of Default has occurred, the Borrower shall, forthwith, give notice thereof to the Lender in writing specifying the nature of such Event of Default.
- 7.4. **Fees and Expenses :**  
All fees, duties, costs and expenses (including legal fees) incurred by the Lender after an Event of Default has occurred in connection with preservation of the assets (whether then or thereafter existing) of the Borrower, collection or any repayment of Obligations and any litigation, proceeding, steps or action taken, initiated or defended by the Lender in connection with any of the above, shall be payable by the Borrower, and shall be deemed to form part of the "Obligations".
- 7.5. **Agreement to override Statements of Accounts**  
The Borrower agrees that the Lender may for its internal purposes show the different instalments (if any) due from the Borrower in respect of the principal amounts of any Facility as different loans / sub-loans in its computer systems and in the statements of account sent to the Borrower from time to time. However, notwithstanding that the Lender may have shown such instalments as different loans / sub-loans, all such instalments shall be treated as part of one and the same Facility for the purposes of this Agreement.
8. **CHANGES TO THE PARTIES**
- 8.1. **Assignments and transfers by the Lender**
- (a) **Assignment:** The Borrower shall have no right to assign, transfer or novate any of their respective rights or delegate any of their respective obligations hereunder without the prior written consent of the Lender. The Lender may novate, transfer or assign their rights and benefits under or pursuant to this Agreement in accordance with the applicable Law. Any such action and any such sale, assignment or transfer shall bind the Borrower and the Guarantor to accept such third party as creditor exclusively or as a joint creditor with the Lender, or as creditor exclusively with the right to the Lender to continue to exercise all power hereunder on behalf of such third party and to pay over such outstanding and dues to such third party and/or the Lender as the Lender may direct. Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstanding and dues shall be to the account of the Borrower and the Guarantor. The Borrower and the Guarantor acknowledge and undertake to pay to third parties the difference between the Outstanding Amounts and the amount received by the Lender in the event of transfer of the portfolio to a third party. The third party shall have the authority to collect the due amounts.
- (b) **Novation:** Upon any novation, transfer or assignment by the Lender of its rights and benefits as stated above, the terms of this Agreement shall bind and ensure for the benefit of such novatee, transferee or assignee who shall be deemed to be a beneficiary of this Agreement with all rights, benefits, and entitlements of a Lender hereunder.
- (c) **Retention of the Security Interest:** The Borrower agrees that the Lender (or any nominee of the Lender) may retain any Security Interest created (or any part thereof) in trust and for the benefit of such assignee (and upon part assignment, in trust and for the benefit of both the Lender and such assignee on a *pari passu* basis), without the consent of or notice to the Borrower. Upon any such transfer or assignment as contemplated herein, the assignee and the Lender, as the case may be, will be entitled to take any action, including recovery and enforcement of the Lender's rights, in its own name. The Borrower shall continue to be bound by the terms of the Finance Documents notwithstanding such transfer or

assignment. Without prejudice to the aforesaid provision, the Lender may (at its sole discretion), without notice to the Borrower, share the credit risk of the whole or a part of the Facility 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 Lender under the Finance Documents shall remain valid, effective and enforceable by the Lender on the same terms and conditions and the Borrower shall continue to discharge in full all its obligations under the Finance Documents to the Lender. The Borrower shall not have and shall not claim any privity of contract with such person on account of any reason whatsoever.

9. **PAYMENT MECHANICS**

- 9.1. **Mode of Payment:** Except to the extent otherwise provided in this Agreement, all payments to be made by the Borrower to the Lender in terms of this Agreement shall be made in the manner permissible under applicable Laws in India at Facility Office or any such other location as indicated by the Lender.
- 9.2. **Appropriation of Payments:** All amounts from time to time received or recovered by the Lender in connection with enforcement of any Finance Document shall be appropriated in the manner as deemed fit by the Lender.
- 9.3. **No set-off by Borrower:** All payments to be made by the Borrower under the Finance Documents shall be calculated and be made without (and free and clear of any deduction for) set-off or counterclaim.
- 9.4. **Prepayment:** The Borrower shall not, without the approval of the Lender or unless otherwise permitted under the Sanction Letter and / or the Facility Agreement, prepay the outstanding principal amounts of the Facility in full or in part which are in the nature of loans, before the Due Dates.

10. **INDEMNITY**

10.1. **General Indemnity**

(a) The Borrower undertakes to indemnify and keep the Lender and its officers/employees fully indemnified and harmless at all times from and against any and all the consequences of breach of any of the terms, condition, statements, undertakings, representations and warranties of this Agreement as also of any of its representations or warranties not being found to be true at any point of time, including any actions, suits, claims, proceedings, damages, liabilities, losses, expenses or costs (hereinafter referred to as "**Claims**") faced, suffered or incurred by the Lender including costs suffered by the Lender in defending any suit, application or proceeding against the Lender or any of its officers, employees or agents that Lender may suffer on account of any defect in Security hypothecated to Lender or the Security Trustee for the benefit of the Lender, as specified in Sanction Letter. Similarly, in the event of any claims being made on the Lender, on account of any breach of warranty, representations, non-compliance of any applicable law, unauthorized act, fraud, deed or thing done or omitted to be done or undertaking made by Borrower or its employees, agents, being false, the Borrower undertakes to pay on first demand made by Lender of any amount on this account without any demur, reservation, contest, protest whatsoever within seven (7) working days of the demand being made.

(b) The indemnification rights of the Indemnified Parties under this Agreement are independent of, and in addition to, and shall be without prejudice to, any other rights and remedies available to the Indemnified Parties under Law(s) or in equity or otherwise, including the right to seek specific performance or other injunctive relief, none of which rights or remedies shall be affected or diminished thereby.

(c) The Borrower acknowledges and agrees that any payments to be made pursuant to this Clause 10 (*Indemnity*) are not in the nature of a penalty but merely reasonable compensation for the loss that would be suffered, and therefore, the Borrower waives all rights to raise any claim or defence that such payments are in the nature of a penalty.

11. **COST AND EXPENSES**

The Borrower shall bear and promptly pay or reimburse all the costs, stamp duty, taxes, penalties, charges, expenses, legal fees, enforcement costs as incurred by the Lender to the Lender for recovery of the dues and enforcement, preservation, perfection and realization of the Security. If Borrower fails to pay then the Lender may pay such costs and expenses on Borrower's behalf and recover the same from the Borrower. These costs and expenses shall become part of the "Obligations" of the Borrower.

12. **INDIRECT TAX**

All payments (including but not limited to any fee) expressed to be payable under the Facility to the Lender shall be deemed to be exclusive of any indirect tax (including, goods and service tax and other applicable indirect taxes) ("**Indirect Tax**"). If any Indirect Tax is chargeable as per Law from the Borrower on any payments payable to the Lender (including but not limited to fees), the Lender shall in addition to such payment charge the applicable Indirect Tax to the Borrower in connection with the transaction and the Borrower shall pay on demand to the Lender an amount equal to the amount of the Indirect Tax.

13. **NOTICES**

13.1. **Communications in Writing :** Any communication to be made with the Lender by the Borrower shall be made in writing and in English or Hindi Language and, unless otherwise stated, may be made by letter or, email.

13.2. **Addresses :** The address and email address (and the department or officer, if any, for whose attention the communication is to be made) of each Party for any communication or document to be made or delivered to the parties shall be as set out in the Schedule 4 of the Agreement or any substitute address, fax number, email address or department or officer as the Party may notify to the other Party by not less than 5 (five) Business Days' notice.

13.3. **Delivery**

Any communication or document made or delivered by one person to another under or in connection with the Finance Documents will only be effective if:

(a) by way of letter, when it has been left at the relevant address or 5 (five) Business Days after being deposited in the post, postage charges prepaid, in an envelope addressed to it at that address; or  
by way of email, when sent from mailbox of the sender and, if a particular department or officer is specified as part of its address details provided under Schedule 4 if addressed to that department or officer.

(b) Any communication or document to be made or delivered to the Lender will be effective only when actually received by the Lender and then only if it is expressly marked for the attention of the department or officer identified with the Lender (or any substitute department or officer as the Lender shall specify for this purpose).

(c) Any communication or document which becomes effective, in accordance with Clauses (a) and (b) above, after 5.00 p.m. in the place of receipt shall be deemed only to become effective on the following day.

- 13.4. **Process for Instructions:** The Lender is entitled to rely and act upon the Borrower's instructions, whether by way of email, fax or scan ("Instructions"), and assume that an authorised signatory of the Borrower has issued the Instructions. The Borrower shall deliver to the Lender no later than the next Business Day following the dispatch of any Instruction, the originals, in hard copy of such Instruction bearing the legend "**Confirmation of Scan**" in bold letters.
14. **Disclosure of Information :** The Borrower hereby agrees and consents, as a pre-condition relating to the grant of the credit facilities given to the Borrower by the Lender, that, in case the Borrower commits any default in the repayment of any Outstanding Amounts to the Lender, the Lender and/or RBI shall have unqualified right to disclose and furnish to CIBIL and other agency so authorised by RBI, the Borrower's name as defaulter in such manner and through such medium as the Lender or RBI in their absolute discretion may think fit. Notwithstanding the above the Borrower understands that as a pre-condition relating to grant of the Facility to the Borrower, the Lender requires the Borrower's consent for the disclosure by the Lender of information and data relating to the Borrower, of the Facility availed of /to be availed by the Borrower, obligations assured/ to be assured by the Borrower in relation thereto and default, if any, committed by the Borrower in discharge thereof. Accordingly, the Borrower hereby agrees and gives consent (i) for the disclosure by the Lender of all or any such information and data relating to the Borrower including name and the names of their directors; (ii) for the disclosure by the Lender of all or any such information or data relating to any loan/credit facility availed of /to be availed by the Borrower (iii) for the disclosure by the Lender of all/any default, if any, committed by the Borrower in discharge of obligations of the Borrower under this Agreement as the Lender may deem appropriate and necessary to disclose and furnish to CIBIL and any other agency authorized in this behalf by RBI; (iv) to publish the name of the Borrower and/or the names of its directors as defaulters with or without the photograph in any local/regional/national newspaper/magazine etc. and/or through electronic medium which includes publication on the website etc. and/or in such other manner and through such other medium as the Lender / RBI may in their absolute discretion think fit. Further the Borrower hereby declares that the information and data furnished by the Borrower to the Lender are true and correct.
- (a) The Borrower hereby declares that CIBIL and any other agency so authorized in this regard may use, process the said information and data disclosed by the Lender in the manner as deemed fit by them; and may furnish for consideration, the processed information and data or products thereof prepared by them, to the Lender or banks/financial institutions and other credit grantors or registered users, as may be specified by the RBI in this regard.
- (b) The Lender may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Lender in relation to this Agreement such information about the Borrower as the Lender may deem appropriate.
- (c) The Borrower confirms that the Lender may for the purposes of credit reference checks, verification, etc. disclose any information/documents relating to the Borrower (pertaining to the Facility availed by the Borrower) to any third party appointed by it. The Borrower further authorizes 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.
- (d) This clause supersedes any previous confidentiality undertaking given by the Lender in connection with this Agreement. This Clause 14 (Disclosure of Information) shall not be deemed to constitute, an express or implied agreement by the Lender with the Borrower for a higher degree of confidentiality than that prescribed by the laws of India, if any.
- 15 **No Waiver:** No delay in exercising or omission to exercise any right, power or remedy accruing to the Lender upon any default or otherwise under the Finance 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 Lender in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Lender in respect of any other default
- 16 **Liens/ Right of Set Off:** In addition to all liens upon, and rights of set off against the monies, securities or other property of the Borrower given to the Lender by Law, the Lender shall have a lien upon and a right of set off against, all monies, securities and other property of the Borrower now or hereafter in the possession of or on deposit with the Lender, whether held in a general or special account or deposit, or for safe keeping or otherwise; and every such lien and right of set off may be exercised without demand upon or notice to the Borrower, as the case may be.
- Any defaults committed by the Obligor under any other agreement or transaction entered into by the Obligor with the Lender shall be deemed to be a default under this Agreement and the Lender shall be entitled in its absolute discretion to appropriate any payments made by the Obligor towards the dues payable by the Obligors to the Lender under any other agreement or transaction entered into by the Obligors with the Lender and/or towards any other indebtedness of the Obligors to the Lender and/or any associates / affiliates of the Lender, and such appropriation shall be final and binding upon the Obligors who shall continue to remain indebted to the Lender for payment of dues under this Agreement in respect of which such sums of money were so paid but were appropriated towards the another agreement or transaction entered into by the Obligors or towards another indebtedness of the Obligors. In addition, notwithstanding the repayment of any of the Loan as per the terms of the agreement, the Borrower hereby expressly give the Lender the power to sell, transfer or otherwise dispose of any and all Security/Collateral created in favour of the Lender and appropriate the same towards satisfaction of amounts due to the Lender on account of another agreement or transaction entered into by the Obligors or any indebtedness of the Obligors. The provisions of this Agreement and any Security/Collateral pursuant to this Agreement shall apply *mutatis mutandis* to the manner of disposal of security and appropriation under this clause. This clause shall survive the termination of this Agreement.
- The Lender shall not issue the no objection certificate, charge release letter or the like for any other loan of the Obligors if there is material adverse effect for the Loan under this Agreement.
- 17 **Publicity:** Subject to the provisions of this Agreement, the Borrower shall not issue any information, document or article for publication in any news or communications media or make any public statement in relation to this Agreement without the prior written consent of the Lender unless required to do so by Law.



- 18 **Third Party Benefit** : Nothing herein expressed or implied is intended, nor shall it be construed to confer upon or give to any Third Party any right, remedy or claim under or by reason of this Agreement or any part hereof.
- 19 **Counterparts**: The Agreement may be executed in any number of counterparts, each of which shall constitute an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of the signature page to this Agreement by facsimile shall be as effective as delivery of a manually executed counterpart of this Agreement.
- 20 **Amendments and waivers**: Any variation or amendment of this Agreement (or of any of the documents referred to in it) is valid only agreed to by the Lender and if it is in writing.
- 21 **Entire Agreement**: The Finance Documents constitute the entire agreement between the Parties about its subject matter and replace all previous agreements between the Parties on that subject matter. The Borrower has not relied on any oral or written representation or warranty made, or purportedly made, by or on the Lender's behalf except as set out in the Finance Documents.
- 22 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. 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 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 agreement, registered applicant would mean a person registered under the GST Act. 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.
- 23 The terms and conditions of this Agreement is adhered with the terms and conditions of the Recovery Policy as per the RBI circular wherein parties will 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.
- 24 **GOVERNING LAW AND JURISDICTION**: This Agreement and all documents executed under/ in relation to this Agreement shall be governed by and construed in accordance with the laws of India. The courts situated in Jaipur shall have exclusive jurisdiction for any dispute arising under this Agreement.
- 25 All matters, questions, disputes, default, difference and or claims arising out of and/or concerning and/or in connection and/or in consequence of breaches, termination or invalidity thereof or relating to this Agreement, whether or not obligations of either or both parties under this Agreement be subsisting at the time of such dispute and whether or not this agreement has been terminated or purported to the terminated or completed, shall be settled by arbitration in accordance with the provision of Arbitration and Conciliation Act 1996 or any statutory amendment thereof and shall be referred to the sole arbitrator to be nominated by the Lender/Bank. The award given by the sole arbitrator shall be final and binding on all parties to all parties to the Agreement. The seat of arbitration shall be Jaipur, Rajasthan. 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.

### SCHEDULE 1: REPRESENTATIONS AND WARRANTIES

The Borrower makes the following representations, declarations, warranties, covenants and confirms that they are and will continue to remain, true, correct, valid and subsisting in every respect as of the date of the Facility Agreement and on each date till the Final Settlement Date thereof:

1. **Status:** The Borrower is legally in existence under the Indian Laws. The Borrower, and each of its Subsidiaries have the power to own its assets and carry on their business as they are being conducted.
2. **Binding Obligations:** The obligations expressed to be assumed by the Borrower in each Finance Document are legal, valid, binding and enforceable obligations in accordance with its terms.
3. **Non-conflict:** The entry into and performance of the Finance Documents by the Borrower and the transactions contemplated by the Finance Documents do not and will not conflict with or violate any law, rule or regulation or any official or judicial order, decree or judgment applicable to it or its constitutional documents; or any agreement or instrument binding upon it. All the licenses, permits and authorizations required for carrying on its business or industry have been obtained and are in full force and effect.
4. **Validity:** All authorisations necessary to enable the Borrower to lawfully enter into, and comply with its obligations in the Finance Documents have been obtained or effected and, to the Borrower's knowledge, are in full force and effect.
5. **Correct Information:** All factual and other information provided to the Lender by the Borrower in connection with the Finance Documents was true and accurate as at a date no earlier than the date on which it was provided and no events have occurred which render a Finance Document void or voidable, or repudiated or frustrated, for any reason whatsoever, including without limitation, by reason of default, fraud or misrepresentation.
  - (a) The Borrower's audited most recent Financial Statements delivered to the Lender:
    - (i) have been prepared in accordance with GAAP, consistently applied; and
    - (ii) give a true and fair view of its financial condition (consolidated, if applicable) as at the date to which they were drawn up, except, in each case, as disclosed to the contrary in those financial statements
6. **No Default :** No Event of Default has occurred or is continuing or outstanding.
7. **No Event of Default:** No Default or Potential Event of Default has occurred and is continuing under any agreement binding on the Borrower
8. **Validity and admissibility in evidence:** All Authorisations required or desirable:
  - (a) to make the Finance Documents to which it is a party admissible in evidence in its jurisdiction of incorporation; and
  - (b) for it to carry on its business, and failure to have such Authorisation will have or may reasonably be expected to have a Material Adverse Effect,have been obtained or effected and are in full force and effect.
9. **Insolvency:** The Borrower shall supply to the Lender, promptly upon becoming aware of them, the details of any filing by any creditor (financial creditor or operational creditor) which are made or threatened against it, in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 or any analogous Laws.
10. **Tax dues:** The Borrower has complied in all material respects with all taxation laws in all jurisdictions and has filed all tax returns and paid all taxes and statutory dues due and payable by it
11. Except as otherwise disclosed to the Lender in writing or unless otherwise permitted by the Lender, there are no encumbrances subsisting or in existence on any of the Borrower's Listed Loan Assets.
12. The Borrower shall bear all costs of making good any deficit/differential/additional in stamp duty on the documents executed by the Borrower in relation to the Facility and/or security created by the Borrower in favor of the Lender.
13. By signing this Agreement, the Borrower covenants, agrees and undertakes with the Lender, at all times till the Obligations are unconditionally and irrevocably repaid, that it shall promptly give written notice to the Lender of all litigations causing Material Adverse Effect on the Borrower including on its directors as the case may be which have been initiated by any other financial institution and/or bank ("FI Litigations"). Further, on the date hereof the Borrower shall provide the Lender, complete details of all such FI Litigations which are current, pending or continuing against the Borrower or its directors in accordance with the RBI regulations.

## SCHEDULE 2: COVENANTS AND UNDERTAKINGS

### 1. INFORMATION UNDERTAKINGS

#### 1.1. Financial statements and other information

The Borrower shall provide the Lender with the following:

- (a) certified true copies of all audited Financial Statements as soon as they become available as per applicable laws and in any event within 180 (one hundred eighty) days of end of its Financial Year;
- (b) the monthly /quarterly/half yearly/yearly stock and book debts statements;
- (c) on an annual basis, a certificate confirming compliance with the financial covenants set out in the Sanction Letter;
- (d) information necessary to enable the Lender to comply with "know your customer" or similar identification procedures as Lender may request from time to time; and
- (e) forthwith report to the Lender all frauds / falsification along with the action taken / proposed report amounting to more than Rs 1 Crore.
- (f) any other information as the Lender may request.

#### 1.2. Disposals, acquisitions and mergers

The Borrower shall notify the Lender:

- (a) in the event it enters into any scheme of expansion, merger, amalgamation, compromise or reconstruction, or sale or transfer of all or substantially all of its fixed and other assets;
- (b) promptly, the details of any litigation, arbitration, investigative or administrative proceedings which are current, threatened (to the best of the knowledge of the Borrower) or pending against the Borrower which might, if adversely determined, have a Material Adverse Effect;
- (c) in the event it makes any changes to the general nature of its business from that as set out in its object clause of the Memorandum of Association; or
- (d) promptly upon becoming aware or on receipt, of any application for winding up, insolvency or bankruptcy, of the Borrower having been made or any statutory notice of winding up, insolvency or bankruptcy, as the case may be, is given to the Borrower of any suit or other legal process intended to be filed or initiated against the Borrower, as the case may be;
- (e) promptly provide information about any substantial dispute between the Borrower and any Governmental Agency;
- (f) promptly provide any information and documents that may be reasonably required by the Lender from time to time, to comply with internal policies of the Lender or any requirements imposed by any Governmental Agency or as may be required under Law and all information and documents furnished by or on behalf of the Borrower to the Lender pursuant to this Agreement or any other Finance Documents shall be true and correct in all respects;

#### 1.3. Maintenance and inspection of Receivables, books and records

- (a) The Borrower shall keep proper books of account as required by the Act or any other Law, as the case may be, and therein make true and proper entries of all dealings and transactions of and in relation to its business and keep the said books of account and all other books, registers and other documents relating to its affairs at its registered office or, where permitted by Law, at other place or places where the books of account and documents of a similar nature may be kept. The Borrower shall ensure that all books of accounts and all other books, registers and other documents of it shall at all reasonable times be open for inspection by the Lender and such person or persons as the Lender shall, from time to time, in writing for that purpose, appoint. All reasonable and accounted for expenses incurred by the Lender in this regard will be reimbursed by the Borrower.
- (b) Upon the request of the Lender, the Borrower shall provide to and shall procure for, the Lender and any of its representatives, professional advisers and contractors, access to and permit inspection/audit by them of the Receivables, assets, premises, books and records of the Borrower at reasonable times and upon reasonable notice. All reasonable and accounted for expenses incurred by the Lender in this regard will be reimbursed by the Borrower.
- (c) the Receivable certificate to be provided as per the Sanction Letter which shall include the details of the asset(s) (including address, vehicle number and other identifiers), contact details of the Borrower along with their address(es), loan amount, outstanding amount and other selection criteria as mentioned in the Sanction Letter, as the Lender may require. The Borrower shall submit to the Lender immediately other details as demanded by the Lender from time to time.

### 2. GENERAL UNDERTAKINGS

#### 2.1. Authorisations

The Borrower shall obtain, maintain and comply with any / each Authorisation required by any Law to enable it to:

- (a) own its property and assets, and carry on its business;
- (b) enter into, perform and deliver the Finance Documents and the transactions contemplated by the Finance Documents; and
- (c) ensure the validity and enforceability of the Finance Documents and the transactions contemplated by the Finance Documents.

#### 2.2. Compliance with Law

The Borrower shall comply in all respects with all Law to which it may be subject in connection with its business and the facility.

### 3. SPECIAL COVENANTS

3.1 The Borrower will not and must ensure that no other person will create or permit to subsist any Security Interest over any of its assets other than as permitted under the Finance Documents.

3.2 Where the Facility is provided to more than one Borrower and the loan amount is disbursed to any one of the Borrower, then it would amount to disbursement to all the Borrower and Guarantors. Notwithstanding anything herein stated, the liability of the Borrower(s) & Guarantors to repay the Facility together with interest, etc. and to observe the terms and conditions of this Agreement/and any other Agreement's, document's that may have been or may be executed by the Borrower with the Lender in respect of this Facility or any other Facility or Facility is joint and several.

3.3 If any amount paid by the Borrower in respect of the Outstanding Amounts is held to be void or set aside on the liquidation or winding up of the Borrower or otherwise, then for the purposes of this Deed, such amount shall not be considered to have been




**SCHEDULE 4: DETAILS OF THE FACILITY**

S. No.	Particulars	Details
1.	Date	
2.	Place	
3.	Details of Borrower	
	(a) Name	
	(b) Telephone No.	
	(c) Email address	
	(d) Address	
	(e) Business of the Borrower	
	(f) Authorized signatory of the borrower	
4.	(g) Branch office address of the Lender/Facility Office	
5.	Details of Facility	
	(a) Amount of Term Loan	
	(b) Non-refundable Processing fees/service charge	
	(c) Interest rate	
	(d) Interest Reset Date	
	(e) Reset Frequency	
	(f) Interest Payment Date	
	(g) Purpose	
	(h) Disbursement	
	(i) Date Of sanction letter	
	(j) Increased interest in case of default	
	(k) EMI Due Date	
	(l) Date of Facility of agreement	
	(m) Inspection Charges	
	(n) Submission of Insurance Certificates	
	(o) Additional Covenant for Onward lending	
6.	Tenor	
7.	Details of Security Trustee	
8.	Details of Guarantor	
	(a) Name	
	(b) Address	
	(a) Name	
	(b) Address	
9.	Details & ranking of Security	
10.	Required Security Margin	
11.	Details of Security Provider	•
12.	Details of PDCs/NACH/ECS	
13.	Prepayment Interest	-
14.	Other Charges (payable upfront)	
15.	Put and Call option	
16.	Date of Security Trustee Agreement	
17.	Initial CA certified List of Receivables / Primary Security	
18.	Periodicity of Receivables	•

19.	Disbursement Conditions	•
20.	Borrower Covenants	•
21.	Special Condition	
22.	Selection Criteria of Receivables	
23.	Minimum Utilization	

Schedule-5: Example of SMA, NPA classification and NPA upgradation.

Example No. - 1

IRAC Circular Refer Para No. 2.1.2 (i) - interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan

Example Description - SMA and NPA Classification of Term Loan Cases based on overdue date.

Example Detail: If due date of a loan account is March 31, 2021, and complete dues are not received before the lending institution runs the day-end process on 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. This is further elaborated as below mention table:

Date	DPD	Classification
31-Mar-21 (Due Date)	1	SMA-0
30-Apr-21	31	SMA-1
30-May-21	61	SMA-2
29-Jun-21	91	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

Date	Due Amount	DPD	Classification
31-Mar-21 (Due Date)	10000	1	SMA-0
30-Apr-21	10000	31	SMA-1
30-May-21		61	SMA-2
31-May-21	10000		
29-Jun-21		91	NPA
30-Jun-21	10000		
01-Jul-21			Upgradation*

\*Upgradation of Account to standard category can be done after total pending due of Rs. 40000 is received from borrower by the Bank

Example No. – 2

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

**IN WITNESS WHEREOF**, each of the Parties has caused this Agreement to be duly executed by their duly authorized representatives on the date and year first above written:

Signatures of Directors / Authorized Signatories of _____ has been hereunto affixed pursuant to the articles of association and the resolution passed by the Board of Directors at its meeting held on _____	SIGNED and DELIVERED by <b>AU SMALL FINANCE BANK LIMITED</b> , the within-named <b>LENDER</b> by the hand of _____ its duly authorized official
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