

## TERM LOAN AGREEMENT

THIS AGREEMENT IS MADE at the place and date as specified in the Schedule between such persons, whose name(s) and address(es) are as specified in the Schedule (“**Borrower**” which expression shall unless repugnant to the context or meaning thereof shall include its successors and permitted assigns and all persons deriving/claiming title there under)

And

AXIS Bank Ltd., a company, incorporated under the Companies Act, 1956 and a Banking Company within the meaning of the Banking Regulation Act, 1949 and having its Registered Office at ‘Trishul’, 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad 380 006, Gujarat and one of the branch offices at the place as specified in the Schedule (hereinafter referred to as the “**Bank**” which expression shall unless repugnant to the context or meaning thereof shall include its successors and assigns)

WHEREAS the Borrower has requested the Bank and the Bank has agreed to provide Loan upto the limit(s) as specified in the Schedule with full power to the Bank from time to time to renew or reduce or enhance the limit or altogether withdraw the facility on the terms and conditions appearing herein (hereinafter collectively and individually referred to as the "**Loan**", vide sanction letter details of which are specified in the Schedule to this Loan Agreement.)

IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS

### **1. DEFINITIONS AND INTERPRETATION**

1.1 In this Agreement, the following meanings are applicable:

“**Agreement**” means this Loan Agreement for grant of the loan read in conjunction with the sanction letter more particularly detailed in the Schedule.

“**Loan**” means the loans with the limit(s) more particularly described in the Schedule granted by the

Bank in terms of this Agreement and shall include all the dues payable by the Borrower to the Bank under this Agreement.

“**Interest Rate**” means the rate at which the Bank shall compute and apply interest on the Loan, as stated in the Schedule or as may be amended from time to time by the Bank.

“**Default Interest Rate**” means the rate at which the Bank shall compute and apply interest on all amounts not paid when due for payment (or reimbursement) by the Borrower to the Bank, as stated in the Schedule or as may be amended from time to time by the Bank.

“**Event(s) of Default**” means any of the events or circumstances specified in Clause 10A of this Agreement.

“**Parties**” means the Bank and the Borrower referred to collectively.

1.2 In this Agreement unless the context otherwise requires:

- (a) Singular shall include plural and the masculine gender shall include the feminine and neutral gender.
- (b) The expressions “Borrower(s)” and the “Bank”, unless repugnant to the context, shall include their respective legal heirs, representatives, successors, executors, administrators and assigns.
- (c) All or any other conditions as specified in the sanction letter shall form an integral part of this Agreement and the sanction letter shall always be read in conjunction with this Agreement at all times.

## 2. BANK’S AGREEMENT TO LEND AND BORROWER’S AGREEMENT TO BORROW

2.1 The Bank agrees, based on the Borrower’s Request, Representations, Warranties, Covenants and Undertakings as contained herein and in the application for Loan and other documents executed or tendered by the Borrower in relation to the Loan, to lend to the Borrower and the Borrower agrees to

borrow from the Bank, the Loan on the terms and conditions as fully contained in this Agreement.

### **3. FEES, CHARGES, COSTS AND CLAIMS**

3.1 The Borrower shall bear all Charges/fees, including Service Tax, if any, as mentioned in the Schedule, which the Borrower agrees to reimburse to the Bank separately.

3.2 Bank shall be entitled to debit all other amounts due and payable by the Borrower under this Agreement (including but not limited to interest tax, fees, stamp duty, processing fee, login fees, costs, service/prepayment and other charges, including on account of execution and stamping of this Agreement and any other documentation or security creation pursuant to this Agreement, claims and expenses including expenses which may be incurred by the Borrower in the enforcement or attempted enforcement of security created in favour of the Bank) to the Borrower's Loan account, unless separately reimbursed to the Bank by the Borrower.

### **4. DISBURSEMENT**

4.1. The Bank shall, unless otherwise agreed between the Borrower and the Bank, disburse the Loan in lump sum or in suitable installments to be decided by the Bank, or in the name of the Borrower (s) or in the name of the previous financier towards the repayment of the previous loan to be taken over by utilizing this Loan.

The Bank shall have an unconditional right to cancel the undrawn/unavailed/unused portion of the Loan at any time during the subsistence of the Loan, without any prior notice to the borrower, for any reason whatsoever. In the event of any such cancellation, all the provisions of this Agreement and all other related documents shall continue to be effective and valid, and the Borrower shall repay the outstanding dues under the loan duly and punctually as provided herein.

4.2 The Bank has absolute right to settle any indebtedness whatsoever owed by the Borrower to the Bank under this Document or under any other document / agreement, by adjusting, setting-off any deposit(s) and / or transferring monies lying to the balance of any account(s) held by the Borrower with the Bank without giving prior notice to the Borrower. However, the Bank will intimate the Borrower of such exercise of rights under this clause within 2 working days. The Bank's rights

hereunder shall not be affected by the Borrower's bankruptcy, death or winding-up. It shall be the Borrower's sole responsibility and liability to settle all disputes / objections with any such joint account holders

4.3 The Bank may not, having disbursed any amount, disburse any further amount under the Loan unless the following conditions are complied with in the sole discretion of the Bank before such further disbursement:

1. No event of default shall have occurred;
2. The Borrower shall have produced all or any other documents or writings as required by the Bank in its sole discretion, which shall be binding on the Borrower.

## 5. INTEREST & LOAN ACCOUNT

5.1. The Borrower agrees to pay interest on the Loan as per the Schedule to this Agreement and the Interest rests shall be calculated at the rates more particularly described in the Schedule.

THE Borrower is aware and confirms that the Bank shall at any time and from time to time be entitled to review the rate of interest, and such revised rate of interest shall always be construed as agreed to be paid by the Borrower(s) and hereby secured. Borrowers shall be deemed to have notice of change in the rate of interest whenever the change in the Interest Rate are displayed/notified at/by the Branch as per the Scheme of the Bank. Interest on the Loan shall be computed and debited to the Loan Account -The Bank may not, having disbursed any amount, disburse any further amount under the Loan unless the following conditions are complied with in the sole discretion of the Bank before such further disbursement:

- i) No event of default shall have occurred;
  - ii) The Borrower shall have produced all or any other documents or writings as required by the Bank in its sole discretion, which shall be binding on the Borrower. At the intervals as stated in the Schedule
- i) Taking the basis of 365 days a year
  - ii) At interest rate more particularly described in the Schedule herein or as may be prescribed by the Bank from time to time and

5.2. Interest Tax and other taxes/levies as may be applicable from time to time on the Loan shall be borne solely by the Borrower.

5.3. All amounts in default for payment (i.e. not paid by the Borrower when due to the Bank), costs, charges and expenses debited to the Loan account shall attract penal charges without there being any need to assign a reason for such revision and interest and penal charges shall thereafter accrue at such revised rate(s) as per the Schedule.

## **6. REPAYMENT**

6.1. The Borrower shall repay to the Bank the amount in terms of the installments as mentioned in the Schedule as shall remain due and owing to the Bank.

6.2. Borrower(s) agree(s) to keep bank account (details of which the Borrower(s) has/have submitted to the Bank for setting up the Standing Instruction/NACH Mandate to recover the EMI/Installment) adequately funded at least one day prior to the repayment/EMI due date.

6.3. Borrower(s) understand(s) and agree(s) that if the Borrower(s) fail(s) to fund the bank account as aforesaid and the Standing Instruction/NACH Mandate fails to be honoured on the repayment/EMI due date, Bank shall be at liberty to levy applicable charges as per the Loan Agreement in addition to the other rights available to the Bank under this Loan Agreement and applicable law/regulatory guidelines."

## **7. SECURITY**

**The repayment of the Loan to the Bank shall be secured in such manner as specified in the Schedule.**

The Bank shall be entitled to call upon the Borrower and the Borrower shall be liable to furnish to the Bank additional and/or alternate security as decided by the Bank in the event of any substantial

deterioration in the value of the security and the Borrower shall be bound to provide any additional security or execute any further mortgage of any other property satisfactory to the Bank within 30 days from the receipt of the letter from the Bank.

The Borrower shall execute any bonds, documents for the Loan and all such documents, power of attorney(s)/undertakings and Agreements as may be required by the Bank at any time during the pendency of this Loan.

## **8. BANK'S RIGHTS**

The Bank shall, in relation to the Loan:

- a. have the sole right at any time during the tenure of this Agreement to revise/reschedule the repayment terms/amount or of any other amounts outstanding there under and the Borrower shall make all future repayments to the Bank according to such revised Schedule on being notified by the Bank of such revision or re-schedulement;
- b. have the sole right to amend any of the terms and conditions of this Agreement including but not limited to revision of Interest Rate (including the Default Interest Rate), periodicity of compounding interest, method of effecting credit of the repayments without assigning any reason or notifying the Borrower and the Borrower agrees that such revision shall become applicable from date of such revision in the records of the Bank;
- c. have the right to receive and adjust any payment/s that it may receive as an assignee of the insurance in relation to the Property and on the life of the Borrower towards amounts due and/or payable by the Borrower under this Agreement;
- d. have the right to enter the Property, inspect books of accounts/assets and records maintained by the Borrower, the cost of which shall be borne by the Borrower;
- e. have the right to obtain refinance against the Loan as it may consider appropriate.

## **9. BORROWER'S REPRESENTATIONS, WARRANTIES, COVENANT AND UNDERTAKINGS.**

**9.1** With a view to induce the Bank to grant the Loan to him, the Borrower, hereby represents/warrants/covenants/undertakes with the Bank that it-

- (a) has been duly formed and has the power to carry on its business as it is now being carried on and to own its property and assets and has the power to borrow the Loans and the authorized signatories have the authority to execute the loan documentation on behalf of the Borrower;
- (b) shall furnish to the Bank all such information, statements, particulars, estimates and reports etc. as the Bank may require from time to time as to the compliance with the terms of the Loan and shall also submit to the Bank, in form and detail satisfactory to the Bank, unaudited half yearly income statements of the Borrower within 60 (sixty) days of the close of each semi-annual period and copies of audited financial statements including balance-sheet and profit and loss account (in detail and not in the abridged form) within 120 (one hundred twenty) days after the close of each financial year;
- (c) shall not to enter into any scheme of merger, amalgamation, compromise or reconstruction without the prior written consent of the Bank;
- (d) shall not to permit any change in the ownership or control of the Borrower whereby the effective beneficial ownership or control of the Borrower shall change, without the prior written consent of the Bank;
- (e) shall not to affect any material change in the management of the business of the Borrower, without the prior written consent of the Bank;
- (f) shall not to make any amendments in the Borrower's Memorandum and Articles without the prior written consent of the Bank (in case of the Borrower being a company);
- (g) shall make available to the Bank such security in such form and substance as may be required by the Bank;
- (h) shall always have until all his dues hereunder are not repaid to the Bank, a clear and marketable title to the Property, free from all encumbrances whatsoever and shall not during the tenure of the Loan either part with possession of or create third party rights in

the Property constituting the Bank's security or any part of it (whether by way of sale, exchange, lease, mortgage, agreement or option or otherwise);

- (i) has no major pending claims, demands, litigation or proceedings against him before any court or authority (public or private);
- (j) shall ensure/utilize the entire loan for that the purpose for which the Loan is advanced by the Bank is fulfilled in all respects and produce to the Bank, the necessary documents, as may be required by the Bank;
- (k) shall not, during the tenure of this Agreement, avail of or obtain any further loan or facility on the property constituting the Bank's security without the prior written consent of the Bank
- (l) Shall in addition to the statement/s required by the Bank furnish such other information/documents concerning its trade, business, profession or otherwise as the Bank may require from time to time;
- (m) shall promptly inform the Bank of any loss or damage to the property constituting the Bank's security due to any force majeure or Act of God;
- (n) shall (in case of more than one Borrower) be jointly and severally liable to repay the Loan, interest and all other sums due and payable under this Agreement and to observe its terms and conditions;
- (o) shall maintain the Property constituting the Bank's security in good order and habitable condition and not allow it to deteriorate or commit any act which is destructive or permanently injurious to the property or do anything which will render the security in favour of the Bank, insufficient;
- (p) shall not stand surety or guarantor for any third-party liability or obligation;

- (q) shall comply with all the terms of the Sanction letter and keep himself aware of the rules of the Bank, as pertaining to this Loan, and in force from time to time
- (r) shall ensure the officials of the Borrower executing this Agreement and the documents to be executed in pursuance thereof are duly and properly holding office and are fully authorized to execute the same;
- (s) shall utilize the Loan only for the purpose sanctioned;
- (t) agrees that any accretion to the said securities (if any) and other benefits from time to time accruing in respect of the said securities or any part thereof shall also be pledged / mortgaged with the Bank by the Borrower;
- (u) agrees and undertakes that no such person whose name is appearing in the list of Willful defaulters shall be inducted on its board and that in case, such a person is found to be on its Board, it would take expeditious and effective steps for removal of such person from its Board.
- (v) acknowledges and agrees that the Bank has a right to award a separate mandate to our Auditor or any independent Auditor, as the Bank may deem fit with a view to obtain a specific certificate regarding diversion /siphoning of funds by the Borrower. The Borrower agrees and undertakes to co-operate with such Auditors and provide the necessary information and/or documents as may be required by such Auditors. The Borrower also agrees and undertakes to bear all the expenditure in respect of obtaining the said Certificate and agrees to indemnify and keep the Bank indemnified in this regard.

#### **10 A) EVENTS OF DEFAULT**

The Bank may by a written notice to the Borrower, declare all sums outstanding under the Loan (including the principal, interest, charges, expenses) to become due and payable forthwith irrespective of any agreed maturity forthwith and enforce the security created in favour of the Bank for the Loan upon the occurrence (in the sole decision of the Bank) of any one or more of the following:

- (a) the Borrower commits any default in the payment of interest, principal, other charges or any obligation and in the payment of any other amounts to the Bank when due and payable;
- (b) the Borrower fails to pay to any person other than the Bank any amount when due and payable or any person other than the Bank demands repayment of the loan or dues or liability of the Borrower to such person ahead of its repayment terms as previously agreed between such person and the Borrower;
- (c) the Borrower defaults in performing any of its obligations under this Agreement or breaches any of the terms or conditions of this Agreement or any other security documents, undertakings etc. executed in favour of the Bank;
- (d) the death, failure in business, going into liquidation/dissolution, amalgamation or reconstruction, except with prior written approval of the Bank, general assignment for the benefit of creditors, if the Borrower suspends payment to any creditors or threatens to do so, filing of any petition of winding up against the Borrower;
- (e) any of the information provided by the Borrower to avail the Loan or any of his Representations, Warranties herein being found to be or becoming incorrect or untrue;
- (f) any person other than the Bank commencing proceedings to declare the Borrower insolvent or if the Borrower shall become bankrupt or insolvent or commit act of insolvency;
- (g) the value of the any security created or tendered by the Borrower, in the sole discretion and decision of the Bank, depreciates entitling the Bank to call for further security and the Borrower fails to give additional security;
- (h) the Borrower fails to create the security as provided herein; or
- (i) the Bank, for any regulatory or other reasons, is unable or unwilling to continue the Loan;
- (j) if a Receiver is appointed in respect of the whole or any part of the property/assets of the Borrower or if any attachment, distress, execution or other process against the Borrower, or any of the securities is enforced or levied upon;
- (k) if the Borrower ceases or threatens to cease or carry on its Business or if the Co- Borrower opts to resign or retires from the employment prior to the age of superannuation or is discharged or removed from service before such date for any reason whatsoever;
- (l) if it is certified by an Accountant of a Firm of Accountants appointed by the Bank (which the Bank is entitled and hereby authorised to do so at any time) that the liabilities of the

Borrower exceed the Borrower's assets or that the Borrower is carrying on business at a loss;

- (m) if any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of the Borrower to repay the Loan or any part thereof (or the implementation of the Project).
- (n) if the Loan or any part thereof is utilized for any purpose other than the purpose for which it is applied by the Borrower and sanctioned by the Bank;
- (o) if any attachment, distress, execution or other process against the Borrower, or any of the securities is enforced or levied upon;
- (p) if any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardizes or is likely to prejudice, impair, imperil, depreciate or jeopardize any security given by the Borrower or any part thereof;
- (q) if the Borrower, without prior written consent of the Bank, attempts or purports to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the Borrower's property or any part thereof, which is or shall be the security for the repayment of the said Dues except for securing any other obligations of the Borrower to the Bank;
- (r) upon happening of any substantial change in the constitution or management of the Borrower without previous written consent of the Bank or upon the Management ceasing to enjoy the confidence of the Bank;
- (s) if the Borrower fails to furnish any information or documents required by the Bank;
- (t) if the Borrower fails to furnish to the Bank detailed end use statement of the Loan as and when so required by the Bank within the time prescribed by the Bank;
- (u) all or substantially all of the undertaking, assets or properties of the Borrower or its interests therein are seized, nationalized, expropriated or compulsorily acquired by the authority of Government.

### **Notice on the happening of an Event of Default**

If any event of default or any event which, after the notice or lapse of time or both would constitute an event of default shall have happened, the Borrower shall forthwith give the Bank

notice thereof in writing specifying such event of default, or such event. The Borrower shall also promptly inform the Bank if and when any statutory notice of winding-up under the provisions of the Companies Act, 1956 or any other law, or of any suit or legal process intended to be filed/initiated against the Borrower, is received by the Borrower.

**B) Consequences of default:**

1. In the event of any default as above, the Bank shall have the right -
  - a) to recover the entire dues of the Loan,
  - b) to suspend any withdrawal to be effected in the Loan account,
  - c) take possession of the security so created whether by itself or through any of the Recovery Agents or Attorneys as may be appointed by the Bank.
  - d) take any other action as it may deem fit for recovery of its dues and enforcement of the securities.
2. Further, the Bank shall be entitled to forthwith take physical possession of the assets hypothecated and/or mortgaged to the Bank and alienate sell, transfer the said properties either by itself or through its agents and sell or otherwise deal with the same to enforce the Bank's security and recover the dues.
3. The Borrower agrees and undertakes not to prevent or obstruct the Bank from taking possession of the properties irrespective of whether the loan has been recalled whenever in the opinion of the Bank, there is an apprehension of any money not being paid or the Bank's security is being jeopardized and that the Bank's representatives will be entitled to sell, give on rent, or otherwise deal with the properties by public or private auction or private treaty, without being liable for any loss, and to apply the net proceeds thereof as specified in these presents.
4. The Borrower shall pay any deficiency, forthwith, to the Bank. The Bank shall also be entitled to adjust and a right of set-off on all monies belonging to the Borrower standing to his credit in any account whatsoever with the Bank, towards payment of such deficiency. Nothing contained in this clause shall oblige the Bank to sell, hire or deal with the properties and the Bank shall be entitled to proceed against the Borrower independent of such other security. The Borrower agrees to accept the Bank's accounts in respect of such sale, hire, dealing or otherwise as conclusive proof of the correctness of any sum claimed to be due from the Borrower. In case of any deficit,

the deficit amount shall be recovered by the Bank from the Borrower.

5. The Bank may at the risk and cost of the Borrower engage one or more person(s) to collect the Borrower's outstanding and/or to enforce any security and may furnish to such person the right and authority to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto as the Bank thinks fit.

#### **11. APPOINTMENT OF THE BANK AS THE BORROWER'S ATTORNEY**

- 11.1 The Borrower hereby appoints the Bank as its true and lawful attorney to do and execute for and in the name and on behalf of the Borrower and where the Borrower is more than one individual, jointly and severally, all or any of the acts, deeds and things, specified therein.

#### **12 ASSIGNMENT AND TRANSFER.**

- 12 .1 The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) whole or part of the Loan and outstanding amounts under the Loan or any other rights and obligations of the Bank under this Agreement or any other document pursuant hereto to any person/entity in a manner or under such terms and conditions as the Bank may decide in its sole discretion without reference to or intimation to the Borrower.
- 12.2 The Borrower expressly agrees, in the event of sale or transfer as aforesaid, to accept such person to whom the Loan is sold or transferred as his lender and make the repayment of the Loan to such person as may be directed by the Bank.
- 12.3 The Borrower shall not be entitled to directly or indirectly assign his rights or obligations under this Agreement in part or in whole to any person.

#### **13. BANKS APPOINTMENT OF AGENT.**

The rights, powers and remedies available to the Bank under Law and under these presents shall be exercised by the Bank through any of its employees or agents and the Bank may delegate any or all of the said powers and authorities to such employee or agent.

#### **14. MISCELLANEOUS**

- 14.1 Without prejudice to the Bank's other rights and remedies, the Bank shall be entitled to charge at its own discretion enhanced rates of interests on the outstanding in the loan accounts or a portion thereof or for any default or irregularity on the Borrower's part which in the opinion of the Bank warrants charging of such enhanced rates of interests for such period as the Bank may deem fit.
- 14.2 It is hereby agreed between the parties that the Schedule may be amended, revised, and substituted by way of written communication by the Bank to the Borrower from time to time. Such correspondences between the Bank and acceptance thereof by the Borrower shall be deemed to be an integral part of this Agreement and shall be read in conjunction thereof.
- 14.3 The parties agree that any delay or omission by the Bank in exercising any of its rights, powers or remedies as the lender of the loan under this Agreement and other documents pursuant hereto shall not impair the right, power or remedy or be construed as its waiver or acquiesce by the Bank.
- 14.4 The Borrower agrees to accept the statement of account sent by the Bank or by any other authorized representative of the Bank as conclusive proof of the correctness of any sum claimed to be due from him.
- 14.5 The Parties confirm that this Agreement and its Schedule and any other documentation pursuant to it represents one single agreement between the Parties.
- 14.6 This Agreement supersedes all prior discussions and representations between the parties, including the Bank brochure, save with respect to the obligations of and representations made by the Borrower to the Bank set forth in any correspondence, application forms or otherwise made or agreed to be made howsoever.
- 14.7 The addresses of the parties shall be as mentioned under the Schedule. The Borrower shall forthwith inform the Bank of any change in his Address.
- 14.8 The Bank may, in its own discretion without assigning any reason and upon written notice mailed or delivered to the Borrower cancel the Loan herein granted and demand repayment thereof. Delivery of such notification by the Bank shall constitute sufficient notice of such cancellation, and thereupon the said loan, all interest due and payable thereon and all liabilities and other obligations of the Borrower there under to the Bank including interest, and other charges shall become due and payable by the Borrower immediately to the Bank.

14.9 Any notice or request required or permitted under this Agreement to be given by either party to the other shall be only in writing and sent on the address of the other Party as mentioned in the Schedule (or in case to the Borrower, on the address of the Borrower last known to the Bank):

14.10 Any notice or demand hereunder shall be in writing, signed by any of the Bank's officers and may be made by leaving the same or sending it through the post addressed to the Borrower at the address specified above or the address last known to the Bank; and a notice or demand so given or made shall be deemed to be given or made on the day it was so left or, as the case may be, two business days following that on which it was so posted, and shall be effectual notwithstanding that the same may be returned undelivered and notwithstanding the Borrower's change of address.

14.11 The Borrower shall indemnify and keep the Bank indemnified against all actions, suits, proceedings and all costs, charges, expenses, losses, or damages which may be incurred or suffered by the Bank by reason of any false or misleading information given by the Borrower to the Bank hereunder or any breach / default / contravention / non-observance / non-performance by the Borrower of any terms, conditions, agreements and provisions hereunder. The Bank shall be entitled to include any amount payable by the Borrower under this Clause in the said dues being the subject matter of this Agreement.

14.12 If any provision of this Agreement is illegal, invalid or unenforceable for any reason it will be severed from the remaining provisions, which will remain unaffected.

## **15. INSURANCE**

The Borrower shall at all times during the currency of the Loan, at its own cost, keep the said property constituting the Bank's security fully insured against such risks and for such amounts and for such period and forms as the Bank may require, in the joint names of the Bank and the Borrower or with the usual Bank mortgage clause, with such insurance company or companies of repute to be approved by the Bank in writing and shall deposit the insurance policies and all cover notes premium receipts etc. with the Bank. The Borrower agrees that in addition to the aforesaid insurance it shall arrange for insurance cover in respect of standing charges and loss or profit in business in the event of any stoppage of production for any reason whatsoever. The

Borrower shall make punctual payment of all premium and shall not do or suffer to be done any act which may invalidate such insurance and will on receipt of any monies under the said policies, pay the same to the Bank which shall, at the option of the Bank, be applied either in reinstating or replacing the security or in repayment of the said Dues. If the Borrower fails to insure or keep insured all/any of the property/assets as aforesaid, then the Bank shall without prejudice to or affecting its rights hereunder, be at liberty (but not bound) to insure and keep the same insured and the Borrower shall on demand repay to the Bank all amounts spent or incurred by the Bank in doing so, with interest at the rate applicable for the Loan as aforesaid.

## **16. CIBIL Disclosure Clause**

(a) The Borrower also agrees, undertakes and confirms as under:

The Borrower understands that as a precondition relating to the grant of and/or continuing the grant of Credit Facility to the Borrower, the Bank requires the Borrower's consent for the disclosure by the Bank of, information and data relating to the Borrower, of the Credit Facility availed of/to be availed by the Borrower, in discharge thereof.

Accordingly, the Borrower hereby agrees and gives consent for the disclosure by Bank of all or any such:

- information and data relating to the Borrower;
- the information of data relating to its Credit Facility availed of/to be availed by the Borrower and
- default, if any, committed by the Borrower, in discharge of the Borrower's such obligation;
  - as the Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Limited [“CIBIL”] and any other agency authorized in this behalf by Reserve Bank of India [“RBI”].

The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct.

The Borrower also undertakes that:

- CIBIL and any other agency so authorized may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
- CIBIL and any other agency so authorized may furnish for consideration, the processed information and data disclosed, or products thereof prepared by them, to Bank(s)/Financial Institution(s) and other Credit Grantors or Registered Users, as may be specified by the RBI in this behalf.

(b) The Borrower agrees, undertakes and authorizes the Bank to exchange, share or part with all the information, data or documents or other information as mentioned in Clause 16(a) above and also the information relating to the conduct of the Borrower's accounts, credit history or repayment record, with other Banks / financial institutions involved in the financing arrangement to the Borrower, whether under consortium or multiple banking or sole banking arrangement and also with the banks/ financial institutions intending to finance the Borrower, as the Bank may deem necessary or appropriate as may be required for use or processing of the said information / data by such banks/ financial institutions or furnishing of the processed information / data to other banks / financial institutions / credit providers and the Borrower shall not hold the Bank liable in any manner for use of such information.

(c) The Borrower agrees that in case the Borrower commits a default in payment or repayment of any amounts in respect of the Facilities, the Bank and / or RBI will have an unqualified right to disclose or publish the details of the default and the name of the Borrower, its directors, partners, as the case may be, as defaulters, in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.

16. All communications to the borrower could be made by the Bank to the e-Mail ID and any change thereof would be communicated by the borrower to the Bank in writing and all such communications for changing the e-mail ID from time to time shall deemed to form part and parcel of this agreement.

17. Term loans sanctioned at yearly intervals will be reset at yearly intervals. The reset dates and frequency shall be displayed at the Axis Bank website.

18. Bank can change the reset frequency for the loans on a later date at its sole discretion.

19. The MCLR prevailing on the day the loan account is opened will be applicable till the next reset date, irrespective of the changes in the MCLR during the interim period
20. Borrower is deemed to have noticed the changes in the rate of interest whenever the changes in MCLR are displayed / notified at/by the branch or website/published in the newspaper/made through entry of interest charged in passbook/statement of account sent to the borrower.

**Additional terms and conditions:**

*[Term Loans] Bank will deduct my/our EMI and other repayment/charges in terms of my Term Loan account on \_ of every month/quarter/half year commencing from \_\_\_/\_\_\_/20\_\_\_. I understand that if I do not pay my EMI on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.*

*[CC/OD] Bank will deduct my/our interest and other repayment/charges in terms of my CC/OD account on \_\_\_ of every month/quarter/half year commencing from \_\_\_\_/\_\_\_\_/20\_\_\_. I understand that if I do not pay my dues on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.*

*My frequency of repayment shall be at \_\_\_\_\_ rests.*

4.1 **Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

- (i) **Dues:** shall mean the principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.
- (ii) **Overdue:** shall mean the principal / interest / any charges levied on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid by the due date fixed by the bank.
- (iii) **Relevance of the principle of 'First In First Out' (FIFO) in appropriation of payments into the Borrower's account:** The principle of FIFO i.e. 'First In, First

Out' accounting method is relevant to arrive at the number of days overdue for determining the SMA/NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the Borrower first. For example, if in any loan account as on 01-02-2021, there are no overdues and an amount of INR X is due for payment towards principal installment / interest / charges, any payment being credited on or after 01-02-2021 in the loan account will be used to pay off the dues outstanding on 01-02-2021.

Assuming that nothing is paid / or there is partial payment (INR Y) of dues during the month of February, the overdue as on 01-03-2021 will be INR X - INR Y.

Additionally, an amount of INR Z becomes due as on 01-03-2021. Now any payment partial payment into the account on or after 01-03-2021 will be first utilized to pay off the partial due of 01-02-2021 (INR X - INR Y). If there is more recovery than the INR X - INR Y, then after recovering dues of 01-02-2021, the remaining amount will be treated as recovery towards due of 01-03-2021.

(iv) **Age of oldest dues:**

The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid. In the aforesaid illustration, if the dues relating to 01-02-2021 remain unpaid till 01-03-2021, the age of the oldest dues is reckoned as 29 days on 02-03-2021.

(a) **Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

Lending institutions will recognize the incipient stress in loan accounts, immediately on default, by classifying them as Special Mention Accounts (SMA). The basis of classification of SMA / NPA category shall be as follows:

<b>Loans other than revolving facilities</b>	<b>Loans in the nature of cash credit / overdraft</b>
----------------------------------------------	-------------------------------------------------------

SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA 0	Upto 30 days	NA	NA
SMA 1	More than 30 days and Up to 60 days	SMA 1	More than 30 days and Up to 60 days
SMA 2	More than 60 days and Up to 90 days	SMA 2	More than 60 days and Up to 90 days

**(b) Non-performing Asset:**

Non-Performing Asset (NPA) is a loan or an advance where:

- (i) Interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- (ii) The account remains 'out of order' as indicated below, in respect of an Overdraft / Cash Credit (OD / CC),
- (iii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- (iv) The installment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- (v) The installment of principal or interest thereon remains overdue for one crop season for long duration crops.
- (vi) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.
- (vii) In respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

**(c) 'Out of Order' Status:**

An account shall be treated as 'out of order' if:

- (i) the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
- (ii) the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

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

Due date of payment	Payment date	Payment covers	Age of oldest dues in days	SMA /NPA categorization	SMA since date / SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 is not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022/ 03.03.2022	NA	NA
		Dues of 01.02.2022 fully paid, due for 01.03.2022 not fully paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022, 01.03.2022 and amount dues on 01.04.2022 at EOD 01.04.2022	60	SMA-1	01.02.2022/ 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA

		No payment of dues of 01.02.2022 till 01.05.2022 at E O D 02.05.2022	91	NPA	NA	NA	02.05.2022
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

(d) The Borrower agrees and acknowledges that the manner of classification and illustrations of SMA and NPA as provided in sub-clauses

(a) to (d) above in which the Bank is required to classify accounts as SMA / NPA as per the various applicable regulations and guidelines issued by RBI from time to time and:

- (i) the same is liable to change / be modified as per the requirements of the RBI guidelines in the matter issued from time to time. Any such change shall be intimated by the Bank to the Borrower from time to time and the Borrower agrees and acknowledges that such intimation shall accordingly modify the manner and illustrations provided herein without a need for further amendment to the Agreement or require specific acknowledgment of the Borrower; and
- (ii) the Bank shall have the right to classify the account of the Borrower with the Bank as SMA / NPA as per the applicable regulations / guidelines issued by RBI from time to time even though the manner of classification and the illustrations thereof are not set forth in this Agreement or the Sanction Letter(s).

**Annexure - Repayment Schedule of Term Loan**

**Term Loan -1**

Due Date	Installment Number	Principal Amount (In Rupees)	Interest (In Rupees)

I/we understand that if I/we do not pay my/our EMI/installment on the above-mentioned dates, my/our account will be considered as 'Overdue' from the end of that date.

**Term Loan -2**

Due Date	Installment Number	Principal Amount (In Rupees)	Interest (In Rupees)

I/we understand that if I/we do not pay my/our EMI/installment on the above-mentioned dates, my/our account will be considered as 'Overdue' from the end of that date.

## SCHEDULE

<u>Sr. no.</u>	<u>Title</u>	<u>Details</u>
1.	Place of Execution	
2.	Date of the Agreement	
3.	Name and Address of the Borrower	<p>Shri. _____, son / daughter of Shri _____, aged _____ years residing at _____   OR   _____, incorporated under the Companies Act, 1956 and having its registered office at _____    OR    Shri. _____, authorized representative for on behalf of M/s. _____, a Partnership Firm carrying on its partnership business under the Partnership Act, 1932 and having its office at _____    OR    Shri. _____, a Sole Proprietor of M/s. _____, a Proprietorship Concern having its office at _____    OR    Shri. _____, on behalf of M/s. _____, a trust/society and registered under the _____ having its office at _____    OR    _____, a Joint and Hindu Undivided Family, through its co-partners and all members.</p> <p>Office address (Head Office/Registered Office/Other address)</p>
4.	Address of the Branch	AXIS Bank
5.	Limits of the Loan	Amount in figures: Rs. Amount in words: Rupees _____ only.
6.	Sanction Letter	Reference no. _____, Dated _____
7.	Nature of the Loan	Rupee Term Loan
8.	Tenure of the Loan	_____ years

9.	Interest Rate	At _____ % above Marginal Cost of Funds Based Lending Rate (MCLR), i.e., at _____ % p.a.; Current MCLR at _____ % p.a.
10.	Periodicity of Interest Compounding	Monthly / Quarterly / Half-yearly / Yearly rests
11.	Penal Charges	<ul style="list-style-type: none"> <li>• Financial Default*: 8% p.a. above applicable interest rate on the overdue amount (subject to the aggregate not exceeding Rs.1,00,000/- per instance).</li> <li>• There shall be no capitalization of Penal Charges.</li> <li>• The said Penal Charges will be subject to GST as per applicable law on Goods and Service Tax in India, and GST will be charged separately.</li> <li>• Non-Financial Default**: 1% p.a. above applicable interest rate / commission from the date of each non-financial default on the outstanding amount of fund-based credit facilities and non-fund-based facilities (as applicable).</li> </ul> <p>*Financial Default includes all types of payment or financial defaults/irregularities with respect to your Loan Account. **Non-Financial Default includes breach of any other obligation(s)/covenant(s) with respect to your Loan Account.</p>
12.	Prepayment Charges	_____ % in case of takeover / refinance / prepayment
13.	Other Charges/Fees	
14.	Repayment Schedule	
15.	Security	<p>(a) Simple Mortgage/Equitable Mortgage of property situated at _____ owned by _____</p> <p>(b) Hypothecation of _____ assets</p> <p>(c) Pledge of shares of: _____</p> <p>(d) Guarantee of: _____</p> <p>&lt;Please modify as per Sanction Letter&gt;</p>

**\*FOR AN INDIVIDUAL**

**Borrower**

**\*FOR THE COMPANY**

THE COMMON SEAL OF : \_\_\_\_\_ Limited

having its registered office at : \_\_\_\_\_ has been hereunto  
affixed pursuant to the resolution of its Board of Directors passed at the  
Meeting held on the : \_\_\_\_\_ day of \_\_\_\_\_ in the presence of  
Mr./Ms.: \_\_\_\_\_

**\*FOR PARTNERSHIP FIRM**

Name : \_\_\_\_\_

Place of business : \_\_\_\_\_

Signed and delivered on behalf  
of the Borrower by its partners : Mr./Ms. \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

Mr./Ms. \_\_\_\_\_

**\*IN CASE OF PROP. CONCERN**

For M/s. \_\_\_\_\_ (name of the prop. concern)

(Proprietor)

**\*IN CASE OF HUF**

For \_\_\_\_\_ (HUF)

**\*IN CASE OF TRUST/SOCIETY /Self Help Group/ Joint Liability group**

For \_\_\_\_\_ (name of Trust /  
Society / Group)

(Authorized Signatory)

FOR THE BANK

Signed and delivered by AXIS Bank Ltd  
through its authorized signatory

**\*PLEASE DELETE THE ENTRY WHICH IS INAPPLICABLE**