GENERAL TERMS & CONDITIONS

These General Terms and Conditions shall apply to the Facility extended or agreed to be extended by The Federal Bank Ltd., in addition to the respective Agreement for Credit Facility.

In the event of any inconsistency between these General Terms and Conditions and the applicable Agreement for Credit Facility, the terms of the Agreement for Credit Facility shall prevail.

1. Definitions & interpretation

a) **'Annexures'** means Annexures to the Master facility Agreement containing specific terms of each credit facility granted/agreed to be granted by the Bank to the Borrowers, from time to time, under the Master Facility Agreement.

b) **'Applicable Benchmark Rate'** means Repo Rate or MCLR or FBIL – TBILL Rate of prescribed tenor or other benchmark rates as specified in the Sanction Letter.

c) **'Charges'** means the amounts/fee payable by the Borrower(s) towards various services provided by the Bank directly or through its agents/ representatives in connection with the Facility, which includes without limitation, Processing Fee, Inspection Charges, Documentation Charges, Switching Charges etc. as specified in the Sanction Letter.

d) **'Commitment Charges'** means charges as specified in the Sanction Letter payable by the Borrower(s) on account of non-utilization or underutilization of the Facilities at the rates specified in the respective Sanction Letter.

e) **'Debts'** means the book debts, outstanding moneys, receivables, claims entitled to the Borrower(s) and unless the context requires otherwise, shall also include all those receivables/ debts described either specifically or in general terms in the Sanction Letter or in the Stock Statement/s submitted by the Borrower(s) from time to time.

f) **'Drawing Power'** means the credit limit as fixed by the Bank from time to time, upto which amounts can be withdrawn by the Borrowers, under each Facility.

g) **FBIL – TBILL RATE - means FBIL** – Treasury Bill Benchmark administered by Financial Benchmarks India Pvt. Ltd (FBIL) and published by FBIL and Fixed Income Money Market and Derivatives Association of India (FIMMDA) on their official websites, for prescribed tenors.

h) **'Financing Documents"** shall mean collectively the Sanction Letter, the Master Facility Agreement, General Terms and Conditions and the Annexure(s)applicable for each Facility, Demand Promissory Note, Agreement of Guarantee, Take Delivery Letter, the Security Documents and such other documents executed/ to be executed by the Borrower(s) and/or Guarantor (s) (if any) in favour of the Bank, for availing the Facility

i) **'General Terms and Conditions'** shall mean the standard terms and conditions as applicable to the credit facilities granted or to be granted to the Borrower, including any amendments, modifications, or supplements thereto, which are published on the Bank's official website at **(** SME Business Loans for Business Development | Federal Bank **)** and/or provided to the Borrower in physical or electronic form, shall form an integral part of the Loan Contract.

j) **'Goods'** means any or all kind of things, goods, stocks of raw material, movable properties, equipment, furniture and fixtures etc., including the stocks of raw materials, goods in process of manufacture and all finished and manufactured goods owned and possessed by the Borrower/s and unless the context requires otherwise, shall also include all those assets described either specifically or in general terms in the Annexure/ Sanction Letter or in the Stock Statement submitted by the Borrower(s) from time to time.

k) 'Interest rate' means Applicable Benchmark Rate plus Spread or a Fixed Rate, as may be applicable to the respective Credit Facility.

l) '**Loan Contract'** means the terms and conditions specific to each credit facility shall be set out in the General Terms and Conditions, the Master Facility Agreement, the Sanction Letter, the respective Annexures for each credit facility.

m) 'Master Facility Agreement" or "MFA" means the Master Facility Agreement executed or to be executed by the Borrower(s) in favour of the Bank, containing the general terms and conditions governing the credit facilities granted or agreed to be granted by the Bank to the Borrower(s), including any amendments, supplements, modifications or restatements thereof from time to time and includes Schedule, Annexures , drawdown requests, intimation letter/s and modifications made thereto from time to time.

n) "Material Adverse Effect" means the effect or consequence of any event or circumstance, which is or is likely to be:

(i) adverse to the ability of the Borrower(s), to perform or comply with any of their respective obligations under the Loan Contract; or

(ii) prejudicial to any of the businesses or financial condition of the Borrower.

o) 'Material Terms and Conditions' means the significant terms and conditions, the non-compliance of which will result in levying of Penal Charges in the Facility account.

p) 'MCLR' means the Marginal Cost based Lending Rate, which is an internal benchmark rate fixed by the Bank for the prescribed tenors. MCLR of corresponding maturity as stated in the respective Annexures/ Sanction letter/ KFS will be the **minimum lending rate** for all floating rate rupee loans linked to it, which may be varied by the Bank from time to time.

q) Outstanding Dues" shall mean all amounts payable to the Bank by the Borrower(s) towards and in respect of the Facilities, pursuant to the terms of the Financing Documents, including without limitation:

(i) the Principal of, and Interest on, the Facility and all other obligations and liabilities of the Borrower, including the Instalments, EMIs, Charges, Penal Charges, indemnities, costs, expenses, fees, insurance premium, levies/taxes, and interest, incurred under, arising out of or in connection with the Financing Documents.

(ii) any and all sums advanced by the Bank(s) in order to preserve the security created in terms of the Financing Documents; and

(iii) in the event of any proceeding for the collection or enforcement of the obligations, after an Event of Default shall have occurred and be continuing, the expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realising the Security Interest, or of any exercise of the Bank(s) of their right under the Financing Documents, together with legal fees and court costs.

r) Penal Charges" means the charges payable by the Borrower(s) on the non-compliance/ breach of Material Terms and Conditions.

s) 'Prepayment' means early repayment of the Facilities before the actual repayment tenor/due date for payment of the Facilities amounts or part thereof, as per the terms and conditions laid down by Bank in that behalf and in force, at the time of prepayment.

t) 'Prepayment Charges' means charges payable by the Borrower(s) in the event of prepayment of the Facilities amounts/ part thereof.

u) 'Processing Fees' means the upfront fee for the amounts payable by the Borrower(s) covering the expenses related to processing the proposal for Facilities by the Bank i.e., assessing the

Borrower(s)' creditworthiness, verifying documents, conducting background checks etc. by the Bank for its initial sanction. For the Facilities in the nature of overdraft / cash credit, Processing Fees shall also be applicable for (i) processing the transactions/maintenance of the Facility account, and (ii) any subsequent renewal / review of the Facilities.

v) 'Repayment' means repayment of the principal amount of the Facilities, interest thereon and/or any other Outstanding Dues payable by the Borrower(s) to the Bank in terms of the Financing

w) 'Repo Rate' shall mean the "Reserve Bank of India policy REPO RATE" published by the Reserve Bank of India from time to time, being the rate at which banks borrow money from the Reserve Bank of India.

x) 'Sanction Letter/s' shall mean the letter(s) issued /to be issued by the Bank from time to time to the Borrower(s) stipulating the terms and conditions of sanction of the Facilities, including any subsequent variations/amendments thereof.

y) 'Secured Assets' means the property(ies), asset(s), Debt(s), vehicle(s), vessel(s), equipment(s) and machinery(ies), receivable(s), Good(s), stock (s), book debt(s) and current asset(s) offered as security for the Facilities.

z) 'Security Documents' shall mean all the documents executed/ to be executed by the Borrower(s) and the Guarantors (if any) for the creation/ perfection of charges over the Securities stipulated/ prescribed by the Bank to secure the Facility.

aa) 'Securities' means collectively the Secured Assets and any additional/ collateral securities prescribed in the Sanction Letter and furnished/ to be furnished by the Borrower(s).

bb) '**Spread**' means:

(i) in the case of MCLR linked credit facilities, the percentage rate or margin over and above the MCLR which together with the MCLR for the corresponding tenor constitutes the interest payable on the credit facilities and which may be varied by the Bank from time to time.

(ii) In the case of FBIL-T-Bill Rate linked credit facilities, the percentage rate or margin over and above the Treasury Bill Yield which together with the FBILL-TBILL rate for the prescribed tenors constitutes the interest payable on credit facilities and which may be varied by the Bank from time to time.

(iii) In the case of Repo Rate linked Loans, the percentage rate or margin over and above the Repo Rate which together with the Repo Rate constitutes the interest applicable on the Facility granted/agreed to be granted to the Borrower(s).

cc) 'Switching charges' means the charges payable by the Borrower/s to the Bank for switch over of Applicable Bench Mark Rates with any other Bench Mark Rates or the conversion of Interest Rate from Fixed Rate to floating rate or vice versa as the case may be.

dd) 'Stock Statement' means the statement/s to be submitted by the Borrower(s) from time to time, certifying the details of the stock of Goods and/ or Debts, in accordance with the terms of the Loan Contract.

2. **Facilities at the sole discretion of the Bank:** The Borrower(s) acknowledge that the Bank may, at its sole and absolute discretion and subject to the terms of the Loan Contract and sanction letter, grant one or more credit facilities, including overdraft, working capital demand loan, cash credit, term loan, bank guarantee, inland/import letter of credit, buyer's credit, forward contract, foreign currency facility or any other facility, as may be sanctioned by the Bank.

2.1 The Bank may, at its sole discretion and upon the Borrower's request, permit the Facilities to be availed through one or more branches; provided that nothing herein shall oblige the Bank to grant, continue, renew or enhance any Facility except at its sole discretion, subject to the sanctioned limits and applicable terms. The Bank shall not be required to extend or continue any of the credit facilities granted or to be granted to the Borrower otherwise than at the Bank's sole and absolute discretion. The Bank shall not be required to extend or continue any of the credit facilities granted or to be granted to the Borrower otherwise than at the Bank's sole and absolute discretion and in no circumstances to an amount at any one time exceeding the sanctioned limit with respect to that Facility. The Borrower(s) agree/s to execute Annexures / Schedules from time to time for availing the respective credit Facilities and shall create separate Securities for each of such Facilities, if so stipulated by the Bank.

2.2 In case of Facility/s granted/agreed to be granted is in the nature of a Line of Credit, the Borrower(s) shall be entitled to avail the Facility in individual tranches, within the overall limit of the Facility at any point of time as specified in the respective Sanction Letter(s). The Borrower(s) shall submit drawdown requests for each tranche as per the terms of the Sanction Letter(s), upon receipt of which the Bank may issue intimation letter(s) specifying the applicable rate of interest, maximum tenor, maturity period and other terms applicable to such tranche. The Borrower(s) shall acknowledge, accept and remain bound by the terms of each such intimation letter, which shall form an integral part of the Loan Contract. The Borrower(s) shall repay each tranche in lump sum or in such manner as prescribed in the relevant intimation letter.

2.3 The Borrower(s) agree that the Facilities shall be disbursed and/or renewed only upon due compliance with all pre-disbursement conditions provided in the Sanction Letter and in accordance with the Bank's applicable policies. Notwithstanding anything contained herein, the Bank may, at its sole discretion, suspend, cancel or refuse disbursement of the Facilities or any unavailed portion thereof, if such disbursement is likely to defeat the purpose of the Facilities or prejudice/impair the interests of the Bank.

3. The Borrower(s) agree/s to execute Agreement/Annexures / Schedules from time to time for availing the respective credit Facilities and shall create separate Securities for each of such Facilities, if so stipulated by the Bank.

4. The Borrower(s) agree/understand that any cost overrun incurred/ to be incurred for meeting the purpose of the Facility shall be met by the Borrower(s) themselves and the Bank shall not provide any additional finance for meeting any such additional costs/ expenses.

5. **Interest and charges**:

5.1 If the Interest Rate applicable to the Facility is a floating rate linked to **MCLR**, the Borrower(s) agree(s)/ acknowledge(s)/ accept(s) that:

(i) The Interest Rate applicable to the Facility shall be the Marginal Cost of Funds based Lending Rate (MCLR) fixed by the Bank for a particular tenor plus the percentage rate or margin (Spread) specified over and above the MCLR. Interest on the Facility amount shall be applied at the Interest Rate arrived as above and compounded with applicable rests, rising and falling therewith calculated respectively on the daily balance of the amount due in the Facility account. The MCLR tenor, present MCLR of the Bank for the corresponding MCLR tenor and the Spread applicable to the Facility are as specified in the respective Sanction Letter.

(ii) The Bank has explained and the Borrower(s) have understood the various components of MCLR and that MCLR is an internal benchmark rate fixed by the Bank for prescribed tenors. The Borrower(s) have further understood that MCLR for

corresponding tenor will be the minimum lending rate and that the Spread is determined inter alia on the basis of the Borrower's credit rating.

(iii) The Borrower has accepted the Spread applied over the MCLR to arrive at the Interest Rate.

(iv) Interest Rate applicable to the Facility shall be subject to reset on the MCLR review date as specified in the respective Sanction Letter and thereafter at periodical intervals as specified in the Sanction Letter successively.

(v) If there is a residual period for the Facility which is less than the tenor of MCLR mentioned in the Sanction Letter, the MCLR applicable to the residual period of the Facility would be the MCLR specified in the Sanction Letter.

(vi) The Interest Rate would remain fixed from the date of disbursement till the date of first reset, between two consecutive reset dates and from the date of last reset till the maturity of the facility.

(vii) The Bank may, at its discretion, vary, revise, reset, replace or switch the applicable benchmark rate/MCLR, including its tenor, applicable to the Facility, in accordance with applicable terms, law, regulatory guidelines and the Bank's policies. Such change shall be notified to the Borrower(s) through email id or through any mode of communication available with the Bank and shall be deemed due notice. The Borrower(s) shall pay interest on the Facility at the revised rate from the effective date specified by the Bank.

5.2 If the Interest Rate applicable to the Facility is a floating rate linked to FBIL **– TBILL** Rate, the following conditions shall be applicable:

(i) The Interest Rate is the aggregate of FBIL – TBILL Rate of prescribed tenor published by FBIL and FIMMDA on their official websites on the last working day of the previous month, which is specified in the respective Sanction Letter and Spread.

(ii) FBIL – TBILL Rate is a benchmark administered by Financial Benchmarks India Pvt. Ltd and published by FBIL and FIMMDA on their official websites. In the event of any change in the benchmark administrator (FBIL) and/or discontinuation of the said benchmark during the currency of the Facility and/or for any other reason that the Bank may deem fit, the Bank shall have the right to re-determine the Interest Rate based on any other appropriate benchmark that the Bank may at its absolute discretion deem fit.

(iii) The Borrower(s) have accepted the Spread applied over the FBIL – TBILL Rate to arrive at the applicable rate of interest.

(iv) The Interest Rate shall be subject to reset on Reset Date specified in the Sanction Letter based on the FBIL – TBILL Rate published by FBIL (benchmark administrator) and FIMMDA on their official websites, on the last working day of the month preceding to the month of the Reset Date and thereafter at periodical intervals specified in the Sanction Letter, or at such other intervals as may be decided by the Bank from time to time.

(v) The Interest Rate would remain fixed from the date of first disbursement till the first Reset Date, between two consecutive Reset Dates and from the date of last reset till maturity of the loan.

5.3 If the Interest Rate applicable to the Facility is a floating rate linked to **Repo Rate**, the Borrower(s) agree(s)/ acknowledge(s)/ accept(s) the following conditions:

(i) the Borrower(s) agree/acknowledge/ accept that Interest on the Facility amounts shall be applied at the Repo Rate plus Spread with applicable rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due. The

Repo Rate currently in force and the Spread applicable to the Loan are as specified in the respective Sanction Letter. The Borrower(s) further agree(s) that the Interest Rate applicable to the Facility shall be subject to periodical resets from time to time, on the respective dates or at successive quarterly intervals as specified in the respective Sanction Letter, consecutively by applying the Spread above the revised Repo Rate. The periodical reset dates shall either be (i) each day succeeding the day on which the Reserve Bank of India reviews the Repo Rate or makes the Repo Rate effective, or (ii) each Quarterly Anniversary Date, as specified in the respective Sanction Letter, or (iii) at such other intervals as may be decided by the Bank from time to time, as specified in the respective Sanction Letter. ('***Quarterly Anniversary Date'*** *in this context shall mean the date that marks the completion of a quarter (three months) commencing from the date of account opening or effective date of renewal (as the case may be) of the loan/ Facility initially and thereafter at successive quarterly intervals*.) On each reset date, the Interest Rate applicable for the Facility will be reset effective from that Reset Date, duly adding the Spread to the Repo rate prevailing as at the date of such reset. The Borrower(s) agree (s) that the rate of interest determined as above would remain fixed from the date of disbursement till the date of first reset, between two consecutive reset dates and from the date of last reset till maturity of the loan. The Borrower(s) further agree(s) that the Bank is at liberty to review and revise the reset periodicity as mutually agreed by the Borrower(s) with the Bank.

(ii) The Borrower(s) further acknowledge(s) and confirm(s) that the Borrower(s) has/have accepted the Spread as specified in the Sanction Letter and applied over the Repo Rate to arrive at the applicable rate of interest.

5.4 If the Interest Rate applicable is a **fixed rate**: The Borrower(s) agree to pay interest on the Facility at the interest rate stated in the Loan contract / Sanction letter which shall be compounded at rests specified in the respective Sanction Letter. The Borrower(s) further agrees that the interest rate mentioned in the Sanction Letter shall remain unchanged throughout the Period of the Facility.

5.5 The Borrower(s) agree, acknowledge, and irrevocably consent that if the Facility is subsequently classified as an MSME exposure upon submission of a valid Udyam Registration Certificate, the Bank may, in accordance with RBI guidelines, benchmark the applicable interest rate to an external benchmark rate, including Repo Linked Lending Rate or any other prescribed benchmark, without any further consent from the Borrower(s). Any such benchmark conversion and consequent change in interest rate shall be communicated by the Bank by letter or email to the address/registered email ID, which shall constitute due and sufficient notice. The Borrower(s) agree to be bound by and pay interest at such revised rates as determined and intimated by the Bank from time to time.

5.6 **Interest Concession**: Where the Bank has granted any concessional rate of interest for the Facility upon the request of the Borrower(s), such concession shall apply only so long as the Facility remains regular and standard, and all repayments, including interest and other charges, are made promptly. The Bank may withdraw the concession upon any deterioration in credit quality (including downgrade in internal/external rating, arrears or other irregularities), reduction in security coverage, takeover of the Facility by another lender, or breach of any condition prescribed by the bank for granting such concession. Upon withdrawal of the concession, the applicable card rate of interest of the Bank published in Bank's website shall apply with effect from the date of loan account opening/renewal, without further notice/intimation to the Borrower(s).

5.7 The Borrower(s) agree to pay the Charges at the rate specified in the Sanction Letter, as and when such Charges are debited to the Facility account.

(i) Processing Fee towards administrative costs for processing, review and sanctioning the Facility.

(ii) Cheque Return Charges, payable in the event of return of cheques/ NACH mandates / other payment instruments registered for repayment of the Facility.

(iii) Inspection Charges for the inspection of systems/accounts/ information of the Borrower/s, Secured Assets and/or such other inspections/audit in any manner whatsoever, as envisaged under the Financing Documents.

(iv) Documentation Charges towards the administrative costs for the preparation and execution of Financing Documents.

(v) Commitment Charges at the rate specified in the respective Sanction Letter, in the event of non-utilization or underutilization of the Facility.

(vi) Information Utility fee for Information Utility Services

(vii) Such other charges as specified in the respective Sanction Letter.

The Borrower(s) agree(s), acknowledge(s) and authorise(s) the Bank to disburse the Loan amount or any part thereof, only after deducting the applicable Processing Fees and other upfront Charges, at the rates specified in the Sanction Letter or such other charges / amounts as may be determined by the Bank from time to time and communicated to the Borrower(s) by way of letters /emails issued to the address or the registered e-mail ID provided in the Sanction Letter".

5.8 **Repayment Terms**

(i) **Term Loan Facility (Including Demand Loan):** The Borrower(s) shall repay the Term Loan Facility in the manner and within the period specified in the Sanction Letter, after expiry of the moratorium or repayment holiday, if any, and shall ensure that all Outstanding Dues under the facility are fully repaid. The Borrower(s) shall also, on demand by the Bank, pay all Outstanding Dues under the Facility. The borrower further agrees to pay Interest, charges, penal charges, costs, expenses and all other amounts debited or accrued to the loan account as and when due.

(ii) **Cash Credit Facility:** Unless renewed, reviewed or otherwise permitted to continue by the Bank, the Facility shall be repayable on the due date specified in the Sanction Letter or immediately upon demand by the Bank, whichever is earlier.

(iii) **Overdraft Facility with Diminishing Drawing Power:** The Facility shall be repaid by equated monthly or quarterly instalments, commencing from the date of disbursement of the Facility or any part thereof, until all amounts due, including interest, costs, expenses, levies and charges, are fully paid, as specified in the Sanction Letter. The operative limit shall stand reduced by an amount equivalent to each agreed instalment, and the Borrower(s) may operate the account only within the reduced operative limits. The Bank shall not be obliged to continue advances except at its discretion and may stipulate limits from time to time.

(iv) **Minimum Monthly Remittance:** Where specified in the Sanction Letter, the Borrower(s) shall pay the prescribed minimum monthly remittance for the stipulated period, commencing from the date of the Facility until all liabilities, including interest, costs, expenses, levies and charges, are fully discharged. The first remittance shall be payable on the date specified in the Sanction Letter or such other date as determined by the Bank, and subsequent remittances shall be payable on the corresponding date of each succeeding month.

6. Terms on security

6.1 Insurance of secured assets/ securities

(i) The Borrower(s) shall, at their own cost and risk, maintain the Secured Assets/Securities in good condition and keep them insured for their full market value, with a bank clause, against any loss, fire or damage arising out of fire, flood, cyclone, typhoon, lightening, explosion, riot, strike, earthquake risks and other acts of God, as may be required by the Bank from time to time, on such basis and for such value as may be satisfactory to the Bank and with such insurer of repute as may be approved by the Bank. The Borrower(s) shall timely pay applicable insurance premia for insurance and periodic renewals. In the event of any failure by the Borrower(s) to obtain or renew such insurance, the Bank may, at its sole discretion and without any obligation to do so, arrange or renew the insurance for further periods at the Borrower(s)' expense.

(ii) If the Secured Asset to be insured is stock of Goods/Debts , the Borrower(s) shall insure the same for the sum equivalent to the highest of the following viz. (i) 120% of the portion of the Facility amount covered by the stock of Receivables/ Goods or (ii) Full market value of the stock of Receivables/ Goods at the time of taking insurance (iii) Average level of stock as on the last date of the month covering past 12 months period, whichever is higher. (**Applicable, only if Secured Assets are Goods/Debts*).

(iii) The Borrower(s) hereby authorize the Bank to debit the account/s of the Borrower(s) (including the Loan account herein) with any branches of the Bank, as the Bank may decide/s at its sole and absolute discretion, for payment of insurance expenses/premium as stated above. The Borrower(s) further agree that any debit/s made in the Loan account/s as aforesaid, shall form part of the charges payable by the Borrower(s) under the Loan Contract and shall be cleared, then and there. In case debit is made in any operative account/s of the Borrower(s) which results in overdraft, the Borrower(s) shall pay such overdrawn amounts forthwith, on demand.

(iv) Where the Secured Asset/Security forms part of a building complex, the Borrower(s) shall ensure, to the extent possible, that the entire building is kept insured at all times by the concerned society, association or other controlling body against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake and other acts of God. The Borrower(s) shall submit the relevant insurance policies, cover notes, premium receipts and such other documents to the Bank for inspection/record.

(v) The Borrower(s) shall ensure that the Bank's interest in the Secured Assets/Securities is endorsed or noted in all insurance policies, cover notes, certificates and related documents, with a standard bank clause providing that claim proceeds shall be payable to the Bank as per Bank's directions. In case of loss or damage to the secured assets/ securities, the Borrower(s) shall promptly lodge claims and furnish all required documents to the Bank/insurer as and when required. The Bank may, at its sole discretion, apply insurance proceeds either towards replacement of the Secured Assets/Securities or towards repayment of the Borrower(s)' liabilities to the Bank. In the event of rejection of any insurance claim, wholly or partly, for any reason whatsoever, the Borrower(s) shall remain liable to repay the entire outstanding liability under the Facility and shall not require the Bank to first proceed against the insurer. Lodging or invoking any insurance claim by the Bank shall be purely discretionary, and the Bank shall not be liable to the Borrower(s) or any other person for failure or delay in lodging any claim within the time prescribed under such policy, rejection of insurance claim, or non-production of any documents, including documents deemed to be in the Bank's custody.

6.2 The Borrower(s) shall duly pay all rent, fees, taxes, charges and other outgoings payable in respect of the secured assets as and when due. In the event of default, the Bank may, at its option and without any obligation, pay such amounts by debiting the Loan account or any other account of the Borrower(s). The Borrower(s) shall indemnify the Bank against any loss arising from damage, destruction or loss of the secured assets, or from any third-party claims in relation thereto.

6.3 The Borrower(s) shall do all acts and execute all documents required by the Bank for creation and perfection of the Securities and for giving effect to the covenants under the Loan Contract. The Borrower(s) further authorize the Bank, its agents, representatives and nominees, as their attorneys, to do all acts and things in the name of the Borrower(s) as may be necessary for creation and perfection of the Securities.

6.4 The Borrower/s understand and agree that the Security created by the Borrowers for the facilities shall be separate and independent from, and shall not be affected by, any other security, indemnity or guarantee held by the Bank in respect of the Facilities or any other present or future obligations of the Borrower(s) to the Bank. Nothing herein shall prejudice the Bank's rights or remedies in respect of any existing or future security, guarantee, obligation, decree or liability of the Borrower(s). The Bank shall be entitled, at its sole discretion, to enforce or take recourse to any such security, guarantee or indemnity in such manner as it may deem fit.

6.5 The Borrower(s) declare and assure that all immovable properties mortgaged/ to be mortgaged and all goods, receivables, book debts, movables and other assets hypothecated/to be hypothecated, pledged or otherwise secured in favour of the Bank are, or shall be, the absolute, unencumbered and disposable properties of the Borrower(s)/Mortgagor(s)/Pledgor(s)/Hypothecator(s), as applicable, free from any prior charge, lien or encumbrance, except those disclosed to and accepted by the Bank as having priority over the Bank's charge. The Borrower(s) further declare that all future immovable properties, goods, receivables, book debts, movables and other assets to be given as security for the Facility to the Bank shall likewise be the absolute, unencumbered and disposable properties of the Borrower(s)/Mortgagor(s)/Pledgor(s)/Hypothecator(s), as applicable. The Borrower(s) shall not, without the Bank's prior written consent, sell, lease, transfer, exchange, mortgage, charge, encumber or otherwise deal with the Securities or any part thereof, or permit any act or encumbrance that may prejudice the Bank's security, so long as any amount remains due or payable to the Bank. All sale proceeds, realisations and insurance proceeds relating to the Securities shall also remain subject to the Bank's charge/ security interest.

6.6 The Borrower/s agree and undertake that all Securities, all sale realisation and insurance proceeds thereof and all documents relating thereto shall always be kept distinguishable and held as the bank's exclusive property to be dealt with only under the directions of the bank.

6.7 Though not obligatory on the part of the Bank, the Bank shall at all times be entitled to do all such things for the safety, upkeep and maintenance of the secured assets including hypothecated assets and all expenses incurred by the Bank on that account shall be debited to the any of the Borrower/s account(s) with any branches of the Bank and shall be recoverable by the Bank as dues under the Loan contract.

6.8 The Borrower(s) shall use best endeavours to recover all their Debts, book debts, receivables and other assets as and when due, and shall deposit all amounts received into the respective credit facilities maintained with the Bank. The Borrower(s) shall not, except in the ordinary course of business and without the Bank's prior written consent, receive, release, compromise or compound any such Debts, book debts, receivables or assets, or do or permit anything that may delay, impede, prejudice, prevent or render time-barred the recovery thereof.

7 Renewal of Facilities (#Applicable for the running/ revolving Facilities i.e. in the nature of Cash Credit/ Overdraft/ Export Advances) :

(i) Upon expiry of the Facility period, the Bank may, at its sole discretion and subject to detailed credit assessment, renew the Facility for such further period and for the same or enhanced /reduced Facility amount, on the existing terms or such modified terms as may be documented through supplemental or separate agreements. The Borrower(s) shall execute all documents and provide such additional security(ies) and/or guarantee(s) as may be required by the Bank.

(ii) If the Facility is not renewed, the Bank shall be entitled to cancel the Drawing Power without prior notice/ intimation, and reinstatement of Drawing Power shall be subject to such conditions as the Bank may prescribe. The Borrower(s) shall submit all documents and information required for renewal at least **60 (sixty) days** prior to the Facility due date or within such other timeline as stipulated by the Bank from time to time. The Borrower(s) shall also pay the applicable Processing Fee where the Facility is closed, whether by takeover or otherwise, during any period in which the Facility remains overdue for renewal/review. The Borrower agrees that unless the Facility renewed, reviewed or otherwise permitted to be continue by the Bank, the Facility shall be repayable on expiry of the period specified in the respective Sanction Letter or upon demand by the Bank, whichever is earlier. The Borrower(s) further agree that the Interest debited to the Facility account shall be paid as and when due. Where the Facility is in the nature of a demand loan, repayment shall be made in the manner specified in the Sanction Letter/ Loan Contract.

(iii) The Borrower(s) acknowledge that the Facility shall be subject to annual review by the Bank and shall furnish all documents, information and records required for such review (*applicable where the Facility tenure exceeds 12 months*).

8 Enforcement of Securities

(a) SARFAESI proceedings

(i) In respect of Securities enforceable under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"), the Bank shall issue a demand notice under Section 13(2) of the SARFAESI Act to the Borrower(s)/Guarantor(s), if any, requiring repayment of the Outstanding Dues within 60 (sixty) days, or such other period as may be prescribed under applicable law. Upon failure of the Borrower(s) to effect payment within such period, the Bank may take possession of the Securities in accordance with the SARFAESI Act and applicable law. The Borrower(s)/Security Provider(s) shall, upon demand, surrender/ hand over peaceful possession of the Securities to the Bank.

(ii) Upon taking possession, the Bank shall issue sale notice to the Borrower(s)/Security Provider(s) for sale of the Securities with 30 (thirty) days' notice, or such other period as may be prescribed under applicable law. Where sale is by public auction or tender, the sale notice shall be published in two leading newspapers, including one vernacular newspaper, or in such manner as may be prescribed under applicable law. The Borrower(s) acknowledge that possession and sale of Securities shall be in accordance with due process of law. The Bank shall take reasonable care of the Securities after taking possession in the ordinary course of its Business, and all costs incurred shall be charged to the Facility account or any other account of the Borrower(s).

(iii) If the Borrower(s)/Security Provider(s) repay all Outstanding Dues to the satisfaction of the Bank before issuance of sale notice or within the time specified in the pre-sale notice, the proposed sale shall be called off by the Bank and the Securities shall be returned to the Borrowers/ Security

Provider(s) at their cost. Failing such payment by the Borrower(s) within the timelines prescribed, the Bank shall proceed with sale of the Securities as provided above.

(b) Enforcement of Hypothecated/Pledged Assets

(i) Upon occurrence of any Event of Default, the Bank may, at its sole discretion call upon the Borrower(s) to repay the Outstanding Dues by issuing a 7 (seven) days' loan recall notice. However, the requirement of 7 days' notice will be dispensed with in exception circumstances as stipulated below:

- fraud is committed by the Borrower(s) or any person/entity providing Securities; or
- Occurrence of any event, circumstance or condition , or in the Bank's opinion may reasonably cause, a Material Adverse Effect as defined under the General Terms and Conditions.

(ii) Repossession of the Secured Asset(s)/ Securities

a. upon expiry of the notice period, or forthwith as may be applicable, the Bank shall take possession of the Secured Asset(s)/Securities from wherever the same is kept/stored/located. For this purpose, the Bank, its authorised representatives, officers, servants, agents or service providers may enter any premises where the Securities are kept, take possession, recover or receive the same and, if necessary, break open such premises/place of storage. Any damage to the Securities or land/building attached to it, arising from such removal shall be the sole responsibility of the Borrower(s). The possession would be taken in accordance with applicable law and industry practice.
b. Upon demand made by the Bank , the Borrower(s) shall forthwith surrender custody/possession of the Securities together with all the original title documents, contracts, bills, invoices, warranty cards/certificates, permits, insurance policies, delivery challans, installation certificates, original and duplicate keys, remote operating devices/accessories and other related documents/articles.
c. After issuing pre-sale notice, Bank shall be entitled to take all necessary steps, as deemed fit/ appropriate to dispose of the Securities at the Borrower(s)' risk and cost . If the Borrower(s)/Security Provider(s) pay all dues within the time specified in the pre-sale notice, the proposed sale shall be cancelled and the Secured Assets shall be handed over back to the Borrower(s)/security provider at the costs and expense of the Borrower(s)/security provider. Failing such payment, the Bank shall sell the Secured Assets by public or private auction, or in such other manner as it deems appropriate.
d. Bank is entitled to appoint one or more third parties at its sole discretion, without prejudice to the Bank's own rights, and delegate to them authority to collect unpaid amounts on behalf of the Bank, take possession of Secured Assets and perform all acts, deeds and matters connected with or incidental thereto.

(d) The Borrower(s) shall not object to the manner of sale or disposal of the Secured Assets by the Bank. The Bank shall not be liable for any loss arising from the acts or defaults of any broker, auctioneer, receiver or other person engaged for such sale or disposal.

(e) Upon taking possession of the Secured Assets, the Bank may either keep the same at the premises where they are lying and affix Bank locks thereto, or remove them to any other premises.

(f) If the Bank repossesses the Secured Assets or appoints any agent, representative or receiver, neither the Bank nor such receiver shall be liable for any damage, loss or deterioration of the hypothecated security, whether caused by theft, fire, flood, earthquake, drought, lightning or otherwise. The Borrower(s) waive all remedies available in this regard under applicable laws.

(g) The Borrower(s) hereby agree to accept the statement of account of the Bank signed by the authorised officer of the bank as sufficient proof of the amount realised by the Bank and the costs,

charges and expenses in such sale or realisation. If, after full payment of all amounts due to the Bank in respect of the Facility, any surplus remains from the net sale proceeds, the Bank shall be entitled, at its discretion, to appropriate and apply such surplus, together with any other monies of the Borrower(s) lying with the Bank in any account whatsoever, towards the payment, discharge or liquidation of any other present or future liabilities, obligations or indebtedness of the Borrower(s) to the Bank, whether incurred singly or jointly with any other person, firm or company, including but not limited to liabilities arising from funded or non-funded facilities , charges or any other legal or equitable claims. The Bank shall exercise such right notwithstanding the bankruptcy, insolvency, liquidation or similar proceedings affecting the Borrower(s) and appropriate the amounts towards all liabilities due to the Bank together with applicable interest. Any shortfall upon sale or realisation of the Secured Assets shall remain recoverable from the Borrower(s) and/or their other assets by legal action or otherwise, notwithstanding that all or any part of the Secured Assets has not been realised.

(h) The Bank may, at its discretion and without obligation, appoint receivers, deal with any part of the Securities, enforce or settle claims and exercise all related powers without liability for any loss and without prejudice to its legal remedies and not withstanding any pending suit/ proceeding. The bank shall be entitled at all times to apply any other money or moneys in its hands standing to the credit of or belonging to the borrower/s in or towards payment of any amount for the time being payable to the bank on the above credit facilities or otherwise as aforesaid. Subject to the Bank's rights and prior approval, the Borrower(s) may sell Securities as the Bank may deem fit and proper, provided required margins are fully maintained and sale proceeds thereof shall be immediately credited to the loan account.

(i) The Bank may, at its discretion, grant extension of time for repayment in lump sum or otherwise, and such extension shall be deemed to have been granted at the request of the Borrower(s).

(j) Without prejudice to the Bank's right to proceed under civil law or any other applicable law, the Borrower(s) agree that the Bank shall be entitled to initiate Revenue Recovery Proceedings, and the collection charges fixed by the Government from time to time shall be payable by the Borrower(s).

7 SMA/NPA Classification

The Borrower(s) confirm having read and understood the SMA/NPA classification norms applicable as on the date of this Agreement, including the illustrative examples set out below.

(A) Basis of Classification of **Term Loans**: Classification shall be based on the number of days for which any instalment of principal, interest, or any other amount payable under this Loan Contract (collectively, the "Dues") remains wholly or partly overdue:

- SMA-0: Dues overdue for up to 30 days.
- SMA-1: Dues overdue for more than 30 days and up to 60 days.
- SMA-2: Dues overdue for more than 60 days and up to 90 days.
- NPA: Dues overdue for more than 90 days.

Illustrative Example

If the due date for payment of Dues is 31 March 2026 and the full amount is not received before the Bank's day-end process on that date:

- The account shall be classified as SMA-0 on 31 March 2026.
- The account shall be classified as SMA-1 if the overdue Dues remain unpaid as of the day-end process on 30 April 2026.
- The account shall be classified as SMA-2 if the overdue Dues remain unpaid as of the day-end process on 30 May 2026.
- The account shall be classified as NPA if the overdue Dues remain unpaid as of the day-end process on 29 June 2026.

(B) Basis of Classification of **Cash Credit (CC) / Overdraft (OD) Limits**:

(i) SMA Classification based on the number of days for which any instalment of principal, interest, or any other amount payable under this Loan Contract (collectively, the "Dues") remains wholly or partly overdue:

- SMA-0: Dues overdue for up to 30 days.
- SMA-1: Dues overdue for more than 30 days and up to 60 days.
- SMA-2: Dues overdue for more than 60 days and up to 90 days.
- NPA: Dues overdue for more than 90 days.

Illustration: Where Dues payable on 31 March 2026 are not received before the Bank's day-end process:

- SMA-0: 31 March 2026
- SMA-1: If unpaid as of 30 April 2026
- SMA-2: If unpaid as of 30 May 2026
- NPA: If unpaid as of 29 June 2026

(ii) The Facility Account shall also be classified as:

- SMA-1: Where the outstanding balance remains continuously in excess of the sanctioned limit or drawing power for more than 30 days and up to 60 days.
- SMA-2: Where the outstanding balance remains continuously in excess of the sanctioned limit or drawing power for more than 60 days and up to 90 days.

Illustration: Where the outstanding balance remains in excess of the sanction order or drawing power on 31 March 2026 and

- SMA-1: If such excess continues as on 30 April 2026.
- SMA-2: If such excess continues as on 30 May 2026.
- NPA (Out of Order): If such excess continues as on 29 June 2026.

(iii) The Facility Account shall also be classified as NPA and treated as out of order if:

- The outstanding balance remains continuously in excess of the sanctioned limit or drawing power on expiry of 90 days; or
- the outstanding balance in the Facility Account is less than the sanctioned limit or drawing power, but there are no credits continuously for 90 days; or
- the outstanding balance in the Facility Account is less than the sanctioned limit or drawing power, but the credits are not enough to cover the interest debited during the previous 90-day period.

Illustration: For NPA assessment on 31 March 2026, the Bank shall compare:

- Interest debited during the preceding 90-day period (01.01.2026 to 31.03.2026); and
- Credits received during the same period.

If credits exceed or equal the interest debited, the account shall continue as a standard asset. If credits are less than the interest debited, the account shall be classified as NPA.

(iv) FIFO Principle: For determining SMA/NPA status, the First In First Out (FIFO) principle shall apply. Payments received shall first be appropriated towards the oldest outstanding dues, and the age of overdues shall be reckoned from the date on which the earliest unpaid due became payable.

Illustration: If Dues of Rs. X become payable on 01.02.2026 and only Rs. Y is paid, the overdue on 01.03.2026 will be Rs. (X−Y). Any subsequent payment shall first be adjusted against the unpaid portion of the dues due on 01.02.2026 before being appropriated to dues falling due on 01.03.2026. The age of overdue shall be reckoned from 01.02.2026 until such dues are fully cleared.

(C) Basis of Classification of **Bank Guarantee (BG) / Letter of Credit (LC) limits**

- In cases where operative credit limits are outstanding in the name of the Applicant/s:
  In the event of invocation of BGs /devolvement of LCs, SMA/NPA classification as applicable to the operative limits, from which payment of invoked BGs/LCs are made, shall apply to the outstanding amounts under the BG/LC limit, Interests, Penal/additional interests, Charges etc., at the rates and in the manner, as applicable to the operative limit shall apply to the outstanding amounts under invoked BGs/LCs.

- If operative limits are NOT outstanding in the name of the Applicant/s and BG is invoked / LC is devolved by debiting Savings/Current/ other operative accounts of the Applicant/s

  - SMA-0: Dues overdue for up to 30 days.
  - SMA-1: Dues overdue for more than 30 days and up to 60 days.
  - SMA-2: Dues overdue for more than 60 days and up to 90 days.
  - NPA: Dues overdue for more than 90 days.

  Illustration for LC
  If due date of payment of outstanding amounts payable under LCs/ Interests/ any other amounts payable ("Dues") is March 31, 2026, and the full amount towards the Dues are not received before the Bank runs the day-end process of its system for this date, the date of overdue shall be March 31, 2026 and on the said date the account will be classified as SMA 0. If the Dues are not paid and the account continues to remain as overdue, then the Loan account shall get tagged as
  - SMA 1, if the outstanding Dues are not paid by April 30, 2026 end of the day.
  - SMA 2 if the outstanding Dues are not paid by May 30, 2026 end of the day.
  - NPA if the outstanding Dues are not paid by June 29, 2026 end of the day.

  Notwithstanding the classification of any other Facility of the Borrower(s) as NPA, bills discounted under a LC in favour of the Borrower(s) may continue to be treated in accordance with applicable RBI guidelines. However, where the documents under the LC are not accepted on presentation, or the LC issuing bank fails to make payment on the due date for any reason whatsoever, and the Borrower(s) fail to forthwith regularise the amount outstanding, the said bills discounted under the LC shall be classified as NPA with effect from the date on which the other Facility of the Borrower(s) was classified as NPA.

  Illustration for BG
  If due date of payment of any amounts payable under this Counter Guarantee ("Dues") is March 31, 2026, and the full amount towards the Dues are not received before the Bank runs the day-end process of its system for this date, the date of overdue shall be March 31, 2026 and on the said date the account will be classified as SMA 0. If the Dues are not paid and the Facility account continues to remain as overdue, then the Loan account shall get tagged as
  - SMA 1, if the outstanding Dues are not paid by April 30, 2026 end of the day.
  - SMA 2 if the outstanding Dues are not paid by May 30, 2026 end of the day.
  - NPA if the outstanding Dues are not paid by June 29, 2026 end of the day

(D) **Additional Conditions (Applicable to all type of Facilities)**

a) The Facility Account may also be classified as NPA upon occurrence of any event requiring such classification under RBI's IRAC norms, as amended from time to time.
b) SMA/NPA classification shall be effected as part of the Bank's day-end process, and the classification date shall be the relevant calendar date for which such process is run.
c) If any other facility of the Borrower is classified as NPA, the Facility shall also be classified as NPA.
d) The Facility shall be upgraded to standard status only upon full clearance of arrears/dues in all accounts of the Borrower(s).

8 Other covenants/undertakings of the Borrower(s):

8.1 The Borrower(s) represents/declares /affirms /undertakes as follows:

(i) no event of default or potential event of default exists in respect of any financial obligation of the Borrower(s) or its associates to the Bank or any other bank or financial institution;

(ii) none of its directors, proprietor, partners or promoters is included in any defaulters' list published by RBI or any Credit Information Company, nor are they related to any person who is a director/partner of an entity included in RBI's wilful defaulters' list;

(iii) the Facility shall not be utilised for (a) investments, whether current or long-term, in any company or entity (including group concerns) by way of shares, debentures or similar instruments, or (b) unsecured loans or inter-corporate deposits;

(iv) no litigation is pending which may adversely affect the Borrower(s)' business, and any such litigation arising subsequently shall be promptly notified to the Bank;

(v) neither the Borrower(s), its partners/directors nor any guarantor is a director of a banking company or a specified near relative of (a) a director of a banking company, (b) a director of any subsidiary, mutual fund or venture capital fund established by the Bank, or (c) a senior officer of the Bank;

(vi) the Borrower(s) shall not engage in any business or activity other than its existing business without the Bank's prior written consent;

(vii) no Material Adverse Effect has occurred or is subsisting. **"Material Adverse Effect"** means any event, circumstance or condition which, in the Bank's opinion, materially and adversely affects the Borrower(s)' ability to perform its obligations, its business, operations, assets, financial condition or prospects, or the validity or enforceability of any Financing or Security Document;

(viii) where the Bank is the sole banker, all business transactions for which the Facility is availed shall be routed through the Bank;

(ix) in a multiple banking/consortium arrangement, a proportionate share of such business transactions shall be routed through the Bank;

(x) no statutory dues were outstanding as on 31 March of the latest audited financial year; and

(xi) utilisation of Cash Credit/Working Capital Demand Loan facilities shall remain within the Maximum Permissible Bank Finance (MPBF).

8.2 The Borrower(s) shall route through the Facility Account(s) and/or other account(s) maintained with the Bank all business cash flows and trade transactions, including foreign

inward and outward remittances, export proceeds, import payments, bill discounting transactions and other business receipts and payments.

Where the Facilities are availed under a multiple banking or consortium arrangement:

(i) The Borrower(s) shall route through the Bank a proportion of its business cash flows and trade transactions commensurate with the Bank's share in the total funded and non-funded exposure.

(ii) Where the aggregate banking exposure exceeds Rs.5 Crore, the Facility Account(s) shall ordinarily be used only for credits, provided that debits may be permitted for transfer of funds to the overdraft or cash credit account maintained with a lender having 10% or more of the total banking exposure.

(iii) The Borrower(s) irrevocably authorise the Bank to exchange, share and disclose information relating to the Facilities/ credit information and the Borrower(s)' accounts with other lenders, financiers, consortium members, credit information companies, information utilities, regulators and such other persons as may be permitted or required under applicable law or regulatory directions.

8.3 The Borrower(s) shall approach the Bank on a right of first refusal basis for all banking requirements relating to its/their business, including remittances, bill/cheque purchase, non-fund based facilities (including Letters of Credit and Bank Guarantees), foreign exchange transactions and hedging requirements. Where the Facilities are availed under a consortium or multiple banking arrangement, such transactions shall be routed through the Bank on a pro-rata basis in accordance with the Bank's share of the overall exposure, subject to the aforesaid right of first refusal.

8.4 If the Term Loan Facility is availed for development of project under real estate segment, the following shall be applicable:

a. The Borrower(s) affirm/ declare that the project financed under the Facility shall always be in adherence with the Real Estate Regulatory Authority (RERA) Act/ Rules. The Borrower(s) agree to comply with all applicable guidelines/ requirements of RERA Act and obtain the approval of RERA.
b. The Borrower(s) agree that the pamphlets/brochures of the project financed under this Agreement, shall reflect that the project is financed by the Bank and also that the project land stands mortgaged in favour of the Bank.
c. The Borrower(s) shall open escrow account with the Bank and route at least 70 % of the amounts realized from the purchasers/ allottees of flat units from time to time, through the escrow account, as stipulated by the Bank from time to time in accordance with the provisions of RERA Act/ Rules or otherwise. The Borrower(s) further agree/s that all collections and payments of the project including booking advance from the purchasers shall be routed through the current account/ overdraft maintained with the Bank. The Borrower(s) agree that the drawings from the current/ overdraft account/s shall be regulated so as to ensure that there is sufficient balance outstanding therein to repay the amount dues under the Facility account. The Borrower(s) agree to register auto recovery mandates

in such current / overdraft account for deducting the interests and instalments payable under the Facility.

d. The Borrower(s) shall keep the Bank informed of project implementation, including construction progress certified by an approved Engineer, sale of units and advance payments received, on a quarterly basis on or before the 10th day of the month succeeding the relevant quarter. The Borrower(s) acknowledge that delay in project implementation may affect the asset quality of the Facility account. The Borrower(s) shall also furnish monthly reports containing details of amount invested, stage of construction, remaining works, probable date of completion and such other details as may be required by the Bank until completion of the project. Upon completion, the Borrower(s) shall submit progress reports on sale of flat units until closure of the loan, to ensure pro-rata reduction of limit.

e. The Borrower(s) hereby confirm that the building project for which the Facility is availed, adheres to the National Building Code (NBC) formulated by Bureau of Indian Standards (BIS) and National Disaster Management Authority (NDMA), Government of India.

8.5 The Borrower(s) agree and confirms that the Bank shall, without prior notice or consent, sell, assign or transfer, in whole or in part, the debt, this Agreement, the related securities and security documents, and any of its rights, benefit of these presents and obligations hereunder, to any securitisation company, asset reconstruction company, bank, financial institution or other person permitted by RBI /Persons , as the bank decides. The Bank shall have the power either to proceed against the Borrower(s) on behalf of the assignee in the vent of default or assign to Assignee, the right to the proceed against the Borrower(s) directly. The Bank shall be entitled to transfer /assign, at its sole and absolute discretion, any or all rights and obligations of the Bank under this Agreement which may include without limitation, the right to determine rate of interest, pre-payment charges, collection procedure and all other relevant and incidental matters to the Loan Account including rights over the Secured Assets and shall conclusively bind the Borrower(s). Upon such assignment, the Borrower(s) shall accept the Assignee as its sole creditor or creditor jointly with the Bank and pay the Outstanding Dues to the Bank and/or the assignee as directed by the Bank. The Borrower(s) shall, at their own cost, execute and do all acts, deeds and documents required by the Bank or the assignee to give effect to and perfect such assignment.

8.6 The Borrower(s) shall promptly notify the Bank of any material event or circumstance likely to adversely affect its/their business, operations, cash flows, profitability, assets or financial position, or that of its/their associates, subsidiaries or group entities. If the monthly production or sales materially fall below the projections submitted to the Bank, the Borrower(s) shall promptly inform the Bank and take appropriate corrective measures to improve the production/ sales.

8.7 The Borrower(s) agree that, during the currency of the Facility, the Borrower(s) shall not avail credit facilities/ finance from any other bank/financial institution, without prior approval in writing from the Bank. The Borrower(s) further agree that its/their promoter's / beneficial owner's stake in the business financed under the Facility shall not be diluted during the currency of the Facility.

8.8 The Borrower(s) hereby represent, declare, affirm and undertake that all representations, declarations, covenants and undertakings relating to their financial obligations, default status, end-use of the Facility, litigation, relationship with banks and financial institutions, business activities, material adverse effect, routing of transactions, statutory dues, utilisation of working capital limits and other related matters, as more particularly set out in the Bank's

General Terms and Conditions governing credit facilities, are true, correct and binding on the Borrower(s). The Borrower(s) agree that the said General Terms and Conditions shall form an integral part of this Loan Contract and any breach thereof shall constitute a breach of the Loan Contract.

8.9 The Borrower(s) shall maintain adequate books of account in accordance with applicable accounting standards, accurately reflecting their financial position and scale of business operations, and shall, upon demand, furnish to the Bank such statements, accounts, documents and information as may be required for verification. The Borrower(s) hereby consent to the Bank, its officials, external lawyers, auditors, consultants, technical experts, management consultants or any other persons appointed by the Bank conducting audits, inspections or reviews of any documents furnished or executed in connection with the Facility, including title and security documents. The Borrower(s) shall permit and cooperate with such audits, inspections and reviews, including providing access to its premises, books of account, records, documents and information as may be required by the Bank, and shall execute all necessary authorisations or documents for the same. The Borrower(s) shall bear all costs and expenses incurred by the Bank in connection with such audits, inspections or reviews

8.10 The Borrower(s) agree/s to maintain Debt Service Coverage Ratio (DSCR), Debt – Equity Ratio (DER) and the Total Outside Liability/ Total Net Worth (TOL/ TNW) ratio, as per the terms of the projection statements submitted by the Borrower(s) to the Bank, throughout the tenor of the Facility

8.11 If the Borrower(s) is/are a company within the meaning of Companies Act 2013, the Borrower(s) understand and agree that:

(i) the Bank will have a first charge on the profits of the Borrower(s), after provision for taxation and dividend (wherever applicable), for the repayment of the Facility amounts, as well as towards other repayment obligations, if any, due from the Borrower(s) to the Bank.

(ii) any capital raising (equity or equity linked) mandate or any financial advisory mandate, will be informed to the Bank and the Bank and/or any of it's strategic partner/s will have the first right of refusal in relation to such mandate/s.

(iii) the Bank will have the right to convert the debt into equity (in case of company), at any time felt appropriate by the Bank, on the basis of a formula mutually accepted by the Bank and the Borrower(s).

(iv) the Borrower(s) shall not declare any dividends to its shareholders, if there is any arrears/ overdues in the Facility account/s.

(v) Registration/ modification of charges with ROC in respect of the Secured Assets/ Securities shall be completed within 1(One) month from the date of disbursement of the Facility.

(vi) the Borrower(s) shall not sell its/their assets, without prior written permission of the Bank, during the currency of the Facility.

(vii) the shares owned by its promoters shall not be pledged/sold or otherwise encumbered without specific permission in writing of the Bank

(viii) *That it will not make any material change in its capital structure, shareholding pattern/ management, formulate any scheme of amalgamation or reconstruction without the prior consent of the Bank

8.12 The Borrower(s) shall furnish statement of accounts of the loans/credit facilities availed, if any, by the Borrower(s) from other banks/ financial institutions, at quarterly intervals, or as

and when demanded by the Bank. The Borrower(s) agree that all such liabilities with any external banks/financial institutions shall be serviced by the Borrower(s) promptly and such facilities/accounts shall be maintained as standard assets.

8.13 The Borrower(s) shall obtain external ratings from accepted credit rating agencies and furnish the same to the Bank within 6 (six) months from the date of disbursal/ renewal or such timelines, as may be stipulated by the Bank from time to time.

8.14 The Borrower(s) agree/ undertake to maintain valid Legal Entity Identifier (LEI) code, wherever applicable, and shall renew the same well before its expiry date, to ensure validity thereof throughout the tenor of the Facility. The Borrower(s) shall furnish the details of the LEI code and its periodical renewal to the Bank.

8.15 **Borrowers undertaking to execute supplemental/ other documents as required by the Bank:** The Borrower/s shall execute such other security documents and furnish additional security to the satisfaction of the Bank as required by the Bank and in case of non-compliance, the Bank shall be entitled to reduce /suspend/ terminate/ recall the facilities forthwith at the discretion of the Bank. The Borrower/s also agree/s that in case of enhancement /modification of any of the existing credit facilities, the borrower shall execute necessary documents, agreement/s etc., as required by the Bank from time to time and such documents /agreements shall be supplemental to and shall be considered as a part of Master Facility Agreement, if specifically specified therein.

8.16 **If the Borrower is a partnership firm:** Where the Borrower is a partnership firm and a change occurs in the constitution of the firm by retirement, expulsion or death of any partner of the firm or otherwise , the outgoing partner or the legal representatives of the deceased partner will not be discharged in respect of the liability of the firm incurred before its reconstitution by any subsequent credit to the account or the accounts of the reconstituted firm or to any other separate account until the bank finally agrees to the reconstituted firm taking over the liability or until the liability is fully paid off by all the partners of the old firm including the outgoing firm or the legal representatives of the deceased partner.

8.17 **Joint & Several Liability:** If the Borrowers be more than one individual, all shall be bound hereby jointly and severally and each of them mutually agrees that each one or any one of them is/are, authorised and empowered by the other of them to admit and to acknowledge the Borrower's individual and collective liability to the bank by any payment into the account(s) or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by any one or more of them shall be construed and deemed to have been made on behalf of each and all of them jointly and severally. The borrowers further agree that the Bank shall be entitled to sue the Borrowers separately and independently under the Loan Contract without consolidating any or other claim of the Bank against the Borrowers arising under any other agreement or transaction or mortgage relating to the same security.

8.18 **Interchangeability & Sub Limits:** The Bank may, at its sole and absolute discretion, permit utilisation of the Facilities by way of sub-limits and/or interchangeability between credit facilities sanctioned/to be sanctioned to the borrowers, through the branch specified in the Loan contract and/or through any other branches as the bank may permit. For this purpose, "interchangeability" means permitting the Borrower(s) to avail any unutilised portion of one Facility through another Facility, as approved by the Bank. Notwithstanding such interchangeability or sub-limits, the aggregate outstanding under all Facilities shall not exceed the overall limit sanctioned by the Bank. The Borrowers hereby also agree that the Bank is at liberty to cancel the sub limits or withdraw the facility of interchangeability of the limits allowed to the Borrowers at any time during the continuance of the arrangement or otherwise without assigning any reason whatsoever, if the Bank considers that it is necessary in the best

interest of the Bank. All existing securities, guarantees and other credit enhancements furnished in connection with the Facilities shall continue to secure all amounts availed/ to be availed under such sub-limits or interchangeability arrangements. The Borrower(s) shall execute such documents and create or furnish such additional security as may be required by the Bank from time to time in connection with any sub-limit or interchangeability arrangement.

8.19 The Bank may at its sole discretion, appoint receivers or otherwise deal with all or any part of the securities and enforce, realise, settle compromise and deal with any rights or claims relating thereto without being bound to exercise any of these powers or being liable for any loss in the exercise thereof and without prejudice to the bank's rights and remedies of suit or otherwise and not withstanding there may be any pending suit or other proceeding the borrower undertakes to give immediate possession to the bank on demand of the securities and transfer and deliver to the bank all relative bills, contracts, securities and documents and agreeing to accept the bank's accounts of sales and realisation as sufficient proof of amounts realised and relative expenses and to pay any shortfall or deficiency thereby. The bank shall be entitled at all times to apply any other money or moneys in its hands standing to the credit of or belonging to the borrower/s in or towards payment of any amount for the time being payable to the bank on the above credit facilities or otherwise as aforesaid. Subject to the powers of the bank mentioned above the borrower/s may with the approval of the bank sell all and/or any of the securities as the bank may deem fit and proper from time to time in due course of business, provided the margin of security required by the bank is fully maintained and the proceeds thereof shall be remitted to the loan accounts immediately on receipt thereof.

8.20 The Borrower(s) shall utilize the Facility strictly for the purpose for which it is sanctioned and shall not utilize the Facility, directly or indirectly, for real estate activities, abkari business, capital market activities, NBFC operations, speculative purposes, or any other purpose prohibited/restricted by the Bank, Reserve Bank of India or applicable law.

8.21 The Borrower(s) shall route through the account(s) maintained with the Bank such percentage of business transactions, contract receipts, sale proceeds, cash flows and trade transactions as stipulated in the respective Sanction Letter. Where a minimum routing requirement is prescribed, including routing of not less than 75% of contract receipts, the Borrower(s) shall strictly comply with the same.

8.22 In the event of breach or non-compliance of any sanction terms, Material Terms and Conditions, overdrawal/excess drawings, arrears in the Facility account, non-submission of renewal documents, non-submission of financial statements within the stipulated time, non-routing of stipulated business/contract receipts, or any other default/non-compliance, the Borrower(s) shall pay penal charges at such rate as specified in the Sanction Letter/ Loan Contract or as may be stipulated by the Bank from time to time, without prejudice to the Bank's other rights and remedies.

8.23 If the Facility or limit remains unutilized or under-utilized on a regular basis, or if the Bank is of the opinion that the sanctioned limit is not required in full, the Bank may, at its sole discretion, cancel, withdraw, reduce or modify the Facility/limit without prior notice to the Borrower(s), without prejudice to its right to demand repayment of all Outstanding Dues.

8.24 The Borrower(s) shall not withdraw, repay or reduce unsecured loans, capital, promoter contribution or funds infused into the business, whether in whole or in part, without the prior written consent of the Bank, so long as any amount remains outstanding under the Facility.

8.25 The Borrower(s) shall, as and when required by the Bank, furnish debtor-wise balance confirmations, confirmations from book debtors/receivables, statements and such other

documents or evidence as may be required by the Bank to verify the debts, receivables and current assets offered or considered for computation of Drawing Power or security coverage.

8.26 The Borrower(s) shall maintain net worth, capital, financial ratios and other financial parameters in accordance with the projections, estimates, financial statements and undertakings submitted to and accepted by the Bank and shall promptly inform the Bank of any material deviation therefrom.

8.27 The Borrower(s) shall infuse and retain in the business the capital, margin, promoter contribution or other funds as projected, estimated, stipulated or accepted by the Bank, during the currency of the Facility, and shall not withdraw or reduce the same without the Bank's prior written consent.

8.28 The Borrower(s) acknowledge having received/accessed copies of the Sanction Letter, General Terms and Conditions, Master Facility Agreement, Annexure(s), Security Documents and other Financing Documents applicable to the Facility, and confirm having read, understood and agreed to be bound by the same.

8.29 Where the Facility is sanctioned based on provisional financial statements, the Borrower(s) undertake that the capital, net worth and other financial figures reported in such provisional financial statements shall be duly reflected in the audited financial statements for the relevant financial year, subject only to such variations as may be acceptable to the Bank. Any material deviation, unless accepted by the Bank, shall constitute a breach of the terms of the Facility.

9 ENVIRONMENTAL & SOCIAL MANAGEMENT SYSTEM: The borrower(s) understand that the Bank is committed in integrating environmental and social considerations into its business activities and in pursuance thereof has formulated the Environmental & Social Management System (ESMS) Policy.

9.1 **Definitions**

A) **"Applicable E&S Laws"** means all applicable statutes, laws, ordinances, rules and regulations in force, including without limitation, all authorizations setting standards concerning environmental, social, labour, health and safety or security risks of the type contemplated by the Performance Standards or imposing liability for the breach thereof.

B) **"CAO"** or **"Compliance Advisor Ombudsman"** is an independent accountability mechanism for IFC that impartially responds to environmental and social concerns of affected communities and aims to enhance outcomes;

C) **"ESAP"** or **"Environmental Social Action Plan"** shall mean the plan formulated by the Bank after conducting E&S Due Diligence of the Borrower detailing the corrective actions to be taken by the Borrower in order to adhere to S&E Requirements.

D) **"ESMS Policy"** means Environmental and Social Management System Policy of the Bank as amended from time to time. The crux of ESMS Policy is available on the website of the Bank www.federalbank.co.in.

E) **"Exclusion List"** means the list of activities specified as such in the crux of ESMS Policy published on Bank's website.

F) **"E&S Performance Standards" or "Performance Standards** shall mean national / international benchmark for identifying and managing environmental and social risks. The Environmental and Social performance standards defined by IFC being one of the best benchmarks adopted worldwide, has been adopted by the Bank for managing environmental and social risks as E&S Performance Standards, along with the national benchmarks. IFC's

Performance Standards on Social & Environmental Sustainability are available publicly on http://www.ifc.org/wps/wcm/connect/Topics_Ext_Content/IFC_External_Corporate_Site/IFC+Sustainability/Our+Approach/Risk+Management/Performance+Standards.

G) **"IFC"** or **"International Finance Corporation"** is an international organization, which is a sister organization of World Bank and member of World Bank group.

H) **"S&E Requirements"** means the social and environmental obligations to be undertaken by the Borrowers to ensure compliance with: (a) the Exclusion List; (b) Applicable E&S Laws; (c) the Performance Standards wherever applicable; and (d) ESAP and any other requirements established by the ESMS Policy.

I) "**Module Components**" means the midstream and upstream components (e.g., ingots, wafers and cells) and materials (e.g., polysilicon, metallurgic grade silicon) used to manufacture Solar Modules;

J) "**Solar Modules**" means the photovoltaic solar modules that convert photons in light to electricity;

K) **"Solar Power Products"** means, collectively (a) the Solar Modules, and (b) the Module Components.

L) **"Solar Supplier"** means a supplier of Solar Power Products who on an ongoing or one-time basis, whether directly or indirectly, provides Solar Power Products essential for the core business processes of the Borrower;

9.2 The Borrower(s) understand that the Bank is committed in integrating environmental and social considerations into its business activities and in pursuance thereof has formulated the ESMS Policy. The Borrower(s) agree and covenant to comply with the applicable terms of the ESMS Policy, including, but not limited to, the following:

(i) The Borrower(s) shall at all times comply with the S&E Requirements including the Applicable S&E Laws and wherever applicable, the Performance Standards.

(ii) The Borrower(s) shall not engage in any activity falling under the Exclusion List.

(iii) The Borrower(s) shall, wherever applicable, comply with any conditions stipulated in the Environmental and Social Action Plan (ESAP) by the Bank, which shall be communicated to the Borrower(s) at the time of sanctioning the loan/credit facility.

(iv) In the event of any of the activities or operations of the Borrower(s) violates, breaches or are not in accordance with S&E Requirements, the Borrower(s) shall immediately notify the same to the Bank. The Borrower(s) shall further carry out appropriate corrective measures as required by the Bank to rectify such violation/breach to the satisfaction of the Bank and ensure that its activities/operations are always in compliance with S&E Requirements. In the event of any default on the part of the Borrower(s) in taking appropriate corrective measures as envisaged above, the Bank shall have the right to recall the credit facilities extended to the Borrower(s), at its sole discretion.

(v) (a) The Borrower(s) shall notify the Bank of any social, labour, health and safety, security or environmental incident, accident or circumstance with respect to any of the Borrower's operations having, or which could reasonably be expected to have, any material adverse social and/or environmental impact or any material adverse impact on the implementation or operation of the Borrower's operations compliance with S&E Requirements, specifying in each case the nature of the incident, accident, or circumstance and the impact or effect arising or likely to arise therefrom; (b) within ten (10) days after the occurrence provide information on the measures the Borrower is

taking or the Borrower plan to take to address them and to prevent any future similar event; and (c) keep the Bank informed of the on-going implementation of those measures.

9.3 If the Borrower(s) are engaged in any activity classified as Category A in crux of Bank's ESMS Policy published on the Bank's website, the Borrower(s) hereby accords its consent to the Bank to disclose the following publicly on an annual basis:

(i) The name and other details of the Borrower(s), including the details of the loans/credit facilities availed by the Borrower(s).

(ii) The location where such Category A activity is carried out.

(iii) The details of the sector/industry of such Category A activity.

The Borrower(s) further hereby accords its consent to the Bank to disclose the above information to IFC. The Borrower(s) further covenants that it does not have any objection in IFC publicly disclosing the above information on their portal/website.

9.4 The Borrower(s) agree that representatives of the Bank, IFC as well as CAO shall have the right to visit any offices, branches, sites, plants, equipment or facilities or any premises of the Borrower(s) where the business of the Borrower(s) is conducted and to have access to the Borrower's books of account and records and to its employees and agents, all to the extent necessary to ensure compliance by the Borrower(s) of the S&E Requirements. The Borrower(s) further agrees and declares that representatives of the Bank, IFC as well as CAO is not required to obtain prior permission or provide advance notice to the Borrower for conducting the visits as mentioned above. ("CAO" or "Compliance Advisor Ombudsman" is an independent accountability mechanism for IFC that impartially responds to environmental and social concerns of affected communities and aims to enhance outcomes).

9.5 In cases where the Borrower is availing a supply of Solar Power Products from a Solar Supplier at any point during the course of the Facility, the Borrower agrees and undertakes to include the following representations, warranties, and rights in such supply contracts on a back-to-back basis:

(i) The Solar Supplier represents and warrants that (a) it is not using (and has not used) Forced Labor in the production of Solar Power Products proposed to be used in the application of Facility proceeds ; (b) it has conducted due diligence in a manner that is appropriate to its size and circumstances and within its reasonable exercise of control on its supply chain for Solar Power Products to be used in the application of Facility proceeds; and (c) following such due inquiry, to the best of its knowledge has not purchased Solar Power Products for use in the application of Facility proceeds from any other Solar Supplier which were or will be produced using Forced Labor;

(ii) The Solar Supplier shall, if requested by Federal Bank Limited, use best efforts to provide a supply chain map of its Solar Suppliers and/or comply with any internationally recognized traceability protocol that at such time reflects good international industry practice; and

(iii) a breach by the Solar Supplier of clauses (i) or (ii) shall entitle the Borrower to terminate the agreement with such Solar Supplier.

9.6 The borrower(s) understand that the Bank is committed in integrating environmental and social considerations into its business activities and in pursuance thereof has formulated the Environmental & Social Management System (ESMS) Policy. The Borrower(s) agree and covenant to comply with the applicable terms of the ESMS Policy, including, but not limited to, the following:

(i) The Borrower(s) shall at all times comply with any conditions stipulated in the ESMS Policy and S&E Requirements by the bank, which shall be communicated at the time of sanctioning loan/ credit facility wherever applicable, and the performance standards.

(ii) In the event of any of the activities or operations of the Borrower(s) violates or breaches or are not in accordance with S&E Requirements the borrower(s) shall immediately carry out appropriate measures by the Bank to rectify the violation/ breach to the satisfaction of the Bank.

9.7 The Borrower(s) hereby accords consent to the Bank to disclose the information publicly on an annual basis and in accordance with the Bank's ESMS Policy published on the Bank's website.

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