

AGREEMENT NO.: _____



Kotak Mahindra Bank Ltd.

MASTER FACILITY AGREEMENT

BUSINESS BANKING ASSETS

BORROWER: _____

ADDRESS : _____



KOTAK MAHINDRA BANK LIMITED

LOAN DOCUMENTS

APAC No. : _____

ACCOUNT NO. : _____

(FOR OFFICE USE ONLY)

Sr. No.	Check List	(Please tick 'ü' if available)	Remarks
1.	Mater Loan Agreement		
2.	Schedules		
	Schedule I General		
	Schedule II A OD Facility		
	Schedule II B DF Facility		
	Schedule II C CC Facility		
	Schedule II D Packing Credit Facility		
	Schedule II E Bill Collection/Discounting/Purchasing Facility		
3.	Letter of Credit Agreement		
4.	Counter Guarantee and Indemnity		
5.	Declaration For Forward Contracts		
6.	Forward Undertaking		
7.	Risk Disclosure Statement For Forward Foreign Exchange Transactions		
8.	Hypothecation Deed		
9.	Declaration		
10.	Power of attorney (Mortgage)		
11.	Power of attorney (Dealership)		
12.	Guarantee		
13.	Statement of Responsibility and Liability		
14.	Letter of Authority of Firm for Guarantee		
15.	Demand Promissory Note (Fixed)		
16.	Demand Promissory Note (Floating)		
17.	Demand Promissory Note (Floating linked to LIBOR)		
18.	DPN (FLOATING)-Base Rate		
19.	DPN (FLOATING)-FD Rate		
20.	Take Delivery Letter - [Format]		
21.	Board Resolution - [Format]		
22.	Board Resolution for Guarantee/Security - [Format]		
23.	Borrowing Power Certificate - [Format]		
24.	Certificate U/S 372A [Format]		
25.	Vernacular Declaration		
26.	Partnership Letter - [Format]		
27.	Sole Proprietorship Letter - [Format]		
28.	HUF Declaration - [Format]		
29.	HUF Undertaking		
30.	TBC Undertaking		
31.	Property Undertaking		
32.	FD Appropriation Letter		
33.	General Undertaking by Borrower/s		
34.	Form No. 60		

X - means full signature alongwith Rubber stamp Wherever applicable

* - means Initials

Approved By : _____

Checked By : _____

TIPS ON DOCUMENTATION

A. SANCTION LETTER

- The Sanction Letter (SL) by the bank on its Letter Head specifying the Financial Facilities sanctioned to the CLIENT. It contains the type of facility, limits sanctioned to the Borrower w.r.t. Inventory Funding, CC, OD, TL, BG, LC etc, Rate of Interest, mode of repayment, penalties, processing fees, Security etc.
- The SL must be duly signed and accepted by the Authorised Signatory of the Borrower. All the pages of the SL to be signed and rubber stamped accordingly (wherever applicable) by the Borrower. The date of acceptance of the sanction letter to be filled in by the Borrower.

B. INSTRUCTION FOR DOCUMENTATION

- This document is prepared by the Legal Dept. It contains the list of documents to be executed, value of stamp paper, in who's favor the stamp paper to be purchased. It also specifies the documents to be executed on Letter Head / plain paper etc.

1. MASTER FACILITY AGREEMENT (DEALERFINANCE / TL / WC DL / CC / OD / LC AGREEMENT)

- The stamp paper for the above agreements, as applicable, should be in the name of the BORROWER. The stamp paper date should be equal to or greater than the date of Board Resolution / SL.
- The agreement should be signed by the Authorised Signatory of the Borrower & the Lender (Bank) and should be rubber stamped on each and every page. Blanks to be dully filled in – signatures / initials of the authorized signatory(s) is a must.

2. SCHEDULES

- The Schedule should be signed by the Authorised Signatory (Borrower & Bank) and should be rubber stamped on each and every page. All Blanks to be duly filled in and to be initialed.
 - a. Schedule I General
 - b. Schedule II A OD Facility
 - c. Schedule II B DF Facility
 - d. Schedule II C CC Facility
 - e. Schedule II D Packing Credit Facility
 - f. Schedule II E Bill Collection / Discounting / Purchasing

3. LETTER OF CREDIT AGREEMENT

- The stamp paper for the above agreements, as applicable, should be in the name of the BORROWER. The stamp paper date should be equal to or greater than the date of Board Resolution / SL.
- The agreement should be signed by the Authorised Signatory (Borrower & Bank) and should be rubber stamped on each and every page. Blanks to be dully filled in – signatures / initials of the authorized signatory is a must.

4. COUNTER GUARANTEE AND INDEMNITY

- The stamp paper for the above document, as applicable, should be in the name of the BORROWER. The stamp paper date should be equal to or greater than the date of Board Resolution / SL.
- The agreement should be signed by the Authorised Signatory and should be rubber stamped on each and every page. Blanks to be dully filled in – signatures / initials of the authorized signatory of the borrower is a must.

5. DECLARATION FOR FORWARD CONTRACTS

- The stamp paper for the above declaration, as applicable, should be in the name of the BORROWER. The stamp paper date should be equal to or greater than the date of Board Resolution / SL.
- The agreement should be signed by the Authorised Signatory and should be rubber stamped on each and every page. Blanks to be dully filled in – signatures / initials of the authorized signatory of the borrower is a must.

6. FORWARD UNDERTAKING

- The stamp paper for the above undertaking, as applicable, should be in the name of the BORROWER. The stamp paper date should be equal to or greater than the date of Board Resolution / SL.
- The agreement should be signed by the Authorised Signatory and should be rubber stamped on each and every page. Blanks to be dully filled in – signatures / initials of the authorized signatory of the borrower is a must.

7. RISK DISCLOSURE STATEMENT FOR FORWARD FOREIGN EXCHANGE TRANSACTIONS

- The stamp paper for the above agreement, as applicable, should be in the name of the BORROWER. The stamp paper date should be equal to or greater than the date of Board Resolution / SL.
- The agreement should be signed by the Authorised Signatory and should be rubber stamped on each and every page. Blanks to be dully filled in – signatures / initials of the authorized signatory of the borrower is a must.

8. DEED OF HYPOTHECATION

- It has to be signed by the BORROWER on all pages and also rubber stamped. KMBL Signatory to sign the last page with Rubber stamping.
- Stamp-paper in the name of the Borrower. The stamp paper date should be equal to or greater than the date of sanction letter / BR. Blanks to be dully filled in – signatures / initials of the authorized signatory of the borrower is a must.

9. DECLARATION (Property)

- It has to be signed by the all the SECURITY holder(s) on all pages and also rubber stamped- wherever applicable.
- Stamp-paper in the name of any one of the Security holde. The stamp paper date should be equal to or greater than the date of sanction letter. Blanks to be dully filled in – signatures / initials of all the security holders is a must.

10. POWER OF ATTORNEY - POA(MORTGAGE)

- It has to be signed by the SECURITY holder(s) on all pages and also rubber stamped.
- Stamp-paper in the name of any one of the Security owner. The stamp paper date should be equal to or greater than the date of sanction letter. Blanks to be dully filled in – signatures / initials of all the security holder(s) is a must.
- The Common Seal of the Company to be affixed and signed by another Directors / Authorised Signatory / Witness.
- POA to be notarized –if specified by legal in Instructions to documentation.

11. POWER OF ATTORNEY (DELEARSHIP)

- It has to be signed by the Borrower on all pages and also rubber stamped.
- Stamp-paper in the name of the Borrower(s). The stamp paper date should be equal to or greater than the date of sanction letter. Blanks to be dully filled in – signatures / initials of the authorized signatory is a must.
- The Common Seal of the Company to be affixed and signed by another Directors / Authorised Signatory / Witness.
- POA to be notarized –if specified by legal in Instructions to documentation.

12. GUARANTEES

- The stamp paper for the guarantees should be in the name of the guarantors / any one of the guarantor. The stamp paper date should be equal to or greater than the date of sanction letter. Blanks to be dully filled in – signatures / initials of all the guarantors is a must.
- The agreement should be signed on each and every page by the guarantors. Rubber stamp of the company / firm need not be affixed – wherever applicable. In case of HUF as a "GUARANTOR", the same is to be signed and the rubber-stamp of "karta" to be affixed accordingly.
Docs required: Signature Verification, Address Proof, Photograph, PAN Card (alternatively BCIEF ID with signature snap shot – if existing client) and Net worth certificate issued by the Chartered Accountant with Membership number.

13. STATEMENT OF RESPONSIBILITY AND LIABILITY

- It has to be signed by the Proprietor on all pages and to be rubber stamped accordingly.
- Stamp-paper in the name of the Proprietor. The stamp paper date should be equal to or greater than the date of sanction letter. Blanks to be dully filled in – signatures / initials of all the Proprietor is a must.

14. LETTER OF AUTHORITY OF FIRM FOR GUARANTEE

- It has to be signed by the all Partners / Authorised Signatory (Proprietor) on all pages and rubber stamped accordingly.
- The same to be executed on the Letter head.

15. **DEMAND PROMISSORY NOTE (FIXED)**
 - The demand promissory note must be on a blank paper and it should contain the amount in words and figures and the interest rate.
 - It has to be signed by the Authorised Signatory across the revenue stamp. All blanks to be filled in and countersigned by the authorized signatory of the Borrower.
16. **DEMAND PROMISSORY NOTE (FLOATING)**
 - The demand promissory note must be on a blank paper and it should contain the amount in words and figures and the interest rate. For Floating DPN the variance is to be reflected on the DPN instead of the Interest rate
 - It has to be signed by the Authorised Signatory across the revenue stamp. All blanks to be filled in and countersigned by the authorized signatory of the Borrower.
17. **DEMAND PROMISSORY NOTE (FLOATING LINKED TO LIBOR)**
 - The demand promissory note must be on a blank paper and it should contain the amount in words and figures and the interest rate. For Floating DPN the variance is to be reflected on the DPN instead of the Interest rate
 - It has to be signed by the Authorised Signatory across the revenue stamp. All blanks to be filled in and countersigned by the authorized signatory of the Borrower.
18. **DEMAND PROMISSORY NOTE (FLOATING) - BASE RATE**
 - The demand promissory note must be on a blank paper and it should contain the amount in words and figures and the interest rate. For Floating DPN the variance is to be reflected on the DPN instead of the Interest rate
 - It has to be signed by the Authorised Signatory across the revenue stamp. All blanks to be filled in and countersigned by the authorized signatory of the Borrower.
19. **DEMAND PROMISSORY NOTE (FLOATING) – FD RATE**
 - The demand promissory note must be on a blank paper and it should contain the amount in words and figures and the interest rate. For Floating DPN the variance is to be reflected on the DPN instead of the Interest rate
 - It has to be signed by the Authorised Signatory across the revenue stamp. All blanks to be filled in and countersigned by the authorized signatory of the Borrower.
20. **TAKE DELIVERY LETTER (FORMAT)**
 - This letter should be on the letterhead of the Borrower.
 - It has to be signed by the Authorised Signatory – including blanks, if any.
21. **BOARD RESOLUTION (FORMAT)**
 - The Board Resolution should be on the company Letter head and it should state the operating instruction i.e. whether through - Authorised Signatory or Jointly/Severally. The Board Resolution to signed by Director / Company Secretary. The signature verification of the person executing the Board Resolution should be filed in the documents. In cases where in the Directors authorizes himself as an authorized signatory singly, we need to obtain another Directors / Company Secretary's signature on the BR i.e. dual signatures. Ideally, the Board Resolution date should be equal to or greater than the date of the Sanction letter. In specific cases like large Corporate, Government organization the BR date can be prior to the sanction letter date.
22. **BOARD RESOLUTION FOR GUARANTEE/ SECURITY (FORMAT)**
 - In case of a company, the Board Resolution should be on the company Letter head and it should be specific to Guarantee issuance on behalf of the Borrower and state the operating instruction i.e. whether through. Authorised Signatory or Jointly/Severally. The Board Resolution to signed by Director / Company Secretary. The signature verification of the person executing the Board Resolution should be filed in the documents. In cases where in the Directors authorizes himself as an authorized signatory singly, we need to obtain another Directors / Company Secretary's signature on the BR i.e. dual signatures. Ideally, the Board Resolution date should be equal to or greater than the date of the Sanction letter. In specific cases like large Corporate, Government organization the BR date can be prior to the sanction letter date.
23. **BORROWING POWER CERTIFICATE**
 - This letter should be on the letterhead of the Borrower.
 - It has to be signed by the Authorised Signatory.
24. **CERTIFICATE U/S 3272A (FORMAT)**
 - This should be on Chartered Accountants (CA) letter head
 - It has to be signed by the Chartered Accountant (CA) with stamp and should mention the membership number.
25. **VERNACULAR DECLARATION**
 - It has to be executed by the person signing the documents in vernacular language
 - Witness also need to signed this declaration
26. **PARTNERSHIP LETTER (FORMAT)**
 - This should be on firms letter head
 - Letter of Authority duly signed by all the partners Authorising one or few of the partners to execute legal set of documents. (KYC documents of the authorized signatory is a must)
 - Signature Verification of the partners and the Authorised Signatory is a must.
27. **SOLE PROPRIETORSHIP DECLARATION (FORMAT)**
 - This should be on letter head of the firm
 - A Sole Proprietorship declaration/certificate has to executed by the proprietor with appropriate rubber stamping.
28. **HUF DECLARATION – (FORMAT)**
 - It has to be signed by all coparceners along with Karta on all pages and also rubber stamped accordingly – signature proof of all Coparceners is a must.
 - Stamp-paper in the name of the HUF (any one). The stamp paper date should be equal to or greater than the date of sanction letter.
29. **HUF UNDERTAKING**
 - It has to be signed by all coparceners along with Karta on all pages and also rubber stamped to affix by Karta.
 - Stamp-paper in the name of the HUF (any one). The stamp paper date should be equal to or greater than the date of sanction letter.
30. **TBC UNDERTAKING**
 - The TBC undertaking should be signed by the promoters. Stamp-paper in the name of any one of the Promoter. Signature Verification of all the signatories is a must – in case they are not Guarantors / mortgagors.
 - The stamp paper date should be equal to or greater than the date of sanction letter.
31. **PROPERTY UNDERTAKING**
 - It has to be signed by all property owners. KYC documents is a must and BCIEF ID's to be generated accordingly.
 - Stamp-paper in the name of property owner. The stamp paper date should be equal to or greater than the date of sanction letter.
32. **FD APPROPRIATION LETTER**
 - It has to be signed by FD holder
 - Stamp-paper in the name of FD holder. The stamp paper date should be equal to or greater than the date of sanction letter.
33. **GENERAL UNDERTAKING BY BORROWER/S**
 - To be executed by Borrower with necessary rubber stamping.
 - Stamp-paper in the name of Borrower. The stamp paper date should be equal to or greater than the date of sanction letter.
34. **FORM 60**
 - It has to be signed by the person who dose not have the PAN card.

❖ **FOR SIGNATURE VERIFICATION:** PAN CARD, PASSPORT, BANKER'S VERIFICATION, DRIVING LICENCE.

❖ **FOR ADDRESS PROOF:** PASSPORT, DRIVING LICENCE, ELECTION ID BANKER'S VERIFICATION, UTILITY BILLS.

NOTE: ALL BLANKS TO BE INITIALED BY ALL THE SIGNATORIES TO THAT PARTICULAR DOCUMENT. IN THE MASTER FACILITY AGREEMENT THE SCHEDULES HAVE BEEN ENCLOSED, THE CONCERNED RELATIONSHIP MANAGER TO ENSURE THAT THE RELEVANT SCHEDULE IS FILLED IN ALL RESPECT. THE SCHEDULES TO BE EXECUTED SHALL BE CLEARLY DEFINED BY THE LEGAL DEPT. IN ITS INSTRUCTIONS TO DOCUMENTATION AT A CLIENT LEVEL.

MASTER FUND BASED FACILITY AGREEMENT

This Agreement made and executed and/or deemed to be executed on the date and at the place mentioned in Schedule I annexed hereto between the Borrower as described in the Schedule I annexed hereto, hereinafter referred to as "**the Borrower**"

and

KOTAK MAHINDRA BANK LTD., a banking Company incorporated under the provisions of the Companies Act 1956, and having been granted banking license under the provisions of Section 5(c) of the Banking Regulation Act, 1949(10 of 1949) and having its registered office at 36-38A Nariman Bhavan, 227, Nariman Point, Mumbai 400 021 and a branch office amongst other places at the address specified in Schedule I annexed hereto, hereinafter referred to as "**the Bank**" (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns)

The person who is referred to as the Borrower in the Schedule shall unless it be repugnant to the meaning or context thereof, mean and include, where the party concerned is an individual or a proprietorship firm, his/her heirs, executors and administrators; where the party concerned is a partnership firm, the partners or partner for the time being of the said firm, the survivors or survivor of them and the heirs, executors and administrators of the last surviving partner; where the party concerned is the Karta of a Hindu Undivided Family and the borrowing/guarantee is for the purposes of the Hindu Undivided Family, the member or members for the time being of the said Hindu Undivided Family, and their respective heirs, executors and administrators and assigns; and where the party concerned is a company, its successors and its permitted assignee in title, where the party concerned is an unincorporated body, all the members of such body and their respective successors, where the Borrower is the Governing Body of a Society, respective successors and permitted assignee of the members of the Governing Body and any new members elected, appointed or co-opted and where the Borrower is the Trustees of the Trust, their successors and permitted assignee)

WHEREAS:-

- (a) The Borrower has requested the Bank for the sanction of certain Facilities for the express purpose as discussed between themselves or as set out on the Borrower's Application / Request Letter (hereinafter referred to as "**the Request**").
- (b) Pursuant to such Request, and on the terms and conditions contained in this Agreement and relying upon the representations, warranties and statements on the part of the Borrower contained herein or otherwise made to the Bank, the Bank has vide its letter ("**Sanction Letter**") agreed to grant / granted such Facility / Facilities upto the limits and on the terms and conditions more particularly specified in such Sanction Letter (which is forming part of this Agreement),. The said Facility / Facilities may be disbursed to the Borrower either in lump sum or in such manner as has been / may be mutually agreed upon by the parties, and the Borrower has agreed to utilise the said Facility / Facilities for the purpose as mentioned in the Sanction Letter.
- (c) The terms and conditions on the basis of which the Bank has granted the Facility / Facilities are set out hereunder.
- (d) In the event that the Borrower requests the Bank for enhancement / reduction / revision / modification of existing Facility / Facilities and/or for grant of other Working Capital Facility / Facilities offered by the Bank, and the Bank agrees to enhance / reduce / revise / modify the existing facilities and/or grant such other Working Capital Facility / Facilities, then such Working Capital Facility / Facilities shall be enhanced / reduced / revised / modified and/or granted by issue of

Individual Facility Sanction Letter(s) and shall be governed by the provisions of this Agreement and the Product Schedule annexed as Schedule II hereto (if applicable), as may be modified from time to time.

ARTICLE 1 DEFINITIONS

1.1 In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings :-

1.1.1 **"Affiliate"** means:

- (a) with reference to individual any relative of such individual or any partnership firm where such individual or relative of the individual is a partner or any company where the individual or his relative is a director/ in control of the company;
- (b) with reference to a company a person that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such company;
- (c) with reference to a partnership firm, any partner of such partnership firm or any company in which such partner is a director or member having 30% or more ownership of the Company or any relative of his partner;
- (d) with reference to a HUF, all the members of such HUF or relative of the HUF;
- (e) with reference to a trust, all the trustees of such trust;
- (f) with reference to an Association of Persons, all the persons belonging to the Association of Persons.

For the purpose of this definition relative means Relative as defined under the provisions of the Companies Act, 1956.

1.1.2 **"Agreement"** includes this Agreement together with all Schedules annexed hereto, all amendments to this Agreement, Sanction Letter(s), Individual Facility Sanction Letter(s) and letters issued by the Bank to the Borrower which are deemed to be Sanction Letter / Individual Facility Sanction Letter for the purposes of this Agreement.

1.1.3 **"Assets"** shall mean all the movable/immovable assets/ properties including but not restricted to shares/ stock / bonds of the Borrower and shall also include the Borrower's entire raw materials, finished and semi-finished goods, stocks in process, consumable stores, book debts and receivables.

1.1.4 **"Authorized Signatory"** shall mean the Borrower or any person duly authorized by the Borrower to perform any act on behalf of the Borrower under this Agreement.

1.1.5 **"Bank Holiday"** means Sunday or Public Holiday as declared under the Negotiable Instruments Act, 1881 even though the Bank or any of its branches is open on that day.

1.1.6 **"Borrower's Dues"** means all amounts due under the Facilities or under each Individual Facility (depending on the context in which it may be used), including interest, additional interest, default interest, commitment charges, interest tax, prepayment charges, costs, charges, additional charges, penalties, expenses, taxes, surcharges and other dues payable to Government / Semi-Government bodies, and include all other amounts whatsoever payable/repayable by the Borrower or the Guarantor(s) to the Bank under this Agreement and/or under their Guarantee(s) and/or in connection with the Facilities.

1.1.7 **"Branch"** shall mean any branch of the Bank.

1.1.8 **"Business Day"** shall mean a day which is not a Sunday or a public holiday (as defined by Section 25 of the Negotiable Instruments Act, 1881).

1.1.9 **"Conditions Precedent"** shall refer to each and every condition precedent set out in Article [3] hereto.

1.1.10 **"Current Assets"** means the aggregate rupee value of the Borrower's cash (including cash at bank), raw materials, finished and semi-finished goods, book debts, consumable stores and marketable securities and includes any money owed to it and payable on demand or within one year from the date of computation, or as otherwise defined by the Bank and/or by guidelines of the RBI from time to time in force.

1.1.11 **"Current Liabilities"** means the aggregate rupee value of the Borrower's obligations to pay money within one year of the date of computation, or as otherwise defined by the Bank and/or by guidelines of the RBI from time to time in force.

1.1.12 **"Current Ratio"** means Current Assets divided by Current Liabilities as on a date.

1.1.13 **"Debt Equity Ratio"** means total outside liabilities divided by Tangible Net Worth.

1.1.14 **"Debt Service Coverage Ratio"** means the sum of net profit and non-cash expenses and depreciation and interest divided by repayment obligations including interest over a period of one year or as otherwise defined by the Bank.

1.1.15 **"Drawing Power"** shall, for any Individual Facilities shall mean the least of (i) Sanctioned Limit for that Individual Facility, (ii) value of Security provided for that Individual Facilities less margin or (iii) Operative Limit for that Individual Facilities as decided by the Bank based on its assessment.

1.1.16 **"Due Date"** means, in respect of any amount payable under any of the Facilities, the date on which such amount falls due in terms of the Master Facility Agreement and/or the Sanction Letter / Individual Facility Sanction Letter(s); and if such date falls on a day which is not a Business Day at the place where the payment is to be made, on the immediately preceding Business Day.

1.1.17 **"Event of Default"** shall refer to the occurrence of any one or more of the events of default set out in Article [9] hereto.

1.1.18 **"Facilities"** shall mean Cash Credit, Overdraft Facility, Term Loans, Revolving Working Capital Loan, Dealer Finance Facility or such other working capital facilities or term facilities so sanctioned agreed to be sanctioned granted/agreed to be granted by the Bank to the Borrower as specified in the Sanction Letter and/or the Individual Facility Sanction Letter(s) or any variations thereto by issue of letters in writing by the Bank and on the terms and conditions set out therein.

1.1.19 **"Indebtedness of the Borrower"** means any indebtedness in respect of monies borrowed or liabilities contracted (including under guarantees, indemnities, hire purchase and leasing) of the Borrower towards the Bank and shall be deemed to include any indebtedness of any affiliate of the Borrower or a person or entity related to the Borrower, towards the Bank and any indebtedness of the Borrower and/or of any affiliate of the Borrower or a person and entity related to the Borrower towards any subsidiary/ affiliate company of the Bank.

1.1.20 **"Individual Facility"** shall mean each of the various Facilities listed in the Sanction Letter aggregate of which is the Overall Limit. Each such Individual Facility may also be referred to as "Facility" for the sake of convenience and may be so interpreted depending on the context in which it is used.

1.1.21 **"Individual Facility Limit"** shall mean the limit of the Individual Facility as specified in the Sanction Letter or Individual Facility Sanction Letter or as maybe increased/decreased by the Bank from time to time and informed to the Borrower in writing.

1.1.22 **"Individual Facility Sanction Letter"** shall mean the letter from the Bank to the Borrower sanctioning any Individual Facility and the limit therein forming part of the Overall Limit or any variations thereto from time to time by issue of letters in writing by the Bank, and such Individual Facility Sanction Letter shall be deemed to form a part of the Sanction Letter.

1.1.23 **"Law"** shall include all statutes, enactments, acts of legislature, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory authority, court, tribunal, board or recognised stock exchange.

1.1.24 **"Lien"** shall mean any right, title or interest existing or created or purporting to exist or be created by way of or in the nature of sale, agreement to sell, pledge,

hypothecation, license, hire-purchase, lease, tenancy, mortgage, charge, co-ownership, trespass, squatting attachment or other process of any court, tribunal or authority, statutory liabilities which are recoverable by sale of property or any other third party rights or encumbrance generally including sale and lease back transactions and title retentions.

- 1.1.25 **"Material Adverse Effect"** shall mean a material adverse effect (i) on the assets, business, properties, liabilities, financial condition, results, operations or prospects of the Borrower; or (ii) on the ability of the Borrower to perform its obligations under this Agreement; or (iii) which materially impairs/diminishes the value of the Security.
- 1.1.26 **"Net Working Capital"** shall mean the aggregate rupee value of the Current Assets minus the Current Liabilities.
- 1.1.27 **"Outstanding Loan"** shall mean the aggregate amounts including accrued interest/charges due under the Facilities for the time being outstanding.
- 1.1.28 **"Overall Limit"** as mentioned in Schedule I attached herewith and shall mean the aggregate of the limits of the various Individual Facilities as specified in the Sanction Letter or the Individual Facility Sanction Letter or as maybe increased / decreased by the Bank from time to time and informed to the Borrower in writing.
- 1.1.29 **"Person"** includes an individual, statutory corporation, body corporate, partnership, joint venture, association of persons, Hindu Undivided Family (HUF), societies (including co-operative societies), trust, unincorporated organisation, government (Central, State or otherwise), sovereign State or any agency, department, authority, or political subdivision thereof, international organisation, agency or authority (in each case whether or not having a separate legal personality) and shall include their respective successors and assigns, and in case of an individual shall include his legal representatives, administrators, executors and heirs, and in case of a trust shall include the trustee or trustees for the time being, the survivor or survivors of them and the heirs, executors and administrators of the last surviving trustee.
- 1.1.30 **"Product Schedule(s)"** means, as the context may permit or require, any or each of Schedule II hereto which contain additional terms and conditions in relation to specific working capital facilities.
- 1.1.31 **"Purposes"** shall mean the purposes as listed out in the Sanction Letter or the Individual Facility Sanction Letter or in Schedule II annexed hereto.
- 1.1.32 **"RBI"** means Reserve Bank of India.
- 1.1.33 **"Sanction Letter"** shall mean the letter issued on date mentioned in Schedule I attached herewith and such other sanction letter to be issued by the Bank sanctioning the Facilities and specifying the Overall Limit or any variations thereto from time to time.
- 1.1.34 **"Schedule(s)"** shall mean the Schedule(s) annexed to this Agreement. (Whether numbered or otherwise)
- 1.1.35 **"Secured Assets"** shall mean and include all assets of the Borrower (whether moveable or immovable) over which any Security (as defined below) is from time to time created in favour of the Bank for securing the Borrower's Dues.
- 1.1.36 **"Secured Third Party Assets"** shall mean all assets of a third party (whether moveable or immovable) over which any Security (as defined below) is from time to time created in favour of the Bank for securing the Borrower's dues.
- 1.1.37 **"Security"** shall include a hypothecation / mortgage / pledge /charge over the Secured Assets and Secured Third Party Assets or any part thereof.
- 1.1.38 **"Security Provider"** shall mean a third party which provides or shall provide if the Bank requires at anytime during the currency of the Facilities , Security for repayment of Borrower's Dues.
- 1.1.39 **"Tangible Net Worth"** means the rupee value of the excess of the aggregate of the paid-up share capital and the Borrower's net tangible tax-exempt reserves excluding capital revaluation reserves or reserves earmarked to meet specific liabilities over the aggregate of miscellaneous expenditure (to the extent not written off) and the debit balance of the profit and loss account, (being the accumulated losses) if any, and intangible assets, if any.
- 1.1.40 **"Transaction Documents"** include this Agreement together with all Schedules annexed hereto, all amendments to this Agreement, letters issued by the Bank to the Borrower which are deemed to be Sanction Letter / Individual Facility Sanction Letter for the purposes of this Agreement, the applications by the Borrower to avail of the Facilities and all other agreements, instruments, undertakings, indentures, deeds, writings and other documents (whether financing, security or otherwise), including but not limited to FIMMDA declaration, GR Forms, AWB/BL/LR, invoices etc. executed or entered into, or to be executed or entered into, by the Borrower or as the case may be, any other person, in relation, or pertaining to the transactions contemplated by, or under this Agreement and/or the other Transaction Document, and each such Transaction Document as amended from time to time.
- 1.2 **Interpretation**
- 1.2.1 The recitals contained in this Agreement and Schedules annexed hereto shall form an integral part of this Agreement.
- 1.2.2 The singular shall include the plural and vice versa.
- 1.2.3 Consent, permission, approval or no-objection (by whatever name called) of the Bank shall mean prior written consent of the Bank unless specifically agreed to otherwise by the Bank and so communicated to the Borrower.
- 1.2.4 All clause headings in this Agreement have been inserted for convenience of reference only and shall not affect the interpretation of the provisions of this Agreement.
- 1.2.5 If there is more than one Borrower mentioned in Schedule I hereunder written, wherever the context so requires, the word "Borrower" shall be construed as "Borrowers" and the grammar and construction of every concerned sentence shall be deemed to be appropriately amended so as to indicate more than one Borrower.

ARTICLE 2

GRANT OF THE FACILITIES AND DISBURSEMENT

- 2.1 At the request of the Borrower, and subject to the terms and conditions as contained in the Sanction Letter and this Agreement the Bank hereby agrees to provide to the Borrower, all or some of the Facilities upto the Individual Facility Limit, however, within the Overall Limit, as specified in Schedule I hereto, whereunder the Bank may from time to time disburse the Individual Facility amount either in lump sum or in such manner as has been / may be mutually agreed upon by the parties. The Overall Limit may be revised by increasing or decreasing the Overall Limit or interchanging the Individual Facilities within the overall limit, by way of sanction letter and/or Individual Facility Sanction Letter.
- 2.2 The Facilities shall be utilised only for the purpose specified in the Sanction Letter or the Individual Facility Sanction Letter, as the case may be, and the Borrower shall be required to provide end use statements on a quarterly basis or as may be mutually agreed upon to the Bank.
- 2.3 The terms and conditions of each Individual Facility shall be as more particularly listed out in the Sanction Letter / Individual Facility Sanction Letter(s) and the same shall be construed as forming an integral part of this Agreement. The Bank shall in its sole discretion be entitled to change the Branch from where the Facilities are being granted to any other Branch from time to time. The Facilities shall be repayable on demand at the sole discretion of the Bank with _____ days prior notice to the Borrower.
- 2.3.1 The Sanction Letter and each Individual Facility Sanction Letter, as also the additional terms specified in the Schedules annexed hereto, shall be an integral part of this Agreement. The Bank shall be entitled to vary, and or interchange any of the Facilities (i.e. increase / decrease the Facilities / Individual Facility) sanctioned by issue of further letters to the Borrower as also the Overall Limit/ Individual Facility Limit(s). Such further letter(s) issued by the Bank modifying the terms of the Facilities shall be considered as a part of the Sanction Letter / Individual Facility Sanction Letter itself

and any reference to the Sanction Letter / Individual Facility Sanction Letter herein shall be deemed to be a reference to such further letter(s) also. In the event of there being a conflict between the Individual Facility Sanction Letter and/or the Sanction Letter and/or this Agreement, then the Individual Facility Sanction Letter shall prevail over the Sanction Letter and this Agreement. In the event of a conflict between the Sanction Letter and this Agreement, the Sanction Letter shall prevail over this Agreement. The Bank shall be entitled to alter/vary/ modify the terms and conditions of this Agreement or the Sanction Letter or the Individual Facility Sanction Letter at any time by notice in writing to the Borrower, either on its own accord or as may be required by any Statutory Authority.

- 2.3.2 It is clarified that in case of Term Loan, Short Term Loan and Working Capital Demand Loan Facilities, Schedule III i.e.: a separate Product Schedule will not be executed between the Borrower and the Bank. Without prejudice to the repayment terms of any other Facilities, it is agreed that in case of Term Loan, Short Term Loan and/or Working Capital Demand Loan, the Borrower shall repay the Facility (ies) to the Bank forthwith on demand on happening of any Event of Default when such default is a non financial default and with in 7 days when such default is arising out due to non payment of the dues of any nature to the Bank (financial default), together with interest, costs, charges, expenses and monies whatsoever stipulated in or payable under the Agreement, the Sanction Letter / Individual Facility Sanction Letter and other Transaction Documents. Unless such demand is made, the Borrower shall repay the Facility (ies) on the date of expiry of the tenure of the Facility.
- 2.3.3 The Borrower shall at all times confine the drawings in each Individual Facility to the Drawing Power for that Individual Facility and in no case shall exceed such limit. The Bank may however, at its own discretion, allow drawings beyond the Drawing Power, including ad hoc / temporary facilities and/or Temporary Overdraft Facilities ("TOD"), for such time as may be considered necessary and shall at any time without notice call upon the Borrower to repay such excess drawings. All rights and obligations of the Bank and the Borrower respectively hereunder and under any Individual Facility Sanction Letter or other documents shall extend to such drawings notwithstanding the specific limit stipulated. All the rights and securities created hereunder in favour of the Bank and the obligations of the Borrower thereunder will extend to cover the Borrower's liability to the Bank under any account whatsoever of the Borrower with the Bank, notwithstanding that such account may not relate to any particular Individual Facility agreed to be granted by the Bank to the Borrower.
- 2.4 The Sanction Letter and each Individual Facility Sanction Letter, as also the additional terms specified in the Schedules annexed hereto, shall be an integral part of this Agreement. The Bank shall be entitled to vary, and or interchange any of the Facilities (i.e. increase / decrease the Facilities / Individual Facility) sanctioned by issue of further letters to the Borrower as also the Overall Limit/ Individual Facility Limit(s). Such further letter(s) issued by the Bank modifying the terms of the Facilities shall be considered as a part of the Sanction Letter / Individual Facility Sanction Letter itself and any reference to the Sanction Letter / Individual Facility Sanction Letter herein shall be deemed to be a reference to such further letter(s) also. In the event of there being a conflict between the Individual Facility Sanction Letter and/or the Sanction Letter and/or this Agreement, then the Individual Facility Sanction Letter shall prevail over the Sanction Letter and this Agreement. Subject to the right of the Lender as specified in clause 2.5 hereinbelow, in the event of a conflict between the Sanction Letter and this Agreement (and in cases wherein Schedule II has not been executed) , the Sanction Letter shall prevail over this Agreement. In cases where Schedule II has been executed and there is any conflict between the Schedule II of this Agreement (which is also a part of this Agreement) and this Agreement, Schedule II and Sanction Letter, read in conjunction shall prevail over the rest of this Agreement. The Bank shall be entitled to alter/ vary/ modify the terms and conditions of this Agreement or the Sanction Letter or the Individual Facility Sanction Letter at any time by notice in writing to the Borrower, either on its own accord or as may be required by any Statutory Authority.
- 2.5 Notwithstanding anything contained herein, it is clarified that the Borrower shall repay the Overall Limit or Individual Facility (ies) to the Bank forthwith on demand, together with interest, costs, charges, expenses and monies whatsoever stipulated in or payable under the Agreement, the Sanction Letter / Individual Facility Sanction Letter and other Transaction Documents. Unless such demand is made, the Borrower shall repay the Facility (ies) on the date of expiry of the tenure of the Facility.
- 2.6 The Borrower shall at all times confine the drawings in each Individual Facility to the Drawing Power for that Individual Facility and in no case shall exceed such limit. The Bank may however, at its own discretion, allow drawings beyond the Drawing Power, including ad hoc / temporary facilities and/or Temporary Overdraft Facilities ("TOD"), for such time as may be considered necessary and shall at any time without notice call upon the Borrower to repay such excess drawings. All rights and obligations of the Bank and the Borrower respectively hereunder and under any Individual Facility Sanction Letter or other documents shall extend to such drawings notwithstanding the specific limit stipulated. All the rights and securities created hereunder in favour of the Bank and the obligations of the Borrower thereunder will extend to cover the Borrower's liability to the Bank under any account whatsoever of the Borrower with the Bank, notwithstanding that such account may not relate to any particular Individual Facility agreed to be granted by the Bank to the Borrower.
- 2.7 The Borrower/s further undertake/s to execute a Letter of Acknowledgement of Debt in favour of the Bank, whenever the Bank may call upon the Borrower/s to do so, in such manner and form as the Bank may deem fit.

ARTICLE 3 CONDITIONS PRECEDENT

The Bank shall not be obliged to disburse all or any of the Facilities unless and until:-

- 3.1 The Borrower has delivered to the Bank a certified true copy of the Borrower's constitutional documents viz., Memorandum and Articles of Association and Certificate of Incorporation or Deed of Partnership or true copy of such other document under which the Borrower is/are constituted/ incorporated (as the case may be), as amended up-to-date as also certified true copies of authorizations from the Board of Directors/ Resolution of the Partners/ Trustees for the purpose of availing the Facilities as also execution of the necessary documents in this behalf as also other documents as may be prescribed by the Bank from time to time; and
- 3.2 The Borrower has created and/or procured the creation of such security in favour of the Bank as the Bank may from time to time specify for the repayment / payment of the Borrower's Dues; and
- 3.3 The Borrower has executed and/or delivered to the Bank such demand promissory notes, guarantees and other documents as the Bank may from time to time require; and
- 3.4 The Borrower has paid the non-refundable service charges as mentioned in the Sanction Letter / Individual Facility Sanction Letter to the Bank.
- 3.5 The "Know Your Customer" (KYC) and such other conditions as may be prescribed by RBI from time to time, are complied with by the Borrower / Security Provider.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

- 4.1 The representations and warranties of the Borrower contained in Article [4] shall be true (i) on and as of the date hereof, shall be deemed to be repeated every day during the life of the Facilities and (ii) on and as of the date of each disbursement of any Individual Facility (as if made on such date). In the event of their being a change / variation in any of the Representation and / or Warranties, the Borrower shall intimate the same to the Bank in writing within a period of 48 hours from the time of such change / variation.
- 4.2 The Borrower represents and warrants to the Bank, prior to and upon the execution of this Agreement and at the time of disbursement / availment of any and or all of the Facilities, that:
- 4.2.1 The Borrower is duly organized/ incorporated under the existing laws, validly existing, and in good standing;
- 4.2.2 The Borrower is authorised to enter into this Agreement, and this Agreement is a valid and binding obligation of the Borrower enforceable in

accordance with its terms; and the execution and performance of this Agreement by the Borrower is lawful and does not constitute a default, acceleration or termination of any other agreement to which the Borrower is a party or breach of any judgment, decree, order or award.

- 4.2.3 All information provided by the Borrower to the Bank prior to the execution of this Agreement and at any time hereafter is and shall be true, complete, and accurate,
- 4.2.4 The Borrower is the sole owner of all Assets shown on the Borrower's financial statements delivered to the Bank save and except as stated in the said financial statements.
- 4.2.5 Save and except as stated by the Borrower in writing (if any) duly acknowledged by the Bank, there is no prior charge on its Assets in favour of any person.
- 4.2.6 The Borrower is solvent and capable of paying its obligations as and when they become due.
- 4.2.7 There is no litigation including winding up proceedings or governmental proceeding pending against the Borrower and the Borrower is not aware of any such proceeding being threatened, which could impair the Borrower's Tangible Net Worth or ability to perform this Agreement.
- 4.2.8 The Borrower is in compliance with all applicable laws.
- 4.2.9 The Borrower maintains and shall maintain accurate business and financial records and prepares and shall prepare its financial statements in accordance with generally accepted accounting principles.
- 4.2.10 In case the Borrower is a Company under the Companies Act, 1956 or the Companies Act, 1913:-
- (i) all corporate authorisations required for entering into this Agreement and the performing the transactions pursuant hereto have been obtained and are in force, and this Agreement and all transactions pursuant hereto are and will be in accordance with all applicable provisions of law; and
 - (ii) if applicable to the Borrower, the Borrower shall ensure that the borrowings of Borrower pursuant hereto are and shall at all times be within the Borrower's limits provided under Section 293(1) (d) of the Companies Act, 1956 and shall furnish documentary evidence thereof.
- 4.2.11 The Borrower will continue to comply and be in compliance with all Laws, regulations, guidelines, notifications, etc. pertaining to pollution control and/or environment that may be in force or issued by the authorities concerned from time to time The Borrower has not, and none of its directors, officers, agents or employees has/have, committed or omitted to do any act or thing the commission or omission of which is in contravention of any law including any applicable pollution control or environmental laws.
- 4.2.12 The Borrower is not, and none of its directors, officers, agents or employees are in default or have committed a breach of any agreement with any person who has provided loans or deposits or advances or guarantees or other financial facilities to the Borrower or at the Borrower's instance.
- 4.2.13 The Borrower and / or none of its Directors have been included in any list of defaulters by any regulatory / statutory authority and/or banks and/or financial institutions and/or Non Banking Financial Companies etc.
- 4.2.14 The Borrower duly owns or holds valid and subsisting licenses in respect of all trade names, trade marks, patents, designs and other intellectual property used or intended to be used by the Borrower in the course of its business and the same are duly registered in the name of the Borrower and have not become voidable.
- 4.2.15 The Borrower duly owns or holds all other material consents, licenses, franchises, permits and authorisations necessary for the lawful conduct, ownership and operation, of its businesses, and the same are valid and subsisting and have not become voidable.
- 4.2.16 The Borrower declares and assures that all the present Assets to be mortgaged and/or hypothecated and/or pledged to the Bank are the absolute properties of the Borrower, at the sole disposal of the Borrower and free from any material pledges, charge, liens, security interests, claims or other encumbrance, **save and except**, by the Borrower in writing duly acknowledged by the Bank. All the future Assets to be given as security to the Bank shall be likewise the unencumbered, absolute and disposable property of the Borrower. The Borrower shall not, hereafter, without the Bank's prior written permission lease or sell or exchange or create any mortgage, charge, lien or encumbrance of any kind upon or over its undertaking and/or Assets (including uncalled share capital or any part thereof) except to the Bank nor suffer any such mortgage, charge lien or encumbrance to affect the same or any part thereof nor do or allow anything to be done that may prejudice the security while the Borrower remains indebted or liable to the Bank in any manner. With respect to any Assets it leases, the Borrower holds a valid leasehold interest therein, free and clear of any Liens, is in compliance, in all material respects, with the terms of the applicable lease, and enjoys peaceful and undisturbed possession under such lease. All of the Borrower's Assets that are material to the conduct of its business as presently conducted or as proposed to be conducted are in good operating condition and repair, subject to ordinary wear and tear. The Borrower's inventory is in good and marketable condition, does not and will not include any material quantity of items, which are obsolete or damaged and is saleable in the normal course of the Borrower's business as currently conducted.
- 4.2.17 All representations and warranties of the Borrower in this Agreement shall survive the execution, delivery and termination of this Agreement, the consummation of the transactions contemplated hereby and the repayment of the amounts due under the Facilities and/or the Borrower's Dues hereunder.
- 4.2.18 The Borrower is aware that the Bank has entered into this Agreement and the Bank has agreed to grant the Facilities on the basis of the Borrower's representations, warranties, statements, undertakings and covenants contained in this Agreement and/or otherwise made to the Bank.
- 4.3 The Borrower shall have furnished to the Bank the Borrower's latest audited Profit and Loss Account and Balance Sheet including the latest quarterly audited/unaudited results of the Borrower.
- 4.4 The Borrower and/or the Guarantor(s):
- (a) shall, in consideration of the Bank agreeing to grant the Facilities to the Borrower, shall create such Security in favour of the Bank as specified in the Sanction Letter / Individual Facility Sanction Letter / Product Schedules hereto, or as the Bank may specify for the repayment/payment of all Borrower's Dues from time to time;
 - (b) shall arrange to procure / have executed such guarantees as may be required by the Bank;
 - (c) shall have obtained all consents/waivers/in principle approvals to the grant of consent, as may required for the creation of the Security from other Banks to the Borrower's Security holders and/or any other person and shall have provided such consent letters to the Bank; and
 - (d) shall have executed and/or delivered to the Bank such documents as the Bank may require.
- 4.5 The Bank shall have the absolute right to decide whether or not it will accept as security for the purpose of any/some/all of the Facilities in respect of the Assets so secured/offered as security from time to time to the Bank by the Borrower/ Guarantor.
- 4.6 The Guarantor(s) shall have executed guarantee(s) in favour of the Bank in the Bank's format in respect of all amounts payable by the Borrower to the Bank under this Agreement and/or otherwise in connection with the Facilities and as maybe required by the Bank as per the Sanction Letter / Individual Facility Sanction Letter or as maybe required from time to time by the Bank.

- 4.7 The Borrower shall, if required by the Bank, have submitted to the Bank a certificate (in a form acceptable to the Bank) of a Statutory Auditor acceptable to the Bank certifying that all the aforesaid conditions precedent have been duly fulfilled, and such other things as the Bank may require.

**ARTICLE 5
COVENANTS OF THE BORROWER**

5. The Borrower hereby agrees and covenants as under:
- 5.1 The Borrower shall manage its finances in a sound and prudent manner and shall not impair its ability to perform this Agreement.
- 5.2 The Borrower shall not guarantee or pay or provide any collateral for obligations of others unless specifically so permitted by the Bank.
- 5.3 The Borrower confirms that so long as the Borrower continues to be indebted to the Bank under the Facilities, the Borrower shall not without the previous written consent of the Bank borrow any moneys from any other bank or from any other source whatsoever and whomsoever apart from temporary loans obtained in the ordinary course of business and shall so be conveyed to by the Borrower to the Bank.
- 5.4 Without the Bank's prior written consent, the Borrower shall not enter into, or be a party to, any transaction with any affiliate of the Borrower, except in the ordinary course of and pursuant to the reasonable requirements of the Borrower's business and upon fair and reasonable terms which are fully disclosed to the Bank in advance.
- 5.5 In case the Borrower is a partnership firm or a sole proprietary concern, the Borrower shall not change or permit any change of its constitution (which term includes the admission of any partner or the retirement of any partner for any reason other than the demise of that partner) without the Bank's prior written consent.
- 5.6 In case the Borrower is a company, there shall be no change in the shareholding pattern of the promoters, shareholders (including by issue of new shares and transfer of shares) or in the Borrower's management without the Bank's prior written consent.
- 5.7 The Borrower shall not change its name or trade name without the Bank's prior written consent.
- 5.8 The Borrower shall not without the prior written consent of the Bank change its accounting standards as well as its accounting year.
- 5.9 No change whatsoever in the constitution of the Borrower regardless of whether the same is with or without the consent of the Bank shall impair or discharge the liability of the Bank to the Borrower hereunder.
- 5.10 The Borrower shall not dispose of its assets or compromise with any of its creditors without the prior written consent of the Bank.
- 5.11 The Borrower agrees to accept as conclusive proof of the correctness of any sum claimed to be due from him/her/it/them to the Bank under this Agreement, (if not so refuted by the Borrower within a period of 7 days from receipt of the same, then) a statement made out from the books of the Bank and sent by the Manager/Agent/Accountant and/or other duly authorized officer of the Bank.
- 5.12 The Borrower shall conduct its business operations in compliance with all applicable laws and shall pay all taxes statutory / regulatory / otherwise other obligations when due.
- 5.13 The Borrower shall notify the Bank immediately of any:
- (a) Lawsuits, governmental proceedings, or claims which, individually or in the aggregate, involve an amount exceeding 10% of the Borrower's net worth or which may impair the Borrower's ability to perform this Agreement if the relief prayed for were granted.
 - (b) Occurrence of any Event of Default or any event which with the passage of time (with or without notice) or the giving of notice may result in an Event of Default.
- 5.14 All payment by the Borrower to the Bank hereunder or pursuant hereto shall be made without any deduction, set off or counterclaim (except such deduction of tax, if any, as may be required by law).
- 5.15 The Borrower hereby expressly agrees and covenants with the Bank that each Individual Facility shall be utilised exclusively for the purposes specified in the Individual Facility Sanction Letter and for no other purpose except with the prior written consent of the Bank and further not to use the Facilities for any anti-social, speculative or illegal purpose.
- 5.16 The Borrower expressly undertakes and covenants with the Bank that the Bank may, at the Bank's sole discretion, require from or award a mandate to the Borrower or the Borrower's Auditors for a certification from the Borrower's Auditors on any of the issues relating to the Facilities including but not limited to the use, diversion or siphoning of funds by the Borrower and the Borrower shall cause the Borrower's Auditors to provide such certificate forthwith upon being so required by the Bank.
- 5.17 The Borrower agrees and undertakes to make all payment due under the Agreement on their respective due dates.
- 5.18 The Borrower agrees and undertakes not to hereafter effect or to purport to effect any Lien, alienation, sale, transfer, mortgage, charge, assignment, deal or other disposition of or encumbrance of, or purport to create any charge or encumbrance over the Security tendered to the Bank and also not to do any other act, which may prejudice the Bank's security or interests.
- 5.19 The Borrower shall carry on its business efficiently properly and profitably and such business shall be confined to such manufacturing, trading and/or other activity as have been notified to the Bank. The Borrower shall maintain proper books of accounts and such other registers, books, documents, relating to the business as may be statutorily required or as may be required by the Bank or as may be necessary and/or generally kept in the business of the kind carried on by the Borrower and shall get the accounts books duly audited and furnish to the Bank a copy of the audited statements and the auditor's report. The Borrower shall if so required by the Bank allow the Bank its officers, agents and nominees and/or qualified auditors and/or technical experts and/or management consultants as may be appointed by the Bank to inspect or audit such books of accounts, registers, books and documents and also furnish to the Bank at such intervals as the Bank may direct from time to time a schedule or copy of all the entries which shall have been made in such books.
- 5.20 The Borrower shall submit to the Bank periodically as required by the Bank copies of the Balance Sheet and Profit and Loss Account duly audited by a reputable firm of Accountants acceptable to the Bank, within 90 days from the close of the financial year and stock statements in the formats as may be prescribed by the Bank from time to time indicating correctly the quantity and value of the stocks and also statements of receivables indicating the names of the debtors amounts of the debts and the periods for which they are outstanding together with a certificate that the quantities and amounts stated are correct and that all stocks are fully covered by insurance unless such insurance is waived by Bank. The Borrower will also furnish and verify all statements, reports, returns, certificates and information and will also execute all documents and do all acts and things which the Bank may require to give effect to any of the terms and conditions set out herein or in the security documents or any of them that may be executed and the Borrower authorises the Bank and each of its agents and nominees as Attorney for and in the name of the Borrower to do whatever the Borrower may be required to do under this Agreement.
- 5.21 To comply with the covenants relating to maintenance or improvements of financial ratios relating to the balance sheet structure and profit appropriations as specified by the Bank hereunder and the Borrower agrees:
- 5.21.1 To maintain the current ratio at such levels as the Bank may deem fit;
 - 5.21.2 To maintain the Debt Service Coverage Ratio as and when applicable at such levels as the Bank may deem fit;
 - 5.21.3 To submit financial data to the Bank as stipulated from time to time.
 - 5.21.4 To comply with such other financial covenants that the Bank may stipulate from time to time

The Bank may at its sole discretion decide to vary the said ratios and provide for maintenance of fresh financial ratios relating to the balance sheet structures and the Borrower shall be bound to comply with such new/ revised financial ratios.

It is hereto agreed and clarified between the parties hereto, that in event of any dispute in relation to the interpretation or computation of the terms set out herein, the interpretation or computation of the Bank shall prevail and shall be binding on the Borrower.

- 5.21a To ensure that the Net Working Capital does not fall below such ratios of the current liabilities or the minimum amounts stipulated by the Bank from time to time.
- 5.22 The Borrower shall carry on the entire banking transactions of the business including merchant banking business through the Bank. In particular, the Borrower's entire foreign exchange business, inland bill business and deposits if any shall be placed with the Bank. The Borrower may, however, with the prior permission in writing of the Bank in this regard and to the extent allowed and on such other terms and conditions as may be stipulated deal with any other bank(s).
- 5.23 That the Borrower shall not pay any dividend in event of occurrence of any Event of Default.
- 5.24 The Borrower authorises the Bank to investigate the Borrower's creditworthiness and to obtain information about the Borrower, the Borrower's assets, the Borrower's financial condition whenever the Bank determines it to be necessary.
- 5.25 The Borrower will, when called upon to do so, satisfy the Bank that all Govt. Licenses approvals/consents are effective and in full force.
- 5.26 The Borrower shall not transfer funds/ assets to any group or associate company or concern.
- 5.27 The Borrower shall notify the Bank in writing at least 60 days in advance of any intended changes in the location of its office or principal place of business. The Borrower shall take such action as is required by the Bank prior to making the change.
- 5.28 In the event that auditors for the Borrower cease acting as the auditors for any reason, the Borrower shall promptly inform the Bank of the reasons for such change.
- 5.29 The Borrower shall not pay any commission to its promoters, directors, managers or other persons for furnishing guarantees, counter guarantees or indemnities or for undertaking any other liability at all times during the currency of the Facility so sanctioned by the Bank to the Borrower.
- 5.30 The Borrower shall not declare or pay any dividend or authorize or make any distribution to its shareholders: (a) unless it has paid all the dues in respect of the Facility up to the date on which the dividend is proposed to be declared or paid, or has made satisfactory provisions therefor, or (b) if an Event of Default has occurred and is subsisting or would occur as a result of such declaration or payment of dividend.
- 5.31 In case the Borrower has an occasion to apply to the Bank for any advances or other credit facilities at any branch, the Borrower shall make a full disclosure of all the then existing advances/ facilities, secured or unsecured, granted to the Borrower by the Bank or by any of its affiliate/associate companies or by any other bank/ person/entity.
- 5.32 **CALL ON SHARES**
The Borrower shall as soon as any call in respect of its share capital has been resolved upon by the Directors or as soon as it shall have been resolved to issue any unissued share capital or to create any new shares immediately give notice of such call to the Bank or give notice to the Bank of the intention of the Borrower to issue or create any such share capital as aforesaid and the proposed amount thereof and shall not until the expiration of seven clear days from the time when such notice shall have been sent to the Bank issue any notice to the members of the Borrower in respect of payment of any calls or issue or create any such existing or new shares respectively as aforesaid. If the Bank shall so require every notice prospectus application form or allotment letter sent out by the Borrower in pursuance of any such resolution shall direct the members or applicants for allotment of the share of the Borrower to pay the call so made or the moneys payable in respect of the said existing or new shares to the Bank or as it shall direct and if no such requisition be made by the Bank the members, applicants or allottees shall be directed to pay any call or other moneys into the Bank's office (as may be informed or notified) to the joint account of the Borrower and the Bank or in such manner as the Bank may direct. The Bank shall be entitled to require all such calls or moneys received by the Borrower to be applied either wholly or partly in or towards the payment or satisfaction of the principal sum interest and other moneys due to the Bank but in default of the Bank requiring the said calls or moneys to be so applied as aforesaid within one month of their being paid, the Borrower may without the consent of the Bank apply the whole of the balance thereof over and above what shall be required by the Bank to be otherwise applied to the general purposes of the Borrower as it shall think fit provided also that all moneys hereunder to be received by the Borrower from its members in advance of calls upon the shares shall be held by the Borrower in trust for the Bank and so as to form part of the securities and shall be dealt with in the manner hereinbefore mentioned in the case of calls or other moneys received by the Borrower.
- 5.33 That the Borrower shall not invest any of the Borrower's funds in the shares, debentures, deposits or other investments of any other company without the prior written permission of the Bank nor will the Borrower funds so availed in terms of the Facilities so sanctioned by the Bank to the Borrower be invested in capital market.
- 5.34 To execute and deliver to the Bank such further agreements, undertakings, declaration, assurances, security documents and writings as the Bank may from time to time require in relation to the Facilities, this Agreement and/or any Security;
- 5.35 To bear and pay all taxes, rates, duties (including stamp duties), charges and other imposts and obligations, existing as well as future, in respect of this Agreement, the transactions hereunder and all writings executed pursuant to or in connection with this Agreement, including without limitation the expenditure incurred on the creation of any Security;
- 5.36 To accept without any dispute as binding and as conclusive proof of the correctness of the amounts mentioned therein, any statement of account furnished by the Bank;
- 5.37 That the Borrower shall ensure that the Guarantor® / Security Provider duly performs and discharge all their obligations under their letters) of guarantee / security documents and all writings executed/rendered by them to the Bank pursuant to the terms and conditions of this Agreement;
- 5.38 During the currency of these presents the shareholding of such of the shareholders in the Borrower who are its Directors at present and the principal shareholders and promoters of the Borrower shall not be varied without the previous written consent of the Bank first obtained.
- 5.39 The, Borrower shall not during the subsistence of the liability of the Borrower to the Bank under or in respect of any of the Facilities without the written consent of the Bank:-
(A) change or in any way alter the capital structure of the Borrower.
(B) effect any scheme of amalgamation or reconstitution.
(C) enter into any compromise with any of its creditors or shareholders, or enter into any other arrangements, mergers, amalgamations, consolidations, restructuring, spin offs, hive offs.
(D) implement a new scheme of expansion or take up an allied line of business or manufacture.
(E) declare dividend or distribute profits except where the instalments of principal and interest payable to the Bank in respect of the Facilities are being paid regularly and there are no irregularities whatsoever in respect of the Facilities.
(F) enlarge the scope of the other manufacturing/trading activities if any undertaken at the time of the application and notified to the Bank as such.

- (G) withdraw or allow to be withdrawn any monies brought in by the promoters and directors or relatives and friends of the promoters or directors of the Borrower.
- (H) invest any funds by way of deposits, or loans or in share capital of any other concerns (including subsidiaries) so long as any money remains due to the Bank; the Borrower will however be free to deposit funds by way of security with third party in the normal course of business or if required for the business.
- (I) borrow or obtain Facilities of any description from any other bank or credit agencies or Banks or enter into any hire purchase arrangement.
- 5.40 If required by the Bank at any time during the currency of the Facilities so sanctioned by the Bank to the Borrower and for the due discharge of the liabilities undertaken by the Borrower, the Borrower shall be required to provide to the Bank one or more post dated cheques drawn in favour of the Bank.. The execution and delivery of such postdated cheques by the Borrower to the Bank hereunder shall not discharge the Borrower from paying the amount concerned in terms of the repayment schedule in terms of the provisions of this Agreement; and in case of such payment, the Bank shall return the post dated cheques to the Borrower on satisfaction of all the dues of the Bank.
- 5.41 **Other conditions**
- 5.41.1 The Bank reserves the right at any point of time, to revoke or cancel the Facility(ies) sanctioned and/or vary, alter, modify or rescind, amend or change any one or more of the terms & conditions of the Facilities, at the Bank's sole discretion, with such notice as the Bank may deem reasonable & without assigning any reasons. As regards the un-utilised limits, if any under the Facility(ies), the Bank reserves the right at any point of time, to revoke or cancel and/or vary, alter or modify the said un-utilised limits, at the Bank's sole discretion, without prior notice & without assigning any reasons thereof.
- Please note that the bank reserves the right at any point of time to vary, alter, modify or rescind the provision/s of this/these Facility (ies) is at the sole discretion of the Bank and any request for extension/ enhancement / renewal of this facility (ies) / limit(s) is at the sole discretion of the Bank and shall be subject to the fulfillment of terms and conditions as prescribed by the Bank.
- 5.41.2 The Bank shall be entitled to vary/change the rate of interest (including any change as may be directed by Reserve Bank of India and/or any other regulatory /statutory body) from time to time or vary/change the method of computation of such rate of interest or to charge an additional or penal rate by sending to the Borrower an intimation in that regard. Upon intimation of such change/ variation in the interest rates Borrower shall be deemed to have consented to such change
- 5.42. **Inspection and Audit**
- The Bank shall have the right to inspect/ cause the inspection of premises / stocks, book debts and statements of the Borrower every quarter by giving a 24 hour notice, The cost of such audit shall be borne by the Borrower.
- 5.43 **Participation**
- The Borrower shall expressly agree that during the subsistence of the Credit Limit / Loan, the Bank shall have the liberty to shift, at its discretion, without notice to it, from time to time a part or portion of the out standings in the said Credit limit / the said loan (hereinafter referred to as "the Participation" to one or more Scheduled Commercial Banks (hereinafter referred to as "the Participating Bank/s"). The Borrower further agrees that such Participations shall be governed by the terms of the Uniform Code Governing Inter Bank Participations, 1988 and shall not affect the rights and obligations, inter se, The Borrower and the Bank in respect of the said Credit Limit / the said loan.
- 5.44 **Cross Default Clause**
- In addition to any general lien or similar right to which the Bank is in law generally entitled, the Bank may at its discretion use and enforce its right of set-off and cross default between all the facilities sanctioned to you.
- For the purposes of cross default:
- The Borrower agree and confirm that the Bank may at its absolute discretion appropriate any payments made by the Borrower under the facilities towards another agreement or transaction entered into by the Borrower and/or towards any other Indebtedness of the Borrower and such appropriation shall be final and binding upon the Borrower and the Borrower shall continue to remain liable to the Bank for payment of dues under this facility in respect of which such sums of money were so paid but were appropriated towards another agreement or transaction entered into by the Borrower or towards another Indebtedness of the Borrower. In addition, the Borrower hereby expressly give the Bank the power to sell/transfer or otherwise dispose of any and all security created in favour of the Bank under the security documents or deposited with the Bank or under its possession or control and appropriate the same towards satisfaction of amounts due to the Bank on account of another agreement or transaction entered into by the Borrower and/or the Indebtedness of the Borrower.
- It is also agreed, acknowledged and understood by the Borrower that if you commit a default under this Facility/ies then such default shall be and deemed to be a default of all the other facilities availed of by the Borrower, and notwithstanding anything contrary elsewhere contained in any writing or otherwise, and the Bank shall regard all borrowings by the Borrower as immediately due and payable and the Bank shall be entitled to recall all the facilities granted to the Borrower and also utilize and enforce any mortgage, charge, pledge, hypothecation, lien or any other security interest "Security" created and subsisting as on date towards recovery of its dues under the facilities.
- 5.45 **Taxes, duties, costs and expenses**
- All taxes, duties and levies as to be borne by the Borrower
- All charges / fees and any amounts payable under these facilities by the Borrower to the Bank as mentioned herein do not include any applicable taxes, levies including service tax etc and all such impositions shall be borne by the Customer additionally
- 5.46 **Other Terms & Conditions**
- a. The Bank will have the right to review its facilities in case of any change in the ownership/ management of the company. The Borrower will immediately inform the Bank of any changes in the shareholding pattern/ key management.
 - b. The Bank may undertake search at the Registrar of Companies, which costs the Borrower shall pay/ reimburse.
 - c. The Bank's charge on the current assets to be recorded with the Registrar of Companies.
 - d. The facilities are due and payable on demand to the Bank as and when the Bank exercises its right to call back the facility.
 - e. The Borrower shall not permit its promoters/ directors to reduce their shareholding without the prior consent of the Bank.
 - f. The Borrower will, when called upon to do so, satisfy the Bank that all Govt. Licenses approvals/consents are effective and in full force.
 - g. Working capital facilities should not be used for investments in shares and securities, on-lending to associate companies, investments in ICD/ inter corporate loans.
 - h. The Borrower will not change its name or trade name without intimating the Bank in advance.
 - i. The Borrower shall notify the Bank in writing of any changes in the location of the Borrower's office/s or factory (ies) within 60 days of the change.
 - j. The Borrower will, from time to time, upon the Bank calling upon the Borrower to do so, create and/or shall procure the creation by third parties in favour of the Bank security/ additional security acceptable to the Bank to secure the repayment / payment of the amounts owing to the Bank.
 - k. Applicable law/ jurisdiction: Indian Law/ As per Facility Agreement.
 - l. The proposed facilities are contingent upon the absence of any material adverse change in the financial condition of the Borrower.

**ARTICLE 6
REPAYMENT, PREPAYMENT CHARGES AND COMMITMENT**

6.1. Repayment

6.1.1 The Borrower shall repay to the Bank at the place and as per the period stipulated in the Sanction Letter / Individual Facility Sanction Letter (Due Dates) the said Facilities amount together with interest thereon at the rate stipulated therein. The detailed repayment schedule shall be so advised by the Bank to the Borrower from time to time.

Provided that if the amount of the loan actually disbursed is less than the Facilities amount then the amount of instalments payable as aforesaid shall be reduced pro-rata but the same shall be payable on the stipulated days mentioned in the Sanction Letter / Individual Facility Sanction Letter or the period of repayment shall be correspondingly reduced as the Bank may decide in its discretion and notify the Borrower in writing. In the event of any revision, modification, enhancement or reduction the amount of instalments and the dates of repayment notified by the Bank to the Borrower shall be deemed to be substituted herein in place and stead of the amount of instalments and dates of payment mentioned in the Sanction Letter / Individual Facility Sanction Letter, and this Agreement shall be read and construed accordingly

6.1.2 If any payment under this Agreement is required to be made on or before a day which is not a Business Day or within a period which ends on a day which is not a Business Day then the Borrower shall be required to make the payment on the immediately preceding Business Day. Provided however, that the Borrower shall pay interest at the rate specified in the Sanction Letter / Individual Facility Sanction Letter with monthly rests or such other rests upto the date when payment is due or payment was actually due.

6.1.3 No intimation shall be given to the Borrower regarding its obligation to pay the instalments of principal amount or the interest periodically as mentioned in the Sanction Letter / Individual Facility Sanction Letter. The Borrower agrees that it shall be entirely its responsibility to ensure prompt and regular payment of the principal amount and the interest and all other amounts payable by the Borrower to the Bank on the dates and in the manner provided in the Sanction Letter / Individual Facility Sanction Letter.

6.1.4 The Bank shall be entitled to recompute / recalculate the instalments/repayment schedules if the Bank varies the interest rate and/or upon the occurrence of any event which in the opinion of the Bank necessitates a recomputation / recalculation of the same

6.2 Prepayment

The Borrower shall not without the prior written approval of the Bank (which approval may be given subject to such terms and conditions as may be stipulated by the Bank including payment of prepayment premium), prepay/foreclose the outstanding principal amount together with interest due in full or in part before the due dates. The Borrower shall give the Bank at a minimum of 30 days' prior notice of its intention to prepay (i.e. repay ahead of the previously agreed tenor or repayment date) whole or part of the Facilities subject to Borrower's agreeing to bear the Charges as provided hereinbelow.

In the event that the Bank accedes to the request for prepayment/foreclosure made by the Borrower then the Borrower shall be liable to pay to the Bank charges at the rate of 4% of the sanctioned amount.

6.3 COMMITMENT CHARGES

The Borrower shall be liable to pay to the Bank Commitment Charges for non-utilization of the Facilities as follows:

- (a) when the amount outstanding under any Individual Facilities is lower than the limit granted for that Individual Facility;
- (b) on the differential amount between the Individual Facilities Sanction Limit for that Individual Facilities and the amount outstanding under that Individual Facility; and
- (c) at such rates as are or as may be prescribed in the Facility Sanction Letter.

**ARTICLE 7
INTEREST / COMMISSION / CHARGES ETC.**

7.1 RATE OF INTEREST

The Borrower shall be liable to pay to the Bank interest on the amounts due under the respective Individual Facility at the rate specified in the Sanction Letter / Individual Facility Sanction Letter, at monthly/quarterly rests and mentioned therein or as maybe intimated by the Bank in writing from time to time and the Borrower shall not dispute the same.

7.2 RATE OF COMMISSION

The Borrower shall be liable to pay to the Bank commission on various facilities at the rate (if any) specified in the Sanction Letter or Individual Facility Sanction Letter and the same shall be payable on the Facilities at the rates agreed to between the Bank and the Borrower or as maybe intimated by the Bank in writing from time to time and the Borrower shall not dispute the same ..

7.3 TAX ON INTEREST / COMMISSION

The Borrower shall also be liable to pay tax on the interest / commission payable on the amounts due under the Facilities at the prevailing rate(s). The Borrower shall bear and pay any increase in the rate of tax. Where the Bank is required to pay any tax either in pursuance of a general statute or specific order of the Government or other statutory authority relating only to the Bank, the Borrower agrees, declares, confirms and affirms that any increase in the rate of interest / commission effected by the Bank as a sequel to such statute will be binding on the Borrower and become payable from the date it becomes effective on the Bank.

7.4 RIGHT TO VARY RATE OF INTEREST ON OUTSTANDINGS

The Bank shall be entitled to vary / change the rate of interest (including any change as may be directed by Reserve Bank of India and / or any other regulatory / statutory body) from time to time or method of computation of such rate of interest or to charge an additional or penal rate and send to the Borrower an intimation in that regard. Upon intimation of such change / variation in the interest rates Borrower shall be deemed to have consented to such change / variation. The Borrower agrees / undertakes to pay interest at the rates as may be revised from time to time.

Interest shall be charged on the outstanding(s) in the accounts opened in respect of the Facilities at such rate(s) as may be determined by the Bank from time to time at the Bank's sole discretion provided that the rate(s) shall be subject to changes in the Bank's Benchmark Prime Lending Rate and / or changes in interest rates prescribed by the Reserve Bank of India from time to time.

7.5 CONCESSIONAL RATE - GOVERNMENT SCHEMES

Where interest is charged by the Bank at a concessional rate or rates because of the Facilities being granted by the Bank to the Borrower under the Interest Subsidy Scheme or any other Scheme(s) formulated by the Government and/or Reserve Bank of India and/or any other authority from time to time, the Borrower agrees, declares, confirms and affirms that in the event of the withdrawal, modification and/or variation of such Scheme(s), the concessional rate or rates of interest shall stand withdrawn and the normal rate or rates of interest of the Bank applicable at the material time to such Facilities shall become effective and the Bank shall become entitled to charge the Borrower such rate or rates of interest and the Borrower shall pay to the Bank on demand the difference between such concessional rate or rates and the normal rate or rates of interest of the Bank applicable at the material time to such Facilities and such difference shall become due and payable by the Borrower to the Bank from the date the withdrawal, modification and/or variation of such Scheme(s) becomes effective. Interest shall be calculated respectively on the daily balance of such account(s) and be debited thereto on the last working day of the month or

quarter according to the practice of the Bank. The Bank shall also be entitled to charge at its own discretion such enhanced rates of interest on the account(s) either on the entire outstanding or on a portion thereof as it may fix for any irregularity and for such period as the irregularity continues or for such time as the Bank deems it necessary regard being had to the nature of the irregularity and the charging of such enhanced rate of interest shall be without prejudice to the Bank's other rights and remedies.

7.6 **DEFAULT INTEREST**

The Borrower agrees that the Bank has the right to levy a default interest in the circumstances and at the rate specified in the Sanction Letter / Individual Facility Sanction Letter, or as maybe communicated by the Bank to the Borrower in writing, which rate shall be over and above the applicable rate of interest in respect of all the Borrowers Dues from the due date(s) thereof to the date of payments and/or in terms of RBI guidelines. In default of payment of interest at any point of time, whilst the said loan is outstanding, the same shall be capitalized and added to the principal and shall be treated as a loan advanced to the Borrower by the Bank and the Bank will be entitled to charge interest at the aforesaid rate or at the varied/changed rate on the amount of the debit balance inclusive of interest not paid by the Borrower and hence capitalized as aforesaid. The Bank shall further be entitled to charge penal interest on such defaulted amount and to capitalize and add such amount of penal interest to the principal and interest amount due.

7.7 **VARIATION AND CALCULATION**

7.7.1 The Bank shall have at its absolute discretion the right to vary the rate of interest / commission / other charges (including default interest rates) applicable to the Facilities from time to time;

7.7.2 It is herein clarified and agreed between the parties hereto that such variation shall be applicable from the date of such variation in the records of the Bank and not from the date of notice/receipt of notice by the Borrower;

7.7.3 Interest shall be calculated on a 365 day year basis & in case of a leap year, on a 366 day year basis. Interest shall be calculated on a 360 day year basis for loans and advances being made in foreign currency and shall be paid in the currency of the loan.

7.7.4 Commission and other charges shall be calculated as per the Banks standard practice as in force from time to time;

7.7.5 Interest on all outstanding amounts (including towards interest, commission, costs and expenses) will be computed on the daily outstanding balance under the Facilities at the rates specified and will be charged to the respective Individual Facilities account, unless specified otherwise, on a monthly basis (and in case of closure of Individual Facilities account during the quarter, on the day of such closure) and payable by the Borrower upon charge;

7.7.6 Interest will be computed at the Default Interest Rate as defined herein on the amounts in default i.e. amounts becoming due and remaining unpaid (whether or not specifically demanded by the Bank), from the date of default till date of receipt of payment by the Bank of such amounts in default.

7.8 **CHARGES / PENALTY**

7.8.1 The Borrower shall be liable to pay upto 3% p.m., compounded monthly on outstanding/unpaid amount on account of overdue charges/ default/ penal rate/ audit shortfall.

7.8.2 The Borrower shall be liable to pay Non-Compliance with sanctioned terms charges upto 2% p. m. on total Exposure of the 1st month of delay, 3% p.m. thereafter (Calculated as sum of limits of revolving lines and outstanding of non-revolving lines; limits to which this security extends)

ARTICLE 8 SECURITY

8.1 **SECURITY AS PER INDIVIDUAL FACILITY SANCTION LETTER**

As security for the due repayment, discharge and redemption of the Facility so advanced by the Bank to the Borrower, the Borrower and/or Security Provider shall be required to provide such security as stipulated by the Bank from time to time. Such security so provided by the Borrower and/or Security Provider shall be governed in terms of the provisions as more particularly described hereunder and in all Transaction Documents in relation thereto. In the event that the said Facility is unsecured in nature then these clauses and all references to Security / Third Party Security so provided by the Borrower and/or Security Provider shall stand deleted.

The Borrower hereby agrees and undertakes not to raise any dispute as to the value at which the Security is sold or transferred by the Bank and the decision made by the Bank shall be final and binding on the Borrower. The Bank shall not be liable for any loss arising due to such sale or transfer or disposal of the Security. The Bank shall be entitled to proceed against the Borrower for any deficiency after sale of such Security. All accounts of sale rendered by the Bank shall be conclusive of all matters contained therein.

The Borrower agrees that the Bank may at the risk and cost of the Borrower engage a collection agency to collect the Borrower's dues and/ or to enforce any security and may furnish to the collection agency such information, facts and figures relating to the Borrower as may be necessary.

Any floating charge over the Secured Assets / Secured Third Party Assets in favour of the Bank shall forthwith crystallize:

- (a) on the occurrence of an Event of Default; and/or
- (b) the Bank appointing a Receiver or doing some other act which affects the company's power of disposition over the asset charged; and/or
- (c) the Bank filing a suit/proceeding for enforcement of the Floating Charge.

8.2 **PERFECTING TITLE TO SECURITY**

The Borrower / Security Provider will from time to time on request of the Bank do all such acts and/or execute all such documents as the Bank may consider necessary for perfecting the title of the Bank to any Assets hereby charged and hypothecated / pledged / mortgaged to the Bank and/or securing to the Bank the full benefit of all rights, powers and remedies conferred on the Bank herein and for this purposes the Borrower/ Security Provider hereby irrevocably appoints the Bank as its/their attorney in fact to do all such acts and execute all such documents in the name of the Borrower/ Security Provider.

8.3 **ADDITIONAL SECURITY**

8.3.1 The Borrower undertakes to create from time to time such additional Security in favour of the Bank as security for the repayment/payment of the Borrower's Dues as the Bank may require and in such manner as the Bank may require and to execute and/or furnish to the Bank such guarantee(s) and other documents and writings as the Bank may require. The Borrower undertakes to obtain from time to time such additional Guarantees from the Guarantors as the Bank may require in favour of the Bank in the Bank's format and for amounts as required by the Bank.

8.3.2 Without prejudice to the generality of Article [8.3.1] above, the Borrower agrees and undertakes to create / to get such Security Provider to create in favour of the Bank such additional Security as the Bank may require in the event of:

- 8.3.2.1 the market value of the Security available to the Bank falling below 200% (or as specified in the Individual Facility Sanction Letter) of the amount of the Borrower's Dues then outstanding (hereinafter referred to as the "Margin"); or
- 8.3.2.2 the destruction, depreciation or fall in value of any property available to the Bank as Security or the title of any property available to the Bank as Security being unclear, unmarketable or encumbered in the opinion of the Bank.

- 8.3.3 The Borrower shall if required at any time by the Bank, procure irrevocable and unconditional guarantees from its Partners/ Directors and/or other firm/ companies for the payment and discharge by the Borrower to the Bank of the sums, interest, all costs, charges and expenses and other monies due and payable by the Borrower to the Bank under or in respect of the Facilities in the form prescribed by the Bank.

8.4 CONTINUING SECURITY

The Security hereby given by this Agreement or under any document in terms of this Agreement or otherwise at any time given to the Bank shall be and remain a continuing security to the Bank and accordingly shall:

- 8.4.1 be binding upon the Borrower/ Security Provider, its successors and assigns;
- 8.4.2 shall extend to cover the Borrower's Dues hereunder or otherwise;
- 8.4.3 shall not be discharged by any intermediate payment by the Borrower or any settlement of accounts between the Borrower and the Bank;
- 8.4.4 shall be in addition to and not in substitution for or derogation of any other security which the Bank may at any time hold in respect of the Borrower's Dues/obligations hereunder; and
- 8.4.5 shall be a Security for all amounts due and payable by the Borrower for all sums due by the Borrower to the Bank, whether under this Agreement or otherwise.

The security created and indemnities and undertakings given herein and/or by the security documents including the Demand Promissory Note executed in favour of the Bank for the Facilities shall operate as continuing security and/or indemnities and/or undertakings for all moneys indebtedness and liabilities of the Borrower under the Facilities and will operate as security and/or indemnities and/or undertakings for the ultimate balance or aggregate balance with interest thereon and costs charges and expenses if any to become payable upon the account(s) to be opened and the said account(s) is/are not closed and is/are not to be considered to be closed for the purpose of such security and/or indemnity and/or undertaking and the security and/or indemnity and/or undertaking is not to be considered exhausted merely by reason of the said account(s) being closed and fresh accounts being opened in respect of fresh facilities being granted within the Overall Limit sanctioned to the Borrower or either or any of them being brought to credit at any time or from time to time or any partial payments made thereto or any fluctuations of such account(s) and if the whole of the Borrower's dues shall be repaid and the whole of the security be withdrawn the account(s) or either or any of them may nevertheless at any time before such account(s) has or have been closed, be continued under this Agreement upon the security as aforesaid being again furnished.

8.5 PERMISSIONS FOR CREATION OF SECURITY

The Borrower/ Security Provider shall ensure that all permissions, intimations, notices, etc. which may be required by law or under the terms of any agreement or document for creation of Security shall have been duly obtained/given.

- 8.6 The Borrower shall not (a) allow any Receiver to be appointed of the undertaking or of the properties, immovable and moveable of the Borrower (and or Security Provider) mortgaged, pledged and/or charged to the Bank or any part thereof (b) allow any distress or execution to be levied upon or against the same or any part thereof and (c) make or attempt to make without the previous consent of the Bank in writing any alterations of its Memorandum or Articles of Association or in its capital structure.
- 8.7 The Borrower shall ensure that the Registers of Assets shall be kept by the Borrower and such registers shall contain all particulars of such Assets. Such Registers shall at all times be open for inspection of the Bank and the Borrower shall if so required by the Bank furnish to the Bank daily or at such intervals as the Bank may request from time to time a schedule or copy of all the entries which shall have been made in the said Registers. The Register shall clearly indicate which of the Assets have been hypothecated / mortgaged / pledged or otherwise charged to the Bank or to any other person.
- 8.8 The Borrower shall keep and shall ensure that it and / or the Security Provider keeps all its Assets adequately insured at all times. The Borrower agrees to keep and / or ensure that the Security Provider shall keep all its Assets provided as Security to the Bank insured against all risks from time to time in the joint names of the Borrower and/ or Security Provider and the Bank with an Insurance Company approved by the Bank and for such amount as the Bank may consider necessary and that the insurance policies will be delivered to the Bank when required by the Bank to do so. In addition thereto, the Bank shall be entitled to direct the Borrower to insure the Assets provided to the Bank as Security for amounts as stipulated by the Bank. The Borrower shall ensure that the insurance policies are valid, subsisting and in force at all times.

ARTICLE 9 EVENTS OF DEFAULT AND CONSEQUENCES THEREOF

- 9.1 If the Borrower shall fail to carry out and perform any of the obligations under this Agreement or commit breach of any of the terms hereof or of the Sanction Letter / Individual Facility Sanction Letter / Transaction Documents or of the terms of the Request which forms the basis of this Agreement, or if any of the representations, warranties, assurances, statements and particulars contained in the Request being found in the Bank's opinion (which shall be conclusive and binding on the Borrower) to be incorrect, or if after execution hereof, any circumstance shall occur which in the sole judgement of the Bank is prejudicial to or imperils or is likely to prejudice or imperil this Facilities and the securities created thereunder, then the Bank shall, if it thinks fit, be entitled at the risk and expense of the Borrower after giving notice at any time or time after such occurrence and in its sole judgement to refuse to grant the said Facilities or any part thereof which may remain to be disbursed or to recall the said Facilities and/or to enforce the security that may be/is required to be created thereunder. On the question whether any of the events, matters or circumstances mentioned above have or has occurred, the opinion of the Bank shall be final, conclusive and binding on the Borrower, both in and out of court/ judicial/ quasi judicial authority. It shall not be open to the Borrower at any stage to question the decision of the Bank to refuse to grant the said Facilities or any part thereof which may remain to be disbursed or to recall the said Facilities and/or to enforce the security created thereunder.
- 9.2 Any of the following shall constitute an Event of Default under this Agreement:
- (i) if the Borrower fails to promptly pay any amount now or hereafter owing to the Bank as and when the same shall become due and payable;
 - (ii) if the Borrower fails to duly observe or perform any obligation hereunder or under any other agreement with the Bank or any other person;
 - (iii) any representation made by the Borrower to the Bank shall be found by the Bank to have been false at any time or misleading as of the date on which the same was made or deemed to be made;
 - (iv) the threat or apprehension of or the occurrence of any damage to or loss, theft, misappropriation or destruction of any of the Secured Assets, Secured Third Party Assets or of any other security of the Bank or of any assets of the Borrower if so provided by Borrower / Secured Third Party;
 - (v) the occurrence of any event or condition which, in the Bank's opinion, constitutes or could constitute a Material Adverse Effect;
 - (vi) the Borrower entering into any arrangement or composition with his/her/its/their creditors or committing any act of insolvency, or any act the consequence of which may lead to the insolvency or winding up of the Borrower;
 - (vii) execution or distress or other process being enforced or levied upon or against the whole or any part of the Borrower's property whether secured to the Bank or not;
 - (viii) any order being made or a Resolution being passed for the winding up of the Borrower (except for the purpose of amalgamation or reconstruction

- with the prior approval of the Bank);
- (ix) a Receiver being appointed in respect of the whole or any part of the property of the Borrower;
 - (x) the Borrower or any of the partners of the Borrower (if a firm) being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors;
 - (xi) the Borrower ceasing or threatening to cease to carry on business or giving or threatening to give notice of intention to do so;
 - (xii) it being certified by an accountant or a firm of accountants appointed by the Bank (which the Bank is entitled and authorized to do at any time) that the liabilities of the Borrower exceed its assets or that the Borrower is carrying on business at a loss;
 - (xiii) if the Borrower and/or Security Provider shall without the consent in writing of the Bank attempt or purport to create any mortgage, charge, pledge, hypothecation or lien or encumbrance ranking in priority to or pari-passu with or to create any mortgage, charge, pledge, hypothecation or lien or encumbrance subsequent to, the security given or to be given to the Bank for the said Facilities;
 - (xiv) if the Borrower shall stop payment or threaten to do so;
 - (xv) Inability to pay debts, proceedings of winding up, or the Borrower being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance etc. which would have the effect of suspending or waiving all or any right against the Borrower or in respect of any contract or agreement concerning the Borrower;
 - (xvi) the passing of any order of a court ordering, restraining or otherwise preventing the Borrower from conducting all or any material part of its business;
 - (xvii) the cessation of business by or the dissolution, winding-up, insolvency or liquidation of the Borrower;
 - (xviii) if the Borrower has voluntarily or compulsorily become the subject of proceedings under any bankruptcy or insolvency law or being a company, goes into liquidation or has a Receiver appointed in respect of its assets or refers itself to the Board for Industrial and Financial Reconstruction or any other authority or relief undertaking;
 - (xix) the commencement of a legal process against the Borrower under the Securitization And Reconstruction Of Financial Assets And Enforcement Of Security Interest Act, 2002 or under any criminal law in force;
 - (xx) if the title of the Security Provider to the Security is in jeopardy or if there is an attachment or lien against the Security;
 - (xxi) the Borrower or Security Provider undertakes not to create any encumbrance over the Security;
 - (xxii) The loss, termination, cancellation, revocation, forfeiture, suspension or impairment of or failure to renew any of the Borrower's licenses, certificates and/or permits now held or hereafter acquired by the Borrower which are necessary or advisable for the continued operation of its business.
 - (xxiii) any change in respect of its constitution or management or shareholding;
 - (xxiv) use of the facility for investments in shares and securities, on-lending to associate companies, investments in ICD/inter corporate loans;
 - (xxv) one or more events, conditions or circumstances (including any change in law) shall occur or exist which in the opinion of the Bank, could have a Material Adverse Effect;
 - (xxvi) if an Event of Default has occurred under any other agreement entered into by the Borrower or any associate/ affiliate/group company of the Borrower or a person or entity related to the Borrower with the Bank or any associate/ affiliate company of the Bank.

On the question whether any of the acts, matters, events or circumstances mentioned herein above have occurred the opinion of the Bank shall be final and conclusive and be binding on the Borrower.

9.3 Upon the occurrence of an Event of Default the Bank may, by notice to the Borrower, accelerate, and declare immediately due and payable, all or any part of the unpaid balance of all Facilities granted hereunder together with accrued interest and all other amounts payable by the Borrower to the Bank. In addition, the Bank may take immediate possession of and/or appoint a receiver of the Secured Assets and/or Secured Third Party Assets and all the documents relating thereto without demand or other notice and without legal process and/or Security Provider. For this purpose and in furtherance thereof if the Bank so requests, the Borrower shall immediately hand over the Secured Assets / procure the Security Provider to immediately hand over the Secured Third Party Assets and all documents relating thereto and make them available to the Bank at a reasonably convenient place designated by the Bank; and the Bank shall have the right and the Borrower hereby authorises and empowers (and shall procure that the Security Provider shall authorize and empower) the Bank, its agents or representatives, to enter upon the premises wherever such Secured Assets and/or Secured Third Party Assets and documents relating thereto may be and for that purpose to break open any outer or other doors of any premises where they may be and to take possession of any of them as may be lying and to remove the same. Upon the occurrence of an Event of Default, the Bank may, in its sole discretion, and without prejudice to its other rights:

- (i) Sell or otherwise dispose of or deal with any or all of the Secured Assets and/or Secured Third Party Assets, or any portion thereof, at any time after five days' written notice to the Borrower, by a public or private sale; and/or
- (ii) Demand and receive any amounts or property forming part of the Secured Assets and/or Secured Third Party Assets; and/or
- (iii) Declare the Bank's obligations in connection herewith to be terminated and cancelled and retain and appropriate any sums of money that may have been paid by the Borrower in connection therewith; and/or
- (iv) Enforce any other remedy that the Bank may have under applicable law.

The Borrower hereby appoints the Bank as the Borrower's agent and attorney to do all or any of the acts mentioned hereinabove. The Borrower agrees that such appointment shall be irrevocable until and unless the Borrower's Dues have been finally paid to the Bank in full.

9.4 CROSS DEFAULT AND CROSS ACCELERATION

9.4.1 It is clearly understood that in addition to the events provided hereinabove, the following shall also constitute an Event of Default for the purpose of this Agreement and the consequences provided in clause 9.3 shall follow:

- (a) The Borrower's failure to pay any amount or meet with any obligation when due to any Person other than the Bank or an Event of Default being constituted in relation to any of the Borrower's credit, borrowal or any other arrangement with any Person or entity other than the Bank; and
- (b) Any Person other than the Bank accelerating repayment (i.e. demanding repayment ahead of the previously agreed repayment schedule) due from the Borrower to such other Person under the Borrower's credit, borrowal or any other arrangement with that Person.

9.4.2 In addition to any general lien or similar right to which the Bank may in law generally be entitled, the Bank may at its discretion use and enforce its right of set-off and cross default between all the facilities sanctioned to the Borrower.

9.4.3 The Bank may at its absolute discretion appropriate any payments made by the Borrower under these Facilities towards another agreement or transaction entered into by the Borrower and/or towards any other Indebtedness of the Borrower and such appropriation shall be final and binding on the Borrower and the Borrower shall continue to remain liable to the Bank for payment of dues under this Facility in respect of which such sums of money were so paid but were appropriated towards another agreement or transaction entered into by the Borrower or towards another Indebtedness of the Borrower. In addition, the Bank has the power to sell/transfer or otherwise dispose of any and all security created in its favour under the security documents or deposited with Bank or under its

possession or control and appropriate the same towards satisfaction of amounts due to the Bank on account of another agreement or transaction entered into by the Borrower and/ or the Indebtedness of the Borrower.

- 9.4.4 The Borrower's default under this Facility shall be deemed to be a default of all the other facilities availed of by the Borrower, and notwithstanding anything contrary elsewhere contained in any writing or otherwise, and the Bank shall regard all borrowings by the Borrower as immediately due and payable and the Bank shall be entitled to recall all the facilities granted to the Borrower and also utilize and enforce any mortgage, charge, pledge, hypothecation, lien or any other security interest created and subsisting as on such date towards recovery of its dues under the facilities.

ARTICLE 10 WITHDRAWAL OF THE FACILITIES

In respect of the Facilities granted or to be granted by the Bank either payable in Indian or foreign currencies the Borrower agrees and declares that notwithstanding anything contained herein or in any other security documents the entire amounts of the loans or the balances then due in respect to all such Facilities shall, if so decided by the Bank, become forthwith due and payable by the Borrower to the Bank, upon the happening of any of the Events of Default as listed out in Article 10 and the Bank shall be entitled to enforce its security.

Provided always that the Bank may in its discretion refrain from forthwith enforcing any of its rights under this Agreement in spite of the happening of any of the contingencies aforesaid and provided further that the failure or delay by the Bank in exercising any right, power or privilege hereunder or under any of the security documents shall not impair/extinguish the same or operate as waiver of the same nor shall any single or partial exercise of any right, power or privilege preclude any further exercise of the same or the exercise of any other right, power or privilege. The rights and remedies provided herein and in the security documents are cumulative and not exclusive of any rights and remedies provided by law.

ARTICLE 11 MISCELLANEOUS

11.1 SCHEDULES

The Schedules annexed to this Agreement shall be an integral part of this Agreement and shall be read in conjunction with the terms and conditions contained herein.

11.2 PAYMENT, TAXES

All payments of whatever nature (whether by way of principal interest or otherwise) shall be made to the Bank in immediately available i.e. clear funds on the day on which they are due, without right of set off or counterclaim or deductions and free and net of all taxes, imposts and levies of any nature whatsoever, by whomsoever imposed, both present and future. All payments shall be made at the place specified by the Bank and shall be so paid as to enable the Bank to realise the sum on or before the due date. The payment shall be deemed to have been made only on realisation and credit for payments shall be given only on realisation.

In case the Borrower is a non-resident, the above paragraph shall be substituted as under:-

"All payments by the Borrower under this Agreement shall be made free and clear of and without any deduction / withholding except to the extent that the Borrower is required by law to make payment subject to any deduction / withholding of taxes. If any tax or amounts in respect of tax must be deducted / withheld, or any other deductions / withholdings must be made, from any amounts payable or paid by the Borrower, the Borrower shall pay such additional amounts as may be necessary to ensure that the Bank receives a net amount equal to the full amount which it would have received had payment not been made subject to tax or other deduction / withholding. Provided that, all taxes required by law to be deducted / withheld by the Borrower from any amounts paid or payable, including but not limited to interest, commission, discount, service and other charges and any fees, under this Agreement, shall be paid by the Borrower when due and the Borrower shall, within the statutory time frame prescribed under the law or 20 days of the payment being made, whichever is earlier, deliver to the Bank satisfactory evidence in accordance with the prevailing tax laws as may be amended from time to time, that the tax has been deducted at source / withheld and duly remitted to the appropriate authority."

11.3 SERVICE CHARGE

The Borrower shall pay to the Bank non-refundable service charges for each Individual Facility as provided for in the Sanction Letter/ Revised Sanction Letter for each Individual facility.

11.4 ASSIGNMENT

The Bank shall be entitled to sell, assign or transfer its rights and obligations under this Agreement to any person(s) of the Bank's choice in whole or in part and in such manner and on such terms as the Bank may decide. Any such sale, assignment or transfer shall conclusively bind the Borrower. The Borrower shall not be entitled to directly or indirectly assign the benefit or obligation of this Agreement without the prior written permission of the Bank. The Borrower expressly agrees that during the subsistence of the Facilities, the Bank shall have the liberty to shift, at its discretion, without notice to the Borrower, from time to time a part or portion of the outstandings under the Facilities (hereinafter referred to as "the Participations") to one or more Scheduled Commercial banks. The Borrower further agrees that such Participations shall be governed by the terms of the Uniform Code Governing Inter Bank Participations, 1988 and shall not affect the rights and obligations, inter se, the Borrower and the Bank in respect of the Facilities or any of them.

11.5 INSPECTIONS

The Bank may at the risk and cost of the Borrower engage one or more person(s) to verify any facts or information furnished by, concerning or pertaining to the Borrower and/or in relation to this Agreement and/or to collect the Borrower's Dues and/or to enforce any Security and may furnish to such person(s) such documents, information, facts and figures as the Bank thinks fit and may delegate to such person(s) the right and authority to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto as the Bank thinks fit. The Bank shall be entitled to carry inspections at such intervals as it may deem fit.

11.6 SEARCH, INSPECTION AND VALUATION

The Bank or any of its officers/employees, auditors, representatives or any person appointed by the Bank may at any time, at the risk and cost of the Borrower enter upon any premises, whether tenanted or leasehold or owned by the Borrower or forming a part of the Secured Third Party Assets or is the business location of the Borrower / Security Provider:

- 11.6.1 1for the purposes of inspecting, verifying or valuing such premises and may thereafter value such premises;
- 11.6.2 where any Assets / Secured Third Party Assets are stored/kept, for the purposes of inspecting, verifying or valuing such Assets / Secured Third Party Assets and may thereafter inspect, verify and value such assets;
- 11.6.3 where any Securities of the Bank are stored/kept and/or any records relating to any Securities are maintained or kept for the purposes of inspecting, verifying or valuing such Securities and/or such records relating to the Securities and may thereafter inspect, verify and value such Securities and/or such records relating to the Securities;
- 11.6.4 where any other records, accounts are maintained for the purposes of inspecting and verifying such records and may thereafter inspect, search and/or verify any of the records, entries, accounts, etc.;

11.6.5 for the purposes of inspecting, verifying or valuing any other item in which the Bank possesses a security interest.

The Borrower hereby grants and has procured and granted in favour of the Bank from the Security Provider, an irrevocable license to enter upon any premises, whether tenanted or leasehold or owned by the Borrower or forming a part of the Secured Third Party Assets for the aforesaid purposes; and the Borrower agrees and undertakes to give such inspection and possession to the Bank forthwith on demand.

11.7 NOTICES

All notices, requests, demands, waivers and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered personally, (b) mailed, certified or registered mail with postage prepaid, (c) sent by next-day or overnight mail/courier or delivery or (d) sent by teletype/fax or telegram, to the addresses and numbers as specified in Schedule I annexed hereto.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (a) if by personal delivery on the day after such delivery, (b) if by certified or registered mail, on the seventh business day after the mailing thereof, (c) if by next-day or overnight mail/courier or delivery, on the day delivered, (d) if by teletype or telegram, on the next day following the day on which such teletype or telegram was sent, provided that a copy is also sent by certified or registered mail.

Any notice pursuant hereto shall be deemed to be duly given to any party hereto if delivered by hand or sent by Registered Post or under Certificate of Posting addressed to that party's address mentioned above or to any changed address if such has been notified to the other party.

Any notice or communication or demand by the Bank in writing to the Borrower under this Agreement or any security documents shall be deemed to have been duly given to the Borrower by sending the same by post addressed to the Borrower at the address notified by the Borrower and such notice or communication or demand shall be deemed to have been received by the Borrower four days after the date of posting thereof and shall be sufficient if signed by any officer of the Bank and in proving such service it shall be sufficient if it is established that the envelope containing such notice, communication or demand was properly addressed and put into the post office.

11.8 FEES AND COSTS

The Borrower shall upon demand pay to or reimburse the Bank in full:

- (a) The legal costs of the preparation of this Agreement and all documents relating thereto;
- (b) All costs, expenses and fees relating to the periodic valuation, inspection, insurance and protection/preservation in any other manner of the security tendered to the Bank;
- (c) All costs (including legal fees) incurred by the Bank in creation of Security preserving perfecting or enforcing any of its rights under or in respect of this Agreement, or any present or future security and other documents.

The Borrower shall bear and pay all costs charges and expenses (between Advocate and Client) including stamp duty, registration and other charges payable in respect of this Agreement and also in respect of other security documents to be executed between the parties hereto as stipulated in this Agreement and if any penalty or charges are paid or become payable by the Bank, the Borrower shall pay to the Bank the amount thereof with interest thereon at the rate aforesaid forthwith on demand by the Bank.

11.9 DISCLOSURE

11.9.1 The Borrower agrees that in addition to any other rights available to the Bank, in the event of the Borrower committing any default, the Bank shall be entitled to disclose to the Reserve Bank of India or any other statutory / regulatory authority or to any other third person, the name/identity of the Borrower/Guarantor and/or all its/their Directors and the default as committed. In case of default in payment of any of the Borrower's Dues to the Bank, the Bank or the Reserve Bank of India will have an unqualified right to disclose or publish the name of the Borrower/Guarantor and/or its/their directors as defaulters (including as wilful defaulters) in such manner and through such medium as the Bank and/or the Reserve Bank of India in their absolute discretion may deem fit.

11.9.2 The Borrower hereby consents to the disclosure by the Bank, of information and data relating to the Borrower, of the Facilities availed or to be availed by the Borrower, obligations assumed or to be assumed by the Borrower in relation thereto and default, if any, committed by the Borrower in discharge thereof, as the Bank may deem appropriate and necessary, to Credit Information Bureau (India) Ltd. or any other agency authorized in this behalf by RBI.

The Borrower further undertakes that:

- (a) the Credit Information Bureau (India) Ltd. and any other agency so authorized may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
- (b) the Credit Information Bureau (India) Ltd. and any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by RBI in this behalf.

This clause shall operate in addition to and not in derogation of any other clause in these presents.

11.9.3 In addition and without prejudice to the above, the Borrower hereby irrevocably agrees to and consents that the Bank may disclose at any time and share with or in any manner make available to any agencies, bureaus, affiliate companies, firms, associations, corporate bodies and other persons any information about me/us where such disclosure is necessary under law or where there is a duty to the public to disclose such information or where the interest or the Bank requires such disclosure. Further, the Bank may disclose such personal and financial information about the Borrower that is in the public domain.

11.9.4 The Borrower hereby agrees and consents that the Bank may share / distribute any information including the personal information provided by the Borrower to its affiliates and subsidiaries including third parties where the Bank deems it necessary. Additionally, the Borrower consents to the Bank using personal information and financial information for giving credit report and credit opinions about the Borrower to other banks and financial institutions.

11.10 ADDITIONAL LIABILITY TO THE ACCOUNT OF THE BORROWER

Any additional liability to the Bank on any account whatsoever, including any additional statutory levies by way of taxes, stamp duties etc. including penalties, fines etc. thereof, which the Bank shall be liable to pay on account of the Facilities shall be charged to the account of the Borrower.

11.11 JURISDICTION AND ARBITRATION

11.11.1 It is agreed that the Courts/Tribunals/ Authority in the area where the agreement is executed, shall have exclusive jurisdiction.

11.11.2 Unless the same falls within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, any and all claims and disputes arising out of or in connection with this Agreement or its performance shall be settled by arbitration by a single Arbitrator to be appointed by the Bank. The arbitration shall be held in Chennai.

11.11.3 In the event that the claim or dispute does not fall within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, for the purposes of arbitration mentioned in Clause [11.11.2], Subject to the provisions of any law for the time being in force in India, the Courts in the state where the Agreement is executed shall have exclusive jurisdiction in relation to this Agreement, the arbitration and all matters arising in connection herewith and therewith.

11.12 **WAIVER**

Any delay in exercising or omission to exercise any right, power or remedy accruing to the Bank under this Agreement or any other Agreement or document shall not impair any such right, power or remedy and shall not be construed to be a waiver thereof or any acquiescence in any default; nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default.

11.13 **APPLICATION AND APPROPRIATION OF PROCEEDS**

11.13.1 The net proceeds of any sale or other disposition or of any realisation by the Bank of the Secured Assets and/or Secured Third Party Assets and/or other security shall be applied in or towards the satisfaction of the Borrower's Dues in such manner as the Bank thinks fit, and if such net proceeds shall be insufficient to satisfy the Borrower's Dues in full then the Borrower shall forthwith pay to the Bank the balance remaining due of the Borrower's Dues.

11.13.2 Nothing herein contained shall negate, qualify or otherwise prejudicially affect the right of the Bank to recover the Borrower's Dues from the Borrower notwithstanding that all or any of the Secured Assets and/or Secured Third Party Assets may not have been sold, disposed or realised.

11.13.3 The Borrower shall not question the terms on which and the consideration for which the Secured Assets and/or the Secured Third Party Assets may have been sold, disposed off or realised by the Bank

11.13.4 Unless otherwise agreed to by the Bank, any payments due and payable or received by the Bank shall be appropriated in the following order:

11.13.4.1 Firstly, towards costs, charges, expenses and other monies due and payable by the Borrower to the Bank;

11.13.4.2 Secondly towards overdue and penal interest due and payable and/or accruing and payable to the Bank;

11.13.4.3 Thirdly towards interest due and payable and/or accruing due and payable to the Bank;

11.13.4.4 Lastly towards repayment of the amount of instalments of the Principal due and payable by the Borrower to the Bank ;

11.14 **RIGHT OF LIEN AND SET-OFF**

11.14.1 The Bank at all times shall have the right of lien and set-off and apply any and all assets, security, credits, money or properties of the Borrower in the Bank's possession or control against any obligation of the Borrower to the Bank.

11.14.2 That in addition to any general lien or similar right to which the Bank as bankers may be entitled by law, the Bank may at any time and without notice to the Borrower combine or consolidate all or any of the Borrower's accounts with and liabilities to the Bank and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of the Borrower's liabilities to the Bank on any other account or in any other respect, whether such liabilities be actual or contingent, primary or collateral and several or joint.

11.14.3 The Borrower agrees and confirms that the Bank may at its absolute discretion appropriate any payments made by the Borrower under this Agreement towards another agreement or transaction entered into by the Borrower and/or towards any other Indebtedness of the Borrower and such appropriation shall be final and binding upon the Borrower who shall continue to remain liable to the Bank for payment of dues under this Agreement in respect of which such sums of money were so paid but were appropriated towards another agreement or transaction entered into by the Borrower or towards another Indebtedness of the Borrower. In addition, notwithstanding the repayment of the Facilities, the Borrower hereby expressly gives the Bank the power to sell/transfer or otherwise dispose of any and all security created in favour of the Bank under the security documents or deposited with it or under its possession or control and appropriate the same towards satisfaction of amounts due to the Bank on account of another agreement or transaction entered into by the Borrower and/ or the Indebtedness of the Borrower. The provisions of this Agreement and any security document executed pursuant to this Agreement shall apply mutatis mutandis to the manner of disposal of security and appropriation under this Article.

Without in any manner inhibiting or restricting the Bank's right to apply the provisions of this Article to any other entity related to the Borrower (in the manner stated in this Agreement), this Article shall particularly apply in respect of the Facilities availed of by the Borrower.

11.14.4 It is agreed, acknowledged and understood by the Borrower that if the Borrower commits a default under this Agreement then such default shall be and deemed to be a default of all the other facilities availed of by the Borrower, and notwithstanding anything contrary elsewhere contained in any writing or otherwise, and the Bank shall regard all borrowings of the Borrower as immediately due and payable and the Bank shall be entitled to recall all the facilities granted to the Borrower and also utilize and enforce any mortgage, charge, pledge, hypothecation, lien or any other security interest ("Security") created and subsisting as on date towards recovery of its dues under the facilities.

11.15 **INDEMNITY**

The Borrower shall indemnify the Bank against all losses, damages, costs and expenses whatsoever that may arise pursuant to this Agreement or as a result of non-fulfilment by the Borrower of any of the conditions of the Agreement.

11.16 **SEVERABILITY**

If any provision of the Agreement hereof shall be illegal or unenforceable for any reason the legality and enforceability of the remainder of the provisions of the Agreement shall not be affected or impaired thereby.

11.17 **OTHERS**

The Borrower's liability hereunder shall not be affected, terminated or prejudiced by any amendments to or changes in the Borrower's ownership or management or in its constitution, Memorandum or Articles of Association etc., by any winding-up, liquidation, reorganisation or any similar process or becoming bankrupt or insolvent or any proceeding in respect thereof or, any analogous step, but such liability shall continue in full force and effect and shall be binding on the Borrower's respective successors.

11.18 **GOVERNING TERMS AND CONDITIONS**

The Borrower declares and confirms that the Facilities agreed to be granted to the Borrower shall be governed by the terms and conditions as set out in the

Sanction Letter / Individual Facility Sanction Letter, Schedule II hereto as also herein contained, as well as those embodied in the relative security documents.

11.19 BORROWER TO NOTIFY ANY VARIATION IN PROPOSAL

The Borrower undertakes to notify in writing to the Bank of any circumstances affecting the correctness of any of the particulars set forth in the Borrower's proposal immediately on the happening or occurrence of any such circumstance.

11.20 MAINTAIN FINANCIAL INTEREST IN THE BUSINESS

The Borrower shall at all times maintain sufficient financial interest in the business and shall if so considered necessary by the Bank bring additional funds or assets by way of capital, deposits or otherwise. The Borrower shall not withdraw except with the Bank's prior permission in writing or divert or misuse the funds and assets invested in or brought into the business by the Borrower as capital, deposits or otherwise.

11.21 TERM OF THE AGREEMENT

11.21.1 The effective date of this Agreement shall be as specified in Schedule I, and shall continue to subsist until terminated as hereinafter provided.

11.21.2 Subject to the other provisions of this Agreement, the Bank may at any time in its discretion, serve not less than 3 Business Days written notice on the Borrower specifying the Facilities Termination Date ("**the Facilities Termination Date**"). The said Facilities shall be available to the Borrower upto the Facilities Termination Date. Notwithstanding anything contained elsewhere in this Agreement, the Borrower shall repay / pay to the Bank the **Indebtedness of the Borrower** in full on or before the Facilities Termination Date.

11.21.3 The parties hereto may at any time terminate this Agreement by mutual agreement recorded in writing and signed by both the parties, however, the Borrower shall repay / pay to the Bank the **Indebtedness of the Borrower** alongwith the all the charges payable under the Agreement, Sanction Letter and/or Individual Facility Sanction Letter in full, on or before the Facilities Termination Date.

11.21.4 Notwithstanding what is stated above, the Bank may terminate this Agreement without giving any written notice to the Borrower if the Borrower commits breach of any provisions of this Agreement or it is found that the Borrower has/have made any misrepresentation to the Bank.

11.21.5 Termination shall not affect any rights or obligations which have accrued or arisen prior to the termination and shall not affect the applicability of the provisions of this Agreement to transactions which have taken place prior to the termination.

11.21.6 Termination in any manner shall not affect the Bank's security interest or the Borrower's obligations to the Bank.

11.21.7 Upon termination, the Borrower shall pay to the Bank all amounts (including loans, principal, interest, and reimbursable expenses) outstanding hereunder. Payment shall be made at the earlier of: (i) the times provided elsewhere in this Agreement, or (ii) the effective date of termination.

11.21.8 The Bank reserves the right to revoke or cancel the Facilities and/or vary, alter, modify or rescind, amend or change at any time any one or more of the terms and conditions of the facility at its discretion with such notice as the Bank may deem reasonable and without assigning any reasons. –

11.21.9 The provision of the Facilities is at the total discretion of the Bank and any request for extension/ enhancement / renewal of the Facilities and any disbursements thereunder will be at the discretion of the Bank and on fulfilment of terms and conditions as prescribed by the Bank.

11.21.10 Notwithstanding anything contained herein and without prejudice to the right of the Bank, if the Borrower fails to repay / pay to the Bank the **Indebtedness of the Borrower** in full on or before the Facilities Termination Date, then the Facilities shall not effect for termination, and all the provision shall continues to apply to the parties as if there is no termination of the Agreement.

11.21.11 All the terms and conditions of the sanction letter or individual facility sanction letter shall form an integral part of this agreement and shall be read in conjunction with the agreement as if the same have been included in the terms of this agreement.

11.22 APPOINTMENT OF NOMINEE DIRECTOR

The Bank shall at all times during the currency of the Facilities be entitled to appoint one Nominee on the Board of Directors of the Borrower if in its opinion the same is required to ensure that the interest of the Bank are adequately protected. Such Nominee will be entitled to all rights and interest, remunerations and fees payable to other directors of the Borrower. The Nominee Director shall not be liable to retire by rotation or hold qualification shares. The Borrower shall accept such Nomination and will ensure that the necessary formalities required to be completed are duly effected as per the applicable procedures of law as stated in the Companies Act, 1956 or any other applicable law as may be amended from time to time.

11.23 WILFUL DEFAULTER

The Borrower shall be required to ensure that it shall not at any point of time during the currency of the Facilities so sanctioned to the Borrower by the Bank induct into the company any person who is a director on the board of any other company which has been classified as a wilful defaulter, and that in the event that the Bank ascertains that such a person has been inducted, then the Bank shall be within its rights to direct the Borrower to initiate appropriate steps for the removal of such a person.

11.24. DISCLOSURE OF RELATIONSHIPS

The Borrower declares, assures and states that, except as mentioned hereunder none of its directors/partners (if the Borrower is a company/partnership firm) is a director or [near specified] relative of a director and/ or Senior Officer of the Bank;

The term "**Senior Officer**" means an officer of the Bank who is in equivalent scale as an officer in senior management level in Grade IV and above in a nationalised bank.

The term "**relative**" shall mean and include any or all of the following persons: (a) Spouse (b) Father (c) Mother (including step-mother) (d) Son (including step-son) (e) Son's wife (f) Daughter (including step-daughter) (g) Daughter's husband (h) Brother (including step-brother) (i) Brother's wife (j) Sister (including step-sister) (k) Sister's husband (l) Brother (including step-brother) of the Spouse (m) Sister (including step-sister) of the Spouse.

The Borrower makes the above declaration solemnly and sincerely believing the same to be true and knowing fully well that on the faith and strength the correctness thereof the Bank has agreed to grant the Facility. The Borrower also agrees that it is a condition of the grant of the Facilities that if any statement made with reference to the above is found to be false at any time the Bank shall be at liberty and entitled to revoke the Facilities.

The Borrower declares that the Borrower is related to the director(s) and/ or Senior Officer(s) of the Bank as specified in Schedule I hereto.

11.25 SPECIAL CONDITIONS

(a) The Borrower shall not recognize or register any transfer of shares in the Borrower's capital made or to be made by any person as may be specified by the Bank. The Borrower shall procure and furnish undertakings from such persons, in a form and manner required by the Bank, whereby such person shall agree, inter alia, not to dispose off their shareholdings in the Borrower to any person in any manner whatsoever. The Borrower shall join in such undertaking as a confirming party. The Borrower shall procure that such person providing the undertaking referred to above deposits with the Bank, all original certificates pertaining to their shareholding in the Borrower.

(b) The Borrower shall undertake and/or procure undertaking(s) from such persons as may be specified by the Bank in the form required by Bank,

whereby it / he / she / they shall take the responsibility for making arrangements satisfactory to the Bank for meeting the shortfall, if any, in the resources of the Borrower for working capital requirement and/or any of its project. If required, the Borrower shall join in such undertakings procured from such other persons as a confirming party. The funds brought in to meet the shortfall in the resources of the Borrower for working capital and/or for any of its project, shall be in such form and manner and on such terms as may be required by the Bank.

- (c) Where there are more than one Borrowers it is agreed among them that notwithstanding anything contained herein, liability of one Borrower is liability of rest of the Borrowers and therefore all the Borrowers are jointly and severally liable for the Borrower's Dues and Indebtedness of the Borrower.

IN WITNESS WHEREOF the Borrower and the Bank have caused this Agreement to be executed on the date and place specified in Schedule I and the same shall be deemed to have been duly executed when the second and final party thereto has executed the same in full

SIGNED AND DELIVERED

BY THE BORROWER:

By the hands _____

OF THEMSELVES OR THEIR AUTHORISED SIGNATORIES OR THEIR CONSTITUTED ATTORNEYS:

Name/s	Signature/s
	X

SIGNED AND DELIVERED

BY KOTAK MAHINDRA BANK LTD. _____ :

By the hands of its Authorised Signatory _____ :

Mr./Ms. _____ :

} X

SCHEDULE I

1. DATE & PLACE OF EXECUTION OF THIS AGREEMENT

BORROWER _____ _____ _____ _____	KOTAK MAHINDRA BANK LTD.
Place : _____	Place : _____
Date : _____ day of _____ 20__.	Date : _____ day of _____ 20__.

2. EFFECTIVE DATE

Effective date : _____ day of _____ 20__.

3. DETAILS OF THE BORROWER

For companies and partnerships please mention the name/s and the registered office or place of business addresses.
For individuals please mention names and addresses.
For proprietorships please mention names of the proprietors, the name of the concern and the place of the business.
For HUF, please mention the name of the HUF and the Karta, along with the address.

Name, Address and Status/Constitution of the Borrower:

4. DISCLOSURE OF RELATIONSHIPS

Name of Declarant	Name of Director and/ or Senior officer to whom related	Nature of the Relationship	Name of the Branch concerned

5. OVERALL LIMIT

Overall Limit: Rs. _____ **/- Rupees (** _____ **)**

(This Overall Limit may be increase/decrease or constituents of the Overall Limit may be modified by the Sanction Letter or Individual Facility Sanction Letter)

6.DETAILS OF SANCTION LETTER:

Date of the Sanction Letter:	
Details of Individual Facility sanction under the sanction letter	
a)Cash Credit	
b)Overdraft Facility	
c)Term Loan	
d) Revolving Working Capital Loan	
e) Dealer Finance Facility	
f) Packing Credit Facility	
g) Bills Collection/Discounting/Purchase Facility	
h) Other facility (please specify)	
Overall Limit	

X

Signature of the Borrower

(In case of Company : affix common seal of the Borrower if its Articles of Association so provide and in other cases affix rubber stamp)

SCHEDULE II-A
[TO BE RETAINED AND UTILISED ONLY IF OVERDRAFT FACILITY IS GRANTED]

OVERDRAFT FACILITY

THE PARTIES AGREE AS UNDER:

1. At the Borrower's request, and together with the terms and conditions of the Master Facility Agreement together with the Schedules thereunder, including this Schedule, the Sanction Letter, the Individual Facility Sanction Letter and the Transaction Documents (including creating or providing security in the manner prescribed), the Bank may vide its Sanction Letter / Individual Facility Sanction Letter grant to the Borrower an overdraft facility ("the Facility") upto the Maximum Overdraft Limit specified in the Sanction Letter / Individual Facility Sanction Letter. The Bank shall not be liable to lend to the Borrower beyond the Maximum Overdraft Limit, honour any cheques, allow any cash withdrawals (other than withdrawal in respect of the Facility subject to the terms of the Transaction Documents) or meet any further requirements of the Borrower on account of growth in business or otherwise. Upon the issue of the Sanction Letter / Individual Facility Sanction Letter granting the Facility all the terms of the Master Facility Agreement shall apply to the Facility unless such terms conflict with the terms stated hereinbelow.
2. DEFINITIONS
In this Schedule, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.:
 - 2.1 "Account" shall mean the Overdraft Account / Current Account in the name of the Borrower upto the limit specified in the Sanction Letter / Individual Facility Sanction Letter.
 - 2.2 "Overdraft Amount" shall include all amounts disbursed by the Bank pursuant to the Facility granted hereunder.

GRANT OF FACILITY

3. Notwithstanding the Maximum Overdraft Limit, unless the Bank otherwise permits, the Borrower shall not be entitled to operate the Facility beyond the Drawing Power which may be determined by the Bank from time to time on the basis of the Bank's margin requirements and the value of the Security or otherwise. The Borrower is aware and agrees that the Bank may, from time to time, vary the Drawing Power without any intimation to the Borrower, and the Borrower agrees to at all times (and in particular before any cheque is presented for payment) to keep itself informed of the Drawing Power and the Bank's margin requirements as varied from time to time. The Borrower has understood and is aware of the Bank's methodology of computing the Drawing Power and compute the Borrower's' Drawing Power before issuing any cheque or drawing any money under the Facility. The Borrower shall at all times confine the borrowings to the drawing power allotted within the limit of a particular facility, namely, the value of the security less the corresponding margin stipulated from time to time in respect of the said facility or the limit set by the Bank, whichever is lower, and in no case shall the Borrower exceed such limit. The Bank may however at the specific request of the Borrower and in its own discretion, allow drawings beyond such drawing power or limit for such time as may be considered necessary and shall at any time without notice call upon the Borrower to repay such excess drawings. All rights and obligations of the Bank and the Borrower respectively under the Master Facility Agreement and this Schedule, if any and under any sanction letter and/or security documents shall extend to cover such excess drawings notwithstanding the specific limit stipulated herein. The Bank shall not honour cheque(s) issued by the Borrower for the purpose other than agreed upon between the Borrower and the Bank and for amounts exceeding the limits sanctioned.

INTEREST

The Borrower shall pay interest on the daily debit balance in the the Account at the rate specified in the Sanction Letter / Individual Facility Sanction Letter or as may be advised by the Bank from time to time. The Bank may debit the Account with the interest amount. The interest amount shall be payable monthly or on the termination of the Facility, as the case may be.

X

Borrower

Lender

SCHEDULE II-B

[TO BE RETAINED AND UTILISED ONLY IF DEALER FINANCE FACILITY IS GRANTED]

DEALER FINANCE FACILITY

THE PARTIES AGREE AS UNDER:

1. At the Borrower's request, and together to the terms and conditions of the Master Facility Agreement together with the Schedules thereunder, including this Schedule, the Sanction Letter, the Individual Facility Sanction Letter and the Transaction Documents (including creating or providing security in the manner prescribed), the Bank may vide its Sanction Letter / Individual Facility Sanction Letter grant to the Borrower a Dealer Finance facility (**DF Facility**) upto "Maximum Dealer Finance Facility Limit" specified in the Sanction Letter / Individual Facility Sanction Letter. The Bank shall not be liable to lend to the Borrower under the Dealer Finance Facility beyond Maximum Dealer Finance Facility Limit. Upon the issue of the Sanction Letter / Individual Facility Sanction Letter granting the DF Facility all the terms of the Master Facility Agreement shall apply to the DF Facility unless such terms conflict with the terms stated hereinbelow.
2. The Borrower has represented to the Bank that the Borrower is an authorised dealer of the Product as described in the Sanction Letter/Individual Facility Sanction Letter ("the Product(s)") and as manufactured by the Manufacturer described in the Sanction Letter/Individual Facility Sanction Letter ("the Manufacturer");

3. DEFINITIONS

In this Schedule, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.:

- 3.1 "Advance" shall mean an advance made by the Bank pursuant to this DF Facility.
- 3.2 "Date of Advance" or "Date on which the Bank made the Advance" shall mean the date on which the Bank dispatched the payment instrument for the Advance to the Manufacturer.
- 3.3 "Borrower's/ Dues" shall include all Advances, interest and other amounts whatsoever due and/or payable / repayable by the Borrower/ to KMBL under or in connection with this DF Facility.
- 3.4 "Financed Product(s)" shall mean all Product(s), the purchase of which by the Borrower/ has been financed by the Bank by an Advance.
- 3.5 "Product(s)" shall mean all kinds of Product(s), as mentioned in the Sanction Letter or Individual Facility Sanction Letter which are manufactured by the Manufacturer and shall include all accessories thereto or therein.
- 3.6 "Manufacturer" shall mean manufacturer as defined in Sanction Letter or Individual Facility Sanction Letter as the case may be.

4 FACILITY AND ADVANCES:

- 4.1 At the request of the Borrower, the Bank hereby agrees to provide to the Borrower, and the Borrower hereby agrees to avail from the Bank, a revolving Dealer Finance facility ("DF Facility") whereunder the Bank may from time to time make an Advance(s) to the Borrower of the amount(s), for the purpose, in the manner and on the terms and conditions contained in this DF Facility.
- 4.2 Notwithstanding anything stated elsewhere in this DF Facility, the Bank shall not be obliged to make or continue to make any Advance(s). The Bank may at any time in its discretion without assigning any reason cease to make Advances or decline to make any particular Advance, and the Bank shall not be liable for any loss to the Borrower as a consequence thereof.
- 4.3 The Advances shall be utilised only for the purchase of new Product/s by the Borrower from the Manufacturer in the manner mentioned in this DF Facility.

5 MODE OF DISBURSEMENT

- 5.1 Unless the Bank otherwise specifies or the Bank and the Borrower agree to a different mode of disbursement of the Advances, the Advances shall be disbursed as stated hereunder:
 - 5.1.1 As and when the Borrower desires to place an order for purchase of the Product(s) with the Manufacturer (such order is hereinafter referred to as an "Indent"), the Borrower may send the duly completed Indent to the Bank along with the amount of Margin (if any) mentioned in the Sanction Letter or Individual Facility Sanction Letter and a written request to the Bank to finance the Borrower's purchase of the Product(s) under the Indent.
 - 5.1.2 If the Bank is agreeable to finance the purchase of the Product(s) pursuant to the Indent then the Bank shall forward the Indent to the Manufacturer under a covering letter of the Bank along with a cheque, demand draft or other payment instrument or such other payment mechanism (as specified by the Bank) drawn in favour of the Manufacturer (hereinafter referred to as "Payment Instrument") for the amount of the Indent (which shall be the Manufacturer's Invoice Price of the Product(s), all taxes payable by the Borrower for the purchase, insurance charges and freight charges). Each such payment for a Product(s) by the Bank to the Manufacturer on account of the Borrower (less the Margin, if any, only if such Margin has been previously paid by the Borrower to the Bank in cash, and not otherwise) shall be deemed to be an Advance(s) made and disbursed by the Bank to the Borrower. It is clarified and agreed that encashment of the Margin cheque or other instrument by the Bank and/or receipt of the Margin by the Bank shall not be construed to mean that the Bank is agreeable to finance the purchase of the Product(s) pursuant to the Indent. Notwithstanding what is contained above, the Bank may, as a means of payment, credit the bank account of the Manufacturer directly with the amount of the Indent.
 - 5.1.3 If the Bank is not agreeable to finance the Borrower's purchase under any Indent then the Bank shall inform the Borrower of the same and return the Indent and Margin instrument or Margin amount (if encashed by the Bank) to the Borrower.

6 INTEREST

- 6.1 The Borrower shall pay to the Bank at the place where the Master Facility Agreement is executed interest on all Advances at the interest rate mentioned in the Sanction Letter or Individual Facility Sanction Letter from the date of disbursement till the date of repayment of the Advance to the Bank. Interest tax (including any increases) shall be borne and paid by the Borrower.
- 6.2 If the Borrower delays or defaults in payment of any amount to the Bank at the time when the same is due then the Borrower shall pay to the Bank interest on such amount for the period of default / delay at the delayed interest rate mentioned in the Sanction Letter or Individual Facility Sanction Letter (plus interest tax, if any).
- 6.3 All interest under this Agreement shall be compounded on a monthly basis and calculated on the basis of 365 days in a year for the actual number of days elapsed.
- 6.4 On or before the 15th day of every month, the Borrower shall pay to the Bank the interest / delayed interest payable by the Borrower to the Bank for the immediately preceding month.

7 REPAYMENT OF ADVANCE:

- 7.1 If a Financed Product(s) is sold by the Borrower or the Borrower receives the whole or a part of the sale price/advance sale price in respect of the Financed Product(s) then, the Borrower shall repay the full Advance in respect of that Product(s) (less any amounts already paid by the Borrower to the Bank in respect of that Advance under Clause 7.2 below) to the Bank within such number of days after the receipt of the whole or any part of the sale price / advance sale price as is mentioned in the clause 6.2 herein (irrespective of when the Financed Product(s) is actually sold) or within such number of days of the sale as is mentioned in the Sanction Letter or Individual Facility Sanction Letter (irrespective of when the sale price is received by the Borrower), whichever is earlier.
- 7.2 Notwithstanding what is stated above and unless otherwise stated in the Sanction Letter or Individual Facility Sanction Letter:
 - A. If the Facility is expressed to be a secured facility in the Schedule then:-
 - (i) If a Financed Product(s) is not sold by the Borrower within Sixty days of the Date of Advance in respect of that Financed Product(s) then on the Sixty -first day after the Date of Advance, the Borrower shall repay to the Bank 30% of the Advance in respect of that Product(s).
 - (ii) If a Financed Product(s) is not sold by the Borrower within Ninety days of the Date of Advance in respect of that Financed Product(s) then on the Ninety first day after the Date of Advance, the Borrower shall repay to the Bank a further 30% of the Advance in respect of that Product(s).
 - (iii) If a Financed Product(s) is not sold by the Borrower within One Hundred and Five days of the Date of Advance in respect of that Financed Product(s) then on the One Hundred and Fifth day after the Date of Advance, the Borrower shall repay to the Bank the full balance unpaid amount of the Advance in respect of that Product(s).
 - B. If the Facility is expressed to be an unsecured facility in the Schedule then the Borrower shall pay / repay each Advance together with accrued interest thereon and all other amounts payable by the Borrower to the Bank hereunder to the Bank before the Facility Review Date mentioned in Sanction Letter or Individual Facility Sanction Letter or within the period mentioned under clause 6.1, whichever is earlier.
- 7.3 Notwithstanding what is stated in Clause 7.2, if, at any time before any of the periods mentioned in Clause 7.2, a Product(s) is sold by the Borrower or the Borrower receives the whole or any part of the sale price / advance sale price in respect of a Product(s) then the Borrower shall repay the Advance in respect of that Product(s) to the Bank in accordance with Clause 7.1.
- 7.4 Notwithstanding what is stated above, if a Financed Product(s) is lost, damaged or destroyed for any reason whatsoever (whether before or after receipt of the delivery thereof by the Borrower from the Manufacturer) then, the Borrower shall repay to the Bank the full Advance made by the Bank in respect of that Financed Product(s) together with accrued interest thereon within two days of the loss or damage.
- 7.5 Notwithstanding anything stated above:-

X

Borrower

Lender

- (i) The Borrower shall forthwith pay to the Bank the full amount of any rebate, refund or other credit received by the Borrower from the Manufacturer with respect to any Financed Product(s), and the Bank shall appropriate such rebate, refund or other credit received by it against the outstandings to the Bank in such manner as the Bank thinks fit and proper.
- (ii) The Borrower's Dues (including all outstanding Advances and interest) shall be payable by the Borrower to the Bank within 24 hours of demand by the Bank.
- (iii) In case of sale of a Financed Product(s) by the Borrower as mentioned in Clauses [7.1] above, if the Borrower's customer is purchasing the Financed Product(s) pursuant to a loan or other financial facility being advanced by the Bank or if the Financed Product(s) is being purchased by the Bank for in turn being given to a customer on lease or hire purchase basis then, in the Bank's discretion, the amount of the Advance and interest repayable / payable to the Bank by the Borrower and the amount payable by the Bank (for itself or on behalf of the customer) and/or the Bank's customer to the Borrower may, at the Bank's discretion, be set-off and adjusted against each other in part or in full in such manner as the Bank may specify.
- (iv) The Borrower may at any time pre-pay to the Bank an Advance relating to a particular Product(s) provided such pre-payment is of the full (and not a part of) the Advance and provided all interest (which term includes default / delayed interest) and other amounts are also paid to the Bank along with such prepayment.

8. THE BORROWER'S POSSESSION AND SALE OF PRODUCT/S

- 8.1 The Borrower shall keep the Financed Product/s in its inventory and the Borrower's possession of the Financed Product/s shall be for the sole purpose of storing and exhibiting the same for sale in the ordinary course of the Borrower's business.
- 8.2 All proceeds of any sale or disposal of the Financed Product(s) and all sums realised by the Borrower in payment of book debts and receivables shall, if received by the Borrower, be received and held by the Borrower for the benefit of and in trust for the Bank until paid to the Bank in full, and shall be fully, faithfully and promptly accounted for and remitted by the Borrower to the Bank towards repayment of the Borrower's Dues to the Bank.
- 8.3 As used in this DF Facility, the expression "sale in the ordinary course of the Borrower's business" shall mean only a bonafide retail sale to a purchaser at not less than the Manufacturer's indicated list price plus taxes, registration charges and insurance charges.

9 STATEMENTS

From time to time the Bank may furnish statements to the Borrower of the Advances made by the Bank, the Advances outstanding and/or the interest and/or other amounts payable by the Borrower to the Bank. The Borrower shall review the same promptly upon receipt and advise the Bank in writing of any discrepancy therein. If the Borrower fails to advise the Bank in writing of any discrepancy in any such statement within 10 days following the receipt thereof by the Borrower then, such statement shall be deemed to be conclusive evidence of the contents thereof unless the Bank otherwise agrees.

10 REPORTS BY BORROWER

- 10.1 The Borrower shall install in his computer system software provided by the Manufacturer for generating stock/inventory reports. On a daily basis, the Borrower shall accurately input the required updated data relating to his stock / inventory in the computer / software and generate the Borrower's stock / inventory report and e-mail the same to the Bank.
- 10.2 Within 15 days following the end of each quarter, the Borrower shall deliver to the Bank financial statements for the quarter in the form required by the Bank. Within 90 days of the end of each fiscal year of the Borrower, the Borrower shall deliver to the Bank audited statements of the Borrower's accounts for the fiscal year. The Borrower authorises the Bank to investigate the Borrower's creditworthiness and to obtain information about the Borrower, the Borrower's assets, the Borrower's financial condition or any security, from the Manufacturer or any other person whenever the Bank determines it to be necessary. The Bank would conduct on a regular basis conduct monthly wholesale audits as also additional inventory verification as and when the Bank deems necessary. The Borrower shall co-operate and provide all such information as the Bank and/or its auditor appointed for the purpose, deems necessary.
- 10.3 The Borrower authorises the Bank to furnish information concerning the Borrower and the Borrower's account with the Bank to credit rating agencies, other creditors of the Borrower, manufacturers and all others who may request the Bank for such information.
- 10.4 In case where the Financed Product(s) are defined as Motor Vehicles within the meaning of the Motor Vehicle Act the Bank may from time to time, on a weekly or other basis, send to the Borrower a list of the Financed Product(s). The Borrower shall, within 24 hours of receipt of the list, return the list to the Bank along with pencilled impressions of the engine and chassis numbers and/or the Vehicle Identification Numbers ("VIN") of such Financed Product(s). The Bank shall be entitled to presume that the chassis numbers not so provided by the Borrower are of Financed Product(s) which have been sold by the Borrower.

11 INFORMATION CONCERNING THE BORROWER

- 11.1 To induce the Bank to grant the DF Facility, the Borrower has submitted to the Bank information concerning the Borrower and the Borrower's business organisation and financial condition. The Borrower certifies that the same is complete, true and correct in all respects and that the financial and other information contained therein and any that may be furnished to the Bank from time to time hereafter does and shall fairly present the financial and other condition of the Borrower in accordance with generally accepted accounting principles applied on a consistent basis. The Borrower agrees to notify the Bank promptly of any material change in its business organisation or financial condition or in any information relating thereto previously furnished to the Bank. The Borrower acknowledges and intends that the Bank shall rely, and shall have the right to rely, on such information in extending and continuing to extend the Facility to the Borrower.
- 11.2 The Borrower hereby authorises the Bank from time to time and at all reasonable times to, by itself or through its employees, auditors or other representatives, examine, appraise and verify the existence and condition of all Financed Product(s) and documents and writings relating thereto and other property in which the Bank has or has had any title, lien, security or other interest, and all of the Borrower's books and records in any way relating to its business. The Borrower shall promptly make and furnish to the Bank such statements and returns showing inventories of Financed Product(s) and Hypothecated Assets as the Bank may from time to time require.

12. INSPECTION AND REMOVAL

The Borrower hereby grants to the Bank an irrevocable license to enter upon any business location of the Borrower for the purpose of inspecting, securing or repossessing the Financed Product(s), any documents relating to the Financed Product(s) or any other item in which the Bank possesses a security interest; and the Borrower agrees and undertakes to give such inspection and possession to the Bank forthwith on demand (whether or not an Event of Default has occurred). In the event any of the Financed Product(s) or other securities under the control of any third party, the Borrower agrees and undertakes to use its best efforts to cause such third parties to make such rights available to the Bank.

13. GENERAL

- 13.1 The Borrower agrees that the sale by the Bank or its agents of any Financed Product(s) shall be binding on the Borrower and the Borrower shall not be entitled to question the same or the sale price. The Borrower shall not raise any objection to the regularity of any sale or other disposition made by the Bank or any person authorised by the Bank nor hold the Bank or such person answerable for any loss or diminution in price nor hold the Bank or such person responsible for any loss that may arise from any act or default on the part of any broker or auctioneer employed by the Bank or such person for the purpose of the sale or other disposition. In addition the Bank may take all steps and proceedings to realise book debts and receivables forming part of the Hypothecated Assets. The Borrower agrees to pay all costs, charges and expenses including attorneys fees, legal expenses incurred by the Bank or any person authorised by the Bank in connection with the repossession, storage and sale of any Financed Product(s) and/or Hypothecated Assets and realisation of such book debts and receivables. The Bank's remedies hereunder are cumulative and may be enforced successively or concurrently. 13.2 The Borrower hereby irrevocably appoints the Bank as its agent or attorney in its name and on its behalf to demand, sue for, receive and recover and give effectual discharges for all or any of the Financed and/or Hypothecated Assets and for that purpose to file suits, to declare claims, make affidavits, to employ solicitors and advocates, to compromise and refer to arbitration and to do all such acts and things as could have been done by the Borrower in the matter of recovery of the said debts or any other dealing with the Financed Product(s) and/or Hypothecated Assets.
- 13.3 The Borrower hereby irrevocably authorises the Bank, by any employee or other person or entity of the Bank's to sign, execute, endorse, transfer, file or deliver in the name of the Borrower any forms, financing or other statements, or any certificates, applications or other documents required or advisable by applicable law to perfect or realise the Bank's security interest. This authorisation is limited to those acts necessary to reasonably effectuate this Agreement and to those acts necessary or desirable in the Bank's discretion to secure and pay the indebtedness due hereunder and to sell and / or realise the Financed Product(s) and / or the Hypothecated Assets.
- 13.4 The Borrower hereby irrevocably appoints the Bank as its agent or attorney to cancel any and all Product(s) bookings of the Borrower with the Manufacturer and to demand, receive and sue for any refund of money consequent to the cancellation of the bookings from the Manufacturer.
- 13.5 The Borrower agrees and undertakes that, forthwith on demand by the Bank, the Borrower shall execute and deliver to the Bank an irrevocable power of attorney, in a format prescribed by the Bank, authorising the Bank, its employees and other persons authorised by the Bank to do all or any of the abovementioned acts.

X

Borrower

Lender

SCHEDULE II-C

[TO BE RETAINED AND UTILISED ONLY IF CASH CREDIT FACILITY IS GRANTED]

CASH CREDIT FACILITY

1. At the Borrower's request, and together to the terms and conditions of the Master Facility Agreement together with the Schedules thereunder, including this Schedule, the Sanction Letter, the Individual Facility Sanction Letter and the Transaction Documents (including creating or providing security in the manner prescribed), the Bank may vide its Sanction Letter / Individual Facility Sanction Letter grant to the Borrower a Cash Credit facility (**CC Facility**) upto "Maximum Cash Credit Facility Limit" specified in the Sanction Letter / Individual Facility Sanction Letter. The Bank shall not be liable to lend to the Borrower under the Cash Credit Facility beyond Maximum Cash Credit Facility Limit. Upon the issue of the Sanction Letter / Individual Facility Sanction Letter granting the CC Facility all the terms of the Master Facility Agreement shall apply to the CC Facility unless such terms conflict with the terms stated hereinbelow.

VALUATION

The Bank shall value the stock-in-trade where the CC Facility is given towards the Stock-in-trade of the Borrower as under:

- a. Indigenous raw materials/ packing materials /component swill be valued at either as per the Bank policy or under current market rates, invoice rates, or Government controlled rates, if any, whichever be lowest.
- b. Imported raw materials will be valued on the basis of the landed cost (i.e. invoice value exclusive of custom duty) or market price, whichever be lower
- c. Semi-finished products will be valued on the basis of the cost incurred on their manufacture i.e. cost of raw materials plus labour charges
- d. Finished products manufactured by the borrowing unit will be valued at the cost price or market price, whichever be lower.
- e. The borrower should also maintain suitable records to evidence the basis of valuation of raw materials, plus components, stocks in-process and finished goods charged to the bank.

2. STOCK STATEMENT

Detailed Stock Statements monthly/quarterly/half yearly or yearly (or such other period as may be prescribed by the Bank) should be submitted to the Bank, as mentioned in the Sanction Letter or Individual Facility Sanction Letter, in respect of the stocks hypothecated

3. OWNERSHIP OF STOCKS AND RECEIVABLES:

Stocks offered for the hypothecation to the banks should be fully paid for. All raw materials, components and Semi-finished goods hypothecated to the bank should be capable of being used in the process of manufacture of the borrowers product, while finished goods should be marketable. The Debt so offered by the Borrower towards the CC Facility shall be owned by the Borrower and has not passed overdue date by the days as mentioned in the Sanction Letter and/or Individual Sanction Letter as the case may be.

4. INSURANCE

The stocks hypothecated to the bank should be insured comprehensively against all risks including but not limited to fire for their full market value with Bank's name noted as loss payee at the borrowers' expense. The insurance policies and cover notes, premium receipts, etc. should be deposited with the Bank. It will be necessary for the Borrowers to make punctual payment of all premia and to ensure that no acts/omissions occur in this regard which may invalidate such insurance during the currency of the advance.

5. RESTRICTION ON END USE

It is a condition of the arrangement that the Bank finance will not be utilized for any purpose other than for the purpose as mentioned in the the Sanction Letter, the Individual Facility Sanction Letter and the Transaction Documents.

6. REGULAR TURNOVER

There should be regular turnover in the stocks hypothecated to the Bank and the Stocks should not be allowed to remain in the Borrower's possession for unduly long periods. In case of there is no regular turnover in the Stocks, the Bank reserves the right to stop further operations on the account and / or to refuse to accept further hypothecation of Stocks until all old Stocks are taken delivery of. Stock more than the period as described in the the Sanction Letter, the Individual Facility Sanction Letter (as the case may be) will be termed as old stock and will not be included in the drawing power limit.

7. EXCLUSION OF OLD STOCK AND OR STOCK NOT TAKEN DELIVERY OF.

If the Stocks hypothecated are not taken delivery of when called upon to do so, or when old Stocks are removed and subsequently re-hypothecated, the same would be excluded while computing drawing power on the account and the shortfall so created will be require to be made good immediately by the borrowers

8. VERIFICATION/INSPECTION

In respect of the verification /inspection of security hypothecated, the Bank-godown -keepers-charges and the Bank's inspection and other incidental expenses will be recovered from borrowers

9. RECORD KEEPING

Borrowers should maintain a record of the Stocks hypothecated to the Bank. The Stock Statements to be furnished to the Bank should have been written up from these registers and capable of being verified from them.

- 10. INCIDENTAL EXPENSES** In the event of the Bank considering it necessary to protect its security be. The salary paid and incidental charges incurred by the Bank on this account will be debited to the borrowers' account.

11. PENAL INTEREST:

Interest unpaid on due date will attract default interest at 2% p.m. over and above the interest rate, compounded monthly. However, where sanction letter or individual saction letter prescribes rates higher then the rate mentioned in this clause then such rate mentioned in sanction letter or Individual Sanction Letter shall be applicable and payable by the Borrower.

12. DRAWING POWER

Where CC facility is offered by the Bank towards drawing power then Drawings shall be restricted to the extent of the Drawing power available to the Borrower as per the provisions of the Sanction Letter or the Individual Sanction Letter (as the case may be). The Bank shall calculate the Drawing Power on the basis of a monthly statement to be submitted of book debts or stock or other assets as the case may be. The statement to be submitted within 15 days of the succeeding month. No Drawing Power will be calculated in respect of book debts over 60 days or such days as mentioned in the Sanction Letter or the Individual Sanction Letter (as the case may be).

13. MARGIN FOR CALCULATING DRAWING POWER

The percentage for margin for the purpose of calculating drawing power shall be the percentage as prescribed in the Sanction Letter and/or Individual Sanction Letter as the case may be.

X

Borrower

Lender

SCHEDULE II-D
[TO BE RETAINED AND UTILISED ONLY IF PACKING CREDIT FACILITY IS GRANTED]

PACKING CREDIT FACILITY

THE PARTIES AGREE AS UNDER:

1. At the Borrower's request, and together to the terms and conditions of the Master Facility Agreement together with the Schedules thereunder, including this Schedule, the Sanction Letter, the Individual Facility Sanction Letter and the Transaction Documents (including creating or providing security in the manner prescribed), the Bank may vide its Sanction Letter / Individual Facility Sanction Letter grant to the Borrower a Packing Credit facility (PC Facility) upto "Maximum Packing Credit Facility Limit" specified in the Sanction Letter / Individual Facility Sanction Letter. The Bank shall not be liable to lend to the Borrower under the PC Facility beyond Maximum Packing Credit Facility Limit. Upon the issue of the Sanction Letter / Individual Facility Sanction Letter granting the PC Facility all the terms of the Master Facility Agreement shall apply to the PC Facility unless such terms conflict with the terms stated hereinbelow.

2. DEFINITIONS

In this Schedule, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.:

- 2.1 "Advance" shall mean an advance made by the Bank pursuant to this PC Facility.
- 2.2 "Borrower's/ Dues" shall include all Advances, interest and other amounts whatsoever due and/or payable / repayable by the Borrower/ to the Bank under or in connection with this PC Facility.
- 2.3 Packing Credit/PC Facility includes Domestic and/or Export Packing Credit Facility/ies.

3 FACILITY AND ADVANCES:

- 3.1 At the request of the Borrower, the Bank hereby agrees to provide to the Borrower, and the Borrower hereby agrees to avail from the Bank, a revolving PC Facility whereunder the Bank may from time to time make an Advance(s) to the Borrower of the amount(s), for the purpose, in the manner and on the terms and conditions contained in this PC Facility and subject to the Borrower/s complying with all the provisions as set out hereunder. All Advance/s shall be by crediting the account of the Borrower/s with the Bank or by issue of Bankers Cheque favouring suppliers or by any other mode as the Bank may agree in its absolute discretion.
- 3.2 Notwithstanding anything stated elsewhere in this PC Facility, the Bank shall not be obliged to make or continue to make any Advance(s). The Bank may at any time in its discretion without assigning any reason cease to make Advances or decline to make any particular Advance, and the Bank shall not be liable for any loss to the Borrower as a consequence thereof.
- 3.3 The Borrower/s shall at all times confine the borrowings to the drawing power (if any) allotted within the limit of the PC Facility (i.e. the value of the security less the corresponding margin stipulated from time to time in respect of the PC Facility) and in no case shall the Borrower/s exceed such limit. The Bank may however at the specific request of the Borrower/s and in its own discretion, allow drawings beyond such drawing power or limit for such time as may be considered necessary and shall at any time without any notice call upon the Borrower/s to repay such excess drawings. All rights and obligations of the Bank and the Borrower/s respectively under the PC facility shall extend to such excess drawings notwithstanding the specific limit stipulated. All the rights, obligations and securities created in favour of the Bank will extend to cover such excess drawings notwithstanding the specific limit stipulated.
- 3.4 Subject to the provisions of this Agreement and of the sanctioned letter and/or Individual Sanction Letter as specified in the Schedule/Annexure annexed hereto the Bank shall at its discretion open/continue in its books either one facility account or more packing credit loan accounts in the name of the Borrower/s (hereinafter collectively referred to as "the said facility" individually or as "the said loan/s" depending on the context) to the aggregate extent of the limit as specified in the Annexure annexed hereto, from which amounts will be disbursed to the Borrower/s in a phased manner depending on the export needs of the Borrower/s and as per the Rules/practice of the Bank in that regard. The Bank may at its discretion decide either to allow the Borrower/s individual loan accounts in respect of each firm contract or confirmed order or letter of credit or one facility account as a running account if the Bank is satisfied about the operation of the said account depending on the turnover in the account or nature of trade or credit needs of the Borrower/s as the case may be, subject however, to the lodgement by the Borrower/s of firm contract/ confirmed order/ letter of credit upfront i.e. prior to disbursement.
- 3.5 The Advanced by the Bank shall be employed solely in and for the purpose of purchasing raw materials and for manufacture of goods meant or intended for export under firm contracts, confirmed orders, or letters of credit received by the Borrower/s from their overseas agents, buyers and for related purposes like their processing/ packing/ warehousing/ shipping only of such goods and not for any other purpose.

4 Repayment

The Borrower/s hereby agrees/agree that the Advance(s) as granted under the PC Facility, shall be payable on demand in cash and/or liquidated by crediting the proceeds of negotiation/purchase/discount of relevant export bills drawn on the buyers either under letters of credit opened by the purchasers or under the firm contract or confirmed orders by the Borrower/s (hereinafter referred to as "the said Bills") on or before the due date mentioned in the said Bills or extended due date as may be granted by the Bank. In case for any reason the goods are not exported then the Borrower/s agrees/agree to personally repay the Bank immediately the amount of the Advance(s) or the amount of the PC Facility together with interest. After obtaining prior written permission of the Bank the Borrower may sell such unexported goods to any other overseas buyer or in the Indian market and such proceeds will be credited to the PC facility.

5 Changes in Rates of Exchange

The Bank shall not be responsible if the price payable or receivable by or from the foreign buyers is reduced on account of the changes in the rates of exchange or on account of any other reason and such loss, if any, shall be borne by the Borrower/s alone. The Borrower/s further undertake/ undertakes to obtain forward cover for the foreign currency payment to be received by him/her/it/them under the said bills to cover exchange fluctuation risks and to reimburse the shortfall, if any, arising on account of such fluctuation.

6. ECGC cover

The Borrower/s agrees/agree to the Bank taking a Packing Credit Whole Turnover Packing Credit Facility ("WTPCG") of Export Credit and Guarantee Corporation Ltd. ("ECGC") in respect of the Advance/s/facility. The Borrower/s agrees/agree that the Bank shall be entitled to recover the premium payable to ECGC by debiting the Borrower/s/s' account. The said guarantee shall operate strictly for the sole benefit of the Bank alone and the same shall not be a ground for the Borrower/s to deny his/her/its/their liability or to refuse to make payment of his/her/its/their dues under the said loan/ facility to the Bank or to claim for himself/herself/itself any benefit received from the Bank. It is clearly agreed and understood by the Borrower/s that the Bank is entitled to seek payment/ recovery from him/her/it/them despite the fact that the Bank may have received the whole or part of the amounts under the said WTPCG Policy.

7. Trust/ agency

- 7.1 All the raw materials purchased by the Borrower/s out of the Advances made by the Bank under the PC facility and utilized by the Borrower/s for manufacture of goods meant or intended for export (hereinafter referred to as "the said goods") shall be kept apart by the Borrower/s from all other goods in the Borrower/s/s' godowns and shall be held by the Borrower/s as agent and in trust for the Bank and kept fully insured by the Borrower/s against loss or damage by theft, fire, lightning, earthquake, explosion, riots, civil commotion, strike, cyclone, tempest, flood, war, pilferage and such other risks as the Bank may direct from time to time. The Borrower/s shall assign such Insurance Policy/Policies in favour of the Bank. In the event of the Borrower/s receiving any monies under such Policy/Policies, he/she/it/they shall hold the same in trust for the Bank, and undertake to hand over to the Bank forthwith all amounts received from the insurers.
- 7.2 The intention of this agreement is that the Bank is to be entitled to the said goods as security for all advances taken by the Borrower/s from time to time under the said loan/ facility and the Borrower/s holding the said goods as agents and trustees for the Bank and in the event of the Borrower/s failing to repay to the Bank the amount of such advances when called upon to do so, the Borrower/s hereby undertake/undertakes to deliver to the Bank at any time the said goods without raising any question to enable the Bank to sell or at its discretion, to ship the same for the purpose of realization under the Bank's directions.
- 7.3 The Borrower/s also further agrees/agree and undertakes/undertake immediately upon shipment of the said goods or any part thereof to hand over to the Bank the shipping documents and other relevant documents.
- 7.4 The Borrower/s will at periodical intervals as may be specified by the Bank from time to time, give the Bank full particulars of the said goods held by the Borrower/s on behalf of the Bank and the Borrower/s hereby guarantees that the market value of the said goods shall at all times not be less than such percentage (if any), as specified by the Bank, above the balance due to the Bank by the Borrower/s on the said Account.
- 7.5 It is understood that the keys of the godowns remain in the possession of the Borrower/s and the Borrower/s likewise further agrees/agree and undertakes/undertake to have no advance from any other Bank on the same or any other goods in the Borrower's/s' godowns in which the said goods under lien to the Bank are stored so long as the Borrower/s is/are indebted to the Bank. The Bank if it thinks fit shall be entitled at the risk and expense of the borrower without notice at any time to enter the Borrower's godowns in which the said goods are stored and inspect and value, the said goods.
- 7.6 The Borrower/s shall not create in favour of any person (other than the Bank) any lien, charge, pledge, mortgage or other encumbrance over all or any of the said goods and shall not borrow any moneys against the said goods from any such person. The Borrower/s further declares/declare that so long as the Borrower/s continue/s to be indebted or liable to the Bank the Borrower/s shall not without previous written consent of the Bank create or attempt to create in favour of any other person any lien, charge, pledge, mortgage or other encumbrance over all or any of the said goods.
- 7.7 It is further agreed that all moneys advanced and due to the Bank under the PC facility shall be repayable on demand and in default of payment of money due as aforesaid, the Bank shall be at liberty to take charge of the said goods and for that purpose to enter any godown, warehouse or any other place of storage and to sell the said goods either by public auction or private contract after giving 48 hours notice of such sale which shall be considered reasonable and to apply the net sale proceeds thereof in or towards payment of the Borrower's Dues without being liable for any loss in the exercise of its right of sale and all accounts of such sales so rendered shall be binding upon the Borrower/s. The Borrower/s agrees/agree to pay any shortfall or deficiency if in the net sale proceeds are insufficient to pay the amounts due to the Bank shall be at liberty to apply any other moneys in the hands of the Bank belonging to the borrower or standing to his credit and in the event of there being still a deficiency, the borrower shall forthwith pay the amount such of deficiency.

X

Borrower

Lender

SCHEDULE II-E

[TO BE RETAINED AND UTILISED ONLY IF BILLS COLLECTION/DISCOUNTING/ PURCHASE FACILITY IS GRANTED]

BILLS COLLECTION/DISCOUNTING/ PURCHASE FACILITY

1. THE PARTIES AGREE AS UNDER:

At the Borrower's request, and together to the terms and conditions of the Master Facility Agreement together with the Schedules thereunder, including this Schedule, the Sanction Letter, the Individual Facility Sanction Letter and the Transaction Documents (including creating or providing security in the manner prescribed), the Bank may vide its Sanction Letter / Individual Facility Sanction Letter grant to the Borrower a Bills Collection/Discounting/ Purchase Facility (BD Facility). Upon the issue of the Sanction Letter / Individual Facility Sanction Letter granting the BD Facility all the terms of the Master Facility Agreement shall apply to the BD Facility unless such terms conflict with the terms stated hereinbelow.

2. DEFINITIONS

In this Schedule, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz.:

2.4 "Advance" shall mean an advance made by the Bank pursuant to this BD Facility.

2.5 "Borrower's/Dues" shall include all Advances, interest and other amounts whatsoever due and/or payable / repayable by the Borrower/ to the Bank under or in connection with this BD Facility.

3 FACILITY AND ADVANCES:

3.1 In consideration of the Bank having granted and/or agreed to grant BD Facility in favour of the Borrower/s and in further consideration of the Bank agreeing to collect and/or discount and/or purchase all cheques, bills, hundies and other instruments (hereinafter for the sake of brevity referred to as the "bills"). The Bank may from time to time make an Advance(s) to the Borrower of the amount(s), for the purpose, in the manner and on the terms and conditions contained in this BD Facility

3.2 Notwithstanding anything stated elsewhere in this BD Facility, the Bank shall not be obliged to make or continue to make any Advance(s). The Bank may at any time in its discretion without assigning any reason cease to make Advances or decline to make any particular Advance, and the Bank shall not be liable for any loss to the Borrower as a consequence thereof.

3.3 Cheques or bank drafts shall be drawn in favour of the Bank and shall be so paid so as to enable the Bank to realize, at par, the amount on or before the relevant due date/s. Credit for all payments by cheque/s Bank draft/s will be given only on realization of the same.

3.4 The Borrower/s undertake/s that the amount of each such Bill discounted/ purchased by the Bank shall be paid on its due dates by the principal debtor thereof. In the event of default of payment by the principal debtor, the defaulted amount will be paid by the Borrower/s to the Bank together with interest at the rate as specified by the Bank, with monthly rests and together with all costs, charges and expenses incurred by the Bank. In the event of the Borrower/s failing to pay the aforesaid amounts ("defaulted amount") the Bank shall be entitled to charge penal interest at the rate specified by the Bank on such defaulted amount and to capitalize and add such amount of penal interest to the principal and interest amount due.

3.5 That the Bills shall be drawn with the usance, ordinarily, not exceeding 90 days or such period as may be agreed by the Bank.

3.6 The Borrower/s hereby declare/s that Bills shall not be drawn on any of his/her/its branches nor on any firm in which the Borrower/s has/have any proprietary, partnership or other interest or in any other group companies and that if on any occasion the Bank in its sole discretion accept such bills for collection and make advances there against, the same shall not be deemed that the Bank has agreed to accept thereafter other bills of such nature.

3.7 The Borrower/s undertake/s that all the bills and documents tendered by the Borrower/s to the Bank shall represent genuine commercial or trade or sale transaction covering movement of goods represented by the necessary documents which shall accompany such bills and that the amounts of such bills shall truly represent the value of the goods so transported / shipped and that every such bill tendered by the Borrower/s to the Bank shall be in respect of execution of definite orders received by the Borrower/s. Even where the Bank at its discretion waive the submission of such documents of evidence of transport of goods sold, the Borrower/s affirm/s that such bills represent genuine sale of goods. It is agreed that if the Bank in respect of any Bill, waives the submission of such documents of evidence of transport of goods sold, the same shall not be deemed that the Bank has agreed to accept thereafter other Bills of such nature.

3.8 The Borrower/s shall furnish to the Bank true reports in such form as the Bank may prescribe regarding the solvency of the parties on each such Bill/s and agree to advise the Bank promptly of any change in the position of any such party which can reasonably be considered to affect the Bank's rights hereunder.

3.9 The Borrower/s' obligation to the Bank shall not be affected on any ground whatsoever and the same shall be absolute and unconditional.

4 Bank's right to refuse to discount/purchase/collect any bill :

The Bank, may in its sole discretion, refuse to discount/ purchase/ collect any bills tendered by the Borrower/s without giving any reason for such rejection in that regard.

5 Appointment of agent for collection

5.1 The Bank may at its option but at the Borrower's/s' risk and responsibility in all respects, appoint and remove from time to time any agent, who shall be the Borrower's/s' agent to collect.

5.2 The Bank or the agent, at its or his option, may send for collection or payment on the Borrower's/s' account at his/her/its entire risk and responsibility by post or by other manner to another agent or to the drawee thereof any bills, with or without documents attached. The Borrower/s agree/s that such other, agent or the drawee shall be his/her/its agent for collection at his/her/its entire risk and responsibility in all respects.

5.3 The Bank or an agent may, at its or his option but at the Borrower's/s' risk and responsibility, receive in exchange for bills; cheques, bank drafts or other mandates for payments in lieu of cash.

5.4 Receipt by the Bank or by an agent of cheques, bank drafts or other mandates for payments, which are thereafter lost mutilated or dishonoured and/or of securities of any description, is not to prejudice the Bank's rights on any bills, in case of dishonour, nor shall any proceedings taken thereon or the Bank granting time or entering into any arrangements with any parties to such bills (and the Borrower/s hereby consent/s to the Bank so granting time or entering into arrangements) prejudice or affect the Bank's absolute recourse to the Borrower/s.

5.5 Should the Bank or an agent receive, in exchange for such bills, payment by an instrument which the Bank or the agent cannot conveniently collect through normal channels, it is clearly understood that such instrument may be collected in any manner and by any agency (including dispatch to the drawee) at the Borrower's/s' entire risk and responsibility and the agent or agents (including the drawee) employed in such collection shall be considered fully as the Borrower's/s' agent or agents.

6 Bank's right as unpaid seller

The Borrower/s hereby agree/s that all bills which the Borrower/s may from time to time hand over to the Bank for discount or purchase, or against which the Bank may make advances or pass consideration to the Borrower/s and the goods hereby represented and the proceeds hereof are to be held by the Bank as a continuing security for the payment on demand of the said bills so discounted or purchased and of all advances, banking facility and/or expenses which the Bank may make afford or incur to or for the Borrower/s in connection therewith and all other liabilities to the Bank, present and future, and the Bank are to be at liberty to exercise all the Borrower's/s' rights (if any) as unpaid seller or sellers of the said goods and without further reference to the Borrower/s to sell, insure, warehouse or otherwise deal with the said goods as though the Bank are the absolute owners thereof and the Bank are expressly authorized by the Borrower/s (without being obliged to do so) to refuse to deliver the said goods covered by the bills, (whatever be their tenor) except against payment. The Borrower/s agree/s that the Bank's accounts of sale and accounts of expenses shall be accepted by the Borrower/s as conclusive evidence of the correctness of the matter therein written, and the Borrower/s declare/s that this agreement and the Bank's rights hereunder shall in no way be affected by the death of the Borrower/s or by any change in the Borrower's/s' name, style or constitution.

7 Indemnity

The transmission of any bills or goods or the instruments received in exchange or payments therefore and the advices and correspondence relating thereto, whether by post or otherwise and whether by land, sea or air or by telegram or cable or by courier or by any other means of transmission of documents (including fax messages or electronic mail service) shall be entirely at the Borrower's/s' risk and responsibility and any loss, damage or delay howsoever occasioned shall be on the Borrower's/s' account and be wholly borne by the Borrower/s. The Borrower/s agree/s that the Bank and the agents shall be absolved from and indemnified against all loss or damage in connection with such bills or goods or any instruments received in exchange or in payment therefore in general and by reason of the following, in particular:

loss or damage in transmission by any manner,

(a) telegraphic or cable or fax or internet or electronic error, irregularity, delay, mistake, omission, misreading, misinterpretation, or mutilation,

(b) loss, damage or deterioration to any documents or goods during transit or wheresoever incurred,

(c) loss or damage to or mutilation to alteration of any such bills or documents or any instruments issued or received in exchange or payment therefore,

(d) loss or damage howsoever occasioned due to any failure of or delay in transmission by post, sea, air, telegram, courier, cable or electronic mail or relative advices or correspondence, or the non-despatch or non-receipt of such relative advices or correspondence.

8 Waiver of Notice for Presentment for Acceptance/Payment

The Borrower/s hereby dispense/s with the due presentment for acceptance and/or payment and also with giving the Borrower/s of any notice of dishonour either for non-acceptance and/or non-payment of any such bills and the Borrower/s shall pay the amount of such bills on the due dates or whenever demanded by the Bank.

X

Borrower

Lender

LETTER OF CREDIT FACILITY AGREEMENT

THIS LETTER OF CREDIT FACILITY AGREEMENT is entered into at the place and on the date specified in the Schedule annexed hereto by the Borrower/s described in the Schedule annexed hereto who is/are hereinafter referred to as "**the Borrower/s**" (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include, when the Borrower/s is-

- (a) an individual, mean and include his or her heirs, executors and administrators,
- (b) a firm, mean and include the partner or partners for the time being of the said firm, the survivor or survivors of them and the heirs, executors and administrators of the last survivor,
- (c) a company, mean and include its successors,
- (d) a Hindu undivided family or a HUF firm mean and include all its coparceners,
- (e) an Association corporate or incorporate, include its successors and all members and their respective heirs, executors and administrators) in favour of **KOTAK MAHINDRA BANK LTD.**, a Banking Company incorporated under the Companies Act, 1956 and having its registered office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 001 and its concerned branch office at the address specified in the Schedule annexed hereto, hereinafter referred to as "THE BANK" (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include, its successors and assigns).

If there is more than one Borrower mentioned in Schedule hereunder written, wherever the context so requires, the word "Borrower" shall be construed as "Borrowers" and the grammar and construction of every concerned sentence shall be deemed to be appropriately amended so as to indicate more than one Borrower.

WHEREAS

- (l) Pursuant to the request of the Borrower/s, the Bank has agreed to grant and/or granted and/or sanctioned to the Borrower/s a letter of credit facility, with a limit as specified in the Schedule annexed hereto on the terms and conditions set out hereunder.

NOW THIS AGREEMENT WITNESSEH as follows:

ARTICLE I DEFINITIONS

1.1 In the Facility Agreement, unless there is anything repugnant to the subject or context thereof, the expressions listed below shall have the following meanings viz:

- (a) "Applicable Rate" means the rate specified as Applicable Rate of Interest as specified in the sanction letter and which may be varied from time to time as more particularly mentioned hereunder.
- (b) "Bank Holiday" means Sunday or Public Holiday as declared under the Negotiable Instruments Act, 1881 even though the Bank or any of its branches is open on that day.
- (c) "Bills Outstanding" means the sum of the payments due from the Borrower/s under the LCs for which the Documents have been presented to the Bank but reimbursement/payment has not yet been made by the Borrower/s to the Bank.
- (c) "Bills" means bills of exchange drawn under LCs.
- (d) "Business Day" means a day which is not a Bank holiday and on which day the Registered office of the Bank or such other office as may be notified by the Bank to the Borrower/s, is open for normal business transactions.
- (e) "Defaulted Amounts" shall have the meaning ascribed thereto in Article 2.4(a) hereof.

- (f) "Documentary Credit Application(s)" means the Borrower's/s' application(s) to the Bank for opening LC and all supporting documents furnished by the Borrower/s in respect thereof to the Bank.
- (g) "Documents" mean the documents as specified under LC including the Bills drawn up in accordance with the terms of the LC opened under this Facility.
- (h) "Due Date" means, in respect of any amount payable under the Facility Agreement, the date on which such amount falls due in terms of the Facility Agreement.
- (i) "Facility" shall have the meaning ascribed thereto in Article 2.1 hereof
- (j) "FEDAI" means Foreign Exchange Dealers Association of India.
- (k) "Goods" mean goods described in the Documentary Credit Application.
- (l) "LC outstanding" means the sum of the value of all the LCs opened by the Bank on behalf of the Borrower/s for which the Documents have not been presented to the Bank.
- (m) "Letter of Credit" or "LC" means the Letter of Credit issued/opened by the Bank as per the Documentary Credit Application under the Facility.
- (n) "Maximum Lending Rate" means the rate of interest per annum equivalent to such percentage as is specified in the Schedule annexed hereto over the long term prime lending rate of the Bank for Rupee loans prevailing from time to time or such other rate of interest as may be specified by the Bank from time to time as its Maximum Lending Rate.
- (o) "RBI" means Reserve Bank of India.
- (p) "Sight LC" means the LC which provides for payment by the Bank to the negotiating bank on presentation of Documents drawn under the LC.
- (q) "Suppliers" means the suppliers of Goods as per the terms of the LC.
- (r) "SWIFT" means Society for World Wide International Financial Telecommunications
- (s) "Usance LC" means the LC which provides for payment on maturity as per the terms of the LC.

**ARTICLE II
AMOUNT AND TERMS OF FACILITY**

2.1 AMOUNT

At the request of the Borrower/s the Bank has agreed to grant and/or granted a Letter of Credit Facility with a limit as specified in the Schedule annexed hereto. Pursuant to the grant of the said facility the Bank has agreed to open the Letters of Credit ("LCs") in foreign currencies in favour of the suppliers/ beneficiaries as per the Documentary Credit Application/s that may be filed by the Borrower/s with the Bank from time to time and for the amounts mentioned in such Application/s so far as the aggregate of the amount under various LCs and Bills outstanding under LCs does not exceed the limit specified in the Schedule annexed hereto.

2.2 UNDERTAKING BY THE BORROWER/S

- a) The Borrower/s shall furnish to the Bank at the time of submitting the Documentary Credit Application, the following, duly completed:
 - (i) Order together with the order confirmation of Supplier or his authorised agent, or
 - (ii) Proforma Invoice of Supplier duly countersigned by the Borrower/s; or
 - (iii) The exchange control copy of the relative Import licence if the goods are under restricted list.
- b) The Borrower/s undertake/s to submit to the Bank the exchange copy of the relative Customs Bills of Entry within the time limit stipulated by RBI.
- c) Where there are more than one Borrowers it is agreed among them that notwithstanding anything contained herein, liability of one Borrower is liability of rest of the Borrowers and therefore all the Borrowers are jointly and severally liable for the Facility and LC Outstanding.

2.3 PAYMENT OF BILLS/LC AMOUNT AND INTEREST, COMMISSION, IMPOSTS, COSTS AND CHARGES

- (a) The Borrower/s further agrees and undertakes to accept and pay at maturity all drafts drawn under the LCs issued by the Bank.
- (b) The Borrower agrees and undertakes to provide to the Bank at or before the maturity with funds to meet all disbursements, liabilities and/or acceptance under the LCs issued by the Bank together with interest, commission, costs (between attorneys and clients), charges, expenses, etc.
- (c) The Borrower/s shall pay to the Bank non-refundable commissions/charges in respect of the LCs at the rate and on the dates specified in the application for issue of documentary credit.
- (d) The Borrower/s shall also pay to the Bank on demand the charges that may be levied as per FEDAI rules in force from time to time for any early/late delivery of the relevant foreign exchange/currency under the forward exchange contract, if any, booked by the Borrower/s.
- (e) The Borrower/s shall, bear all taxes as may be levied from time to time under any law for the time being in force and all other imposts, duties and taxes (of any description whatsoever) as may be levied from time to time by the Government or other authority pertaining to or in connection with the Facility.
- (f) The Borrower/s shall pay all costs, charges (including legal fees, cost of investigation of title to the Borrower's/s' assets and protection of the Bank's interest), and expenses in any way incurred by the Bank and such stamp duty, other duties, taxes, charges and penalties if and when the Borrower/s is/are required to pay according to the laws for the time being in force.
- (g) In the event of the Borrower/s failing to pay the monies referred to in sub-clauses (e) and (f) above, the Bank will be at liberty (but shall not be obliged) to pay the same. The Borrower/s shall reimburse all sums paid by the Bank in accordance with the provisions contained herein.

2.4 CONVERSION OF FOREIGN CURRENCY LIABILITY AND COMPUTATION OF INTEREST AND OTHER CHARGES

- (a) The Borrower/s agree/s that as regards all amounts payable in foreign currency by him/her/it to the Bank's correspondents or agents under this credit or for any moneys paid or disbursed or liability incurred in foreign currency by the Bank or its correspondents or agents under or in connection with the credit the rate of exchange applicable thereto shall be, in case of sight credit, the rate prevailing on the day the concerned amount is actually paid/reimbursed by the Borrower/s to the Bank, its correspondent or agents as the case may be or the rate prevailing on the 10th day after the date of receipt of the negotiated documents by the Bank or if the rates are not quoted on the 10th day then the rate prevailing on the next working day when the rates are available, whichever is earlier, except in those cases where forward cover has been booked in which case the Borrower's/s' liability shall be governed by such forward contract and in case of usance credit, the rate prevailing on the day, the concerned amount is actually paid/reimbursed by the Borrower/s to the Bank, its correspondents or agents as the case may be or the rate prevailing on the due date, whichever is EARLIER, except in those cases where forward cover has been booked in which case the Borrower's/s' liability shall be governed by such forward contract. The Borrower/s further agrees that in case the conversion of the foreign currency/liability of the Forward Contract Rate results in early/late delivery under the Forward Contract, charges for early/late delivery will be borne by the Borrower/s. On such conversion of the foreign currency amount into rupees, the Borrower/s shall be liable to pay to the Bank the Indian rupee equivalent of such foreign currency amount calculated as aforesaid ("the defaulted amount").
- (b) The Borrower/s shall pay to the Bank on the defaulted amount and all other monies payable to the Bank under this Agreement including commission, costs, charges and expenses, interest at the maximum lending rate or at the applicable rate whichever is higher. Such interest shall be calculated with monthly rests. In the event the Borrower/s default/s in payment of interest, the Bank shall be entitled to vary the interest rate and charge higher or additional or penal rate of interest to the Borrower with monthly rests.
- (c) The Bank shall be entitled to vary/change the rate of interest or to charge an additional or penal rate by either sending to the Borrower/s an intimation in that regard or by publishing the change of interest rates in any newspaper or by publication on the notice board of the Bank. It is agreed that it is necessary for the Bank to send intimation of change of rate of interest to the Borrower/s. The Borrower/s hereby specifically agrees/agree that the Borrower/s shall be subject to the changes in interest rate and further agrees to pay interest at the rates as may be revised and/or changed by the Reserve Bank of India and/or the Bank from time to time.
- (d) All payments and reimbursements by the Borrower/s under the Facility Agreement shall be made free and clear of and without any deduction, except to the extent that the Borrower/s is/are required by law to make payment subject to any taxes. If any tax or amounts in respect of tax must be deducted, or any other deductions must be made, from any amounts payable or paid by the Borrower/s, the Borrower/s shall pay such additional amounts as may be necessary to ensure that the Bank receives a net amount equal to the full amount which it would have received had payment not been made subject to tax or other deduction. Provided that, all taxes required by law to be deducted by the Borrower/s from any amounts of interest paid or payable under the Facility Agreement shall be paid by the Borrower/s when due and the Borrower/s shall, within 30 days of the payment being made, deliver to the Bank evidence satisfactory to the Bank (including all relevant tax receipts in originals) that the payment has been duly remitted to the appropriate authority.
- (e) Where charges are for the account of the Beneficiary and are unpaid for any reason, the Borrower/s undertake/s to reimburse the Bank in full.
- (f) The Borrower/s will not require any additional finance from the Bank for retiring the bills under the LCs. The Bills will be retired from the Borrower's/s' own funds.

2.5 DUE DATE OF PAYMENT

If the Due Date in respect of any amounts including Defaulted Amounts, interest, commission, costs, charges and expenses falls on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the Due Date for such payment.

2.6 REIMBURSEMENT OF EXPENSES

- (a) The Borrower/s shall reimburse all expenses incurred by the Bank under the Facility Agreement within 21 Business Days from the date of notice of demand from the Bank is received by the Borrower/s. All such sums shall be debited to the Borrower's/s' Facility account and shall carry interest from the date of payment till such reimbursement at the Maximum Lending Rate or at the Applicable Rate, whichever is higher.
- (b) In case of default in making such reimbursement in accordance with Sub-clause (a) above within 21 Business Days from the date of receipt of demand notice, the Borrower/s shall also pay on the defaulted amounts, penal interest at the rate specified in the Schedule annexed hereto from the expiry of 21 Business Days from the date of notice of demand till reimbursement.

2.7 APPROPRIATION OF PAYMENTS

The Borrower/s agree/s and confirm/s that the Bank may at its absolute discretion, appropriate any payments made by the Borrower/s under the Facility Agreement, towards the dues payable by the Borrower/s to the Bank under the Facility Agreement and/or other financing agreements entered into between the Borrower/s and the Bank, and such appropriation by the Bank shall be final and binding on the Borrower/s in all respects.

2.8 PLACE AND MODE OF PAYMENTS AND CREDIT THEREFOR

Notwithstanding anything contained in the Facility Agreement, all monies payable by the Borrower/s under the Facility Agreement shall be payable in equivalent rupees in lieu of foreign currencies. For the purpose of this Section the following conditions shall apply:

- (a) The Rupee sum shall be the Rupee equivalent of the foreign currencies to be remitted on the Due Dates inclusive of all commissions or other bank charges and out of pocket expenses as determined by the Bank.
- (b) The Rupee sum shall be so paid by the Borrower/s as to enable the Bank to realise the amounts at par on the Due Dates.
- (c) The Rupee sum shall be paid by the Borrower/s to the Bank at their concerned branch as specified in the Schedule annexed hereto as may be specified by them by telegraphic, telex or mail transfer to the account of such offices or by cheque /bank draft drawn in favour of the Bank on a Scheduled Bank at the place as specified in the Schedule annexed hereto or to such other accounts as the Bank may notify to the Borrower/s and shall be so paid as to enable the Bank to realise the amounts at par.
- (d) Credit for all payments by cheque /bank draft will be given only on realisation of the same.
- (e) For the purpose of Sub-clause (a) above a statement signed by a designated officer of the Bank shall be sufficient evidence of the Rupee equivalent of the foreign currencies, costs, commission, charges and expenses.
- (f) Any difference on account of exchange fluctuations in the rates of foreign currencies involved between the payment made by the Borrower/s to the Bank and the actual amounts incurred by the Bank as referred to in Sub-clause (a) above shall be borne by or be given credit to the Borrower/s.

2.9 SECURITY

- (a) **The Borrower/s shall create such security, if necessary, in favour of the Bank as the Bank may require from time to time to secure the said Letter of Credit Facility at the Borrower/s' own costs including payment of stamp duty, registration fee and all other charges.**
- (b) The Borrower/s undertake/s to sign execute and deliver such transfer deeds or documents as may be required by the Bank from time to time for the purposes of creating and/or perfecting the security created/ to be created in favour of the Bank and/or title of the Bank to the said goods and the said documents imported/ to be imported under the LCs to be issued/issued by the Bank for vesting the same in or delivering the same to the purchaser or purchasers from the Bank.
- (c) The Borrower/s may deposit interest bearing margin money upto such amount as may be mutually agreed between the Bank and the Borrower/s as security in which case security creation under clause (a) & (b) above shall not be necessary.

2.10 INSURANCE OF THE GOODS

The goods imported under the LCs will be insured in the manner mentioned in each of the Application/s for issue of Documentary Credit.

2.11 CONFIRMATION BY THE BORROWER/S

The Borrower/s agree/s, confirm/s and declare/s that:

- (a) the Documentary Credit Application shall be deemed to have been accepted when advice thereof has been sent to the beneficiary through SWIFT / Tested Telex/ Airmail;
- (b) the date of receipt of Documents by the Bank under the Facility as registered in the records of the Bank shall be conclusive and binding on the Borrower/s;
- (c) the negotiations of the Documents drawn under the Facility shall be confined to the Bank;
- (d) the import of Goods is/are not in contravention of Trade Policy/Exim Policy guidelines prescribed by the Government of India from time to time;
- (e) it has a valid Import Export code number assigned by the Director General of Foreign Trade and is authorised to undertake imports of the Goods;
- (f) the transaction covered under the Facility does not involve and is not designed for the purpose of any contravention or evasion of the provisions of the Foreign Exchange Management Act, 1999 or of any rule, regulations, notifications direction or order made thereunder or of the Prevention of Money Laundering Act, 2002 of any other law, rule, regulation or direction;
- (g) the LC may be amended and/or modified by the Bank in its absolute discretion, including for an increased limit on the Borrower/s giving the Bank written instructions for the same and in such an event, such amendment/ modification will be deemed to form part of the Documentary Credit Application and will be governed by the terms hereof and the Borrower/s agree/s, covenant/s, record/s and confirm/s that it shall be bound by the same as if such amendment/modification including the increased limit had originally constituted the term of the LC.
- (h) that the Facility shall be used only for the purposes as has been disclosed to the Bank in its request and/or application, unless otherwise previously permitted in writing by the Bank.

2.12 NO LIABILITY

It is agreed and understood that all instructions and correspondence relating to the LCs to be issued/ issued are to be sent at the Borrower's/s' risk and that the Bank is not responsible for any loss, errors or delays whether on the part of postal, electronic, Airmail, telegraphs or cable companies or authorities or otherwise.

2.13 INDEMNITY

- (a) The Borrower/s hereby agree/s to pay to the Bank on demand, all costs (including legal costs on full indemnity basis) customs duty, penalty, demurrage, storage charges, clearing and forwarding charges and all other charges and expenses which the Bank may be put to or suffer or incur in connection with the Goods and/or the documents of title to Goods covered by the LCs including for re-shipment thereof for any reason whatsoever, or in the exercise or enforcement of any right or power hereby conferred or otherwise howsoever, and further agrees and undertakes to hold the Bank safe and harmless and keep it indemnified against any claim, action or proceedings made or brought against the Bank, its correspondents or agents, as also against any liability or loss incurred or suffered by it, its correspondents or agents by reason of it having established the LCs.
- (b) The Borrower/s hereby unconditionally and irrevocably undertake/s to hold the Bank, and/or its successors and assigns, harmless and indemnified from and against all claims, losses, damages, charges, expenses, costs and consequences that could arise on account of the Bank carrying out /acting on any of the instructions of the Borrower/s which entails the transfer of any amount in any currency to anyone outside India under whatever name it may be called, including in the event such transfers attract withholding taxes in India under the provisions of the Income-tax Act, 1961 or under or pursuant to any other law in force from time to time, and shall do so without requiring any form of certification under Section 288 of the Income-tax Act, 1961 or under or pursuant to any other law in force from time to time .

2.14 MARGINS

The Borrower/s shall during the currency of the Facility Agreement, maintain such margin(s) in respect of each Application for Documentary Letter of Credit as set out therein ('Margin Money'). In the event of default by the Borrower/s in payment of any monies due and payable under the Facility Agreement as mentioned in Article 2.3 above, the Bank shall have the right to appropriate the Margin Money towards such dues regardless of whether or not the Margin Money pertains to a particular Letter of Credit or not.

ARTICLE III TERM OF FACILITY AGREEMENT

3. The Facility Agreement shall become binding on the Borrower/s and the Bank on and from the date first above written. It shall be in full force and effect till all the monies due and payable

by the Borrower/s under the Facility Agreement and or the LC Outstanding and/or the Bills Outstanding are fully paid off to the satisfaction of the Bank. The Indemnities given hereunder shall survive the expiry of this Facility Agreement. The Indemnities given hereunder shall survive the expiry of this Facility Agreement.

**ARTICLE IV
REIMBURSEMENT**

4. The Borrower/s shall reimburse the Bank all costs and expenses incurred by the Bank in the negotiation, preparation, stamping, execution, administration and enforcement of this Agreement as also any security documents and/or the rights of the Bank hereunder or thereunder.

**ARTICLE V
EVENTS OF DEFAULT**

- 5.1 The following shall be deemed to be as an event of default :
- (a) Breach of the terms of this Agreement or the Documentary Credit Application/s.
 - (b) Non payment of the principal amount on the due date(s).
 - (c) Non payment of interest/ commission/ costs/ charges/ expenses/ imposts etc. on the due dates or as and when demanded by the Bank.
 - (d) In the event of any security given by the Borrower/s to the Bank depreciating in value and the Borrower/s failing to reimburse in cash the value of such security or furnishing other security of such value and such nature satisfactory to the Bank.
 - (e) Inability to pay debts, proceedings of winding up, or the Borrower/s being declared or considered to be a sick company, or a relief undertaking or a protected company or a sick industrial company or a protected industrial company or otherwise, under any law, statute, rule, ordinance etc. which would have the effect of suspending or waiving all or any right against the Borrower/s or in respect of any contract or agreement concerning the Borrower/s,
 - (f) Appointment of Receiver, attachment of assets of the Borrower/s or any other extra-ordinary circumstances affecting the carrying on by the Borrower/s of the business or its profitability.
 - (g) If any warranty of the Borrower/s is incorrect or unproved in any material respect,
 - (h) If the Borrower/s is convicted under any criminal law in force.
 - (i) On the death/ lunacy or other disability of the Borrower/s.
- 5.2 CONSEQUENCE OF EVENTS OF DEFAULTS

Without prejudice to the Bank's other rights available under this Agreement and the Documentary Credit Application/s, on the happening of any of the events of default mentioned above, the Bank shall have the absolute right to recall the entire outstandings under this facility and to enforce all the securities of the Borrower/s created in favour of the Bank including selling and/or recovering and/or realising the same.

ARTICLE VI

- 6.1 All notices, requests or other communications given by the Bank to the Borrower/s shall be given in writing (including by facsimile) at the address as specified in the Schedule annexed hereto.
- 6.2 Each notice, request or other communication given at the address mentioned hereinabove or at such other address as may have been notified by the Borrower/s to the Bank shall be effectual, notwithstanding any change of residence or death, and such demand shall be deemed to be duly served upon the Borrower/s, as the case may be, (a) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this clause and confirmation of receipt is made by the appropriate party, (b) if given by post or by overnight courier, 24 hours after such communication is posted or deposited with the overnight courier for delivery as the case may be, and it shall be sufficient to prove that the letter containing the demand was properly addressed and put into the Post Office, notwithstanding that the notice may not in fact have been received by the Borrower/s or that the address to which it is despatched may have ceased to be the Borrower's/s' address.

**ARTICLE VII
DISCLOSURE**

7. The Borrower/s hereby agrees/agree as a pre-condition of this facility given to him/her/it/them by the Bank that in case the Borrower/s commits/commit default in the repayment of the dues under this facility or in the repayment of interest thereon or any of the agreed instalment on the due date/s, the Bank and/or the Reserve Bank of India and/or Credit Information Bureau (India) Ltd. will have an unqualified right to disclose or publish the name of the Borrower/s and its directors/partners/ proprietor as defaulter in such manner and through such medium as the Bank or Reserve Bank of India or Credit Information Bureau (India) Ltd. in their absolute discretion may think fit.

**ARTICLE VIII
WAIVER**

8. No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default under this Agreement, security documents or any other agreement or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank under this Agreement.

**ARTICLE IX
JURISDICTION**

- 9.1 Unless the same falls within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, any and all claims and disputes arising out of or in connection with this Agreement or its performance shall be settled by arbitration by a single Arbitrator to be appointed in the following manner :
- a) The Arbitrator shall be a retired High Court judge.
 - b) The arbitration shall be held in Chennai, in accordance with the provisions of the Arbitration and Conciliation Act, 1996.
- 9.2. In the event that the claim or dispute does not fall within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, for the purposes of arbitration mentioned in Clause [9.1], the Courts where the Agreement is executed, shall have exclusive jurisdiction in relation to this Agreement, the arbitration and all matters arising in connection herewith and therewith.

IN WITNESS WHEREOF the Borrower/s has/have caused the Letter of Credit Facility Agreement to be executed in duplicate on the day, month and year first hereinabove written as hereinafter appearing.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the day, month and year first hereinabove written as hereinafter appearing.

Signed and delivered by _____)
By the hand of its Authorised Signatory, _____)
of _____) (Stamp and Signature) X

SIGNED AND DELIVERED BY _____)
Mr. _____)
By the hand of its Authorised Signatory _____)
of Kotak Mahindra Bank Limited _____) (Stamp and Signature) X

SCHEDULE

Place of Agreement :	
Date of Agreement :	
Name and address of the Borrower/s :	(Company/Proprietorship/Partnership Name and Address) _____ _____ _____
Fax No. _____	_____
E-mail ID _____	_____
Name & Address of the Branch of the Bank	Kotak Mahindra Bank Limited _____ _____ _____
Letter of Credit Facility Limit :	
Rate of Penal Interest	As specified/notified by the Bank under sanction letter /Individual facility sanction letter
Tenure	As specified/notified by the Bank under sanction letter /Individual facility sanction letter
Margin	Cash Margin of%
Security	As specified/notified by the Bank under sanction letter /Individual facility sanction letter
Mode of Disbursement	Letter of Credit facility will be disbursed in favor of beneficiary
Letter of Credit charges a) Commitment Charges b) Usance Charges c) At time of retirement of crystallization whichever is earlier. d) Confirming bank Charges e) Other Charges (SWIFT etc)	As specified by the Bank As specified by the Bank As specified by the Bank As specified by the Bank
Other terms and conditions	1. Other terms and conditions The Borrower shall submit the copy of the purchase order accepted by the supplier. 2. Negotiation documents will include Bill of Exchange and other supporting documents as prescribed in the Purchase Order. 3. Insurance of goods supplied under the L/C with the Bank as the loss payee

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	<p>4. The Bank reserves the right to verify the status report on the suppliers.</p> <p>5. In addition to any general lien or similar right to which the Bank as bankers may be entitled by law, the Bank may at its discretion use its right of set-off and cross default between all the facilities sanctioned to the Borrower.</p> <p>For the purposes of cross default:</p> <p>“Indebtedness of the Borrower” means any indebtedness in respect of monies borrowed or liabilities contracted (including under guarantees, indemnities, hire purchase and leasing) of the Borrower towards the Bank and shall be deemed to include any indebtedness of any associate/affiliate of the Borrower or a person or entity related to the Borrower, towards the Bank and any indebtedness of the Borrower and/or of any associate/affiliate of the Borrower or a person and entity related to the Borrower towards any subsidiary/ associate/affiliate company of the Bank.</p> <p>6. The Borrower agree and confirm that the Bank may at its absolute discretion appropriate any payments made by the Borrower under this facility towards another agreement or transaction entered into by the Borrower and/or towards any other Indebtedness of the Borrower and such appropriation shall be final and binding upon the Borrower and the Borrower shall continue to remain liable to the Bank for payment of dues under this facility in respect of which such sums of money were so paid but were appropriated towards another agreement or transaction entered into by the Borrower or towards another Indebtedness of the Borrower. In addition, the Borrower hereby expressly give the Bank the power to sell/transfer or otherwise dispose of any and all security created in favour of the Bank under the security documents or deposited with the Bank or under its possession or control and appropriate the same towards satisfaction of amounts due to the Bank on account of another agreement or transaction entered into by the Borrower and/ or the Indebtedness of the Borrower</p> <p>7. All the terms and conditions of the sanction letter or individual facility sanction letter shall form an integral part of this agreement and shall be read in conjunction with the agreement as if the same have been included in the terms of this agreement</p>
Address of the Bank where payment is to be made	Kotak Mahindra Bank Limited
Address of the Borrower/s for the purpose of issuing notice including Fax and Email ID	As mentioned in this Agreement

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GENERAL COUNTER-GUARANTEE & INDEMNITY

To

KOTAK MAHINDRA BANK LIMITED

36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 4000 21

Dear Sirs,

You have at our request signed and/or agreed to sign, as and when required by me/us, guarantees in favour of various authorities and departments of the Central and State Governments, Semi-Government bodies, local or public bodies, or authorities and various other persons, companies, corporations or bodies corporate, whom I/we may specify from time to time, but so that the total amount of the liability outstanding under all such guarantees does not at any one point of time exceed a sum as specified in Schedule I as Guarantee Facility and subject to your right to refuse to issue any guarantee of which you do not approve or to refuse to issue any further guarantees at any time. The said guarantees so issued or to be issued by you are hereinafter referred to as "such guarantees", which expression shall unless repugnant to the context or meaning thereof be deemed to include any renewals or extensions or modifications of all or any of such guarantees.

In consideration of the premises, I/we, so as to bind myself/ourselves alongwith following concerned persons jointly and severally (i) where the executant of this present ("the Executant") concerned is an individual or a proprietorship firm, his/her heirs, executors and administrators; (ii) where the Executant concerned is a partnership firm, the partners or partner for the time being of the said firm, the survivors or survivor of them and the heirs, executors and administrators of the last surviving partner; (iii) where the Executant concerned is a Hindu Undivided Family, the member or members for the time being of the said Hindu Undivided Family, and their respective heirs, executors and administrators; and (iv) where the Executant concerned is a company/Association of Person, its successors in title and permitted assigns.

If there is more than one Executants mentioned in Schedule hereunder written, wherever the context so requires, the word "Executant" shall be construed as "Executants" and the grammar and construction of every concerned sentence shall be deemed to be appropriately amended so as to indicate more than one Executants.

Agree with you and your successors and assigns as follows:-

- (i) To indemnify you and keep you fully indemnified and saved, defended and harmless in respect of and against each and every payment made and obligation, liability, loss or damage undertaken or incurred or suffered by you (whether directly or indirectly) under or in connection with all or any of such guarantees;
- (ii) To pay to you at the place as mentioned in the Schedule I, as Place within 2 days from the date of demand by you, all such sum or sums of money as you may pay

under or in connection with all or any of such guarantees with interest thereon at rate as mentioned in the Schedule I, as rate of interest or at such other rate or rates of interest as may be notified from time to time, from the date on which you so pay until repayment by me/us. You shall be entitled to vary the interest rate and charge a higher or additional or penal rate of interest. You shall intimate change in rate of interest either by sending to me/us an intimation in that regard or by publishing the change of rates in the newspaper or by publication on your notice board. I/We hereby give consent to such change in rate of interest and agree to pay interest at the rates as may be revised from time to time.

- (iii) To pay to you at the place as mentioned in the Schedule I, as Place within 2 days from the date of demand all costs, charges and expenses including the legal costs being between Attorney/Advocate and client paid or incurred by you in anywise concerning all or any of such guarantees and your obligations and liability thereunder and concerning this counter-guarantee and indemnity and your rights hereunder.
- (iv) That except in the event of your being restrained by an order of injunction of a competent Court from doing so, you shall be entitled, at your discretion and without any reference to me/us or obtaining the consent of myself/any of us, to make payment of all or any part of the sum or sums guaranteed by you under or by virtue of all or any of such guarantees on a request or demand being made on you for this purpose thereunder. Any request or demand made to or upon you by the beneficiary or beneficiaries of all or any of such guarantees for payment/s of any sum or sums of money shall be sufficient authority from me/us to you for making such payment/s;
- (v) Except as mentioned in Agreement, (i) I am not a director or a [specified near] relative of a director and/or Senior Officer of your Bank; or (ii) none of our partners are a [near specified] relative of a director and/or Senior Officer of your Bank (If Executant is Partnership Firm; or (ii) and none of our members of HUF are a [specified near] relative of a director and/or Senior Officer of your Bank (if Executant is HUF); or (iii) none of our directors (if Executant is a company) is a director or [near specified] relative of a director and/or Senior Officer of your Bank;

The term **"Senior Officer"** means an officer of your Bank who is in equivalent scale as an officer in senior management level in Grade IV and above in a nationalised bank.

The term **"relative"** shall mean and include any or all of the following persons: (a) Spouse (b) Father (c) Mother (including step-mother) (d) Son (including step-son) (e) Son's wife (f) Daughter (including step-daughter) (g) Daughter's husband (h) Brother (including step-brother) (i) Brother's wife (j) Sister (including step-sister) (k) Sister's husband (l) Brother (including step-brother) of the Spouse (m) Sister (including step-sister) of the Spouse.

- (vi) I/We make/s the above declaration in Clause [vi] solemnly and sincerely believing the same to be true and knowing fully well that on the faith and strength the correctness thereof you have agreed to grant the Facility. I/We also agree that it is a condition of the grant of the Facility that if any statement made with reference to the above is found to be false at any time, you shall be at liberty and entitled to revoke the Facility.
- (vii) That during the subsistence of the Facility, you shall have the liberty to shift, at your discretion, without notice to me/us, from time to time, a part or portion of the out standings in the said Facility (hereinafter referred to as "the Participation" to one or more Banks (hereinafter referred to as "the Participating Bank/s") and I/We further agree that such Participations shall be governed by the terms of the Uniform Code Governing Inter Bank Participations, 1988 and shall not affect the rights and obligations, inter se, myself/ourselves and yourself in respect of the said Facility
- (viii) I/We hereby irrevocably agree and give consent to you to disclose at any time and share with or in any manner make available to any agencies, bureaux, companies, firms, associations, corporate or unincorporated bodies and other persons including any outside agencies and credit bureaux (whether for their own use or for onward communication or disclosure by them to others) any information whatsoever concerning the myself/ourselves including the myself/ourselves outstanding, my/our account/s, my/our financial relationship and history with you, the manner of operation of my/our account(s) with you, the debit or credit balance in any and all of my/our account/ with facilities granted or to be granted to me/us and/or the identities, ages, addresses, telephone and fax numbers and other information of or relating to us/me and/or our directors, shareholders, members, partners and proprietors as the case may be (hereinafter collectively referred to as "the information"). I/We shall not hold you responsible for sharing and/or disclosing the information now or in the future and also for any consequences suffered by me/us and/or others by reason thereof. The provisions of this clause shall survive even after the term / termination of these presents and the repayment of any outstanding due to you.
- (ix) I/We hereby irrevocably agree as a precondition of the credit facility granted to me/us by you that in case I/We commit default in the repayment of the dues under the said credit facility or interest thereon or any of the installment that may be due to you, you and/or the Reserve Bank of India and/or the Credit Information Bureau (India) Ltd., will have an unqualified right to disclose or publish my/our name (including the name of directors/partners/proprietor as the case may be) as defaulter in such manner and through such medium as you and/or the Reserve Bank of India and/or the Credit Information Bureau (India) Ltd. in their absolute discretion may think fit.
- (x) Notwithstanding the possibility, existence, pendency or continuance of any disputes or differences or of any arbitration proceedings or of any suit or other legal proceedings whatsoever between me/us or any of us and the beneficiary or beneficiaries of all or any of such guarantee/s and/or between us inter-se which may directly or indirectly arise out of or under or in connection with the subject matter/s of all or any of such guarantee/s or which may affect the legality or validity of all or any of such guarantee/s and/or of any transaction/s directly or indirectly connected with or relating to or arising out of the subject matter/s of all or any of such guarantee/s, the reasonableness or propriety or validity of any such payment/s made by you to such beneficiary or beneficiaries shall not be questioned by me/us or any of us on any ground whatsoever and such payment shall be conclusive and binding on me/us and each of us so far as concerns our liability to you hereunder;
- (xi) That you shall be entitled without any further consent from me/us or any of us to debit the Account or Accounts of myself/ourselves or any one or more of us at any of your Branches (whether Loan or Cash Credit or Overdraft, Savings or Current or Fixed or Short Deposit or any other Accounts whatsoever) with the amount of any payment/s you may make under or in respect of all or any such guarantee/s;
- (xii) All notices, requests or other communications given by you to me/us shall be given in writing (including by facsimile) at the address specified in the Schedule I attached hereto Each notice, request or other communication given at the address mentioned hereinabove or at such other address as may have been notified by me/us to you shall be effectual, notwithstanding any change of residence or death, and such demand shall be deemed to be duly served upon me/us, as the case may be, (a) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this clause and confirmation of receipt is made by the appropriate party, (b) if given by post or by overnight courier, 24 hours after such communication is posted or deposited with the overnight courier for delivery as the case may be, and it shall be sufficient to prove that the letter containing the demand was properly addressed and put into the Post Office, notwithstanding that the notice may not in fact have been received by me/us or that the address to which it is despatched may have ceased to be my/our address.
- (xiii) That you may hold all securities belonging to me/us (which may now be in your possession or which may at any time hereafter come into your possession) and the proceeds thereof respectively not only for the specific advance made thereon but also as collateral security for any other moneys now due or which may at any time be due from me/us to you, whether singly or jointly with another or others.
- (xiv) That in addition to any general lien or similar right to which you as bankers may be entitled by law, you may at any time and without notice to me/us combine or consolidate all or any of my/our accounts with and liabilities to you and set off or transfer any sum or sums standing to the credit of any one or more of such accounts in or towards satisfaction of any of my/our liabilities to you on any other account or in any other respect, whether such liabilities be actual or contingent, primary or collateral and several or joint.

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- (xv) I/We shall at all times confine the borrowings to the drawing power allotted within the limit of a particular facility, namely, the value of the security less the corresponding margin (if any) stipulated from time to time in respect of the said facility, and in no case I/we shall exceed such limit. You may however at my/our specific request and at your own discretion, allow drawings beyond such drawing power or limit for such time as may be considered necessary and shall at any time without notice call me/us to repay such excess drawings. All my/rights rights and obligations and your rights and obligations respectively under the facility, and under any sanction letter and/or security documents shall extend to cover such excess drawings notwithstanding the specific limit stipulated therein.
- (xvi) You shall not honour cheque/s issued by me/us for the purpose other than agreed upon between me/us and you and for amounts exceeding the limits sanctioned.
- (xvii) I/We also hereby undertake to keep you informed of any change in the address of our office/residence of partners/ directors/;
- (xviii) This agreement of counter-guarantee and indemnity shall be a continuing security and shall be irrevocable and shall remain in full force till all the guaranteed amounts due and payable to you are paid in full inclusive of interest and other charges. With reference to Demand Promissory Note signed and/or endorsed by me/us of value and date as mentioned in the Schedule I in your favour in respect of the facility granted by you I/we do and each one of us doth hereby jointly and/or severally agree and undertake that the said Demand Promissory Note is to stand and be regarded as a continuing security and be enforceable for all monies which now are or which may at any time hereafter become due and owing by me/us to you on the said facility and on any other facility or facilities and whether or not from time to time there be nothing owing in respect of the said facility or the same may be in credit. I/We further agree/s that the minimum amount of interest payable during each month/ quarter/half-year shall be as mentioned in the Schedule I on the said facility at the rate of interest mentioned in the said Demand Promissory Note or at any revised rate notified from time to time by you.
- (xix) In the event of my death or death of any of us during the continuance of this guarantee, my/our estate and my/our heirs, executors and administrators will continue to be liable to pay the guaranteed amounts together with interest, costs and charges. ***(In case of an individual/s)***
- (xx) The liability incurred by us and each of us hereunder shall not in any way be prejudiced or affected by any change in our partnership firm whether by death or retirement or resignation or insolvency of any partner or by admission of any new partner or partners or otherwise howsoever even though the firm may become a sole proprietary concern, and all the partners for the time being of the firm or the sole proprietor and his/their respective heirs, executors, administrators, legal representative, as the case may be, shall be liable to you hereunder, jointly and severally. ***(In the case of a partnership firm)***
- (xxi) In the event of my death or death of any of us during the continuance of this guarantee, my/our estate and my/our heirs, executors and administrators will continue to be liable to pay the guaranteed amounts together with interest, costs and charges. ***(In case of HUF)***
- (xxii) The liability incurred by us and each of us hereunder shall not in any way be prejudiced or affected by any change in our membership whether by death or retirement or resignation or insolvency or winding up of any member or by admission of any new member or members and shall continue to bind my/our heirs, executors and administrators and successors as the case maybe who will continue to be liable to pay the guaranteed amounts together with interest, cost and charges. ***(In the case of Association of persons, corporate or incorporate)***
- (xxiii) This Agreement of counter-guarantee and Indemnity shall be irrevocable and binding upon our successors ***(whether statutory or contractual). (In the case of Company)***
- (xxiv) That if for any reason you are prevented by any action initiated by me/us from making payment to the beneficiary, of the guaranteed amount, I/we will also be liable to pay you, guarantee commission for the period for which I/we delay, by such action, the payment or discharge of the guarantee.
- (xxv) Where there are more than one Executants it is agreed among them that notwithstanding anything contained herein, liability of one Executant is liability of rest of the Executants and therefore all the Executants are jointly and severly liable for the obligation, liability, loss or damage undertaken or suffered by you in connection with or pursuant to these presents.

To give effect to this guarantee you may act as though I/we am/are the principal debtor/s.
- (xxvi) I/We agree that unless the same falls within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, any and all claims and disputes arising out of or in connection with this Guarantee or its performance shall be settled by arbitration by a single Arbitrator to be appointed by you. The arbitration shall be held, in Chennai, in accordance with the provisions of the Arbitration and Conciliation Act, 1996.

X

Signed and delivered by) X
M/s. _____) (Stamp and Signature) _____

Through its authorized signatory)
Mr. _____) (Stamp and Signature) _____

SCHEDULE I

Name of the Executant	<hr/> <hr/> <hr/>
Address	<hr/> <hr/> <hr/>
Date of Execution	<hr/>
Guarantee Facility (Amt.)	Rs. _____ Rupees _____ _____
Rate of Charges	_____ % of the facility amount
Delayed rate of Interest Margin	_____ p.m. or such rate as may be specified by the Bank _____ % Cash Margin in the form of Fixed Deposit with Kotak Mahindra Bank Limited
Place	<hr/>
Other Terms and Conditions	<ol style="list-style-type: none">(1) The Borrower shall provide counter-guarantee/indemnity for repayment in event of devolvement of Bank Guarantee(2) Format of Bank Guarantee issued by Kotak Mahindra Bank Limited shall be accepted by the Borrower(3) The Bank will have a right to set-off the term deposit amount (if any) against the bank guarantee liability if the bank guarantee gets invoked(4) All the terms and conditions of the sanction letter or individual facility sanction letter shall form an integral part of this agreement and shall be read in conjunction with the agreement as if the same have been included in the terms of this agreement.

X

SCHEDULE II

[Declaration of Non-Relation]

To,

Dated _____

Kotak Mahindra Bank Limited
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400021

I declare/s that I am related to the director(s) and/or Senior Officer(s) of the Bank as specified below, viz:

Name of Declarant	Name of Director and/or Senior officer to whom related	Nature of the Relationship	Name of the concerned Branch

X

Signed and delivered by

M/s. _____) X _____

Through its authorized signatory

Mr. _____) X _____

(Note: Where Individuals or a Partnership Firm are executing this Counter Guarantee signatures and names of the Individuals & Rubber stamp of

the Firm and signatures and names of the Partners of the firm would suffice.)

For purpose of compliance of the provisions under Arbitration and Conciliation Act, 1996, we hereby convey our acceptance for clause nos. 26 and 27.

For Kotak Mahindra Bank Limited

Authorized Signatory

X

DECLARATION FOR FORWARD CONTRACTS

THIS DECLARATION is executed and/or deemed to be executed at the place and on the **'Execution Date'** with effect from the **'Effective Date'** mentioned in the Schedule, by the party described as the Client in **"the Schedule"** annexed hereto, hereinafter referred to as **"the Client"** (which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include

(when the Client is-

- (a) an individual, his or her heirs, executors, administrators and permitted assigns,
- (b) a firm, the partner or partners for the time being of the said firm, the survivor or survivors of them and the heirs, executors and administrators of the last survivor, his/her/their permitted assigns
- (c) a company, its successors and permitted assigns
- (d) a Hindu undivided family or a HUF firm, its coparceners,
- (e) an Association corporate or incorporate, its successors and permitted assigns and all members and their respective heirs, executors, administrators and permitted assigns)

in favour of KOTAK MAHINDRA BANK LTD., a Banking Company incorporated under the Companies Act, 1956 and having its registered office at 36-38A, Nariman Bhawan, Nariman Point, Mumbai and a branch office amongst other places at the address specified in the Schedule annexed hereto, hereinafter referred to as **"the Bank"** (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include, its successors and assigns);

for entering into Contract(s) (as defined hereinafter) only for the purpose of hedging an exposure to exchange risk, in accordance with the applicable laws, rules, regulations, directions or orders. Such exposure to exchange risk would arise from the Client's trade, business or commerce. The Bank has explained the process for Contracts and the Client has understood the same.

'Contract(s)' wherever so referred to and used in this Declaration shall be deemed to be a reference to a foreign exchange transaction and shall mean, as the context may permit, any/all forward contract(s)

The Client hereby covenants, agrees, declares and undertakes:

1. This Declaration and each Contract executed by the Client is/shall be in accordance with its adopted risk management policy and such Contract(s) are/would always be in compliance with its risk management policy.
2. The Client undertakes to comply with all the regulations governing the Contract(s) and further declares that the Client has arranged to ensure compliance with regulations.

3. the terms of this Declaration shall govern all the Contract(s) which have been executed or will be executed by the Client with the Bank pursuant to the sanction letter of the Bank ("Sanction Letter"); which Sanction Letter shall mean and include any amendment, enhancement, modification to the existing Sanction Letter and includes any fresh sanction by the Bank to the Client from time to time. It is hereby clarified that any Contract(s) whether or not referred to in the Sanction Letter, which have been executed or will be executed shall be governed by the terms of this Declaration.
4. to take physical delivery of and pay for the currency or settle the Contract(s) in cash on or before the date specified in the relevant Deal Confirmation (**the "Value Date"**) or in the event that further funds are called for by Bank, to pay those funds at such time or times as the Bank may require.
5. The Bank's services shall be limited to dealing and entering into Contract(s) for sale and purchase of currency with the Client and Bank shall contract as principal with the Client for settlement of Contract(s) in question and deal with the Client on an execution only basis. In entering into Contract(s), the Client shall rely solely on its own judgement and whilst Bank may provide information to the Client from time to time, it will not provide advice to the Client upon the merits of a proposed currency transaction or other advice to the Client.
6. The Contract(s) is/are transacted on the basis of Bank's willingness to offer a quotation relating to the Client in terms of both currency and amount and such quotation being accepted by the Client. Notwithstanding anything contained in this Declaration or any other agreement/instrument executed in relation to the Contract(s), the Bank may at any time, and without assigning any reason, refuse to enter into any new Contract(s) and execution of any Contract(s) would be at the sole discretion of the Bank.
7. The Bank will not be liable for any loss arising from its actions made as a result of unauthorized, incorrect or fraudulent instructions where the Bank believed the instructions to be genuine.
8. Bank reserves the right to consider as to whether to decline to quote in whole or in part for a foreign exchange transaction or transactions or for a particular currency or currencies, at any time without notice, and to withdraw the offer of its foreign exchange services to the Client at any time upon verbal or written notice to the Client and without explanation.
9. The Client shall furnish all such documents, instruments, undertakings, agreements as may be specified by the Bank from time to time in respect of the Contract(s)
10. The Client undertakes to furnish quarterly certificates from the statutory auditors certifying that the contracts outstanding at any point of time with all banks during the quarter did not exceed the value of the underlying exposures and/or probable exposure whichever is applicable.
11. the Client undertakes to furnish documentary evidence of genuineness of underlying exposure/transactions to the satisfaction of the Bank as and when required and/or demanded by the Bank from time to time and shall communicate in writing to the Bank about the reduction or non existence of any underlying exposure advising the Bank to cancel/amend the existing Contract(s) accordingly.
12. the Client undertakes not to hedge the exposure already hedged with any other bank/institution.

Placing Orders for Contract(s)

13. (a) The Client may either in writing or orally request the Bank to execute a Contract (an "**Order**"). Bank shall be entitled to act upon the Order so placed by the Client at its sole discretion.
- (b) Without prejudice to the aforesaid, the Bank may (but shall not be obliged to) require verification (in such form as Bank may specify from time to time) from the Client of any Order if:
 - (i) Bank considers that such verification is desirable or that an Order is ambiguous; or
 - (ii) the Order is to close the Client's account or to remit the Client's funds to a third party;
14. Each transaction will be evidenced by a document confirming execution of a Contract between Bank and the Client (**Deal Confirmation**). Bank will send each Deal Confirmation to the Client as soon as possible after execution showing the details of the transaction. The failure of Bank to send a Deal Confirmation will not prejudice the rights and obligations of the Bank or the Client under a Contract and the terms of the Contract would continue to bind the Bank and Client.
15. It is the sole responsibility of the Client on receipt of Deal Confirmation verify carefully and to bring any errors to the attention of the Bank. Unless the Client notifies Bank of any material error or omission within 5 days upon receipt of Deal Confirmation, and in the absence of manifest error the Deal Confirmation shall be deemed to be an accurate record of the transaction carried out under the Contract.

REPRESENTATIONS

16. The Client represents to Bank that in respect of each of the Contracts that has been entered into and/or would be entered into and performed that:
 - (a) the Client is acting as principal for its own account (and not as agent for or on behalf of any other third party) and has full power and authority and has taken all necessary steps to enable it lawfully to enter into and perform every Contract stated herein.
 - (b) the signatory to this Declaration has been authorized by the Client to execute and bind the Client in terms of this Declaration.
 - (c) All sums paid by the Client to Bank belong to the Client and are not subject to any third party's charge or other security;
 - (d) Time shall be of the essence in respect of any obligations of the Client to Bank;
 - (e) Client shall ensure that it is permitted to enter into transaction under the extant laws including rules, regulations, directions issued by RBI or any other authority for the time being and Foreign Exchange Management Act, 1999 or rules or regulations or directions or orders made or issued there under.
 - (f) In respect of the Contract(s), Client shall ensure that it has a genuine underlying trade transaction and that such underlying transaction, the Contract(s), are allowed and/or permitted under the extant laws, rules, regulations and guidelines including Foreign Exchange Management Act, 1999.
 - (g) The maturity of the hedge would never exceed the maturity of the underlying transaction.
 - (h) The exposure sought to be hedged by the Contract(s) would not have been already hedged with any other bank or authorized dealer.
 - (i) No Contract would ever be done for the purposes of speculation.
 - (j) The Client is fully aware of various risks associated to the Contract and thoroughly understands the methodology of mark-to-market valuation of the Bank and is therefore capable of comprehending the evaluation of negative MTM calculation.

Margin Money

17. Bank reserves the right to make a margin call on the Client from time to time including with respect to deposit the value of negative MTM, in the manner specified by the Bank. In the event of such margin call being made, the Client shall pay all those monies required pursuant to the margin call within the time stipulated by Bank. The Client's failure to do so shall be a breach of the conditions of the trade in question and shall entitle Bank without prejudice to any other remedy available, but not bound to do so, to immediately and without notice to the Client terminate the Contract(s) in question with the Client without any liability.
18. Pursuant to clause (17) above, the Client should never dispute Bank's assessment with respect to margin call and /or mark-to-market (MTM) valuation of Contract(s) and undertakes to immediately deposit the margin money subject to clause (17) above.
19. The Client undertakes that the margin or such other funds to be provided as security for the Client's obligations hereunder will be owned by the Client at the time of providing such margin and will not be subject to any third party's charge, lien or other encumbrance and the Client will not create any charge, lien in favour of any third party or other encumbrance over any funds so provided, except in favour of the Bank.
20. All funds and/or margin provided by the Client under any agreement including the Sanction Letter (whether as security or otherwise) may be appropriated by

Bank in the event that Bank incurs any liability or is exposed to increased market risk (as Bank in its discretion may decide and evaluate) in respect of any trade executed with the Client or in the event that the Client is unable to pay its debts or fails to comply or breaches these conditions.

GOVERNING LAW/JURISDICTION

21. This Declaration shall be governed by the laws of India. The Client agrees that all disputes and discrepancies which may arise out of the Contract(s) shall be initially sought to be settled by negotiations. In case such dispute/discrepancy is not resolved by negotiations within 7 days of such dispute/discrepancy, the same shall be decided by the relevant courts, adjudicating authorities or tribunals, as the case may be. The Courts/tribunals of Mumbai shall have the exclusive jurisdiction.
22. The Client/Board of Directors of the Client will ensure to comply with all laws, rules and regulations in and relating to the subject matter of Contract(s) that have been executed or would be executed and that it is on the faith of this declaration and representation that the Bank has allowed this arrangement to continue.

EXTENSION / REBOOKING / CANCELLATION OF CONTRACTS

23. (a) The Client agrees that extension / rebooking / cancellation of Contracts is subject to the approval of Bank and the Client complying with the RBI Regulations/Guidelines.
(b) Such a cancellation must be separate, individually negotiated and agreed by the Client and the Bank and there can be no obligation or arrangement by Bank to agree for cancellation and the cancellation may not be provided for by the terms of the contracts as initially entered into.
- (c) The Client agrees that all cancellations, roll-overs or non-delivery of Contracts, whether purchases or sales, shall be subject to being supported by appropriate documents as prescribed by Bank from time to time and their evaluation thereof.
- (d) The Client agrees that wherever extension of Contracts is sought from Bank (or are rolled over) it shall be cancelled (at T.T. Selling or Buying Rate as on the date of cancellation) and rebooked (subject to the then regulatory provisions in force) only at current rate of exchange. The difference between the contracted rate and the rate at which the contract is cancelled shall be recovered from/ paid to the Client at the time of extension. Such request for extension should be made on or before the maturity date of the contract.
- (e) The Client agrees to pay to / receive from the Bank any amount payable by it to Bank / receivable from Bank, as the case may be, on account of cancellation of Contracts on front end basis (if amount is payable by Client to Bank) / rear end basis (if amount is payable by Bank to Client), and such upfront payment shall be computed by the Bank. The Client undertakes that it will not dispute and would always rely on Bank's assessment to determine any such amounts payable to/by the Client.
- (f) The Client agrees that the Bank, without any liability, is entitled to cancel the Contract(s), at its sole discretion, upon breach of the undertaking under clause 11 by the Client and the Client agrees to indemnify the Bank for any losses suffered and/or costs incurred by the Bank to effect such cancellation(s).

Notwithstanding the Contract(s) becoming impossible of performance, for any reasons whatsoever, including Government / Regulatory prohibitory order, the Contract(s) shall not be deemed to have become void and the Client shall forthwith apply to the Bank for cancellation subject to provisions stated above.

TERMINATION

24. The Bank may terminate all or any of the Contracts immediately by giving 2 days notice to the Client or without any notice under clause 23(f) and/or clause 17, in case Client is in default of any of its obligations under this Declaration or any other document/instrument (including the Sanction Letter) executed in relation to the Contract(s) or otherwise. Any such termination will not affect any obligation which has already been incurred by the Client in respect of any outstanding Contract(s) or any dealings made there under.
25. The Bank may terminate all or any of Contracts if there occurs any event, which in the sole opinion of the Bank is prejudicial to its interests or is likely to materially adversely affect the financial condition of the Client or its ability to perform all or any of its obligations under this Declaration or any other document/instrument (including the Sanction Letter) executed in relation to the Contracts, which event may include but shall not be restricted to any default by the Client or its affiliates with the Bank or its affiliates under any other facility.
26. Bank may buy / sell the necessary covering currency to terminate the Contracts and is entitle to recover from the Client any expenses including exchange loss, the Bank may determine from time to time.
27. The Client shall on demand by Bank indemnify Bank and keep it indemnified from and against all liabilities, damages, losses and costs (including legal costs) duties, taxes, charges or commissions incurred or suffered by Bank in the proper performance of its services or the enforcement of its rights hereunder and in particular, without prejudice to the generality of such indemnity, against all amounts which Bank may certify to be necessary to compensate it for all costs, expenses, liabilities and losses sustained or incurred by Bank (including but not limited to Bank's loss of profits) and any loss or expenses which Bank may suffer or incur in taking such action as Bank in its absolute discretion considers necessary or appropriate in the circumstances to cover, reduce or eliminate its exposure in respect of any Contract(s) where the Client fails to honour its obligations hereunder as a result of:
 - (a) Any default of any condition herein contained and particularly in payment by the Client of any sum under these terms or any Contract(s) when due or any other breach by the Client; and or
 - (b) Bank doing and taking all and any actions and steps whatsoever to carry out the terms of any telephonic instructions from and purporting to be from a person duly designated or authorized by the Client for such purpose pursuant to and in accordance with these presents; and or
 - (c) Bank exercising its rights to close out all or any part of any Contract(s) before its applicable Value Date.
28. The Client hereby specifically states that in case the Contract is cancelled by the Bank on account of non-submission of documents pertaining to the underlying exposure as required by the Bank; the Bank shall be entitled to cancel the Contract without any obligation to pass on the gains, if any, by the Bank to the Client. The Client shall however be obliged to indemnify and pay for the losses incurred by the Bank on account of such cancellation. The cancellation hereunder shall be at the absolute discretion of the Bank and the Client shall have no right to question the judgement of the Bank and shall in all cases indemnify the Bank for the losses suffered by the Bank.
29. **No Waiver**
Any delay in exercising or omission to exercise any right, power or remedy accruing to the Bank under this Declaration or any other agreement/letter or document shall not impair any such right, power or remedy and shall not be construed to be a waiver thereof or any acquiescence in any default; nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default.

**ANNEXURE A
SCHEDULE**

Place	
Execution Date	
Effective Date	
Name and address of the Client.	
Name & Address of the Branch of the Bank	
Place at which payment is to be made	
Address of the Client for the purpose of issuing notice	
Fax No.	
E-mail ID	

} X

IN WITNESS THEREOF, the Client hereby have executed these declarations on the day and year first above written

_____ X [Client]

X

Date _____

Kotak Mahindra Bank Limited
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400021.

**IN THE MATTER OF FINANCIAL FACILITIES AMOUNTING TO RS. _____/- GRANTED BY KOTAK MAHINDRA BANK LIMITED TO
M/S _____ . (THE BORROWER).**

We, **M/S** _____ the Borrower hereby undertake and declare as under:

1. That export bills not more than _____% of the total turnover are overdue for payment
2. That we declare that our export/import turn over for the past three years are as follows:

Amount of Export/Import Turnover	Financial Year

3. That we declare that the total value of forward contracts cancelled shall not exceed _____% of the eligible limit
4. That we shall submit all the underlying documents at the time of maturity or cancellation of the forward contract, whichever is earlier

For _____

Authorised Signatory

RISK DISCLOSURE STATEMENT FOR FORWARD FOREIGN EXCHANGE TRANSACTIONS

THIS STATEMENT DOES NOT PURPORT TO DISCLOSE ALL THE RISKS AND OTHER RELEVANT CONSIDERATIONS WHICH SHOULD BE TAKEN INTO ACCOUNT WHILE ENTERING INTO FOREIGN EXCHANGE TRANSACTION INCLUDING FORWARD CONTRACTS ("TRANSACTION(S)"). THIS STATEMENT IS SOLELY INTENDED FOR GENERAL GUIDANCE AND IS NOT SPECIFIC TO ANY SINGLE TRANSACTION. IT IS UNDERSTOOD THAT KOTAK MAHINDRA BANK LIMITED (hereinafter referred to as the "Bank") DOES NOT ACT AS A FINANCIAL ADVISER IN RELATION TO ANY FOREIGN EXCHANGE TRANSACTIONS (INCLUDING FORWARD CONTRACTS) THAT _____ (hereinafter referred to as the "CLIENT") WOULD ENTER/HAS ENTERED INTO WITH IT. IT IS UNDERSTOOD THAT THE CLIENT SHALL OBTAIN AN INDEPENDENT OPINION (WHETHER LEGAL, FINANCIAL OR OTHERWISE) THAT THE TRANSACTIONS UNDERTAKEN OR TO BE UNDERTAKEN ARE SUITABLE FOR THE CLIENT AND THE DEAL PRICE TO BE PROVIDED BY THE BANK IS ACCORDING TO MARKET LEVELS. WHERE THE CLIENT HAS NOT UNDERSTOOD A TRANSACTION UNDER ANY AGREEMENT/INSTRUMENT WHICH HAS BEEN/WOULD BE EXECUTED FOR ENTERING INTO FOREIGN EXCHANGE FORWARD TRANSACTIONS IT SHALL REFRAIN FROM ENTERING INTO SUCH TRANSACTION OR IT SHALL OBTAIN PROFESSIONAL ADVICE PRIOR TO ENTERING INTO SUCH TRANSACTIONS.

INTRODUCTION

It is understood that prior to entering into any Forward Contract the Client shall have considered the following:

- The purpose the Client wishes to achieve by entering into the transaction
- The risks involved in undertaking the transaction.
- The suitability of the transaction to the Client.
- Regulatory approvals and licenses that may be required to be obtained.

The Client commits and acknowledges that it shall carefully examine all the risks as described below and such other risk that may arise but not mentioned hereunder pursuant to entering into any Forward Contract. The Client also accepts that the risks in such transactions would not be limited to those stated below.

THE PURPOSE OF THE FOREIGN EXCHANGE FORWARD TRANSACTION

Forward Contract(s) inter-alia are typically entered into for the purpose of, hedging exposure to foreign exchange fluctuation and/or hedging foreign exchange rate exposure

RISKS OF FORWARD FOREIGN EXCHANGE CONTRACTS

The general categories of risk in foreign exchange forward transactions can be categorized as follows:

Market Risk – It means the adverse and unanticipated market, economic and political development that rapidly worsens the risk profile and market value of such transactions. Due to the volatile nature of the markets the Client understands that the transaction might also lead to high losses, which could not be pre-determined at the time the transaction is entered into and the Bank will not accept any responsibility for the same nor can the Bank be held liable for any losses so incurred.

The Client's profits or losses under such transaction will be linked to changes in the particular financial product(s) or market(s) to which the transaction is linked, and the Client will be exposed to price volatility of that product(s) or market(s). The Client should make its own assessment of the financial product(s) or market(s) to which the transaction is linked.

Also the prices of most forward foreign exchange contract(s) are individually negotiated and there is often no central source for obtaining prices from competing dealers, the pricing may be non transparent.

The Bank consequently does not warrant that its pricing will at any time be the best price available in the market place. All prices quoted shall be merely indicative prices at which the Bank is willing to trade with the Client, unless the Client specifically requests for a "dealing price" which then will only be valid for a certain period of time. The Client's would also be affected by the transaction costs (i.e. commission, fees and other charges) charged by the Bank.

Liquidation of the Client's positions may, depending on circumstances, be difficult or impossible to achieve. The Client's ability to make a value or risk assessment, or to make a calculation of a fair price, could also be adversely affected. The effect of adverse price movements can be minimized if it makes what is called a "stop-loss" or "stop-limit" order, but in extreme circumstances these too may be impossible to execute. Circumstances in which liquidation and/or the ability to make proper value, risk or price assessments becomes difficult or impossible include:

- (i) market illiquidity (whether inherent or prompted by external factors);
- (ii) suspension of trading pursuant to the rules of a market or exchange, or pursuant to emergency action by a market or regulatory body; or
- (iii) if there is a power failure or systems failure (where the derivative or its underlying financial instrument is electronically traded or settled).

The Client could incur additional risk where it effects a transaction which involves different currencies. Furthermore, if it carries on its ordinary business or keeps its accounts in a currency other than the base currency in which the foreign exchange forward transaction is denominated, it should be aware that the proceeds from the transaction may have to be converted into the appropriate currency before such proceeds can be used by the Client. Exchange rate fluctuations would also affect this conversion.

Basis Risk – The transaction does not match properly with the underlying liability or asset.

Margin/Collateral – When dealing in such transactions the Bank may require that the Client provide margin or collateral to support its obligations under the transactions the Client trades with the Bank. The Bank will not provide margin or collateral to the Client.

Operational Risk – The appropriateness of the Client's internal risk management systems and controls to monitor risks on an on-going basis throughout the lifetime of the transaction. It may not be possible for the Client to unwind the transaction easily due to limitations of counter party or the market conditions. The Bank will not undertake to help unwind the transaction for the Client at a later stage.

Legal, Regulatory & Tax Risks – The enforceability of contractual obligations, compliance with regulatory requirements and taxation treatment of transactions. By undertaking the transactions the Client undertakes and warrants that it shall comply with all regulatory and legal requirements as laid down by the RBI or relevant laws. The Client is aware that under existing RBI regulations Corporate are not permitted to indulge in speculative transactions. Thus the Client seeks to hedge an existing balance sheet exposure and the size of the transaction at any point of time shall not exceed the size of the underlying exposure which is sought to be hedged. By agreeing to undertake the transaction the Bank does not guarantee or warrant either express or implied the permissibility of such transactions in so far as they apply to the Client.

SUITABILITY OF TRANSACTIONS

The Client shall consider the appropriateness of the transaction and its objectives. The Client shall ensure that it has the financial and legal capacity to enter into the derivative transactions by regulations and laws applicable to its country of incorporation and that it shall confer necessary authority and power by the Board of Directors/authorized representative(s) (by a resolution/Letter passed/executed by the Board of Directors/partners/proprietor, to the persons authorized under such resolution/Letter) to enter into derivative transactions on its behalf and the same shall be binding upon the Client. The Client shall independently assess the suitability of the transaction that it proposes to enter into and by entering into such transaction confirms that it has assessed independently the financial and legal risks of the transaction and is prepared to assume the economic consequences of the same.

REGULATORY APPROVALS

The Client shall only undertake such derivative transactions as permitted by the laws of the country applicable to it including the RBI guidelines and regulations.

By undertaking a transaction the Client shall be committing to the Bank that it is acting within the applicable laws and regulations.

DOCUMENTATION

Unless otherwise notified to the Client by the Bank, all transactions shall be subject to the International Swaps and Derivatives Association 1992 / 2002 (whichever is applicable) Master Agreement ("ISDA Agreement") or any other agreement if so executed by the Client in respect of such transactions. The Client may in future, enter into with the Bank new ISDA Agreement on the mutual acceptable terms.

The Client will also submit (if not already submitted) to the Bank immediately the certified true copy of relevant Board Resolution/Letter authorizing such transactions and authorizing designated persons to undertake the transactions on behalf of the Client.

The Client shall also submit to the Bank, upon the Bank's request, such other documents and undertakings that may be required for carrying on such transactions

The Client shall sign and return the duplicate of the Deal Confirmation / Long form ISDA deal confirmation and the other related documents. If any terms of the documents or the transactions are unclear the Client may consult its professional adviser and such cost shall be borne solely by the Client.

The Client further confirms that the deals done by it will be subject to market conventions laid down by FEDAI

For _____

By: _____

By: _____

Name:

Name:

Title:

Title:

Date:

Date:

DEED OF HYPOTHECATION

THIS DEED OF HYPOTHECATION made at place and date as mentioned in the Schedule attached herewith by the party described as the Borrower in the Schedule. hereinafter referred to as "The Borrower/s" (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include, (when the Borrower is-

- (a) an individual, mean and include his or her heirs, executors, administrators and permitted assigns,
- (b) a firm, mean and include the partner or partners for the time being of the said firm, the survivor or survivors of them and the heirs, executors and administrators of the last survivor, his/her/their permitted assign
- (c) a company, mean and include its successors and permitted assigns
- (d) a Hindu undivided family or a HUF firm mean and include all its coparceners,
- (e) an Association corporate or incorporate, include its successors and assigns and all members and their respective heirs, executors, administrators and permitted assigns) in favour of Kotak Mahindra Bank Limited, a Banking Company incorporated under the Companies Act, 1956 and having its registered office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021 hereinafter referred to as "THE BANK" (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to mean and include, its successors and assigns).

WHEREAS:

- (a) Pursuant to the request of the Borrower/s, the Bank has agreed to grant and/or granted and/or sanctioned to the Borrower/s certain facilities, the brief particulars whereof are given in the Schedule hereunder written and which facilities are hereinafter collectively referred to as "the said facilities". The said facilities are governed by the terms and conditions of the Facility Agreement/s particulars whereof are given in the Schedule.
- (b) One of the conditions stipulated by the Bank for grant/sanction of the said facilities is that, in consideration of the said grant/sanction and to secure the due repayment of the said facilities together with interest and all costs, charges and expenses that may be incurred by the Bank and all other monies that may be due to the Bank in respect of the said facilities, the Borrower/s shall execute in favour of the Bank this Deed of Hypothecation, hypothecating assets of the Borrower/s more particularly described in the Schedule.

NOW THIS AGREEMENT/S WITNESSETH AS FOLLOWS:

1. In consideration of the Bank having agreed to grant/granted/sanctioned in favour of the Borrower/s the said facilities as mentioned in the Schedule hereunder written, and to secure the due repayment thereof together with interest and all costs, charges and expenses that may be incurred by the Bank and all other monies that may be due to the Bank under the Facility Agreement/s from time to time, the Borrower/s do hereby hypothecate/s and charge in favour of the Bank of all properties of the Borrower/s described in the Schedule hereunder written (all of which are hereinafter called "the hypothecated properties").
2. The hypothecated properties are hypothecated as security by way of charge as mentioned in the Schedule for the due repayment by the Borrower/s to the Bank at any time on demand of the amount outstanding under the said facilities referred to in the Schedule hereunder written with interest at the rates stipulated and all costs (between attorney and client), charges and expenses incurred by the Bank for the preservation, protection, defence and perfection of this security or for attempted or actual realisations thereof. And also for due repayment of all present and future indebtedness and liabilities of the Borrower/s to the Bank of any kind in any manner whether solely or jointly primary or collateral accrued or accruing with all relative interest charges, costs (between attorney and client) and expenses.
3. So long as any monies are outstanding under the said facilities mentioned in the Schedule hereunder written, the Borrower/s shall pay to the Bank interest at the rates stipulated in the Facility Agreement/s. The Bank shall be entitled to vary the interest rate and charge a higher or additional or penal rate of interest to the Borrower/s with monthly/quarterly/half yearly rests.

4. The Bank shall be entitled to vary/change the rate of interest or to charge an additional or penal rate by either sending to the Borrower/s an intimation in that regard or by publishing the change of interest rates in any newspaper or by publication on the notice board of the Bank. It is agreed that it will not be necessary for the Bank to send intimation of change of rate of interest to the Borrower/s and publication either in the newspaper or on the notice board will be sufficient and the Borrower/s will be deemed to have consented to such change. The Borrower/s hereby specifically agrees/agree to pay interest at the rates as may be revised from time to time.
5. In default of payment of interest at any point of time, whilst the said facility is subsisting as stated above the same shall be capitalized and added to the principal and shall be treated as an advance to the Borrower/s secured by the hypothecation hereby created and the Bank will be entitled to charge interest at the stipulated rate on the amount of the debit balance inclusive of interest not paid by the Borrower/s and hence capitalized as aforesaid. The Bank shall further be entitled to charge penal interest on such defaulted amount and to capitalize and add such amount of penal interest to the principal and interest amount due.
6. The amounts to be allowed to remain outstanding by the Bank in respect of the said facilities mentioned in the Schedule hereunder written, shall not exceed the limit mentioned therein but the Bank shall have an absolute discretion to determine how much amount out of the aforesaid limit it will advance and or allow to be outstanding from time to time in the said account and the Bank shall be at liberty to close the account and refuse to allow further drawings thereon at any time without any previous notice to the Borrower/s. The hypothecation and charge created by this Deed, shall however, remain valid and subsisting regardless of the closure of any of the said accounts/facilities by the Bank till such time as all amounts due under the said facilities together with interest, costs, charges and expenses and all other moneys due are repaid to the Bank in full.
7. The Borrower/s hereby declares/declare and agrees/agree that finance provided from time to time under the said facilities mentioned in the Schedule hereunder written shall be applied by the Borrower/s only for the purpose for which the same is granted and no part of it shall be applied by him/her/it for any other purposes or any other activities of the Borrower/s.
8. Subject to the proviso following and the Bank's powers conferred by this security, the Borrower/s may in the ordinary course of business sell and dispose of any of the hypothecated properties. But the Borrower/s shall on any and every such sale on receipt of the documents or sale proceeds deliver the documents or pay the net sale proceeds in satisfaction so far as the same will extend to the balance then due and owing on the account kept by the Bank in respect of the said facilities PROVIDED that the Borrower/s shall not sell and/or transfer and/or alienate and/or encumber and/or create third party right/s in favour of any one else in respect of and/or recover and/or realize any of the hypothecated properties upon being prohibited in writing by the Bank from doing so.
9. The Borrower/s shall on a monthly/quarterly basis furnish to the Bank full particulars of all the assets of the Borrower/s and of the hypothecated properties and shall at all times allow the Bank or the authorized agent of the Bank inspection of the hypothecated properties and of all records of the Borrower/s in reference thereto and shall allow the Bank/s or its agent to value the same. All costs, charges and expenses incurred by the Bank and incidental to such inspection and valuation shall be paid to the Bank, forthwith on demand (the Bank's statement being conclusive) and until payment, shall with interest at the rate levied on the said facilities be a charge upon the hypothecated properties. Any such valuation shall be conclusive and binding on the Borrower/s.
10. The Borrower/s shall at all times during the continuance of this security keep and maintain such margin of security in favour of the Bank (hereinafter called "the said margin") as hereinafter mentioned. The Borrower/s shall not at any time operate or draw against the account so as to cause the debit balance on such account at any time to exceed NA per cent, or such other percentage as the Bank may have from time to time fixed of the cost or Market value - (market value as found by the Bank) whichever is lower of the hypothecated properties. If and so often as the said margin shall fail to be maintained, then the Borrower/s shall forthwith (as the Bank may require) either hypothecate to the Bank further properties or tangible moveable property approved by the Bank and of sufficient value to make up the deficiency and adhere to the terms and conditions herein or as the Bank may at such time stipulate or shall reduce the
11. The Borrower/s hereby declares/declare, agrees/agree and confirms/confirm that all the hypothecated properties, present and future, whether now belonging to the Borrower/s or which may be acquired in future are and shall be the absolute and unencumbered property of the Borrower/s with full powers and disposition in respect thereof. The Borrower/s further declares/declare that he/she/it/they has/have not created in favour of any person (other than the Bank) any lien, charge, pledge, mortgage or other encumbrance over all or any of the hypothecated properties and has/have not borrowed any moneys against the said hypothecated properties from any other person.
12. The Borrower/s further declares/declare that so long as he/she/it/they continue to be indebted or liable to the Bank in the above account or in any other account or manner, he/she/it/they will not without the previous written consent of the Bank create or attempt to create in favour of any other person any lien, charge, pledge, mortgage or other encumbrances over all or any of the hypothecated properties or over other similar assets whatsoever which the Borrower/s may acquire hereafter, ranking either in priority to or pari passu with or subsequent to the security in favour of the Bank and will not borrow any moneys against the said hypothecated properties from any other person without the previous consent in writing of the Bank.
13. The Borrower/s shall at his/her/its/their own expense keep the said hypothecated properties in marketable state and good and substantial repair and condition and in thorough working order and will not make any alterations therein without the previous written consent of the Bank.
14. The Borrower/s shall at his/her/its/their own expense keep the said hypothecated properties in good condition and shall insure the same against any loss or damage by theft, fire, lightning, earthquake, explosion, riots, civil commotion, strike, cyclone, tempest, flood, war, pilferage and such other risks as may be required by the Bank from time to time with an Insurance Company or Companies as may be approved by the Bank and/or as may be prescribed in law so as to ensure that the security created in favour of the Bank hereunder is in no way prejudiced. The Borrower/s shall assign in favour of the Bank such insurance policies taken out by him/her/it/them and maintain such insurance throughout the continuance of the security created hereunder. The Borrower/s shall duly and punctually pay all the premium on such policies as and when due and shall deliver to the Bank the original renewal receipts thereof. The Borrower/s shall not do or permit to be done anything by reason of which such insurance may be cancelled.
15. In the event of the Borrower/s/s' default the Bank may (but shall not be bound to) condition and render marketable the properties or effect or renew such insurance. Any premium paid by the Bank and any costs charges and expenses incurred by the Bank shall be repaid on demand forthwith and shall until repayment with interest at the rate specified in the Facility Agreement/ss be a charge on the hypothecated properties. All sums received under such insurance shall be applied in or towards liquidation of the amount for the time being due to Bank.
16. The Borrower/s shall pay all rents, rates, taxes, outgoing and other charges in relation to the hypothecated properties and in respect of godowns and other premises in which the hypothecated properties are stored or may be kept. The Borrower/s shall also ensure that such godowns and other premises are fully insured against loss or damage from fire, theft, civil commotion, riot and such other risks as the Bank directs and shall produce the policies of insurance to the Bank whenever required. The Borrower/s shall also ensure that the godowns or other premises are not attached or otherwise encumbered by any act or omission of the Borrower/s.
17. That if any amount is received from an Insurance Company under any policy or policies of insurance, the amount so realized may at the discretion of the Bank be utilized in replacement of the lost or damaged hypothecated properties or in liquidation of the liability of the Borrower/s to the Bank under these presents.
18. It is expressly undertaken hereby by the Borrower/s that he/she/it/they shall himself/herself/itself/themselves of his/her/its/their own accord take all steps like initiation of filing claims or furnishing necessary information to the Bank/ Insurance Company without being called upon of details of loss/damage for any reasons whatsoever.
19. That the Bank shall be entitled to adjust, settle and compromise in any manner whatsoever including any reference to arbitration at the Borrower/s/s' cost any dispute arising under or in connection with any such policy of insurance and the Borrower/s shall cooperate with the Bank in regard thereto and such adjustment, settlement, compromise or any award made or decision given in any such arbitration or otherwise shall be valid and binding on the Borrower/s and the Bank shall also be entitled to receive all monies payable under any such insurance or under any claims made thereunder and to issue a valid receipt therefore and that the amounts so received shall be credited to the said account and that the Borrower/s will not raise any question that the large sum might or ought to have been received or be entitled to raise any dispute on the balance if any of the said account after such credit.
20. In the event of rejection of claim by the Insurance Company either in whole/part on account of loss/damage to the hypothecated properties, the Borrower/s shall be liable to repay the Bank the entire outstanding liability without requiring the Bank to proceed in the first instance against the Insurance Company and to make the demand on him/her/it/them only in the event of non-settlement of the claim. The Bank may at its absolute discretion take legal action against the Insurance Company at the Borrower/s/s' cost and responsibility without being under any obligation to do so or require the Borrower/s himself/herself/itself/themselves to take action.
21. If the Bank does not lodge any claim under the policy within the time limit prescribed under such policy, the Bank will not be liable to the Borrower/s for not filing any claim or suit for recovery of the insured amount against the Insurance Company or any other person.
22. The Borrower/s undertakes/undertake to get the charge created under this Deed registered within the stipulated time frame where registration is necessary under any law for the time being in force and get the Bank's lien also registered wherever permissible or required under any law or rule in force for time being and furnish to the Bank documentary evidence thereof.
23. The Borrower/s shall if so required by the Bank cause and in default the Bank may cause a board or label with the name of the Bank legibly and distinctly written, printed or engraved or embossed thereon to be placed and at all times maintained in a conspicuous position upon and within all godowns or other places of storage into or upon which any of the hypothecated properties for the time being are stored or lying.
24. If the Borrower/s shall fail to carry out and perform any of the obligations under this Deed or commit breach of any of the terms hereof or if after execution hereof, any circumstance shall occur which in the sole judgement of the Bank is prejudicial to or imperils or is likely to prejudice or imperil this security then the Bank, if it thinks fit, shall be entitled at the risk and expense of the Borrower/s without any notice at any time or time after such occurrence and such sole judgement to enter (and for that purpose to do any necessary thing) any place where the said hypothecated properties may be and to inspect value insure and/or take charge and/or possession of all or any part of the hypothecated properties. And if there shall be any default of the Borrower/s in payment of any money hereby secured or the performance of any obligation to the Bank hereunder or if any circumstance shall occur which in the opinion of the Bank shall be prejudicial to or shall endanger or be likely to endanger this security the Bank shall be entitled to seize recover receive appoint receivers of or remove and/or sell by private contract or otherwise dispose of or deal with all or any part of the hypothecated properties. And to enforce realize settle compromise and deal with any rights aforesaid without being bound to exercise any of this powers or being liable for any losses in the exercise thereof and without prejudice to the Bank's rights and remedies of suits or otherwise and notwithstanding there may be any pending suit or other proceeding, the Borrower/s hereby undertakes/undertake to transfer and deliver to the Bank all relative contracts, securities, bazaar chits bills, notes, hundies and documents and agrees/agree to accept the Bank's account of sales and realization and to pay any shortfall or deficiency thereby shown. And if the net sum realized by such sale shall be insufficient to pay the amount secured the Bank shall be at liberty to apply any other money or moneys in the hands of the Bank standing to the credit of or belonging to the Borrower/s in or towards the payment of the Balance and in the event of there being still a deficiency, the Borrower/s shall forthwith pay such deficiency, PROVIDED THAT nothing herein contained shall in any manner prejudice or effect the Bank's remedy against the person of the Borrower/s.
25. The Borrower/s shall on demand deliver to the Bank the keys of any place in which any of the hypothecated properties may from time to time be stored. In default the Bank may take any necessary steps to open and close the said place without any further notice. At anytime after taking possession the Bank may place the said godown or godowns or other place or places

of storage in charge of a clerk or clerks and/or representative/s who shall hold the possession of the hypothecated properties. The Borrower/s shall pay regularly on or before the first of every month the monthly salaries and expenses of such clerks and representative/s including traveling, board and housing accommodation cost and expenses of or in connection with the sending at any time of a representative or representatives of the Bank to such place or places to inspect the said hypothecated properties and the fees and expenses of an appraiser or valuers. Any moneys payable by the Borrower/s (under this clause shall until payment by the Borrower/s) be debited to the Borrower/s in the said Loan Account and be payable accordingly and shall until payment be treated as an advance secured by this Deed.

26. In the event of there being a surplus available of the net proceeds of such sale after payment in full of the balance due to the Bank it shall be lawful for the Bank to return and apply the said surplus together with any other money or moneys belonging to the Borrower/s for the time being in the hands of the Bank in or under whatever accounts as far as the same shall extend against in or towards payment or liquidation of any and all other moneys which shall be or may become due from the Borrower/s whether solely or jointly with any other person or persons, firm or company to the Bank by way of loan discounted, bills, letters of credit, guarantees charges or of any other debits or liability including bills, notes, credits and other obligations current though not then due or payable or other demands legal or equitable which the Bank may have against the Borrower/s or which the law of set-off or mutual credit would in any case admit and whether the Borrower/s shall become or be adjudicated bankrupt or insolvent or be in liquidation or otherwise with interest thereon from the date on which any and all advances in respect thereof shall have been made at the rate or respective rate at which the same shall have been advanced.
27. If after the settlement of all claims of the Bank against the Borrower/s any surplus shall remain, the Bank shall pay such surplus to the Borrower/s
28. Notwithstanding anything contained in any law for the time being in force, the Borrower/s agrees/agree and confirms/confirm that the Bank shall not be in any way be liable or responsible for any loss, damage or depreciation which the hypothecated properties or the godowns or other places of storage wherein the hypothecated properties are lying may suffer or sustain on any account whatsoever while the same are in possession of the Bank during the continuance of this Deed or thereafter and all such damage or depreciation shall be wholly to be on account of the Borrower/s howsoever the same have been caused nor shall the Bank be responsible for any shortage resulting from theft or pilferage or otherwise however notwithstanding that the hypothecated properties may be in the possession of or under the control of the Bank.
29. This security shall be a continuing security for the balance from time to time due by the Borrower/s to the Bank on the said facilities and the said facilities are not to be considered as closed for the purpose of this security and the security not to be considered exhausted by reason of the said facilities being brought to credit at any time or from time to time or of its being drawn upon to the full extent and afterwards brought to credit, and the charge of the Bank on the hypothecated properties will continue unaffected until the said facilities are terminated and all monies due hereunder are repaid in full.
30. Nothing herein contained shall prejudice any other security present or future or any right or remedy available to the Bank against the Borrower/s, its/their/ partners, guarantors or other person liable to pay or contribute towards the recovery of the monies due by the Borrower/s to the Bank hereunder.
31. The security hereby created shall be available to the Bank as collateral security for the recovery of any monies due or becoming due by the Borrower/s or any of its/their partners/directors under any other facilities.
32. No change whatsoever in the constitution of the Borrower/s shall impair or discharge the liability of the Borrower/s to the Bank hereunder.
33. If and whenever this security shall be held by the Bank for the Borrower/s' liability to the Bank for any third party's obligations to the Bank, then the Bank shall be free without reference to the Borrower/s to deal, and the Borrower/s hereby consents/consent to the Bank dealing with the principal debtor and with any securities obligation or decrees and generally to act as if the Borrower/s was/were primarily liable and to give time or other indulgence or make any variation, without thereby in any manner impairing or prejudicing the Bank's rights against the Borrower/s who declares that the liability of the Borrower/s shall be deemed that of a co-promiser with such third party.
34. The Borrower/s shall reimburse the Bank all costs and expenses incurred by the Bank in the negotiation, preparation, stamping, execution, administration and enforcement of this Deed as also any security documents and/or the rights of the Bank hereunder or thereunder.
35. It is hereby expressly agreed that the Bank shall be at liberty to assign the debt and the benefit of this Deed and the securities and the Borrower/s shall if and whenever required by the Bank to do so at the Borrower/s' own expense do and execute and join in doing and executing all such acts, things, deeds, documents or assurances, as the Bank may require for the effectuation of such assignment.
36. The Borrower/s hereby irrevocably appoints/appoint the Bank through any of its officers as his/her/its attorney and authorizes the Bank to act for and in the name of the Borrower/s to do whatever the Borrower/s may be required to do under this Deed and generally to use the name of the Borrower/s in exercise of all or any of the powers conferred under this Deed on the Bank and the Borrower/s shall bear the expenses that may be incurred in this regard.
37. All notices, requests or other communications given by the Bank to the Borrower/s shall be given in writing (including by facsimile) at the address specified in the Schedule
Each notice, request or other communication given at the address mentioned hereinabove or at such other address as may have been notified by the Borrower/s to the Bank shall be effectual, notwithstanding any change of residence or death, and such demand shall be deemed to be duly served upon the Borrower/s, as the case may be, (a) if given by facsimile, when such facsimile is transmitted to the facsimile number specified in this clause and confirmation of receipt is made by the appropriate party, (b) if given by post or by overnight courier, 24 hours after such communication is posted or deposited with the overnight courier for delivery as the case may be, and it shall be sufficient to prove that the letter containing the demand was properly addressed and put into the Post Office, notwithstanding that the notice may not in fact have been received by the Borrower/s or that the address to which it is dispatched may have ceased to be the Borrower/s' address.
38. The Borrower/s hereby agrees/agree as a pre-condition of the said loan/ facility given to him/her/it/them by the Bank that in case the Borrower/s commits/commit default in the repayment of the dues under this Deed or in the repayment of interest thereon or any of the agreed installment on the due date/s, the Bank and/or the Reserve Bank of India and/or Credit Information Bureau of India Ltd. will have an unqualified right to disclose or publish the name of the Borrower/s and its directors/partners/ proprietor as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
39. No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank upon any default under this Deed, security documents or any other Agreement/s or document shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank under this Deed.
40. Unless the same falls within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, any and all claims and disputes arising out of or in connection with this Deed or its performance shall be settled by arbitration by a single Arbitrator to be appointed by the Bank. The arbitration shall be held in Chennai.
41. In the event that the claim or dispute does not fall within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, for the purposes of arbitration as mentioned above, the Courts aforesaid, or if law does not permit the same, the Courts of the city in which the Agreement, shall have exclusive jurisdiction in relation to this Deed, the arbitration and all matters arising in connection herewith and therewith

SIGNED AND DELIVERED BY
the Borrower

SIGNED AND DELIVERED BY
the Bank

SCHEDULE

Place of Agreement :	
Date of Agreement :	
Name and address of the Borrower/s :	<p>(Company/Proprietorship/Partnership Name and Address)</p> <hr/> <hr/> <hr/>
Particulars of the facility/ies offered	<hr/> <hr/> <hr/>
Particulars of Agreement/s/Sanction Letter/s/Individual Facility Sanction Letter/s under which facility/ies are offered	
Particulars of Property/ies offered as security for the due repayment of the facility/ies	<p>The whole of the Borrower's present and future current assets and movable fixed including moveable fixed assets, both present and future, including:</p> <p>(i)book-debts, receivables, outstanding moneys, claims, demands, bills, contracts, engagements and securities belonging to or held by the Borrower and which are now due and owing or accruing and which may at any time hereafter during the continuance of the security may become due and owing to the Borrower;</p> <p>(ii)stocks of raw materials, finished and semi-finished goods, goods in process and consumable stores, which are now lying or stored in or which may hereafter from time to time during the continuance of the security be lying or stored in or brought into or be in or about the factories and godowns of the Borrower or warehouses wherever situated;</p> <p>(iii) moveable plant and machinery, equipment, appliances, furniture, Product(s), machinery spares and stores, tools and accessories, whether or not installed; and</p> <p>(iv) related moveables in the course of transit or delivery whether now belonging or which may hereafter belong to the Borrower or which may be held by any person at any place within or outside India to the order or disposition of the Borrower and all documents of title including bills of lading, shipping documents, policies of insurance and other instruments and documents relating to such moveables together with benefits of all rights thereto.</p>

X

DECLARATION

I/We the Declarant(s) as mentioned in the First Schedule , Adult (s) Indian inhabitant(s) having residence/office at the place and on the date mentioned in the First Schedule do hereby solemnly affirm, declare and confirm as follows: -

1. I/We say that I/We am/are absolutely seized and, possessed of or otherwise well entitled to the immovable property being the property more particularly described in the Second Schedule hereunder written and all rights and interest therein (the "said" property").
2. I/We have disclosed all facts relating to the said property to authorized representatives of KOTAK MAHINDRA BANK LIMITED (KOTAK MAHINDRA BANK LIMITED. which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns). I/We confirm the accuracy of all information given by me/us in this regard and also confirm that all prior or subsequent. Information furnished by me/us in this behalf is true, complete and accurate in every way.
3. I/We. have acquired the said property with my/our self acquired funds (except for the Facility) and I/We am/are the only sole and absolute owners thereof and no other person has any share, right, title or interest of any kind or nature whatsoever in the said property or beneficial ownership thereof.
4. (a)I/We say that the said property is free from all encumbrances, claims and demands and the same is not subject to any charge, liens; lis pendens, attachment or any other processes issued by any court or authority (except encumbrances, if any, as disclosed to KOTAK MAHINDRA BANK LIMITED.) and I/We have not created any lien, gift or trust in respect thereof and no suit, writ, action or other proceeding is pending against me/us in respect of the said property and that no notice for acquisition or requisition or reservation is issued or received by me/us in respect of the said property. I/We further declare that the said property is not encumbered in any manner whatsoever; and I/We have an absolute, clear and marketable title thereto.
4. (b)I/We undertake that the said properties will be used for the purpose for which it has been sanctioned by the local authorities at the time of developing/constructing the said properties and I/We hereby undertake that the super structure constructed on the property will be as per the sanctioned plans approved by the local authorities.
5. I/We hereby agree, confirm and undertake .that I/We will at all times and as when required, make out a clear and marketable title to the said .property to the satisfaction 'of KOTAK MAHINDRA BANK LIMITED and/or counsel of KOTAK MAHINDRA BANK, free from all reasonable doubts, claims and encumbrances. No change that would materially affect the said property has taken place after the submission of my / our application to KOTAK MAHINDRA BANK LIMITED.
6. I/We say that I/We have not received any notice of any intended or compulsory acquisition of the said property and to the best of my/our knowledge no notification of any kind that will adversely affect the property in any manner has been issued or published nor is the said property reserved for any purpose.
7. I/We say that I/We have duly paid and will duly pay the rates, taxes, cesses, assessments, revenues, duties, society charges and all other amounts now or hereafter due in respect of the said property and that .at present there are no arrears of such rates, taxes, revenues etc outstanding and that no attachments or warrants have been served on me/us in respect of Sales Tax, Income Tax, Government Revenues and other taxes.

8. I/We say that I/We have observed and performed and will duly observe and perform all the rules, regulations terms, conditions and covenants subject to which the said property has been :purchased/acquired/held by me/us which are so required to be observed, performed, complied with by me/us.
 9. I/We shall/ cause the. Borrower/s to duly and faithfully observe and faithfully all the terms .and conditions set out in the Master Facility Agreement and the other transaction documents in relation to loan not exceeding in the aggregate for an Overall Facility Amount as mentioned in the First Schedule (the loan) provided/ agreed to be provided by KOTAK MAHINDRA BANK LIMITED to the "Borrower/s" as mentioned in the First Schedule , (which expression shall, unless it be repugnant to the subject or context thereof, include its heirs, legal representatives; successors; executors, administrators, permitted assigns, as the case may be; the expression "Borrower/s" shall, as the subject or context may permit or require, mean any or each of the Borrower/s) and shall always observe and comply with the rules and regulations framed by KOTAK MAHINDRA BANK from time to time. The loan agreement and the other transaction documents are hereinafter referred to as the "Transaction Documents" . The loan has been provided / agreed to be provided to the Borrower/s, at my / our request. KOTAK MAHINDRA BANK LIMITED shall be entitled to vary, modify the terms of the Transaction Documents or release any security or provide further financial assistances without my/ our further approval.
 10. There is no action, suit, proceeding' or investigation decided, disposed or pending to my/our knowledge or threatened by/against me/us, before any Court of Law or any other competent authority or body which has/have material effect on my/our business/profession/service, properties or affairs or which might put into question the validity or performance of the Transaction Documents. .
 11. I/We will not sell, exchange, partition, mortgage charge, encumber, lease, dispose, of or deal with the said property in any manner whatsoever until such time all the liabilities under' the various loan granted to me/us have been paid in full by me/us and I/We have got the discharge confirmed in writing by KOTAK MAHINDRA BANK LIMITED.
 12. I/We are not aware of any document/judgment or legal process of latent/patent defect in my/our title to the, said property which may prejudicially affect KOTAK MAHINDRA BANK LIMITED. I/We hereby declare and undertake jointly and severally to indemnified and keep KOTAK MAHINDRA BANK LIMITED fully indemnified, saved and harmless of from or against any loss, damage or risk that might arise to KOTAK MAHINDRA BANK LIMITED on account of any defect in my/our title to the said property or on account of any default of mine/ours or: on account of non.-performance or non-observance or breach of any terms, clause, conditions or covenant of the Transaction Documents or any other document or any claim, demand or risk however arising to KOTAK MAHINDRA BANK LIMITED with reference to the said property or the loan and that in the event of KOTAK MAHINDRA BANK LIMITED suffering any claim, risk, damages etc. I/We shall forthwith reimburse to KOTAK MAHINDRA BANK LIMITED the amount of any such claim, demand, risk, etc together with costs, interests etc, as the case may be notwithstanding KOTAK MAHINDRA BANK LIMITED right to recall the loan together with all interest and other amounts payable to KOTAK MAHINDRA BANK LIMITED
 13. I/We further agree and undertake to keep alive the insurance policy/policies assigned in favour of KOTAK MAHINDRA BANK LIMITED as and by way of paying in time the premium as they fall due and produce the receipts to KOTAK MAHINDRA BANK LIMITED In case I/ We default payment of any premium or other amounts or charges due .under 'any policy or policies Kotak Mahindra Bank may, at the sole discretion of KOTAK MAHINDRA BANK LIMITED pay the same and in the event of such payment KOTAK MAHINDRA BANK LIMITED would be entitled to a reimbursement of the same.
 14. I/We further say that KOTAK MAHINDRA BANK LIMITED shall have the right to receive and adjust any amount that KOTAK MAHINDRA BANK LIMITED. may receive in connection with the insurance policy/policies against the loan and/or the overdraft and alter the amortization or repayment schedule in any manner KOTAK MAHINDRA BANK LIMITED may deem fit notwithstanding anything to the contrary contained in the Transaction Documents or any other document or paper.
 15. I/We have scrutinized and am/are satisfied with the building plans, commencement certificate and all the requisite permissions pertaining to the said property and that the construction is as per the approved plans and of the satisfactory and standard quality.
 16. I/We hereby declare and undertake and confirm that KOTAK MAHINDRA BANK LIMITED shall be entitled to utilize the information furnished by me/us in such manner as they may deem fit or necessary, including making of any disclosures to any regulatory authority or any other person; this declaration shall continue to remain valid, binding and in full force and effect during the subsistence of the ,loan Agreement and the other transaction Documents and till the loan and all monies in respect thereof are paid off in full to the satisfaction of KOTAK MAHINDRA BANK LIMITED.
 17. KOTAK MAHINDRA BANK LIMITED and its group companies shall have the paramount right of set-off and lien, irrespective of any other lien or charge, present as well as future on the deposits of any kind and nature (including fixed deposits) , held/ balances lying in any of. my / our accounts, whether in single name or joint name(s) and on any monies, securities, bonds and all other assets, documents and properties held by/ under the control of KOTAK MAHINDRA BANK LIMITED and/or its group companies (whether, by way of security or otherwise pursuant to any contract entered/ to be entered into by me / us in any capacity) to the extent of all outstanding dues, whatsoever, arising as a result of any of KOTAK MAHINDRA BANK LIMITED's or its group companies' services extended to and/or used by me / us / the Borrower/s and/or as a result of any other loans that maybe granted by KOTAK MAHINDRA BANK LIMITED and/or its group companies to the Borrower/s me/ us. KOTAK MAHINDRA BANK LIMITED and/or its group companies are entitled, without any notice to me / us to settle, any indebtedness whatsoever owed by the Borrower/s /me / us to KOTAK MAHINDRA BANK LIMITED and/or its group companies, (whether actual or contingent, or whether primary or collateral, or whether joint and/or several) hereunder 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 me / us with KOTAK MAHINDRA BANK LIMITED and/or its group companies notwithstanding that the deposit(s)/ balances lying in such account(s) may not be expressed ill the same currency as such indebtedness. KOTAK MAHINDRA BANK LIMITED's and its group companies' rights hereunder shall not be affected by my / our bankruptcy / insolvency, death or winding-up. It shall be my/our sole responsibility and liability to settle all disputes/ objections with any such, joint account holders.
- In addition to the above mentioned right or any other right which KOTAK MAHINDRA BANK LIMITED and its group companies may at any time be entitled whether by operation of law, contract or otherwise, I/We authorize KOTAK MAHINDRA BANK LIMITED: (a) to combine or consolidate at any time all or any of the accounts and liabilities of the Borrower/s with or to any branch of KOTAK MAHINDRA BANK LIMITED and/or its group companies; (b) to sell any of ,the Borrower/s' securities or properties held by KOTAK MAHINDRA BANK LIMITED by way of public or private sale without having to institute any judicial proceeding whatsoever and retain/appropriate from the proceeds derived there from the total amounts outstanding to KOTAK MAHINDRA BANK LIMITED and/or it group companies from the Borrower/s / me / us, including costs and expenses in connection with such sale; and (c) in case of cross currency set-off, to convert an obligation in one currency to another currency at a rate determined at the sole discretion of KOTAK MAHINDRA BANK LIMITED and/or its group companies.
18. I/We make the aforesaid declarations and statements and give the aforesaid undertaking solemnly and sincerely believing the same to be true and knowing fully well that on the faith and strength thereof, the loan has been provided / agreed to be provided by KOTAK MAHINDRA BANK LIMITED to the Borrower/s, and KOTAK MAHINDRA BANK LIMITED has agreed for substitution / addition / release of certain borrower/s / substitution of the property/ies mentioned in the loan documents.
 19. All capitalized used but not defined herein shall have the respective meanings ascribed to them in the Facility' Agreement.
 20. **In case this declaration is being furnished by a partnership firm:**
I/ We agrees that no change whatsoever in the constitution of the partnership firm during the continuance / validity of this declaration shall impair or discharge the liability of anyone or all of the partners. In the event of death or retirement of any partner, KOTAK MAHINDRA BANK LIMITED shall at its discretion deal with the surviving and/or continuing partner/s, without affecting its rights as against the retiring partner or the heirs and legal representatives of the deceased partner, as KOTAK MAHINDRA BANK LIMITED shall think fit and proper, and the retiring partner and / or the heirs, executors, administrators, legal representatives of the deceased partner shall have no claim as against KOTAK MAHINDRA BANK LIMITED in respect of such dealing.

I/We confirm that:

- (i) I/We are the only partners of the firm;
- (ii) The partnership firm is duly registered under the Indian Partnership Act, 1932.
- (iii) I/We shall advise KOTAK MAHINDRA BANK LIMITED in writing of any changes which may take place in the partnership;
- (iv) I/We will not dissolve / reconstitute the partnership firm without the approval of KOTAK MAHINDRA BANK LIMITED;
- (v) All the partners are jointly and severally liable to KOTAK MAHINDRA BANK LIMITED for performance of all obligations under this declaration.

In case this declaration is being furnish by an HUF:

KOTAK MAHINDRA BANK LIMITED shall at all times be informed of any changes in the constitution of the HUF as mentioned in the First Schedule by furnishing necessary documents and writings. I/ We agree that no change whatsoever in the constitution of the aforesaid HUF during the continuance / validity of this declaration shall impair or discharge the liability of anyone or all of the adult members / coparceners of the HUF and shall be binding on the HUF, its estate, effects and successors.

This declaration shall be enforceable against the Karta or any succeeding Karta of the HUF or against any and all the adult coparceners / members of the HUF.

I, the Karta, acting for HUF and in my personal capacity, and the other adult members / coparceners of the joint HUF represent, warrant and confirm to KOTAK MAHINDRA BANK LIMITED that:

- (i) We are members / coparceners of the HUF;
- (ii) The signatories to this declaration are the only adult members / coparceners of the HUF at present;
- (iii) The business carried on under the name and style as is our joint family trade which is binding on the minor members, if any, being ancestral trade / business;
- (iv) this declaration has been executed for and on behalf of the HUF and the transactions contemplated in this declaration are a part of the HUF business / trade referred to above; (v) the HUF business / trade mentioned above is being conducted and managed by the adult members / coparceners of the HUF and all of them have been jointly and individually empowered to perform the terms of this declaration, against security or otherwise, and execute all necessary -instruments! deeds, documents and writings and do all such acts, things and deeds as are necessary or incidental to the performance of the terms of this declaration, and also execute, draw, endorse, negotiate and sell cheques, bills, pro-notes, bills of exchange and other negotiable instruments on behalf of the HUF.

The Karta, acting for the HUF and in his personal capacity, and the other adult coparceners / members of the HUF also hereby indemnify and keep KOTAK MAHINDRA BANK LIMITED indemnified against all actions, claims, demands, proceedings, losses, damages, costs, charges and expenses whatsoever which KOTAK MAHINDRA BANK LIMITED may at any time incur, suffer, pay or sustain as a consequence of or by reason of or arising out of the transactions contemplated herein, and hold themselves personally liable, jointly and severally, in respect of all transactions entered into with KOTAK MAHINDRA BANK LIMITED or obligations incurred under this declaration.

In case this declaration is being executed by a proprietor:

I hereby represent, warrant, confirm and undertake that:

- (i) I/ am the sole proprietor / proprietress of the firm named as mentioned in the First Schedule _____
- (ii) I/ am solely responsible for the liabilities of the aforesaid firm and will be liable personally for performance of all obligations under this declaration.

Name /s	Signatures
	X

FIRST SCHEDULE	
Name of the Declarant	_____ _____ _____,
Address	_____ _____ _____,
Place of Execution	
Date of Execution	_____
Incase the Declarant is an HUF Name of the HUF	
Incase the Declarant is a Sole Proprietor/Proprietress Name of the Proprietary Firm Borrower/s	
Overall Facility Amount Facility	Rs. _____ Rupees _____ _____



SECOND SCHEDULE

Sr. No.	Name of the Declarant	Description of Property

X

X

POWER OF ATTORNEY

THIS POWER OF ATTORNEY at place and date as mentioned in Schedule I BY the Mortgagor(s) as described in Schedule I (The expression "Mortgagor(s)" shall, unless repugnant to the context or meaning thereof, be deemed to include, (i) where the Mortgagor(s) concerned is an individual or a proprietorship firm, his/her heirs, executors and administrators; (ii) where the Mortgagor(s) concerned is a partnership firm, the partners or partner for the time being of the said firm, the survivors or the survivor of them and their heirs, executors and administrators of the last surviving partner; (iii) where the Mortgagor(s) concerned is a Hindu undivided family, the member or members for the time being of the said Hindu undivided family, and their respective heirs, executors and administrator; (iv) where the Mortgagor(s) concerned is a company, its successors in title and permitted assigns.)

IN FAVOUR OF

KOTAK MAHINDRA BANK LIMITED, a Banking Company within the meaning of the Section 5(c) of The Banking Regulation Act, 1949 (10 of 1949) and having its Registered Office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021 hereinafter referred to as the "KMBL ", which expression shall unless repugnant to or inconsistent with the context, mean and include its successors and assigns.

WHEREAS

- A. KMBL has agreed to sanction/ grant and/or sanctioned/granted certain credit facilities as described in in Schedule I (hereinafter referred as the financial facilities) aggregating to the limit as mentioned in Schedule I(the financial facilities) to the Borrower/s as described in Schedule I
- B. One of the conditions under the said facility is that the facility amount, interest, and other dues payable to KMBL under the said Financial facilities shall be secured, inter alias, by a first charge by way of mortgage to be created on property owned by Mortgagor/s as described in the Schedule II (the above mentioned properties hereinafter collectively referred as "the Properties).
- C. The Mortgagor/s are now executing this power of attorney appointing KMBL as its Attorney to do the acts, deeds and things set out in this power of attorney.
- D. Words and expressions used herein but not defined shall have the meaning and interpretation ascribed to them as per Facility/Master Loan Agreement and Memorandum of Entry
- E. Except where the context otherwise requires words denoting the singular include the plural and vice-versa; words denoting any one gender include all genders; words denoting persons include incorporations and firms and vice versa.

In consideration of the Financial facilities due and payable by the Borrower/s, the Mortgagor/s do hereby nominate, constitute and appoint Kotak Mahindra Bank Limited, a Banking Company within the meaning of the Section 5(c) of The Banking Regulation Act, 1949 (10 of 1949) and having its registered office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021 acting through any of its Directors and/or officers duly authorised by it for the purpose as its true and lawful

Constituted Attorney (herein after referred to as "the Attorney") and authorise it on Mortgagor/s behalf, at the cost and expense of Mortgagor/s, to do all or any of the following in respect of the Properties on which security has been created, as set out hereinbefore :

1. To make, sign, execute and deliver in favour of Kotak Mahindra Bank Limited or any person as Kotak Mahindra Bank Limited may in its sole discretion may decide, the security in any form containing such covenants, conditions, provisions and stipulations as Kotak Mahindra Bank Limited may in its sole and absolute discretion deem necessary or expedient for better securing the repayment of loan and all interests, commitments and other charges and any other dues receivable in connection with the loan.
2. To execute an English Mortgage in respect of the Properties or any other security in the Attorney's favour or in favour of its nominee
3. To present and lodge in the Office of Registrar or Sub-Registrar of Assurances the instrument of English Mortgage and admit execution.
4. To pay stamp duty and registration charges in respect of the said instrument or any part thereof on the Mortgagor/s behalf.
5. To apply for and obtain Income tax certificates and clearances, as may be required for registration of the said instrument
6. To appear for and on behalf of the Mortgagor/s before any Income Tax authority and if need be to pay to discharge any tax liability for and on behalf of the Mortgagor/s and to recover the same from the Mortgagor/s with such interest as Kotak Mahindra Bank Limited in its sole and absolute discretion may deem fit.
7. To take possession of and sell the Properties or any other security and for this purpose to do all other acts including appearing before statutory authorities and competent authorities and to sign all deeds, documents etc, in relation thereto.
8. To sell/transfer/alienate the Properties or any security without intervention of the court.
9. To do all such acts, deeds matters and things as may be necessary for the proper and effectual completion of security created by the Mortgagor/s over the Properties pursuant to the Financial facilities and mortgage and to register particulars of such security and any modification and satisfaction thereof with the Authority concerned.
10. To compromise, compound or settle any debt due and payable to the Mortgagor/s on such terms and conditions as the Attorney may think fit.
11. To make, draw, sign, endorse, negotiate, accept and release as the case may be cheques, drafts or other securities for payment of money.
12. To take and enforce any action whether by way of suit, petition, application including enforcement of charges or any other security in any court of law, tribunal or other authority as also to initiate execution proceedings against any person and to prefer any appeal, revision or any other proceedings at any higher court or tribunal against any order, award or decree or procurement by any court, authority or tribunal or any other authority and to withdraw any suit or other legal proceedings as aforesaid and to settle the same whether in or out of court as the Attorney may consider appropriate.
13. To defend any suit or proceeding filed against the Mortgagor/s in respect of any debt due to the Mortgagor/s/Borrower/s or in respect of the Properties or any part thereof.
14. To engage advocates and counsels for the above and to sign vakalatnamas for the appointment.
15. To sign, affirm, declare and file plaints, written statements, affidavits, counter replies and such other papers and documents as may be required in connection with the legal proceedings instituted by or against the Mortgagor/s or relating to the Properties.
16. To accept service of any writs, summons or any other court process in any legal proceeding instituted against the Mortgagor/s or relating to the Properties.
17. To be present before any court or any other authority including a tribunal or an arbitrator in any legal proceeding instituted by or against the Mortgagor/s relating to the Properties.
18. To apply for the issue of insurance policies to insure the Properties, to sign such papers or documents as may be required for the purpose, to renew the policies, in favour of the Attorney and also to receive any of the insurance receivables.
19. To appoint or remove any agent or agents or substitute or substitutes with all or any of the powers aforesaid in order to enable such agent/s or substitute/s to exercise all or any of the powers given by the Mortgagor/s to the Attorney.
20. In general to do all acts, deeds and things as may be necessary to give effect to the powers bestowed through this power of attorney.

All or any of the powers hereby granted in favour of Kotak Mahindra Bank Limited may be exercised by any officer or officers of Kotak Mahindra Bank Limited as may be decided by Kotak Mahindra Bank Limited in that behalf.

The Mortgagor/s do hereby undertake to ratify whatever the Attorney may lawfully do in and by virtue of these presents and the Mortgagor/s hereby declare that the powers and authorities conferred hereinbefore to and / or in favour of the said Attorney is unconditional and shall be irrevocable until the amount due from the Borrower/s to the Attorney shall have been fully paid and discharged and such discharge expressly acknowledged by the Attorney. The Mortgagor/s further declare that the Mortgagor/s shall not at any time act in a manner which has the effect of diluting, nullifying or vitiating the powers given to the Attorney under this Power of Attorney. This Power of Attorney shall not be affected by the demise, insolvency, as the case may be, of neither the Borrower/s nor the Mortgagor/s.

IN WITNESS whereof this power of attorney has been executed on this ___ day of _____.

SIGNED AND DELIVERED

by withinnamed Mortgagor/s

X _____ (signature)

X _____ (signature)

*The Common Seal of M/s. _____ :
was hereunto affixed pursuant to a resolution : X
passed by the Board of Directors at their :
meeting held on _____ 2006, in the :
presence of _____, Director :
and _____ : X
of the Company who have signed there presents :
in token thereof :

* Please ensure that the Common Seal is affixed as per the Memorandum & Articles of Association of the Company

SCHEDULE I

Name of the Mortgagor(s)	1. 2, 3. 4. 5.
Address of the Mortgagor(s)	1. 2, 3. 4. 5.
Place of Execution	
Date of Execution	
Date of Agreement	
Name of the Borrower/s	
Overall Facility Amount	Rs. _____ Rupees _____ _____

X

SCHEDULE II

Sr. No.	Name of the Mortgagor	Description of Property
1.		
2.		
3.		
4.		
5.		

X

POWER OF ATTORNEY

TO ALL TO WHOM THESE PRESENTS SHALL COME WE the Dealer as described in the Schedule (hereinafter referred to as "the Dealer" (The expression "Dealer shall, unless repugnant to the context or meaning thereof, be deemed to include, (i) where the Dealer concerned is an individual or a proprietorship firm, his/her heirs, executors and administrators; (ii) where the Dealer concerned is a partnership firm, the partners or partner for the time being of the said firm, the survivors or the survivor of them and their heirs, executors and administrators of the last surviving partner; (iii) where the Dealer concerned is a Hindu undivided family, the member or members for the time being of the said Hindu undivided family, and their respective heirs, executors and administrator; (iv) where the Dealer concerned is a company, its successors in title and permitted assigns.)

SEND GREETINGS:-

WHEREAS:

- a) The Dealer is an authorised dealer of (the Manufacturer " as described in the Schedule
- b) At the Dealer's request, Kotak Mahindra Bank Limited ("KMBL") has agreed to provide to the Dealer a revolving facility (" the Facility ") whereunder KMBL may from time to time make an Advance(s) to the Dealer for financing the purchase of new Vehicles by the Dealer from the Manufacturer, on the terms and conditions more particularly contained in the Master Loan/Facility Agreement as mentioned in the Schedule entered into between the Dealer and KMBL (hereinafter referred to as "the said Agreement").
- c) Under the said Agreement the Dealer has agreed to execute an irrevocable power of attorney in favour of KMBL in the manner hereinafter appearing, which the Dealer hereby does as under:

NOW KNOW YE ALL AND THESE PRESENTS WITNESSETH that in consideration of the said Agreement and KMBL agreeing to grant and/or granting Advances to the Dealer, the Dealer abovenamed does hereby irrevocably nominate, constitute and appoint KMBL acting through any of its Directors, officers, employees or authorised representatives (hereinafter called " the said Attorney ") to be the Dealers's true and lawful attorney for the Dealer and on the Dealer's behalf and in the Dealer's name to from time to time do all or any of the following acts, deeds, matters and things and to exercise all or any of the powers and authorities hereby conferred, that is to say:-

1. to forward to the Manufacturer orders/indents for purchase of Vehicles and cheques, pay orders, drafts or other instruments.
2. to instruct the manufacturer to deliver to the said Attorney or to such person as the said Attorney may specify any vehicle(s) which are deliverable to the Dealer;
3. to cancel any and all Vehicle bookings of the Dealer with the Manufacturer and to demand, receive, sue for and give effective receipt and discharge for any refund of money (including interest) consequent to the cancellation of the bookings;
4. to demand, receive delivery of, recover, take possession of and/or sue for any Vehicle(s) and give effective receipt and discharge for the same;

5. to sell and or transfer give on lease or hire-purchase or otherwise deal with or dispose of any Vehicles on such terms and conditions and for such consideration as the said Attorney may deem fit and proper.
6. to demand, sue for, receive, recover, give effectual discharges for all, sell or otherwise dispose off or deal with any Vehicles or other assets, debts or receivables hypothecated in favour of KMBL;
7. to file suits, to declare plaints, make affidavits, affirm and sign any pleadings, petitions, appeals, declarations, etc., to employ solicitors and advocates, to compromise and refer to arbitration and to do all such acts and things as could have been done by the Dealer.
8. to sign, execute, endorse, transfer, file or deliver in the name of the Dealer any forms, statements, certificates, applications or other documents required or advisable by applicable law to perfect or realise KMBL's security interest under the said Agreement and/or to exercise KMBL's rights under the said Agreement and/or for exercising all or any of the powers granted under this Power of Attorney.
9. to represent the Dealer and to appear and correspond on the Dealer's behalf before the Road Transport Office/ Authority, the Government, any official, board or other authority whatsoever.

AND GENERALLY, to sign all letters, correspondence and other documents and to execute and perform any other act, deed or thing whatsoever which ought to be done executed or performed or which in the opinion of the said Attorney ought to be done executed or performed in or about our concerns and engagements of every nature and kind whatsoever as fully and effectually to all intents and purposes as we could do if we were present and did the same it being our intent and desire that all matters and things respecting the same shall be under the full management and directions of the said Attorney and for the further, better and more effectually doing, effecting, executing and performing of the several matters and things aforesaid we hereby give and grant unto the said Attorney full power and authority from time to time to appoint one or more substitute or substitutes to do execute and perform all or any such matters or things as aforesaid and the same substitute or substitutes at pleasure to remove and to appoint another or others in his or their places AND all and whatsoever the said Attorney shall do or cause to be done in or about these presents WE DO HEREBY for ourselves, our successors, ratify and confirm.

AND the Dealer hereby agrees and declares that this power of attorney shall be irrevocable and shall not be revoked until all amounts under the Facility have been finally repaid by the Dealer to KMBL in full and KMBL has discontinued the Facility to the Dealer; and a certificate of KMBL in respect of the above shall be final and conclusive.

IN WITNESS WHEREOF, we the said Dealer set and subscribe our hand to this writing and/or seal on the date and place as mentioned in the Schedule

SIGNED AND DELIVERED

By the Dealer)
 Through its Authorised Signatory) X

*The Common Seal of _____ :
 was hereunto affixed pursuant to a resolution :
 passed by the Board of Directors at their :
 meeting held on ____ 200__, in the : X
 presence of Mr. _____, Director :
 and Mr. _____, :
 of the Company who have signed there presents :
 in token thereof : X

* Please ensure that the Common Seal is affixed as per the Memorandum & Articles of Association of the Company

SCHEDULE I	
Name of the Dealer	
Address of the Dealer	
Name of the Manufacturer	
Address of the Manufacturer	
Place of Execution	
Date of Execution	
Date of Master Facility Agreement	

X

GUARANTEE

This Guarantee is made at the place and on the day stated in the Schedule hereto by:

the person/s who is referred to as the Guarantor/s in the Schedule, (hereinafter referred to as the "Guarantor/s") which expression shall unless it be repugnant to the meaning or context thereof, mean and include, where the party concerned is an individual or a proprietorship firm, his/her heirs, executors and administrators; where the party concerned is a partnership firm, the partners or partner for the time being of the said firm, the survivors or survivor of them and the heirs, executors and administrators of the last surviving partner; where the party concerned is the Karta of a Hindu Undivided Family and the borrowing/guarantee is for the purposes of the Hindu Undivided Family, the member or members for the time being of the said Hindu Undivided Family, and their respective heirs, executors and administrators and assigns; and where the party concerned is a company, its successors in title, where the party concerned is an unincorporated body, all the members of such body and their respective successors, where the Borrower is the Governing Body of a Society, respective successors of the members of the Governing Body and any new members elected, appointed or co-opted and where the Borrower is the Trustees of the Trust, their successors)

in favour of Kotak Mahindra Bank Limited, a Banking Company within the meaning of the Section 5(c) of The Banking Regulation Act, 1949 (10 of 1949) and having its registered office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021, hereinafter referred to as "KMBL" (which expression shall unless repugnant to the context mean and include its successors and assigns).

WHEREAS:

- A. KMBL has granted credit facilities (as described in the Schedule) to the person, who is referred to as "the Borrower" in the Schedule.
- B. KMBL has sanctioned credit facilities to the Borrower under the Agreement on the date as mentioned in the Schedule as date of sanction letter/facility Agreement, on the assurance that the Guarantee will operate as security for the performance of the obligations and liabilities of the Borrower under the credit facilities and due payment of all amounts due to KMBL and the Borrower has agreed to obtain a guarantee from the Guarantor/s, in favour of KMBL.
- C. The Borrower has agreed to obtain a guarantee from the Guarantor/s, for repayment of the credit facilities and all moneys due and payable under the credit facilities for interest or otherwise.
- D. Except where the context otherwise requires words denoting the singular include the plural and vice-versa; words denoting any one gender include all genders; words denoting persons include incorporations and firms and vice versa

NOW THEREFORE THIS DEED WITNESSES that in consideration of KMBL granting the credit facilities to the Borrower, the Guarantor/s does hereby agree and guarantee as follows:

1. The Guarantor/s guarantees to KMBL that in the event of the Borrower failing to perform any of its obligations under the credit facilities or failing to repay the amount on the due dates for their payment under the credit facilities or failing to pay any installment of interest or other dues on the due dates for their payment under the credit facilities or failing to pay the amounts due under the credit facilities on the happening of an Event of Default under the credit facilities in accordance with the provisions thereof, the Guarantor/s shall, on demand, promptly pay and make good the same without dispute or demur.
2. Should the Guarantor/s fail, on invocation of this guarantee by KMBL, for any reason whatsoever to settle the claim made by KMBL within a maximum period of 7 days from the date of the claim, the Guarantor/s shall be bound to pay interest at the rate of 18 % per annum on the amounts claimed by KMBL till the date of payment without prejudice to and in addition to any other remedy that KMBL may have against the Guarantor/s.
3. The Guarantor/s's liability hereunder shall not exceed the aggregate amount of the credit facilities together with interest thereon at the rate as payable by the Borrower with monthly/quarterly/half yearly rests or at such other rate of interest which may then be payable by the Borrower, including in particular interest at an additional and/or compounded and/or penal rate in the event of default by the Borrower in punctual payment of any installment and/or of interest, or which may have been notified to the Borrower from time to time by written notice.
4. The Guarantor/s agrees that its liability shall be that of a primary obligor and not merely as a surety and it shall not be impaired or discharged by reason of any facilities or time given by KMBL to the Borrower or any indulgence or forbearance shown in payment or any dues or repayment of the amount under the credit facilities or KMBL failing to enforce any of its remedies under the credit facilities or in respect of any security proposed to be created. The Guarantor/s further agrees that any such facilities, time or indulgence granted or forbearance shown shall be deemed to have been given after due notice to and with the Guarantor/s's consent.
5. All the Guarantors (if there are more than one) hereby confirm that they shall at all times be jointly and severally liable for the repayments of the amounts guaranteed hereunder.
6. KMBL's rights against the Guarantor/s shall remain in full force and effect notwithstanding any arrangement which may be reached between KMBL and any other Guarantor/s, if any, or notwithstanding the release of that other(s) liability and notwithstanding that any time hereafter the other guarantor(s) may cease for any reason whatsoever to be liable to KMBL, KMBL shall be at liberty to require the performance by the Guarantor/s of its obligations hereunder to the same extent in all respects as if the Guarantor/s had at all times been solely liable to perform the said obligations. The Guarantor/s agrees that any admission or acknowledgement in writing given or part payment made by the Borrower in respect of/towards repayment of the guaranteed amounts and their indebtedness or otherwise in relation to the credit facilities and/or the subject matter of this guarantee shall be binding upon the Guarantor/s and shall be treated as given on the Guarantor/s's behalf also. This guarantee shall be in full force even though the Borrower has not renewed the documents and even though the claim of the Bank for the amounts due from the Borrower gets time barred and the Bank cannot recover the same from the Borrower by filing a suit or any legal proceeding against the Borrower.
7. The Guarantor/s hereby agrees that without its consent/concurrence, the Borrower and KMBL shall be at liberty to vary, alter, or modify the terms and conditions of the credit facilities and/or of the security created and/or of the security documents, executed by the Borrower in favour of KMBL and in particular defer, postpone or revise the repayment of the credit facilities and/ or payment of interest and other monies payable by the Borrower to KMBL on such terms and conditions as may be considered necessary by KMBL including any increase in the rate of interest in accordance with the provisions of the credit facilities. KMBL shall also be at liberty to absolutely dispense with or release all or any of the security/securities furnished or required to be furnished by the Borrower to KMBL to secure the credit facilities.
8. KMBL shall have full liberty to exercise, without notice to the Guarantor/s and without in any way affecting this guarantee, at any time and in any manner, any power or powers reserved to KMBL under the credit facilities to enforce, or forbear to enforce payment of the amount or any part thereof or interest or other monies due to KMBL from the Borrower or exercise any of the remedies or securities available to KMBL, to enter into any composition or compound with or to grant time or any other indulgence or facilities to the Borrower and the Guarantor/s shall not be released by the exercise by KMBL of its liberty in regard to the matters referred to above or by any act or omission on the part of KMBL or by any other matter or thing whatsoever which under the law relating to sureties would, but for this provision, have the effect of so releasing the guarantors and the Guarantor/s hereby waives in favour of KMBL so far as may be necessary to give effect to any of the provisions of this guarantee, all the suretyship and other rights which a Guarantor/s might otherwise be entitled to enforce.
9. This Guarantee shall be enforceable against the Guarantor/s notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Borrower in favour of KMBL shall at the time when the proceedings are taken against the Guarantor/s on this Guarantee, be outstanding or unrealised or lost.
10. The Guarantor/s hereby declares that all the assets owned by the Guarantor/s as on the date of the Sanction Letter/Facility Agreement or hereinafter acquired by it in future are / shall be free from any prior charge or encumbrance and are / shall be its absolute property and are / shall be at the sole disposal of the Guarantor/s and the Guarantor/s further hereby irrevocably and unconditionally agrees and undertake that so long as there is any amount outstanding and payable by the Borrower to KMBL in respect of the credit facilities, the Guarantor/s shall not at any time hereafter create any mortgage, charge, lien or encumbrance over any of its assets or sell, lease, transfer deal with or otherwise dispose off or seek to dispose off the same or any part thereof or do anything whereby the interest of KMBL will be in any way prejudiced or adversely affected. In required by KMBL, the Guarantor/s shall create a charge over any of its assets and in such form and manner as may be acceptable to KMBL in its favour and shall also do or perform and execute all necessary acts, deeds, matters and things in a form and substance satisfactory to KMBL as may be required by it for perfecting the security as aforesaid.
11. The Guarantor/s also agrees to indemnify KMBL against all loss, damage, costs, charges and expenses which KMBL may suffer as a result of granting the credit facilities to the Borrower or accepting any security for the credit facilities from the Borrower.
12. The Guarantor/s agrees that the copy of the statement of accounts of KMBL duly certified as correct shall be binding on the Guarantor/s as sums due and payable under this guarantee.
13. The Guarantor/s hereby agrees and gives consent to the sale, mortgage, hypothecation on prior, pari passu or second charge basis, or release of any of the assets by the Borrower from time to time as may be approved by KMBL and this may be treated as a continuing consent for each and every individual act of transfer, mortgage, hypothecation or release of any of such assets of the Borrower and no separate consent for each such transfer, mortgage, hypothecation or release of any of such assets will be necessary.
14. The Guarantor/s confirms and declares that this guarantee shall not be affected nor the Guarantor/s be discharged from any of its liabilities hereunder if the Borrower is ordered to be wound-up or proceedings are initiated against the Borrower for it being wound-up, or otherwise, under any law, statute, rule, ordinance, etc., which would have the effect of suspending or waiving all or any right against the Borrower, or in respect of any contract concerning the Borrower or by any change in the constitution of KMBL.
15. The Guarantor/s hereby agrees and declares that the Borrower will be free to avail of further credit facilities or other facilities in addition to the credit facilities and/or renew the same during the subsistence of this guarantee and in that event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain in full force and effect and binding on the Guarantor/s.
16. The Guarantor/s undertake and declare that he/she/it/they did not receive any commission; interest; brokerage, fees etc. from the borrower for issuance of the guarantee as a security for the repayment of financial facilities availed by the borrower from KMBL.
17. Further the Guarantor/s undertake and declare that he/she/it/they did not enter into any agreement with the borrower to the effect that on devolvement of the guarantee, the guarantee amount will be converted into shares; debentures; bonds etc.

18. The Guarantor/s further undertake that till such time as all the moneys due and payable by borrower under the financial facilities are fully repaid, the Guarantor/s shall maintain the aforesaid undertakings and declaration.
19. The Guarantor/s further undertake that he/she/it/they will comply with all the undertakings and declaration provided hereinabove failure of which will be considered as events of default and shall abide all the repercussion provision as enumerated under the financial instruments executed under the aforesaid financial facilities.
20. The Guarantor/s shall not in the event of the liquidation of the Borrower prove in competition with KMBL in the liquidation proceedings.
21. The Guarantor/s hereby agrees that it shall not be necessary for KMBL to exhaust its rights or take any action against the Borrower before requiring the Guarantor/s to make payment under this guarantee.
22. This Guarantee shall be a continuing one and shall remain in full force and effect till such time as the Borrower repays in full the credit facilities together with all interest, default interest, liquidated damages costs, charges and all other monies that may from time to time become due and payable and remain unpaid to KMBL under the credit facilities.
23. The Guarantor/s agrees that notwithstanding any defect in or invalidation of the credit facilities and/or incomplete documents or writings, this guarantee shall be valid and operative and the Guarantor/s shall not be discharged from its liability hereunder except by performance of this guarantee. The Guarantor/s does hereby represent to the Bank that the Borrower and the Guarantor/s are competent to contract within the meaning of the Indian Contract Act and/or the Companies Act, 1956 and that there is no impediment to their capacity to enter into contracts with the Bank. The Guarantor/s further agrees that if the Borrower shall be found not liable in law for the guaranteed amounts or advances made or credit facilities given by the Bank to them by reason of their incapacity to borrow or to contract or for any reason, it shall not in any manner affect the Guarantor/s's liability and any moneys advanced to the Borrower shall be deemed due and owing notwithstanding such presence of informality or irregularity.
24. The Guarantor/s agrees to make the payment of sums due and payable under this guarantee when demanded by KMBL notwithstanding that a dispute is pending between KMBL and the Borrower in respect of any provision of the credit facilities or any other related or connected document.
25. This guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with KMBL by the Borrower and shall be valid and binding on the Guarantor/s and operative until repayment in full of all monies due to KMBL under the credit facilities.
26. This guarantee shall be irrevocable and shall be in full force and effect notwithstanding that KMBL may have obtained any other guarantee, corporate or personal, to secure the credit facilities till such time as all the dues of KMBL including repayment of the credit facilities along with the payment of interest and all other expenses and dues are not paid by the Borrower.
27. This guarantee shall be binding upon the Guarantor/s's successors. The Bank shall be entitled to assign the debt and benefit under this guarantee to any third person/s.
28. The Guarantor/s understands that as a pre condition to the grant of the credit facilities to the Borrower and the furnishing of a guarantee in relation thereto, KMBL requires the consent of the Guarantor/s of the facilities granted by KMBL for disclosure of information and data relating to the Guarantor/s, any credit facilities availed of by the Guarantor/s, obligations as assumed by the Guarantor/s in relation thereto and default, if any, committed in discharge thereof. Accordingly the Guarantor/s hereby agrees and gives consent for the disclosure by KMBL of all or any such:
- (a) information and data relating to the Guarantor/s;
 - (b) the information or data relating to the obligations of the Guarantor/s in the credit facilities granted/to be granted by KMBL and guaranteed by the Guarantor/s; and
 - (c) default, if any, committed by the Guarantor/s in discharge of obligations of the Guarantor/s;
- as KMBL may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Limited and any other agency authorized in this behalf by Reserve Bank of India.
29. Arbitration:
Unless the same falls within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, any and all claims and disputes arising out of or in connection with this Agreement or its performance shall be settled by arbitration by a single Arbitrator to be appointed by KMBL. The arbitration shall be held in Chennai.
30. Jurisdiction:
In the event that the claim or dispute does not fall within the jurisdiction of the Debts Recovery Tribunal established under the Recovery of Debts Due To Banks and Financial Institutions Act, 1993, for the purposes of arbitration mentioned in Clause [29], the Courts where the Guarantee is executed, shall have exclusive jurisdiction in relation to this Agreement, the arbitration and all matters arising in connection herewith and therewith.
Any notice or demand required to be given shall be given or made in writing and shall be delivered either by hand or by courier or by registered post. Any notice or demand sent through a courier or by registered post shall be deemed to have been delivered after <4> days from the date on which it is sent. The notice or demand shall be deemed to have been given and made when delivered to the Guarantor/s's address as shown in this Deed of Guarantee or as subsequently modified by notice to KMBL.

IN WITNESS WHEREOF the parties hereto have executed this deed on the day and year first hereinabove written.

Signed and delivered by

a.	_____	X	_____
b.	_____	X	_____
c.	_____	X	_____
d.	_____	X	_____
e.	_____	X	_____

(Signature and Name of the Guarantor/s)

Signed by Kotak Mahindra Bank Limited
by its authorised signatory,

_____ X _____

Schedule I	
1. Date and Place of execution	
2. Name of Guarantor(s)	(a) (b) (c) (d) (e)
3. Address of Guarantor(s)	(a) (b) (c) (d) (e)
4. Name of Borrower	
5. Registered Office Address of the Borrower	
6. Nature of Credit Facility / Facilities	
7. Amount of Credit Facility / Facilities	
8. Date of Sanction Letter/s	
9. Date of Facility Agreement/s	

X

STATEMENT AND DECLARATION OF RESPONSIBILITY AND LAIBITLIY

This Statement and Declaration ("**Declaration**") is given at place on this day as mentioned in the Schedule

BY

I, the undersigned Declarant being an individual as also proprietor of a proprietary concern/s (severally and/or collectively called the "**said Firm**") (more particularly described in the Schedule attached herewith) residing at / having its principal place of business (details of which are mentioned in the Schedule attached)

IN FAVOUR OF

Kotak Mahindra Bank Limited, a company incorporated under the Companies Act, 1956 and licensed as a Bank under the Banking Regulation Act, 1949 and having its registered office at 36-38A, Nariman Bhavan, Nariman Point, Mumbai – 400 021 (hereinafter referred to as "**the Principal**" or "**KMB**" or "**the Lender**" which expression shall include its successors and assigns).

Whereas, under an Agreement (hereinafter called "the Facility Agreement") (details of the Facility Agreement is mentioned in the Schedule attached) entered into between the Principal and myself/proprietorship firm through myself as the proprietor (hereinafter referred to as "**the Borrower**") the Principal has, at the request of the Borrower, granted/agreed to grant to the Borrower, a financial facility aggregating to the maximum amount of as mentioned in the said Facility Agreement ("Financial Facility") on the terms and conditions set out in the Facility Agreement.

And Whereas, in furtherance to the grant of the Financial Facility and in pursuance thereof at the request of the Principal to the Borrower, I in my individual capacity and/or in my capacity as proprietor of the said Firm hereby declare and confirm as under:

1. I and/or the said Firm shall jointly and severally pay the loan amount/dues payable in respect of the Financial Facility, together with interest and outstanding amount including other charges payable as per the Facility Agreement.
2. The liability of the said Borrower shall at all times be and deemed to be my liability and the liability of myself shall be construed to be the liability of the said Firm and I shall be liable personally for payment/repayment of the liability of the said firm or myself to the Principal as per the Facility Agreement. Therefore, where Financial Facility obtained under the Facility Agreement either by me or by the said Firm, both myself and the said Firm shall jointly and severally be liable and continue to remain liable for the repayment of the Financial Facility.
3. All my present and future personal assets, present and future assets of the said Firm and present and future assets of all other firms owned by me or belonging to me presently (the details whereof are described in Schedule attached hereto) or that may be owned by me or belong to me in future, shall be deemed to be

and construed as my assets and/or the assets of the said Firm and all such assets put together shall be available to the Principal towards discharge of my and/or the said Borrower's liability to the Principal in case of any default or breach of the Facility Agreement/s committed by me or the said Firm (as the case may be).

4. I and the said Firm and all other firms owned by/belonging to me presently(the details whereof are described in Schedule attached hereto) or that may be owned by me or belong to me in future , shall be jointly and severally liable for the due repayment of the Financial facility granted by the Principal to the Borrower either by me or by the said Firm.
5. I shall not deny and/or cause to be denied the obligation and or the liability of myself and/or the liability of the said Firm and/or myself, the said firm and all other firms owned by/belonging to me presently (the details whereof are described in Schedule attached hereto) or that may be owned by me or belong to me in future ,shall be jointly and severally liable to repay to the Lender the Financial facility together with the outstanding amount as per the said agreement/s.
6. I further state that till the repayment of the entire Financial Facility together with the outstanding amount, I shall not dispose of the fixed assets of the said Firm or of any other firm owned by/belonging to me (the details whereof are described in Schedule attached hereto)or the immovable property belonging to me, failing which, it shall be construed to be the breach of this declaration , which shall ipso facto lead to the breach of the said agreement/s and shall be deemed to be an event of default under the Facility Agreement and the Lender shall be entitled to all the remedies including but not limited to proceeding against me/the said firm or any other firm owned by/belonging to me (the details whereof are described in Schedule attached hereto), which I admit and acknowledge.
7. I further state that the responsibility and liability of myself and the said Firm towards the Principal shall be primary and absolute and shall not be of affected by the occurrence of any circumstances, how fundamental those circumstances be and shall not be impaired or discharged by reason of any time given or forbearance on the part of the Principal or any indulgence shown in repayment of the loan amount or the Principal failing to enforce its other remedies to recover the Financial facility together with interest and other monies.
8. The Principal is entitled to accept and encash any cheque that may be drawn by me on my personal account or drawn by the said Firm on the said Firm's Bank account or drawn by any of my other firms (the details whereof are described in Schedule attached hereto)on its Bank account, towards repayment of any amount in respect of the Financial facility granted to either me to the Borrower and the Principal is entitled to irrevocably deposit this towards discharge of my or the Borrower's liability (as the case may be) either in full or in part thereof without in any way limiting any other rights it may have in law or contract. I further confirm and state that in case of dishonour/non-payment of such cheques tendered by me or the said Firm or any other firm owned by /belonging to me (the details whereof are described in Schedule attached hereto), I shall be personally liable for action as contemplated under the provisions of the Negotiable Instruments Act, 1881.
9. This Declaration shall be binding on my heirs, executors, administrators and assigns.
10. This declaration is in addition to the said Facility Agreement signed by me/the said Firm and the same shall form a part and parcel of and be read with , the said Facility Agreement.
11. I confirm and declare that this declaration will be binding on my estate.

IN WITNESS WHEREOF the Declarant has hereto set his/her hands on this statement of responsibility and liability on the day and year first hereinabove written.

SIGNED AND DELIVERED)
 by the within named Declarant) _____
 Mr. _____) Signature
 in his individual capacity)
 and/or as proprietor of the said Firm)

SCHEDULE

Place	
Date	
Name of the Declarant	
Address of Declarant	
Name and Address of the Proprietorship Firm (1)	
Date of the Facility Agreement	
Name/s and address/es of the other Firm/s presently owned by or belonging to the Proprietor	

LETTER OF AUTHORITY

Date: _____,

Kotak Mahindra Bank Limited
36-38 A, Nariman Bhavan
Nariman Point
Mumbai 400 021

Dear Sirs,

This is to authorize the undersigned partner to execute Agreement(s) and such other document(s) as may required by Kotak Mahindra Bank Limited and to do such acts, deeds and things for providing guarantee and or any other security for and on behalf of our Firm for the due repayment of the financial facility/ies availed by M/s/Mr./Ms. _____ and to do all such acts, deeds and things and execute all such documents as deemed fit by the bank for the purpose of creating security for the due repayment of the said financial facility.

Name of the Partner	Signature
Mr. _____	_____

Yours faithfully,

For M/s. _____

Name & Address of the Partner	Signature of the partner

**All partners to sign the letter*

DEMAND PROMISSORY NOTE [FIXED]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND I/We, _____
_____ (Name and Address of the Borrower),

promise to pay KOTAK MAHINDRA BANK LIMITED or order at their office in 36-38A Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021, or Order, at _____

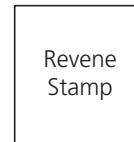
the sum of **Rs.** _____/- **[Rupees]** _____

Only] with interest thereon at the rate of _____% per annum for value received.

Signed and delivered by

For _____

X



Authorised Signatory

X

DEMAND PROMISSORY NOTE [FIXED]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND I/We, _____
_____ (Name and Address of the Borrower),

promise to pay KOTAK MAHINDRA BANK LIMITED or order at their office in 36-38A Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021, or Order, at _____

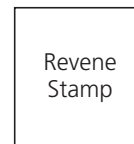
the sum of **Rs.** _____/- **[Rupees]** _____

Only] with interest thereon at the rate of _____% per annum for value received.

Signed and delivered by

For _____

X



Authorised Signatory

X

DEMAND PROMISSORY NOTE [FIXED]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND I/We, _____
_____ (Name and Address of the Borrower),

promise to pay KOTAK MAHINDRA BANK LIMITED or order at their office in 36-38A Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021, or Order, at _____

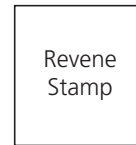
the sum of **Rs.** _____/- **[Rupees]** _____

Only] with interest thereon at the rate of _____% per annum for value received.

Signed and delivered by

For _____

X



Authorised Signatory

X

DEMAND PROMISSORY NOTE [FIXED]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND I/We, _____
_____ (Name and Address of the Borrower),

promise to pay KOTAK MAHINDRA BANK LIMITED or order at their office in 36-38A Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021, or Order, at _____

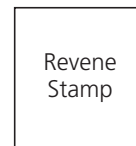
the sum of **Rs.** _____/- **[Rupees]** _____

Only] with interest thereon at the rate of _____% per annum for value received.

Signed and delivered by

For _____

X



Authorised Signatory

X

DEMAND PROMISSORY NOTE [FIXED]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND I/We, _____
_____ (Name and Address of the Borrower),

promise to pay KOTAK MAHINDRA BANK LIMITED or order at their office in 36-38A Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021, or Order, at _____

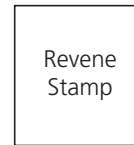
the sum of **Rs.** _____/- [**Rupees** _____

Only] with interest thereon at the rate of _____% per annum for value received.

Signed and delivered by

For _____

X



Authorised Signatory

X

DEMAND PROMISSORY NOTE [FIXED]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND I/We, _____
_____ (Name and Address of the Borrower),

promise to pay KOTAK MAHINDRA BANK LIMITED or order at their office in 36-38A Nariman Bhavan, 227,
Nariman Point, Mumbai 400 021, or Order, at _____

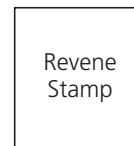
the sum of **Rs.** _____/- [**Rupees** _____

Only] with interest thereon at the rate of _____% per annum for value received.

Signed and delivered by

For _____

X



Authorised Signatory

X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Benchmark Prime Lending Rate of the Bank Less/Plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X

Revene Stamp

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Benchmark Prime Lending Rate of the Bank Less/Plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X

Revene Stamp

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Benchmark Prime Lending Rate of the Bank Less/Plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X

Revene Stamp

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Benchmark Prime Lending Rate of the Bank Less/Plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X

Revene Stamp

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Rate of LIBOR + _____ bps+ charges with monthly rests for value received.

For _____

Authorised Signatory

X

Revene
Stamp

X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Rate of LIBOR + _____ bps+ charges with monthly rests for value received.

For _____

Authorised Signatory

X

Revene
Stamp

X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Base Rate of the Bank plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Base Rate of the Bank plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

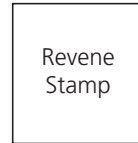
(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Base Rate of the Bank plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Base Rate of the Bank plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Base Rate of the Bank plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____/-

(Date) _____

ON DEMAND WE, _____
_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank Limited ("the Bank") or order at their office in _____ the sum of Rs. _____/- (Rupees _____ only) with interest thereon at the Base Rate of the Bank plus _____ % per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____ /-

(Date) _____

ON DEMAND WE, _____

_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank

Limited ("the Bank") or order at their office in _____ the

sum of Rs. _____ /- (Rupees _____

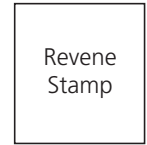
_____ only) with interest thereon at the Term Deposit Rate of the Bank plus _____ %

per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

DEMAND PROMISSORY NOTE [FLOATING]

(Place) _____

Rs. _____ /-

(Date) _____

ON DEMAND WE, _____

_____ (Name and Address of the Borrower) promise to pay Kotak Mahindra Bank

Limited ("the Bank") or order at their office in _____ the

sum of Rs. _____ /- (Rupees _____

_____ only) with interest thereon at the Term Deposit Rate of the Bank plus _____ %

per annum with monthly rests for value received.

For _____

Authorised Signatory

X



X

Take Delivery Letter To Demand Promissory Note

Kotak Mahindra Bank Limited
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400 021

Date: _____
Place: _____

Dear Sir,

We request you to take delivery of a/all "Demand Promissory Note/s" dated _____
for amount aggregating to **Rs.** _____ **/- (Rupees** _____ **Only)** (the Note/s) duly
executed by us in your favour and for which consideration has been received by us.

We are aware that we are liable to pay interest, whether debited or not, at such rate/s as may be notified by you from time to time pursuant to the provisions of the Financial Facility Agreement.

We hereby waive presentment of the Note/s and undertake to pay the amount due thereon without the same being presented to us for payment.

We are aware and agree and undertake that in the event of our default in payment of amount demanded or due as per the terms agreed upon, a penal interest as prescribed by the Bank will be charged on the amount unpaid till the actual date of payment.

Apart from our responsibility for repayment of all amounts due under the Note/s, we are aware and shall be liable to pay service/incidental and such other charges that you may levy from time to time in respect of the said credit facilities.

Yours faithfully,

Name /s

Signatures

	X

X

X

CERTIFIED COPY OF RESOLUTION OF BOARD OF DIRECTORS

The undersigned hereby certifies that he/she is the Director of _____
_____ having his Registered Office at _____,
_____ hereinafter referred to as the "Company" and that the following is true, correct and complete copy of resolutions adopted by the Board of Directors of the Company at a meeting duly called and held on _____ at which a quorum was present and voting, and that the said resolutions are unchanged and are now in full force and effect :

"RESOLVED THAT the Company be authorised and empowered to avail financial facilities from KOTAK MAHINDRA BANK LIMITED in such form and upon such terms and conditions as the said KOTAK MAHINDRA BANK LIMITED may require from time to time and to execute and deliver from time to time promissory notes and other evidences of indebtedness bearing such rate of interest as KOTAK MAHINDRA BANK LIMITED may require from time to time, and other title detentions or security instruments as and in such form by KOTAK MAHINDRA BANK LIMITED may require evidencing any financing extended by KOTAK MAHINDRA BANK LIMITED to the Company"

"FURTHER RESOLVED THAT the Company do borrow from time to time from KOTAK MAHINDRA BANK LIMITED under the Financial Facilities such amounts as the Company may require provided that the aggregate of the outstanding balance of such borrowings at any time shall not exceed Rs. _____/- (Rupees _____ Only)."

"FURTHER RESOLVED THAT Mr. _____ and Mr. _____ be authorised to severally execute and deliver on behalf of the Company, the facility agreement and all other documents and instruments in connection therewith including Demand Promissory Note copies whereof were presented to the Board of Directors."

"FURTHER RESOLVED THAT the Common Seal of the Company be affixed on the documents as are required to be executed under the Common Seal of the Company in the manner as provided in the Articles of Association of the Company."

"FURTHER RESOLVED THAT the certified copy of the foregoing resolutions be furnished to KOTAK MAHINDRA BANK LIMITED for their records and further action."

At _____ dated this _____ day of _____, 20____

For _____ Limited

X
DIRECTOR

X

CERTIFIED COPY OF RESOLUTION OF BOARD OF DIRECTORS

The undersigned hereby certifies that he/she is the Director of _____, a company incorporated under the Companies Act 1956, having its Registered Office at _____, hereinafter referred to as the "Company" and that the following is true, correct and complete copy of resolutions adopted by the Board of directors of the Company at a meeting duly called and held on _____, 20____, at which a quorum was present and voting, and that the said resolutions are unchanged and are now in full force and effect:

"RESOLVED THAT in consideration of the financial facility availed/to be availed by _____, the Company hereby convey its acceptance to enter into Agreement (draft whereof was placed before the Board duly initialed by the Chairman for identification purpose) with Kotak Mahindra Bank Limited ("KMBL") for the purpose of giving Guarantee and/or providing security for the due repayment of the said financial facility amounting to _____(Rupees _____ Only), in such form and upon such terms and conditions as KMBL may require and to execute and deliver from time to time such documents as may require by KMBL and in such form as may require evidencing execution of Guarantee and/or security by the Company in favour of KMBL.

FURTHER RESOLVED THAT Mr. _____ be hereby authorised to execute and deliver on behalf of the Company, agreement and all other documents and instruments in connection executing Guarantee for the purpose of guaranteeing the due repayment of the loan and/or execution of security document in such form and such manner as KMBL deem fir for the purpose of securing the due repayment of the financial facility.

Dated this _____ day of _____, 20____

_____ LIMITED

X
DIRECTOR



_____, 20__

Kotak Mahindra Bank Limited
36-38A Nariman Bhavan,
227, Nariman Point
Mumbai 400 021

Sub : Borrowing Power Certificate under Section 293(1) (d) of the Companies Act, 1956

Dear Sir,

We, _____ hereby confirm that our total borrowings, after inclusion of the proposed Financing Facility of Rs. _____ (Rupees _____ Only) to be advanced by Kotak Mahindra Bank Limited, is within the overall borrowing powers as approved by the shareholders of _____.

Thanking You,

Yours faithfully,

For _____

X
Director

} X

On the Auditors letterhead
Draft of certificate U/sec 372A

To,

Kotak Mahindra Bank Limited,
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 4000 21

I/We, _____, a Firm of Chartered Accountants hereby certify that the total of investment, loan and guarantee made/given by _____, a Company incorporated under the provisions of the Companies Act, 1956 (I of 1956) and having Registered Office at _____ as on date of this certificate plus any investments/loan and/or guarantee agreed to be made/given to Kotak Mahindra Bank Limited, a banking company within the meaning of the section 5(c) of the Banking Regulation Act, 1949 (10 of 1949) and having its Registered Office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021 (KMBL) is within the limit as Prescribed under the provision of section 372A of the Companies Act, 1956;

For _____

(Name of the Audit Firm)

X

Name & Signature with Membership No.

X

**Memorandum Regarding signing
in vernacular language / by illiterate / blind person**

I, _____, aged _____ years, son/daughter of _____, adult and inhabitant of _____ residing at _____, do hereby record as under:

I have read out and explained the contents of the Sanction Letter/Individual Facility Sanction Letter dated _____ and the ancillary loan documents contained herein (the "Master Facility Agreement")** _____, and all other documents incidental to availing the Facilities (as defined in the Master Facility Agreement) from Kotak Mahindra Bank Limited (the "Bank") by the Borrower (as defined in the Master Facility Agreement) to Mr. / Ms. _____ in _____** language and he / she/they have confirmed that he / she / they has / have understood the same and have agreed to abide by all the terms and conditions of the Master Facility Agreement**** _____ and the aforesaid other documents. Pursuant to the same the aforesaid person(s) is/ are affixing his / her / their signature(s) / thumb impression(s) as given herein below:

I confirm that whatever I have stated hereinabove is true and correct to the best of my knowledge and belief.

Signed by Declarant/s

Name /s	Signatures

X

Date : _____

Place : _____

- * to be taken as a separate document
- ** Insert details of documents executed by guarantor / third party security provider(s) if this memorandum is being recorded in respect of such guarantor / third party security provider(s)
- *** Specify language - to be deleted if declaration is not for vernacular language.
- **** Insert details of documents executed by guarantor / third party security provider(s) if this memorandum is being recorded in respect of such guarantor / third party security provider(s)
- ***** the Declarant should be branch / relationship manager or a respectable person known to the bank but not the borrower

PARTNERSHIP LETTER

Date: _____ 20____

Place: _____

To,

Kotak Mahindra Bank Ltd.

Re: Financial Facilities:

We hereby inform you that the parties whose full names and addresses are set out hereunder are the present partners of _____ a partnership firm registered under the deed of partnership dated _____ and carry on business of _____ at _____ ("said firm") as set out hereunder.

The said firm is desirous of availing credit facilities from Kotak Mahindra Bank Ltd. ("the Bank") at its _____ Branch. On the Bank sanctioning credit facilities to the said firm the provisions hereafter contained shall bind the firm and each and every partner of the said firm.

In the event of any change occurring in the said firm by the introduction of any new partner or resignation, retirement, death, expulsion or insolvency of any partner or the dissolution of the firm, written notice thereof shall be forthwith given to the Bank at its _____ Branch. Pending receipt of such notice as aforesaid, the Bank shall be entitled to treat such partner or his representative or his estate as the case may be, as still being a partner, to the intent that such partner or his representative, his estate is liable jointly and severally with the other partners for all indebtedness or obligations of the firm incurred after such retirement, resignation, death or expulsion, insolvency or dissolution of the firm till the date of the said notice in addition to any liability which he may have incurred as a partner to the Bank prior to such resignation, retirement, death, or expulsion, insolvency or dissolution of the firm notwithstanding that but for the present provision such partner or his estate might not be liable after such resignation, retirement, expulsion or death or insolvency or dissolution or by reason of any statutory provision.

Specimen Signatures in the firm's name and Signatures of the respective partners' personal signatures are appended herein below.

We and each of us confirm that:

- i) All the undersigned partners **jointly and severally** and their survivors are hereby authorized to do the following acts, deeds and things :
- a) To borrow for and on behalf of the firm from time to time all sums of money from your Bank and as security for such borrowing to pledge, hypothecate, charge or mortgage such of the goods and properties moveable and immoveable of the firm and to give such other securities as may be demanded by the Bank from time to time.
 - b) To sign promissory notes, documents of guarantee or indemnity and all other documents required by the Bank in connection with such borrowings.
 - c) To sign in the firm's name cheques, promissory notes or other documents relating to any operation of the account of the firm (including any operation which involves an advance to the firm) and that the Bank is entitled to act upon the faith of any cheque, promissory note or other documents so signed in the firm's name. In the event of any partner being introduced upon the Bank being duly notified and consenting to continue the account and such new partner having signed this or any form or request required by the Bank, then for the purpose of operations of the account, such new partner will be treated as a partner and shall be authorized to sign for the firm unless the Bank be expressly advised to the contrary and such new partner will be understood to have accepted and be bound by the foregoing undertaking.
 - d) To draw, accept, sign, endorse, negotiate and deliver on behalf of the firm bills of exchange so issued by the firm/ to the firm by various parties.

Without prejudice to what is stated above, we agree that notwithstanding anything contained in any agreement of partnership, any borrowings made by any of the partners on behalf of the firm pursuant to the Letter of partnership given to you and all such securities by way of pledge, hypothecation, charge or mortgage of moveable and/or immoveable properties given as security to the Bank shall be deemed to have been so made and all instruments so made and or accepted by the firm for the purpose of the firm under the express authority of the partners of the firm conferred by all and each of them upon the others or other of them individually and all liabilities created by any of the partners on behalf of the firm shall be binding upon the firm and all the partners of the firm.

It is understood that the above provisions shall stand in full force notwithstanding that any current cash credit or overdraft account of the firm be balanced or closed or reopened at any time or from time to time.

It is further understood that we shall be jointly and severally liable for all acts deeds and things both in our individual capacity and in our capacity as partners of the Firm .

It is further understood that the authority granted by all the partners to each other jointly and severally shall be treated as express authority by all the partners to each of them inter vivos and the Bank can place reliance on the same without any further verification.

X

That the undersigned partner is hereby authorized to execute all agreements and such other document(s) as may required by the Bank and to do such acts, deeds and things for the purpose of availing of financial facilities from the Bank for the purpose of creating security for the due repayment of the Loan, or providing guarantee for the due repayment of the Loan for and on behalf of our Firm.

Further the undersigned partner is hereby authorized to draw, accept, sign, endorse, negotiate and deliver on behalf of the firm bills of exchange so issued by the firm/ to the firm by various parties.

Name of the Partner	Signature
	X

Yours faithfully,

Name & Address of the Partner	Signature of the partner
	X
	X
	X
	X
	X
	X
	X
	X
	X
	X

X

X

Sole Proprietorship Declaration

Date: _____

I, _____ Residing at _____

_____ and declare that I am the sole proprietor of _____ **and have availed the financial facility under**

sanction letter dated _____

I further confirm that the activities and business of the same firm is carried on only by me.

I confirm I have read and understand the terms and conditions applicable to the facility and relating thereto and shall always be bound by and abide with them and there amendments from time to time.

I am solely responsible for the liabilities of the aforesaid firm and will be liable personally for making repayment / payments of all amounts in respect of the Facilities to the Bank.

My liability for the repayment of the loan, shall be continuous in nature till the time entire outstanding amount under the loan (as availed by my firm in which I am the proprietor) is repaid, irrespective whether the firm changes its constitution and/or firm is sold to any other party.

Yours truly,

Signature: X

Name of the sole proprietor:

Name of the sole proprietor firm:

Place:



HUF DECLARATION

1. Whereas the Hindu Undivided Family of _____ (HUF) (hereinafter referred to as the joint family) carrying on business in the name and style of _____ at _____
_____ or elsewhere (hereinafter referred to as "the said H.U.F. Firm) have or desire to have dealings with KOTAK MAHINDRA BANK LTD., _____
(hereinafter referred to as the said Bank) we, the undersigned, hereby declare-
That we are the present adult coparceners of the joint family.
That _____ is the present Karta or Manager of the said joint family;
That the business carried on by the said H.U.F. firm is the ancestral business of the said joint family;
That each one of us has full and unrestricted authority to act on behalf of and bind the said H.U.F. firm and all the present as well as future members, both adults and minors of the said joint family howsoever constituted from time to time.
2. We confirm that the affairs of the said joint family and business of the said H.U.F are carried on mainly by the Karta Shri. _____, on behalf and in the interest and for the benefit of all the co-parceners of the said joint family. We are, however jointly, and severally responsible for all liabilities of the said H.U.F. firm to the Bank and agree and confirm that any claim due to the Bank from the said H.U.F. firm shall be recoverable from the assets of any or all of us and also from the estate of the joint hindu family including interest thereon of every co-parcener of the said joint family, including share of the minor co parceners, if any
3. We undertake to advise the Bank in writing if any change that may occur in the Kartaship / Managership or in the constitution of the said joint family or of the said H.U.F. firm and until receipt of such notice by the Bank, the Bank will be entitled to regard each of us as a member of the said joint family and as a partner of the said H.U.F. firm and all acts, dealing and transactions purporting to have been done on behalf of the said joint family or of the said H.U.F. firm before the Bank shall have received notice in the manner aforesaid shall be binding on the said joint family and the said H.U.F. firm and on each of us as such member of the said joint family or such partner of the said H.U.F. firm and on our respective estates. We shall however continue to be liable jointly and severally to the Bank for all the dues and obligations of the said H.U.F. firm in the books on the date of receipt of such notice by the Bank and until all such dues and obligations shall have been liquidated and discharged.

4. The names and date of birth of the present minor co-parceners of the said joint family are given below and we undertake to inform you in writing as and when each of the said members attains the age of majority and is authorised to act on behalf of, and bind the said H.U.F. firm.

Name of Minor	Father's Name	Date of Birth

X

5. We have received and read a copy of the Bank's rule for the Current Deposit Accounts and we agree to comply with and be bound by the said rules now in force or any changes that may be made therein from time to time.

Solemnly declared at _____ this _____ day of _____)

Deponents,

(Full Personal Signatures of all Adult Coparceners)

X

Joint Undertaking Provided by All Coparceners in a Hindu Undivided Family

This Undertaking and Guarantee ("Undertaking and Guarantee") is executed this on the day & place mentioned in the schedule I annexed here to by :

- 1) Persons (details where of is mentioned in schedule attached herewith) acting in their capacity as a Coparceners of the Hindu Undivided Family (details whereof is mentioned in schedule attached herewith) hereinafter referred to as "HUF" _ headed by its Karta, whose name is mentioned in the schedule attached herewith, hereinafter referred to as "Karta"; (hereinafter collectively referred to as " the Coparceners" and / or " the Coparceners" and individually as the " the Coparcener" and / or " the Coparcener" which expression shall unless repugnant to the context or meaning thereof be deemed to include in the case of individuals their respective heirs, executors, administrators and legal representatives) in favour of Kotak Mahindra Bank Limited, a banking company within the meaning of the section 5 (c) of the Banking Regulation Act, 1949 (10 of 1949) and having its registered office at 36-38A, Nariman Bhavan, 227, Nariman Point, Mumbai 400 021. hereinafter referred to as "KMBL" (which expression shall unless repugnant to the context mean and include its successors and assigns).

Whereas :

1. Under a Facility Agreement dated details whereof is mentioned in the schedule attached herewith. (hereinafter referred to as the "Facility Agreement"), the Lender has, either on the request of the Karta action in his capacity as a Karta of HUF and on behalf of the other Coparceners of the HUF, made available to the Karta a financial Facility of an amount as mentioned in schedule attached herewith (herewith referred to as the Facility") for the purpose of as mentioned in schedule attached herewith OR the Borrower (details whereof is mentioned in the schedule attached herewith) in which HUF is interested either in its capacity as Partner (where such Borrower) is Partnership firm) or Member (where such Borrower is Body Corporate incorporated under any law for the time being in force in India)
2. One of the conditions specified and contained in the said Facility Agreement is that the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner) shall procure and furnish to the Lender the following :
 - a. a joint and several guarantee and undertaking from the Coparceners of the HUF guaranteeing due payment and other obligations of the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower (where HUF is either member or Partner) in respect of or under the Facility Agreement on demand by the Lender; and
 - b. A confirmation from the Coparceners that the Facility has been taken for and on behalf of the HUF or for the use / benefit of the HUF and consequently all the properties used as Security for the said the Facility by the Karta, details whereof are provided in Schedule I hereunder has been validity and property created and is enforceable against the Karta and all other Coparceners comprising the HUF.
 - c. An undertaking that the cheques furnished by the Karta in favour of the Lender, details of which have been provided in Schedule 2 ("Cheques") have been furnished with the knowledge of the Coparceners and have been issued in his capacity as Karta of the HUF for the due repayment of the Loan granted to Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner).

3. The Coparceners have all the request of the Karta and in consideration of the Lender having agreed to grant or granted at the requested of the Coparceners the above mentioned Facility to the Karta (acting in his capacity as the Karta of the HUF) where the HUF, is Borrower or Borrower (where HUF is either member or Partner) for the benefit and use of the HUF, have agreed to execute this Undertaking and Guarantee in favour of the Lender on the terms and in the manner hereinafter appearing.

As as inducement to the Lender to provide the Facility, the Coparceners hereby jointly, irrevocably and unconditionally undertakes, agrees and confirms that :

Article 1 Guarantee

- 1.1. If at any time default shall be made by the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner) in payment of the principal sum as mentioned in Schedule attached herewith together with interest, costs, charges, expenses and / or other money for the time being due to the Lender in respect of or under the above Facility or in compliance with any of its obligations under the terms of the Facility Agreement, the Coparceners shall forthwith on demand pay to the Lender the whole of such principal sum as mentioned in Schedule attached herewith together with interest, cost, charges, expenses and / or any other money as may be then due to the Lender in respect of the above mentioned Facility and shall indemnify and keep indemnified the Lender against all losses of the said principal sum, interest or other money due all costs, charges and expenses whatsoever which the Lender may incur by reason of any default on the part of the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower (where HUF is either member or Partner)
- 1.2. The Lender shall have the fullest liberty without affecting this Undertaking and Guarantee to vary the amounts of the Facility or to postpone for any time or from to time enforce or forbear to enforce any remedies or securities available to the Lender AND the Coparceners shall not be released by any exercise by the Lender of its liberty with reference to the matters aforesaid or any of them or by reason of time being given to the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner) or of any other forbearance act or omission on the part of the Lender or any other indulgence by the Lender to the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner) or by any other matters or things whatsoever which under the law relating to securities would but for this provision have the effect of so releasing the Coparceners.
- 1.3. The Lender shall be at liberty to take in addition to the subsisting for the above mentioned Facility and to release or forbear to enforce all or any of the remedies upon or under such securities and any collateral security or securities now held by the Lender and that no such release or forbearance as aforesaid shall have the effect of releasing or discharging or in any manner affecting the liability of the Coparceners or prejudicing the Lender's rights and remedies against the Coparceners under this Undertaking and Guarantee and that the Coparceners shall have no right to the benefit of the said security and / or any other security that may be held by the Lender until the claims of the Lender against the Karta acting in his capacity as the Karta of the HUF in respect of the above mentioned facilities and of all (if any) other claims of the Lender against the Karta, acting in his capacity as the Karta of the HUF on any other account whatsoever shall have been fully satisfied and then in so far only as such security shall not have been exhausted for the purpose of releasing the amount of the Lender's and retably only with other Coparceners or other persons (if any) entitled to the benefit of such securities respectively.
- 1.4. The Undertaking and Guarantee herein contained shall be enforceable against the Coparceners notwithstanding the securities aforesaid or any of them or any other collateral securities that the Lender may have obtained or may obtain from the Karta, acting in his capacity as the Karta of the HUF, or any other person shall at the time when proceedings are taken against the Coparceners hereunder be outstanding and / or not enforced and / or remain unrealized.
- 1.5. In order to give effect to the Guarantee herein contained the Lender shall be entitled to act as if the Coparceners were principal debtors to the Lender for all payments guaranteed by them as aforesaid to the Lender.
- 1.6. The Guarantee shall be irrevocable and enforceable against the Coparceners notwithstanding any dispute between the Lender and the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or partner)
- 1.7. The Coparceners affirms, confirm and declare that any balance confirmation and / or acknowledgement of debts and / or admission liability given or promise or part payment made by the Karta or the authorized agent of the Karta where the HUF is Borrower or Borrower (where HUF is either member or Partner) to the Lender shall be deemed to have been made and / or given by or on behalf of the Coparceners themselves and shall be binding upon each of them.
- 1.8. The Coparceners hereby agree that notwithstanding any variation made in the terms of the Facility Agreement and / or any of the said security documents inter-alia including variation in the rate of interest, extension, of the date for payment of the installments, if any, or any composition made between the Lender and the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner) to give time to or not to the Karta, or the Lender parting with any of the securities given by the Karta, the Coparceners shall not be released or discharged of their obligation under this Undertaking and Guarantee provided that in the event of any such variation or composition or agreement the liability of the Coparceners shall notwithstanding anything herein contained be deemed to have accrued of the Coparceners shall be deemed to have become liable hereunder on the date or dates on which the Karta (acting in his capacity as the Karta of the HUF) where the HUF is Borrower or Borrower (where HUF is either member or Partner) shall and / or any of the said security documents as a result of such variation or composition or agreement.
- 1.9. The Coparceners hereby agree and confirm that the Lender shall be entitled to adjust, appropriate or set off all money held by the Lender to the credit of or for the benefit of the Coparceners on any account or otherwise howsoever towards the discharge and satisfaction of the liability of the Coparceners under the same presents.
- 1.10. The Guarante hereby given is independent and distinct from any security that the Lender has taken or may take in any manner whatsoever whether it be by way of hypothecation pledge and / or mortgage and / or any other charge over goods, movable or other assets and / or any other property movable or immovable, and that the Coparceners have not given this guarantee upon any understanding, faith or belief that the Lender has taken and / or may hereafter take any or other such security and that notwithstanding the provisions of Sections 140 and 141 of the Indian Contract Act, 1872 or other section of that Act or any other law, the Coparceners will not claim to be discharged to any extent because of the Lenders failure to take any or other such security or losing for any reason whatsoever including reasons attributable to it default and negligence benefit of any of other such security or any of rights to any or other such security that have been or could have been taken.
- 1.11. The Coparceners agree that the loans hereby guaranteed shall be payable to the Lender by serving the Coparceners with a notice requiring payment of the amount and such notice shall be deemed to have been served on the Coparceners either by actual delivery thereof to the Coparceners or by dispatch thereof by Registered Post or Certificate of Posting to the Coparceners address herein given or any other address in India in which the Coparceners may be written intimation given to the Lender request the communication addressed to the Coparceners be dispatched, any notice dispatched by the Lender by Registered Post or Certificate of Posting to the address to which it is required to be dispatched under this clause shall be deemed to have been duly served on the Coparceners four days after the date of posting thereof, and shall be sufficient if signed by any officer of the Lender and in proving such service it shall be sufficient if it is established that the envelope containing such notice, communication or demand was properly addressed and put into the post.

Article II Additional Undertakings

- 2.1 The Coparceners further confirm covenants and undertake the following :
- (a) That they are fully aware that the security mentioned in Schedule I which is the property (if any) of the HUF, has been secured in favour of the Lender by way of a charge for the repayment of the Facility together with all other amounts specified in the Facility agreement and it shall not raise any objection to the enforcement of the aforesaid security by the Lender for the repayment of the Facility and all other amounts specified in the Facility Agreement;
- (b) That it shall promptly inform the Lender of any person who may become a Coparcener of the HUF and shall ensure that a similar guarantee and undertaking is procedured from such person;

(c) That it is aware, acknowledges and has knowledge that the Cheque have been drawn by the Borrower (where HUF is either member or Partner) in favour of the Payee and such Cheques have been drawn by the Karta acting in his capacity as the Karta of the HUF where the HUF is Borrower or Borrower (where HUF is either member or Partner) for and on behalf of the HUF and onsequently in case of dishonour of the Cheques, the Lender is entitled to purse all rights and remedies available to it under law for dishonour of the Cheques against the Coparceners.

2.2 In the event that any or all of the Coparceners is in breach of any of its obligations under this Undertaking, the Coparceners shall indemnify the Lender and hold the Lender harmless from the against all loss, damage, harm, costs, charges, expenses, suits, claims, actions, proceedings or enquiries which the Lender may suffer or incur on account of such breach by the Coparceners.

3. The Coparceners hereby acknowledges that, notwithstanding anything to the contrary failure of the Coparceners to comply with the terms of this Undertaking shall amount to an event of default under the Facility Agreement.

4. Capitalised terms used but not defined herein, shall have the respective meaning assigned to them in the Facility Agreement as mentioned in the schedule attached herewith in Witness whereof the Coparceners (above mentioned) have executed these presents the day and year first hereinabove written.

Signed, Sealed and Delivered by

Specify Name of Coparceners

1. _____) X _____

2. _____) X _____

3. _____) X _____

4. _____) X _____

5. _____) X _____

X

Schedule I		
No.		
1.	Place of these present	
2.	Date of these present	
3.	Name and Address of the Borrower	
4.	Name and Address of HUF	
5.	Loan Amount	
6.	Facility Agreement date	
7.	Name and addresses of all Coparceners	

X

8.	Description of the Property (to be filled in only when HUF is providing security)	
9.	Relation of HUF with Borrower (in case Borrower is different from the HUF) Signed	

X

(Signature of all the coparceners to be taken).

TBC UNDERTAKING

Date _____

Kotak Mahindra Bank Limited
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400 021

In The Matter Of Financial Facilities Amounting To Rs. _____ Granted By Kotak Mahindra Bank Limited To M/s _____, (The Borrower)

We, the undersigned partners of the Borrower / the Borrower [in case of the Borrower being a Company] hereby undertake as under:

We shall maintain minimum Tangible Base Capital (being share capital plus general reserves and secured/unsecured loans from partners and relatives and group companies thereof less any loan given by the Borrower to all or any partners and relatives and group companies thereof) being a sum of Rs. _____/- in the firm/company.

We further undertake that till such time as all the moneys due and payable by the Borrower under the financial facilities are fully repaid by it; we shall maintain the aforesaid Tangible Base Capital in the books of account of the Borrower.

We further undertake that we will comply all the undertaking provided hereinabove failure of which will be considered as events of default and shall abide all the repercussion provision as enumerated under the financial instruments executed under the aforesaid financial facilities.

Yours faithfully,

Authorised Signatory of the Borrower/ Partners/Directors of _____

_____(Signature) _____(Signature)

_____(Signature) _____(Signature)

Dated.....

- In case of Partnership or proprietorship, all the partners or the proprietor will sign.
- In case of Company, all the Directors will sign.

X

}

Date _____

Kotak Mahindra Bank Limited
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400021.

IN THE MATTER OF FINANCIAL FACILITIES AMOUNTING TO RS. _____ - GRANTED BY KOTAK MAHINDRA BANK LIMITED TO _____ (THE BORROWER).

I/We _____ have offered to mortgage our properties more specifically described in the schedule hereunder for the purpose of availing additional financial facilities from the Kotak Mahindra Bank Ltd.

I/We undertake that the said properties will be used for the purpose (residential/commercial/industrial/other) for which it has been sanctioned by the local authorities at the time of developing/constructing the said properties.

I/We hereby undertake that the super structure constructed on the property will be as per the sanctioned plans approved by the local authorities.

We further undertake that we will comply all the undertaking provided hereinabove failure of which will be considered as events of default and shall abide all the repercussion provision as enumerated under the financial instruments executed under the aforesaid financial facilities.

Yours faithfully,

Schedule of Property

X

X

Letter of Appropriation for Fixed Deposit

In Favour of Kotak Mahindra Bank Limited

In consideration of the Kotak Mahindra Bank Limited having agreed to grant and/or granted Financial/ Loan facilities (hereafter referred to as "the said credit facilities") in favour of the Borrower(s) as described in the Schedule

We holders of the following Fixed Deposit Advice /Receipt give you a lien on Fixed Deposit as mentioned in Schedule attached herewith and handed over to you duly discharged by us in your favour which is to be held by you on our account as security against any liability that may arise under the said credit facilities.

1. You shall be entitled to utilise the said proceeds of the Fixed Deposit Advice/ Receipt or any other Fixed Deposit Advice/ Receipt issued in renewal thereof either on its/their due date/s at your discretion, to reimburse yourself any amounts that may be due under the said credit facilities from time to time without any reference to us and whether such payment be for principal, interest, costs, charges and expenses.
2. We undertake to execute such deeds and instruments as you may require hereafter to further secure the Fixed Deposit or any renewal thereof if necessary and we shall bear the costs thereof. All such advises/ receipts issued by you from time to time will be handed over to you, duly discharged by us, failing which you shall be entitled to treat the same as duly discharged by us.
3. In the event of any money remaining unpaid after becoming due under the aforesaid credit facilities and/or other financing agreements entered into between us and the Bank, or where we are guarantors, we authorize the Bank without notice to us to appropriate the Fixed Deposit at such times and generally in such manner as the Bank in its absolute discretion shall think fit and such appropriation by the Bank shall be final and binding on us and the Bank shall not be liable for any loss thereof if any that may be caused to us with regard to such appropriation and we do undertake to accept the Bank's statements of accounts as conclusive evidence of the matters stated therein.
4. We hereby declare that the said Fixed Deposit are our own absolute property and that we have not encumbered assigned or otherwise dealt with the said Fixed Deposit in any way and that the same are free from encumbrances. We have absolute power of disposal over the same and we will not encumber assign or deal with the same or any part thereof. The terms set out hereinabove shall be binding upon our respective legal heirs, legal representatives, executors, administrators and assigns.

Yours faithfully,

<Name of the Depositor>

X

Schedule	
No.	
1.	Name of the Borrower(s)
2.	Address of the Borrower(s)
3.	Name of the Deposit Holder
4.	Amount of the Deposit
5.	Number of the Deposit Receipt(s)
6.	Date(s) of the Deposit Receipt(s)

} X

GENERAL UNDERTAKING

Date

Kotak Mahindra Bank Limited
36-38A, Nariman Bhavan,
227, Nariman Point,
Mumbai 400 021

Re: Undertaking against Credit Facilities

Sir/Madam,

With reference to the captioned we, the undersigned company / partnership firm / proprietorship, _____, hereby unqualifiedly and unconditionally, solely against the credit facilities granted by you undertake to do the following actions:

- o Close all other existing current account at any location where the Bank's Branch is present within three months from date of disbursement.
- o Route all transactions pertaining to Kotak location branches through KMBL CC account only.
- o Take prior approval from KMBL to maintain a current account at non Kotak branch location without any credit facilities.

Should we at any time be in default of the above, we shall be liable and guilty of our representations, warranties, obligations and duties under the Sanction Letter/Individual Facility Sanction Letter dated _____ and you shall be free to call back the loan and charge us with penal interest and all other dues and charges that you may think and deem to be fit and proper including but not limited to interest to the tune of 24.00% p.a. in addition to the other interests as applicable.

For _____

Authorised Signatory (Signature)

X

FORM NO. 60

[See Third proviso to rule 114B]

Form of Declaration to be filed by a person who does not have either a permanent account number or General Index Register Number and who makes payment in cash in respect of transaction specified in clauses (a) to (h) of rule 114B

1. Full name and address of the Declarant
2. Particulars of transaction
3. Amount of the transaction
4. Are you assessed to tax ? Yes/No
5. If Yes,
 - (i) Details of Ward / Circle / Range where the last return of income was filed ?
 - (ii) Reasons for not having permanent account number / General Index Register Number ?
6. Details of the document being produced in support of address in column (l)

Verification

I, _____

do hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the _____ day of _____ 20_____

Date : _____

Place : _____

Signature of the declarant

-
- Instructions : - Documents which can be produced in support of the address are :
- | | |
|---|--|
| (a) Ration Card | (e) Copy of the electricity bill or telephone bill showing residential address |
| (b) Passport | (f) any document or communication issued by any authority of Central Government, State Government or Ion bodies showing residential address. |
| (4) Driving licence | (g) Any other-documentary evidence in support of his address given in the declaration. |
| (d) Identity Card issued by any institution | |

FORM NO. 60

[See Third proviso to rule 114B]

Form of Declaration to be filed by a person who does not have either a permanent account number or General Index Register Number and who makes payment in cash in respect of transaction specified in clauses (a) to (h) of rule 114B

1. Full name and address of the Declarant
2. Particulars of transaction
3. Amount of the transaction
4. Are you assessed to tax ? Yes/No
5. If Yes,
 - (i) Details of Ward / Circle / Range where the last return of income was filed ?
 - (ii) Reasons for not having permanent account number / General Index Register Number ?
6. Details of the document being produced in support of address in column (l)

Verification

I, _____

do hereby declare that what is stated above is true to the best of my knowledge and belief.

Verified today, the _____ day of _____ 20_____

Date : _____

Place : _____

Signature of the declarant

-
- Instructions : - Documents which can be produced in support of the address are :
- | | |
|---|--|
| (a) Ration Card | (e) Copy of the electricity bill or telephone bill showing residential address |
| (b) Passport | (f) any document or communication issued by any authority of Central Government, State Government or Ion bodies showing residential address. |
| (4) Driving licence | (g) Any other-documentary evidence in support of his address given in the declaration. |
| (d) Identity Card issued by any institution | |