

WORKING CAPITAL FACILITIES AGREEMENT

THIS AGREEMENT is made on such date and place as mentioned in at Serial 10 in the Schedule I written hereunder:

BY AND BETWEEN:

The persons named as the Borrower at Serial No. 1 in Schedule I written hereunder (hereinafter referred to as the "**Borrower**" / "**Customer**", which expression shall, unless it be repugnant to the meaning or context hereof, mean and include, where the Borrower is an individual or a proprietorship firm, his/her heirs, executors and administrators, where the Borrower is a partnership firm, the partners of the said firm, the survivors or survivors of them and their respective heirs, executors and administrators, where the Borrower is the Karta of a Hindu Undivided Family and the borrowing is for the purposes of the Hindu Undivided Family, the members or members of the time being of the said Hindu Undivided Family, and their respective heirs, executors and administrators, where the Borrower is a company, its successors in title, where the Borrower is a limited liability partnership (LLP) its successors in interest) of the FIRST PART;

AND

DBS Bank India Limited, a banking company incorporated in the Companies Act, 2013, having its registered office at Ground Floor Nos.11 & 12, Capital Point, DLF Building, BKS Marg, Connaught Place, New Delhi 110 001 and having a Branch Office at as mentioned at Serial No.2 in Schedule I written hereunder and hereinafter referred to as "Bank/DBS/DBS Bank" (which term shall so far as the context admit be deemed to mean and include its successors and assigns) of the OTHER PART.

WHEREAS at the request of the Borrower, the Bank has agreed to sanction to the Borrower credit facilities aggregating to a sum as stated at Serial No. 3 of the Schedule I written hereunder and on the terms and conditions contained hereinafter (hereinafter called the "**Financial Facilities**").

AND WHEREAS the parties are desirous of recording the terms and conditions on which the Financial Facilities have been/will be sanctioned in favour of the Borrower.

NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

ARTICLE 1: DEFINITIONS & INTERPRETATIONS

1.1 DEFINITIONS

In this agreement unless the context otherwise requires.

"**Agreement**" means this agreement including schedules written hereunder and any amendment hereto;

"**Application**" means application made by the Borrower to the Bank for the Financial Facilities and all other information and documents submitted by the Borrower to the Bank with a view to get the Bank to make available the Financial Facilities;

"**Bank Group**" means the group comprising the Bank, its holding company (DBS Bank Ltd) its affiliates, associated companies subsidiaries etc.

"**Benchmark Rate**" means in relation to the Bank, Repo rate as published by Reserve Bank of India, Marginal Cost of Funds based Lending Rate (MCLR) or such other external benchmark rates as the case may be, as specified by the Bank from time to time. For the purposes of clarity, Benchmark Rate shall include any compounded rate, central bank rate, daily rate, reference rate, risk free rate or



screen rate and any other fallback rate (however defined), in each case, that is used in the calculation of the rate of interest in the Offer letter / Facility letter.

“Business Day” means in relation to any date for payment, days (other than a Sunday) on which banks are open for general business at place as mentioned at Serial No. 2 of Schedule I written hereunder (including for payment, settlement and clearing)

“Cost of Funds” means the rate determined by the Bank solely to be its cost of funding the relevant Facilities;

“Events of Default” means events as listed in Clause 10 of this Agreement.

“Facility Documents” means the Offer letter / facility letter, this Agreement, all documents that are executed/may be executed by the Borrower and/or the Security Provider for the Financial Facilities, the Securities or any one or more of them as the context may require;

“Facility Office” means the branch office of the Bank as mentioned in Serial No. 2 of Schedule I written hereunder;

“Financial Facilities/Facilities/Facility amount” means the facilities sanctioned/to be sanctioned by the Bank to the Borrower in a sum as set out at Serial No.3 of Schedule I written hereunder and up to which the Bank may lend and advance to the Borrower and includes where the context so requires outstanding amounts under the Financial Facilities, on the terms and conditions prescribed by the Bank from time to time in force at the time of repayment;

“Foreign Currency” means any currency other than Indian Rupees;

“Material terms and conditions” shall mean the key terms, conditions and covenants which are required to be complied by the Borrower with respect to the Facility, the details of which are more particularly described under Schedule- II hereto.

“Obligor” means each of the Borrower(s), any guarantor and/or any other party to any of the Security Documents (other than the Bank and the Borrower).

“Offer letter / facility letter” means the letter dated as stated at Serial No. 4 of the Schedule written hereunder and addressed by the Bank to the Borrower and conveying the in-principle sanction of the Bank of the Financial Facilities to the Borrower and includes supplemental as well as revised, amended offer letter / facility letter as may be issued by the Bank from time to time;

“Penal Charges” means the percentage and/or amount/quantum of charges which are payable by the Borrower for breach/non-compliance of the Material terms and conditions agreed to by the Borrower under this Agreement.

“Persons” means any person, firm, company, corporation, society, government, state or agency of a state or any association or partnership (whether or not having separate legal personality) or two or more of the foregoing;

“Prepayment” means premature repayment of the amount outstanding under the Financial Facilities on the terms and conditions prescribed by the Bank from time to time;

“Securities” means all, any or each of the guarantees and all assets over which security, from time to time, is created or executed in favour of the Bank to secure the amounts outstanding under the Financial Facilities or any part thereof;

“Security Provider” shall include any guarantor, any party to the Securities (other than Bank), any surety or any indemnifier for the Financial Facilities;

“Schedule” means the Schedule written hereunder and forming part of the Agreement.

"Taxes" includes all present and future taxes, levies, imposts, duties, stamp duty of a similar nature together with any penalty or interest payable in connection with any failure to pay or any delay in paying any of the same

Interpretation

1. The headings in the Agreement are inserted for convenience only and shall be ignored in construing the Agreement.
2. Unless the context otherwise requires, words (including words defined herein) denoting the singular number shall also include the plural number and vice versa, and words denoting any gender shall include any other gender.
3. All references to any document or agreement are to be construed as references to such document or agreement as amended, varied, modified or supplemented from time to time and any document or agreement in addition to or in substitution thereof.
4. This Agreement with all the Schedule(s) shall constitute the entire agreement between the Parties.
5. This Agreement shall be read in conjunction with the Offer Letter/Facility Letter issued by the Bank from time to time. In the event of any inconsistency between the terms of this Agreement and the Offer Letter, the terms of the Offer Letter/Facility Letter shall prevail to the extent of such inconsistency.
6. The Bank may at its sole discretion vary/modify/revise any of the terms and conditions of this Agreement (including the Schedule thereto) by virtue of an Offer Letter/Facility Letter or any other form of written communication thereto.
7. Where two or more persons are included in the term "the Borrower": -
 - (i) all covenants, agreements, terms, conditions, provisions, restrictions or obligations shall be deemed to be made by and binding on and applicable to them jointly and each of them severally and shall also be binding on and applicable to their respective successors and permitted assigns jointly and severally;
 - (ii) any notice given by the Bank to any one of the Borrowers shall be binding on the others and any notice or demand given by the Bank to any one of the Borrowers shall be deemed to be served on all of them.

ARTICLE 2 – FINANCIAL FACILITIES

- 2.1. The Borrower agrees to avail from the Bank and the Bank agrees to sanction up to the terms and subject to the conditions herein contained, the Financial Facilities upto an aggregate sum as stated at Serial No. 3 of the Schedule written hereunder. The Borrower shall abide by the Material terms and conditions with respect to the Facility. The Bank shall have the right to levy Penal Charges as stated in the Schedule II attached hereto upon non fulfilment or non - compliance of Material terms and conditions.
- 2.2. The Financial Facilities may be disbursed and/or may be made available to the Borrower at the sole and absolute discretion of the Bank and/or as may be decided by the Bank having regard to the needs of the Borrower. The decision of the Bank in this regard shall be final, conclusive and binding on the Borrower and shall not be questioned by the Borrower. Specific terms, if any, governing each of the Financial Facilities and the description of each of them are set out in the Offer letter / facility letter and shall be binding on the Borrower. Non-compliance with any of the same, in a timely manner, shall at the sole discretion of the Bank, constitute an "Event of Default" under Article 10 of this agreement.

- 2.3. Notwithstanding any other provision of this Agreement, if on any date an amount ("**first amount**") is to be advanced by the Bank under the Facility Documents and/or any of the Financial Facilities and an amount ("**second amount**") is due from the Borrower to the Bank under the Facility Documents and/or any of the Financial Facilities availed by the Borrower from the Bank, the Bank shall apply the first amount in or towards payment of the second amount. Provided always in the event of any shortfall the Borrower shall remain obliged to forthwith pay such shortfall.
- 2.4 The Bank shall be under no obligation to make or continue advances or accommodation to the Borrower and the Bank, notwithstanding anything to the contrary contained herein or the Offer letter / facility letter or any other documents executed/that may be executed by the Bank/between the Bank and the Borrower or any other person, may at any time with or without any cause or reason close/recall the Financial Facilities and the Borrower shall on demand made by the Bank in writing forthwith pay to the Bank any balance thereby due to the Bank and all other moneys payable to the Bank in relation to the Financial Facilities together with interest payable upon balance and other moneys up to the date of payment thereof. On demand as aforesaid, the Borrower shall also pay and/or discharge at such place or places as the Bank shall direct all other indebtedness and liabilities of the Borrower to the Bank secured or intended to be secured hereunder.
- 2.5 The Bank may, in its sole discretion, allow utilization of the Financial Facilities in currencies other than that provided for in the Offer letter / facility letter ("**Other Currencies**"). If utilization is allowed in Other Currencies, the level of utilization at any time will be determined by the Bank based on such rate(s) of exchange as the Bank may deem appropriate. If the level of utilization thus determined exceeds the limit determined by the Bank, the Borrower shall, upon notice and within such period as the Bank may determine, reduce the level of utilization to such limits or provide additional collateral in cash such that the level of utilization does not exceed the aggregate of such limits and the amount of cash provided as additional collateral.
- 2.6 Any confirmation that may be sent by the Bank to the Borrower (the Bank is not obliged to send any such confirmation) in respect of any of the Financial Facilities, shall be conclusive and binding on the Borrower unless the Borrower objects in writing thereto within 14 (fourteen) days of the date of such confirmation.
- 2.7 If by reason of any material and adverse change in the international financial and capital markets, or any material and adverse change in national or international financial, political or economic conditions or any currency availability or exchange rates or control, the Foreign Currency requested for by the Borrower under the Financial Facilities is unavailable to the Bank, the Borrower's request for such Foreign Currency shall be deemed to be withdrawn and the Borrower may request for an alternative Foreign Currency subject to the terms of the Financial Facilities and to availability.
- 2.8 The Borrower unconditionally agrees and undertakes to get itself rated by a credit rating agency within a period of two (2) months from the date of the Offer Letter / renewal of the Facilities or within such period and/or at such intervals as may be decided by the Bank, failing which the Bank shall have the right to review the applicable interest rate and/or costs, charges and expenses, which shall be payable by the Borrower to the Bank for extending the Facilities.¹

ARTICLE 3 – INTEREST, FEES, TAXES & DUTIES AND STATEMENT OF ACCOUNT

3.1 Rate of interest: The Borrower shall pay to the Bank interest at the rates and the rests as specified by the Bank from time to time, currently being as mentioned at Serial No. 5 of the Schedule written hereunder. Such interest shall be calculated and be based on a 365/366 day year. Unless otherwise specified, interest on such overdue amounts shall be due and payable immediately on demand by the Bank but if not previously demanded, shall be paid at the end of each month or period determined by the Bank. Penal Charges shall accrue on any overdrawn amount and/or any amount

¹ Not applicable for CPS cases.

which is unpaid from its due date until the date of actual receipt by the Bank (as well after as before judgment). Penal Charges (as stated in Schedule-II attached hereto) shall be payable by the Borrower over and above the applicable rate of interest. The Bank shall have an overriding right and discretion to revise any provision pertaining to the rate of interest (including but not limited to rests, spread, re-set of interest) at any given point in time as per its internal review or as per the directives of the Reserve Bank of India.

3.2 **Market Disruption and Alternative Interest Rates** If on any rate fixing day or for any interest period DBS is unable to determine the applicable interest rate or DBS determines that the relevant benchmark rate is not available is zero or negative, is no longer representative; or the methodology, formula or other means of determining the relevant benchmark rate has materially changed; or the administrator of the applicable benchmark rate or its supervisor announces that it may no longer be used; or the cost to DBS of funding the Facilities would be in excess of the applicable benchmark rate, then the rate of interest shall be the sum of (i) the margin specified in the Offer letter / facility letter; and (ii) its Cost of Funds. DBS shall notify the Borrower of such substitute rate of interest as soon as possible. DBS shall not be required to reveal how its Cost of Funds are determined.

3.3 **Payment of Fees:** The Borrower agrees to pay all processing fees, transaction charges, annual renewal fees etc. and taxes payable on such fees/charges as mutually agreed with the Bank, by way of exchange of letters. These letters shall be construed as a part of this Agreement.

3.4 **Stamp Duty, lawyers' fees, registration fees and cost:** The Borrower shall be solely responsible and liable for payment of all Stamp Duty, lawyers' fees, registration fees, taxes and costs & expenses, penalties, charges payable with respect to the negotiation, execution and enforcement of this Agreement, Facility Documents including agreement for creation of security. If the Bank is called upon to pay any additional or differential stamp duty and/or penalty or any additional or differential stamp duty and/penalty is payable on this Agreement, the Facility Documents (including any agreement for the creation of security) due to the amount of stamp duty that has been paid is inadequate or due to any change in the applicable laws and/or its interpretation or due to any other reason whatsoever, the Borrower shall forthwith on demand by the Bank or the relevant authority pay such stamp duty and/or penalties. The Borrower hereby indemnifies and shall keep the Bank indemnified at all times from and against all such costs, charges, stamp duty and penalties as aforesaid, which may be incurred or loss suffered by the Bank in relation to this Agreement, Facility Agreement or the agreement for creating security.

3.5 **Taxes:** The Borrower will pay all Taxes now or hereafter imposed by law on the Bank in respect of the Facility Documents or on any payment under the Facility Documents. The Bank shall have the right to debit the same from any account of the Borrower (b) The Borrower will pay all amounts free and clear of any deduction of tax or levy or counterclaim. If the Borrower is required by law to make any such deduction or counterclaim the Borrower shall within 7 Business Days of the payments being made to the taxation authorities, deliver to the Bank satisfactory evidence in accordance with the prevailing tax laws as may be amended from time to time, that the tax has been deducted at source and duly remitted to the appropriate authority.

3.6 **Statement of Account:** A statement or certificate in writing issued by the Bank or signed by any authorized officer (including any computer-generated statement or certificate) certifying any sum payable to the Bank or any other certificate, determination or opinion of the Bank under the Financial Facilities or the Agreement shall (in the absence of manifest error) be final and conclusive and binding upon the Borrower. The entries in the accounts, which the Bank maintains in accordance with its usual practice, shall be prima facie evidence of the existence and amounts of the obligations of the Borrower recorded in them. The Borrower agrees that all such statements or certificates are relevant and admissible in evidence and agrees not to dispute the accuracy nor the authenticity of the contents of such records merely on the basis that such records were produced by or are the output of a computer system and waives any right (if any) to so object.

ARTICLE 4 – REPAYMENT

- 4.1 The Borrower agrees that the amount outstanding under the Financial Facilities shall notwithstanding anything contained herein be and is always forthwith payable on demand received from the Bank. The Borrower agrees to repay the amount outstanding under the Financial Facilities without any delay, demur or protest, together with interest forthwith, on written demand of Bank on the Borrower. Provided always the Borrower shall and hereby agrees and undertakes to repay the amount outstanding under the Financial Facilities on or before the expiry of the period for which the Financial Facilities have been sanctioned.
- 4.2 No notice, reminder or intimation shall be given to the Borrower regarding its obligation to pay any amounts payable hereunder regularly on their respective due dates and it shall be entirely the Borrower's responsibility to ensure prompt and regular payment of all amounts payable by the Borrower to the Bank on their respective due dates and in the manner herein provided.
- 4.3 Any delay or default in payment of the principal, interest or any part thereof or any other amount payable hereunder on or before its due date apart from the overriding right of the Bank to demand repayment forthwith on demand being made, shall render the Borrower liable to pay Penal Charges at such rates and manner as prescribed by in Schedule II hereto. Unless otherwise stated, interest on such overdue amounts shall be due and payable immediately on demand by the Bank but if not previously demanded, shall be paid at the end of each month or such period as determined by the Bank
- 4.4 The Borrower may, voluntarily prepay the whole or any part of the outstanding Facilities (including interest, fees and charges as applicable) which shall be subject to the payment of the prepayment charges as may be prescribed by the Bank and the Bank may cancel further disbursements under the Facilities at its sole discretion. The Borrower shall mandatorily prepay the entire Facilities (including interest, fees and charges) in full within seven (7) Business Days upon receipt of a written notice from the Bank.
- 4.5 Order of settlement of dues:
All payments made by the Borrower hereunder shall be adjusted in the manner of priority as set out hereunder:
- (i) towards the payment of any dues (other than dues under this Agreement) of the Borrower to the Bank;
 - (ii) indirect taxes paid by the Bank which are directly connected and/or attributable to the Financing Facility;
 - (iii) stamp duty/ registration, taxes, costs, increased cost, prepayment charges or any other charges in relation to this Agreement or payable by the Borrower;
 - (iv) towards Penal Charges, if any, payable by the Borrower in relation to any one or more Facilities;
 - (v) towards arrears of interest, interest if any, payable by the Borrower in relation to any one or more Facilities;
 - (vi) towards the principal amounts of the respective Facility due and payable by the Borrower in relation to each of the Facilities

Any payment which is due to be made on a day that is not a Business Day shall be made on the next Business Day in the same calendar month (if there is one) or the preceding Business Day (if there is not).

During any extension of the due date for payment of any principal or outstanding balance, interest is payable on the principal or balance outstanding at the rate payable on the original due date

ARTICLE 5 – SECURITY

- 5.1 The repayment and payment of the principal amount of the Financial Facilities along with interest, fees, costs, charges and expenses and all other amounts payable under this Agreement to the Bank shall be secured by creation of the security as detailed at Serial No. 8 of the Schedule I written hereunder and in such manner to the satisfaction of the Bank. Any delay in creation of Security beyond the agreed time period in this Agreement/under the Offer Letter shall result in payment of Penal Charges as stated under Schedule-II attached hereto.
- 5.2 The Bank shall also have authority to mark a lien on any of the deposits made by the Borrower with the Bank as a security for the Facilities availed/sanctioned by the Bank. The Borrower hereby authorises the Bank for create such charge on the deposits made with the Bank
- 5.3 The Borrower shall execute demand promissory notes as may be required by the Bank in favour of the Bank for the amount of the Financial Facilities, from time to time.
- 5.4 The Borrower shall and shall procure that that each Security Provider, entirely at its own expense and cost and as soon as practicable after written demand by the Bank make, execute, do and perform, or cause to be made, executed, done and performed, all such further acts, agreements, deeds, deeds of hypothecation, guarantees, memorandum of charge, forms and instruments and documents of whatsoever nature as the Bank shall reasonably require to reflect or perfect the Agreement or any security created or intended to be created pursuant to the terms of the Offer letter / facility letter or any other document or otherwise howsoever arising or relating to the Financial Facilities.
- 5.5 If the Financial Facilities are, inter alia, secured by a guarantee and/or security, the Bank has the right to review the guarantee and/or security and also to call for additional guarantee and/or security if in its opinion, the existing security is not sufficient and/or the existing guarantor(s) are or will be unable to perform their obligations in full under the guarantee(s).
- 5.6 The Borrower shall not and shall ensure that none of its subsidiaries shall create or permit to arise or subsist any debenture, mortgage, charge (whether fixed or floating), pledge, lien or any other encumbrance whatsoever or any other agreement or arrangement having substantially the same effect on its assets or factor any of its accounts receivables without the prior written consent of the Bank, or allow anything that may prejudice the security created/intended to be created herein.
- 5.7 The Borrower agrees and undertakes to create such further security by way of mortgage, hypothecation over the assets of the Borrower or otherwise as the Bank may require to cover any shortfall in security as may be reasonably determined by the Bank from time to time.
- 5.8 The Agreement and the security herein referred to shall operate as a continuing security for all moneys, indebtedness and liabilities aforesaid.

ARTICLE 6 – CONDITIONS PRECEDENT

- 6.1 The delivery of the following items in form and substance satisfactory to the Bank or to the legal advisors of the Bank, shall be conditions precedent to the Bank sanctioning/dispersing/continuing the Financial Facilities in favour of the Borrower:

If the Borrower is a company:

- (i) A certified copy of the Special Resolution under Section 180(1)(a) and 180 (1)(c) of the Companies Act 2013 passed by the Borrower in general meeting or such other resolution as may be required under any law, from time to time.
- (ii) Verification of the signatures of the person/s authorized to execute documents on behalf of the Borrower to the satisfaction of the Bank.

- (iii) declaration from the company stating that the (a) the Facility to be availed from the Bank is of temporary nature and is availed of in the ordinary course of business of the Borrower and there is no requirement to obtain a resolution (b) any other reason for which the resolution is not required

OR

Special Resolution under Section 186 of the Companies Act, 2013

- (iv) [in case of 3rd party security/guarantee] Declaration that the guarantee/security given is in compliance with the provisions of Section 185 of the Companies Act, 2013; or an undertaking in lieu of the same.

If the Borrower is Limited Liability Partnership or Partnership Firm

- (i) A certified copy of the Resolution passed by the partners of the Borrower for availing Financial Facilities, in favour of the Bank, as per the Bank's satisfaction.
- (ii) Any other declaration or document as may be required by the Bank;

ARTICLE 7: REPRESENTATIONS AND WARRANTIES

7.1 The Borrower hereby undertakes, represents and warrants that :

- (i) all approvals sanctions and actions on the part of the Borrower necessary for the execution and delivery of:
 - (a) this Agreement (and performance of the obligations of the Borrower thereunder);
 - (b) the promissory notes;
 - (c) security documentsfor the Financial Facilities have been duly taken by the Borrower and are in full force and effect.
- (ii) It is duly authorised to avail the Facility from the Bank (including its successors, novatees, transferees and assigns) as per the resolution passed by its Board of Directors / Committee at its meeting held on _____.
- (iii) The Facility availed / to be availed by the Borrower from the Bank is within the borrowing limit of INR _____ only, as authorised vide the resolution passed by the members of the Borrower at their Extra Ordinary General Meeting held on _____ (If applicable).
- (iv) The Security created/to be created in favour of the Bank for the Facility availed is within the limits, as authorised vide the Resolution passed by the members of the Borrower at their Extra Ordinary General Meeting held on _____ (If applicable)
- (v) The person/persons executing this Agreement (on behalf of the Borrower), and any promissory note provided for herein to be given and the security documents executed/ to be executed are duly and properly authorized to execute the same.
- (vi) The Borrower does not violate any law, charter or bylaws, covenants, conditions and stipulations under any existing agreement or arrangement entered into by the Borrower with any third party, by availing the Financial Facilities from the Bank and/or creating the security herein or that may be created in future.
- (vii) The contents of the balance sheet, profit and loss account and other financial statements and information submitted to the Bank at the time of application for the Financial Facilities are true, correct and authentic in every respect and aspect.
- (viii) The Borrower shall maintain a positive net worth at all times.

- (ix) There is no action, suit or recovery/attachment proceeding or investigation pending or to the knowledge of the Borrower threatened by or against the Borrower and/or the security created herein and/or the property of the Borrower before any Court of Law or Government authority or any other competent authority which might have a material effect on the financial and other affairs of the Borrower or which might put into question the validity/enforceability or performance of this Agreement by the Borrower or the security created/to be created herein under or any of its terms and conditions.
- (x) The Borrower shall not substantially alter the nature of its business or amend or alter any provision in its incorporation or constitutional documents relating to its borrowing powers and principal business activities without the prior written consent of the Bank.
- (xi) The Borrower shall ensure that its obligations under this Agreement and any other document executed by it with respect to the Financial Facilities are and shall always remain unconditional and un-subordinated and shall, without prejudice to any provision of this Agreement, at all times rank at least pari passu with all its other unsecured and unsubordinated obligations (except for such obligations mandatorily preferred by law.
- (xii) The Borrower shall notify the Bank promptly of the occurrence of any of the events as specified in Article 10 below or any other event, which might affect its ability to perform its obligations under or in connection with this Agreement or which might if permitted to continue shall turn into an event of default as set out in Article 10 below.
- (xiii) The Borrower shall not undertake or permit any re-organization, amalgamation, reconstruction, take-over or any other schemes of compromise or arrangement affecting its present constitution without the prior written consent of the Bank. In the event of such re-organization, amalgamation, reconstruction, take-over or any other schemes of compromise or arrangement happening without the consent of the bank, the borrower hereby agrees and undertakes to ensure that all the liabilities of the borrower under this agreement are accepted in full by the ultimate merged entity and that the claim of the bank stays alive.
- (xiv) The Borrower shall not incur any expenditure of capital nature other than in the ordinary course of business.
- (xv) The borrower shall at times ensure that all the assets and business of the borrower are adequately insured to the satisfaction of the bank.
- (xvi) The Borrower represents and undertakes that it has not inducted and shall not induct any person who is a promoter or director on the Board of the Borrower or is in charge and responsible for its management of affairs, who has been identified as willful defaulter. If such a person is found to be on the Board of the Borrower or in charge and responsible for its management of affairs at any time, the Borrower shall take expeditious and effective steps for removal of such a person from its Board/management. It is clarified that Bank shall not renew/enhance/provide fresh facilities or restructure the Facilities as long as the person identified above remains a willful defaulter. For the purpose of this Agreement the willful defaulter shall have the same meaning as defined in the Master Circular on Willful Defaulters issued by the Reserve Bank of India from time to time.
- (xvii) The Borrower represents and warrants for the purpose of availing FCRL that (i) the Borrower has foreign exchange requirements or (ii) that the Borrower has a natural hedge or (iii) that the Borrower has a risk management policy for managing the exchange risk. (TO BE ADDED IN CASE OF FCRL)

7.2 The Borrower hereby specifically represents, warrants and reiterates that:



- (i) The Borrower is duly empowered and authorized under its incorporation or constitutional documents to execute this Agreement and to do and execute all other deeds and documents hereunder required to be done and executed to avail of the Financial Facilities contemplated hereunder from the Bank and to give/create/execute the security/security documents as required by or under this Agreement.
- (ii) This Agreement and all other deeds, documents, undertakings, power(s) of attorney, as per the requirements stated herein when executed by and on behalf of the Borrower would constitute valid, effective and binding obligations of the Borrower.
- (iii) The Borrower has duly passed the necessary resolutions at meetings of its shareholders (if applicable) and Board of Directors / partners authorizing the Borrowing /availing of the Financial Facilities under this Agreement and for the execution of this Agreement and all other documents, deeds, and writings as are required to be executed as per this Agreement and/or for the Financial Facilities and has duly furnished certified true copies of the relevant Board/General Body/partners Resolutions, and the said resolutions have not been amended/cancelled/rescinded till date.
- (iv) The common Seal of the Borrower affixed to this Agreement and to the other deeds, documents and writing and on the security/security documents for the Financial Facilities as provided hereunder has been (if applicable) and/or shall be duly affixed in accordance with the relevant Board / Partner Resolution and as per requirements of the relevant provisions of the incorporation or constitutional documents of the Borrower.
- (v) The Borrower hereby accepts that any default in discharging its liabilities under any other agreement and/or credit/loan facility (ies) with/extended by the Bank to the Borrower shall be deemed to be a default under this Agreement and vice versa and all amounts under such agreement and credit /loan facility (ies) and this Agreement shall become forthwith due and payable and notwithstanding anything to the contrary contained in this Agreement or any other agreement or document, the Bank shall be entitled to exercise any or all rights under the respective agreements including but not limited to exercise right over any security/charges available to the Bank under any of the loans/facility(ies) including the Financial Facilities extended by the Bank.
- (vi) The Borrower shall utilize the Facilities only for the purpose of meeting working capital requirements or for the purpose approved by the Bank and not for any speculative/ illegal purpose/investment in equities/debt instrument/any other financial investments. The Borrower shall utilize the Facilities in accordance with the extant Reserve Bank of India directions/guidelines. The Borrower shall not obtain any financing from any other party for the goods financed and/or letter of credit issued by the Bank.
- (vii) If Bank receives or recovers any sum due to it from the Borrower in a currency (the **"Relevant Currency"**) other than the currency in which such sum is due (the **"Currency of Account/Facility"**) (whether as a result of, or arising from the enforcement of, a judgment or order of a court or tribunal of any jurisdiction, or in the bankruptcy or dissolution of the Borrower or otherwise) this shall only discharge the Borrower to the extent of the amount in the Currency of Account/Facility which the Bank is able, in accordance with its usual practice, to exchange or purchase with the amount of the Relevant Currency so received or recovered on the date of receipt or recovery (or, if it is not practicable to make that exchange or purchase on that date, on the first date on which it is practicable to do so). If that amount in the Currency of Account/Facility is less than the amount of the Currency of Account/Facility due to the Bank, the Borrower undertakes that the Borrower shall fully indemnify the Bank against any and all losses, cost, expenses and the like sustained by the Bank as a

result. In any event, the Borrower shall fully indemnify the Bank against the cost of making any such exchange or purchase.

- (viii) That Borrower is not in violation of any law or material agreements to which a Borrower is a party.
 - (ix) That other than those already obtained, no further approvals of any Government or regulatory authorities are required for carrying on the business as presently/intended to be carried out by the Borrower or for availing the Financial Facilities.
 - (x) That the Borrower has not been classified as the asset finance company / infrastructure finance company and the Borrower shall within 10 days from change of such classification, provide written intimation to the Bank.
 - (xi) The Borrower hereby agrees and acknowledges that for the purpose of monitoring the end-use of funds, the Bank may require a specific certification from the auditors of the Borrower from time to time, The Borrower hereby authorizes the Bank to get specific certificates from the auditor of the Borrower, from time to time, regarding the end use of Financial Facilities and inform the Bank if the Financial Facilities or part thereof has been siphoned off or diverted.
- 7.3 Nothing herein contained shall prejudice the Bank's right or remedies in respect of any existing or future security, guarantee, obligation or decree for any existing or future indebtedness or liability of the Borrower to the Bank nor any banker's lien or right of set-off in favour of the Bank and these presents shall not operate to merge or extinguish any other security created by the Borrower in favour of the Bank.
- 7.4 The Borrower undertakes to comply with all undertakings/declarations (as applicable), financial and other covenants, if any, stipulated by the Bank, throughout the life of the Financial Facility including but not limited to the undertakings/declarations as contained in the Offer Letter / Facility Letter and as set out at Serial No.11 of the Schedule I hereunder written.
- 7.5 The terms and conditions of the Offer letter / facility letter and of all the offer letter / facility letters that may be signed by the Borrower in future from time to time shall continue to bind the Borrower, and it shall always be deemed that such terms and conditions were part of this Agreement since execution.
- 7.6 The Borrower hereby undertakes and confirms that that no consideration whether by way of commission, brokerage fees or any other form has been paid or shall be paid either directly or indirectly to the Guarantor for providing the guarantee.
- 7.7 **The Borrower hereby declare and confirm that:**
- For Partnership firm\HUF\LLP:**
- (a) **None of the Partners or none of the members of the HUF** is (i) a Director or specified near relative of a director of a banking company, a scheduled co-operative bank and/or its subsidiary, in India or (ii) a trustee of a mutual fund/venture capital fund set up by a banking company, a scheduled co-operative bank and/or its subsidiary, in India.
 - (b) None of the partners or none of the members of the HUF is a specified near relative of any officer of Bank.
- For Company:**
- (a) None of the Directors of the Company is (i) a Director or specified near relative of a Director of a banking company, a scheduled co-operative bank and/or its subsidiary, in India or (ii) a trustee of a mutual fund/venture capital fund set up by a banking company, a scheduled co-operative bank and/or its subsidiary, in India.
 - (b) None of the Directors of the Company is a specified near relative of any officer of Bank
- For Sole Proprietor:**
- a) None of the Bank's directors or their relatives are your guarantor(s); and
 - b) You are not a director or a relative of a director of the Bank or of other banks; and
 - c) You are not a specified near relative of any officer of the Bank;

For the purpose of this clause:

the term 'specified near relative' will mean and include the following: Spouse, Father, Mother (including step-mother), Son (including step-son), 'Son's Wife, Daughter (including step-daughter), Daughter's Husband, Brother (including step-brother), Brother's wife, Sister (including step-sister), Sister's husband, Brother (including step-brother) of the spouse, Sister (including step-sister) of the spouse.

7.8 The Terms and Conditions titled as "Terms and Conditions Applicable to Foreign Exchange Facilities" and listed at Annexure "A" of this Agreement shall apply to that part of the Financial Facilities which is/are granted in Foreign Currency (where and if applicable).

7.9 (1) Compliance with laws: The Borrower will, and will procure that each of its Affiliates will, at all times: (i) comply in all respects with all applicable laws and regulations, including all Environmental Law; and (ii) obtain and maintain any Environmental Permit applicable to it.

"Environmental Law" means any law or regulation concerning:

- (i) the protection of health and safety;
- (ii) the environment; or
- (iii) any emission or substance which is capable of causing harm to any living organism or the environment;

"Environmental Permit" means any authorization required by an Environmental Law;

(2) No misleading information: The Borrower warrants to Bank that all information provided by it or its Affiliates for the purposes of the Facility Documents is true and accurate in all material respects as at the date it was provided and is not misleading in any respect.

7.10 Change of management: Without the prior written consent of the Bank, the Borrower shall not[, and it shall procure that each Obligor shall not,]² make any change in its management, which includes change in the board of directors of the Borrower[/Obligor]³, change in the Management Control of the Borrower[/Obligor]⁴ and change in the key managerial personnel of the Borrower[/Obligor]⁵.

For the purpose of this clause, "**Management Control**" shall mean, in relation to an entity, beneficial ownership of at least 51% (fifty one percent) of the voting shares of that entity and the power, ability or right, directly or indirectly, to control the management and policy decisions exercisable by person(s) acting individually or in concert, and to appoint the majority of directors on the board of the entity, whether through the ownership of voting share capital, by contract or management rights or any other means whatsoever.

7.11 Anti-money laundering/sanctions: The Borrower will, and will procure that each of its Affiliates will, at all times comply with all applicable anti-money laundering, anti-bribery, anti-corruption, counter-terrorism financing, and economic or trade sanctions laws and regulations (including any sanctions imposed by Singapore, the United States of America, the European Union, the United

² To be included only for facilities where any security/contractual comfort is provided by a third party.

³ To be included only for facilities where any security/contractual comfort is provided by a third party.

⁴ To be included only for facilities where any security/contractual comfort is provided by a third party.

⁵ To be included only for facilities where any security/contractual comfort is provided by a third party.

Kingdom, the United Nations and other governmental and/or regulatory authorities against certain countries, entities and/or individuals.

- 7.12 The Borrower undertakes and agrees to cooperate with the Bank with respect to compliance with Information Utility Regulations (as amended from time to time) under the Insolvency and Bankruptcy Code 2016 (as amended from time to time) ("Code") and Reserve Bank of India's circular no. DBR.No.Leg.BC.98/09.08.019/2017-18 dated December 19, 2017 (as amended from time to time). The Borrower hereby specifically agree to promptly authenticate the information submitted by the Bank, as and when requested by the Information Utility as defined in Section 3 (21) of the Code.
- 7.13 **RBI Guidelines on Loan System for delivery of Bank Credit:** The Borrower agrees and acknowledges that the Reserve Bank of India (RBI) has issued Guidelines on Loan System for delivery of Bank Credit dated 5th December 2018 (as amended from time to time) ("**RBI Guidelines**") stipulating a minimum level of 'loan component' in fund based working capital finance and a mandatory Credit Conversion Factor (CCF) for the undrawn portion of cash credit/ overdraft limits availed by large borrowers, with a view to enhancing credit discipline among large borrowers. In view of the above, in the event the said RBI Guidelines are or become applicable to the Borrower, the Bank shall be entitled to:
- (a) convert the drawdown under the overdraft facility to working capital loan, in the event the sanctioned working capital loan is not utilized to the extent of the percentage as prescribed under the RBI Guidelines;
 - (b) fix the tenor of the working capital loan so converted (in accordance with clause (a) above) for seven (7) days with no prepayment option for such working capital loan;
 - (c) rollover the working capital loan upon receipt of written instructions from the Borrower. However, the rollover shall be at the sole discretion of the Bank and subject to RBI guidelines/circulars and internal policies of the Bank;
 - (d) charge interest to the Borrower on such automatically converted working capital loan @ prevailing 1-month MCLR p.a on the date of the working capital demand loan disbursement;
 - (e) Any interchangeable limits availed by the Borrower between the working capital demand loan limits and the cash credit/ overdraft limits shall be subject to the restrictions as provided for in the RBI Guidelines.
- 7.14 **Transaction with Affiliates:** The Borrower agrees and undertakes that it will ensure that neither the Borrower nor any Entity will directly or indirectly enter into or permit to exist any material transaction with any Affiliate of the Borrower or any Entity, except for (A) transactions that are in the ordinary course of the Borrower's or such Entity's business, upon fair and reasonable terms that are no less favorable to the Borrower, or such Entity than would be obtained in an arm's length transaction with a non-affiliated person, and (B) Subordinated Debt or equity investments by the Borrower's investors in the Borrower or any Entity.

In this agreement, the term "**Group**" shall mean the Borrower's holding companies and its subsidiaries, direct or indirect and the term "**Entities**" shall mean, collectively, all companies in the Group (other than the Borrower) and all Obligor (other than the Borrower) and "Entity" means any one of them.

- 7.15 **Indebtedness and Subordinated Debt:** The Borrower covenants that it shall ensure that any loans to the Borrower by its directors/shareholders or by any Entity shall be subordinated to all monies and liabilities owing to the Bank under the Facilities. The Borrower further covenants that it shall ensure that neither the Borrower nor any Entity will, without the Bank's prior written consent, (A) incur any Indebtedness other than Subordinated Debt, (B) make or permit any payment on any Subordinated Debt, or (C) amend any provision in any document relating to the Subordinated Debt which would increase the amount thereof or adversely affect the subordination thereof to obligations owed to the Bank.

In this Agreement, the term "**Indebtedness**" means any obligation for the payment or repayment of money, whether as principal or as surety, whether present or future, actual or contingent; and the term "**Subordinated Debt**" means any indebtedness incurred by the Borrower or any Entity subordinated to all Indebtedness of Borrower and/or each Entity to us (pursuant to a

subordination, intercreditor, or other similar agreement in form and substance satisfactory to us entered into between the Bank, and/or any applicable Entity, and the other creditor), on terms acceptable to the Bank.

ARTICLE 8: DOCUMENTS/STATEMENT/INFORMATION TO BE FURNISHED BY THE BORROWER

- 8.1 The Borrowers shall also deliver to the Bank in a form and detail satisfactory to the Bank:
- i. certified true copies of its and each Security Provider's respective annual audited and (if applicable) consolidated financial statements (including profit and loss account, balance sheet, auditors report and director's report) as soon as available, but not later than 180 days after the end of each financial year;
 - ii. certified true copies of its and each Security Provider's respective management reports, comprising at least of its unaudited balance sheet and profit and loss statement for and as at the end of each quarter, as soon as available but not later than 90 days after the end of each quarter; and
 - iii. promptly, any other information, certifications, confirmations and/or documents as the Bank may from time to time require.
 - iv. a declaration from the Borrower at the end of each financial year that the Borrower is an asset finance company/infrastructure finance company
 - v. information to the Bank regarding its unhedged foreign currency exposure ("UFCE") on a quarterly basis and shall ensure that such UFCE information shall be audited and certified by the statutory auditors at least on an annual basis as prescribed by the Reserve Bank of India vide its guidelines dated October 11, 2022 (as amended/supplemented from time to time) on Unhedged Foreign Currency Exposure.
- 8.2 The Borrower shall execute all documents and do all acts, deeds and things, at its cost and expense, in such manner as the Bank may be required to give full effect to these presents including creation of security herein envisaged. The Borrower shall execute a separate deed/agreement for hypothecation for creation of charge on the assets of the Borrower, in favour of the Bank, if so, required by the Bank.
- 8.3 The Borrower agrees to inform the Bank any material circumstances affecting the ability of the Borrower to repay the amounts outstanding under the Financial Facilities.
- 8.4 The Borrower confirms its understanding that the Financial Facilities are subject to the extant Reserve Bank of India regulations and as a pre-condition of the Financial Facilities given/that may be given to the Borrower by the Bank, in case any default in the repayment of the Financial Facilities or in the repayment of interest thereon or any of the agreed installments of the Financial Facilities on the due date/s is committed by the Borrower, the Bank and / or the Reserve Bank of India shall have an unqualified right to disclose or publish Borrower's name and/or the name of the directors/partners/proprietor of the Borrower as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit vide RBI Circular No. BC.68/DL/20.16.002/2000-2001.
- 8.5 The Borrower shall perform all its obligations, discharge all its liabilities, pay its taxes and comply with all laws that are incidental to or in relation with the business carried on by the Borrower as well as grant of the Financial Facilities.
- 8.6 The Borrower hereby agrees that interest rates and rests are subject to change any time, at the sole discretion of the Bank and/or as per directives of Reserve Bank of India.
- 8.7 The Borrower by entering into this Agreement agrees for the Bank to disclose Borrower's name in Bank's annual accounts / balance sheet as prescribed in RBI circular on Exposure norms, as applicable from time to time. (only for those crossing SBL/GBL norms)
- 8.8 The Borrower shall provide a certificate from the Company Secretary and/or the Chartered Accountant in the format prescribed by the Reserve Bank of India in its circular Lending under

Consortium Arrangement/ Multiple Banking Arrangement no. RBI/2008-2009/313 DBOD.No.BP.BC.94 /08.12.001/2008-09 dated December 08, 2008 or such other circular as may be applicable from time to time, on an annual basis or at such intervals as may be required by the Bank.

ARTICLE 9- SET-OFF

- 9.1 The Borrower hereby irrevocably authorises the Bank to debit its accounts with Bank (whether in India or elsewhere and whether alone or jointly or jointly with any other person) at any time and without any notice to the Borrower for whole or any part or parts of the amount outstanding under the Financial Facilities and any other amounts payable by the Borrower under the Facility Documents. Provided always that any such debiting shall not be deemed to be a payment of any moneys to which it relates except to the extent of any amount in credit in that account.
- 9.2 The Bank shall be absolutely entitled at any time, without any notice to the Borrower, to combine all or any of the Borrower's liabilities to or accounts with Bank (whether alone or jointly or jointly with any other person) and set-off, transfer or apply any obligations of Bank to the Borrower in or towards satisfaction of any obligations of the Borrower to Bank, whether the obligations of the Borrower or Bank are actual or contingent, primary or collateral, several or joint, booked or payable at different branches (including branches outside India), or in different currencies.
- 9.3 For the purposes of this Article, Bank is authorised to effect any necessary currency conversions at Bank's own rate of exchange then prevailing. If the amount of an obligation is unascertained, Bank may estimate that amount and set-off or debit in respect of the estimate, subject to a final settlement being made between the Borrower and Bank when the amount of the obligation is ascertained. The foregoing shall be without prejudice and in addition to any rights of set-off, combination of accounts, lien, security or other right to which Bank is at any time otherwise entitled (whether by operation of law, contract or otherwise).
- 9.4 The Bank shall also not be liable or responsible, in any manner or extent whatsoever, including for any consequential damages, in the event any cheque, payment instrument and/or payment instruction is dishonored or returned or not acted upon due to there being no or insufficient balance in the account or accounts of the Borrower with respect to which the Bank has exercised its right of set-off.
- 9.5 For the avoidance of doubt, it is hereby clarified that this right can additionally be exercised also upon the occurrence of a Credit Event of the Borrower and/or the Security Provider.

ARTICLE 10 – EVENTS OF DEFAULT AND REMEDIES OF THE BANK

- 10.1 If one or more of the events specified in this Article shall have happened then, the Bank may, by a written notice to the Borrower declare that all amounts outstanding under the Financial Facilities together with accrued interest have become payable forthwith by the Borrower to the Bank under or in terms of this agreement and/or any other agreement (s) and/or document (s) subsisting between the Borrower and the Bank as well as all other amounts payable thereunder and upon such declaration all amounts outstanding under the Financial Facilities and also under any other account or accounts of the Borrower with the Bank shall become due and payable forthwith and the security created in favour of the Bank for the Financial Facilities shall become enforceable notwithstanding anything to the contrary in any of the Facility Documents or in any other agreement(s) or instruments:
- a) If any Borrower or the Security Provider does not pay any amount due under the Facility Documents on the due date or on demand, as the case may be.
- b) If any representation, warranty, information, undertaking, declaration or statement by the Borrower or any Security Provider in any of the Facility Documents or in any document delivered thereunder is not complied with or is or proves to have been incorrect, incomplete

- or untrue in any respect when made or deemed repeated or the Borrower or any Security Provider does not perform or comply with any of the provisions under any of the Facility Documents to which it is a party including not limited to failure of the Borrower and/or the Security Provider to create Security and/or perfecting the Security to the satisfaction of the Bank within the time stipulated by the Bank;
- c) Cross Default: Any other indebtedness of the customer or any security provider or any of the customer's subsidiaries or the customer's holding company (to whomsoever owing) is not paid when due, or is or is declared to be or is capable of being declared due and payable before its normal maturity or if the customer defaults under any foreign exchange or foreign exchange options transactions (or other similar transactions), or any derivative transactions with any other parties;) If any provision of any of the Facility Documents is or becomes, or is claimed by the Borrower or any Security Provider to be, for any reason invalid or unenforceable; or it is or will become unlawful for the Borrower or any Security Provider (i.e. any person who has provided any security, for the obligations of the Borrower, in favour of the Bank) to perform or comply with any of its obligations under any of the Facility Documents to which it is a party.
 - d) If the assets/Hypothecated Assets on which the security is created in favour of the Bank depreciate in value in the opinion of the Bank to such an extent that in the opinion of the Bank further security should be given by the Borrower and such security is not given or outstanding under the Financial Facilities is to be reduced and the same is not reduced.
 - e) If the Borrower fails to furnish any financial information or document required by the Bank.
 - f) If any Guarantee/ security given in favour of the Bank is in the opinion of the Bank in jeopardy and/or notice thereof has been given to the Borrower or such Security Provider.
 - g) If the present management of the Borrower is wholly or substantially displaced or has its authority curtailed, without the prior written consent of the Bank.
 - h) If the Borrower shall, without prior written consent of the Bank, enter into any scheme of compromise, reconstruction or amalgamation.
 - i) If the Borrower or any Security Provider or any of the Borrower's subsidiaries or the Borrower's holding company changes or threatens to change the nature or scope of its businesses (as currently carried out), ceases or suspends or threatens to cease or suspend all or a substantial part of its business operations or any governmental or other authority takes any step to expropriate, nationalize or compulsorily acquire all or a substantial part of its assets or share capital or if the Borrower ceases to be asset finance company/infrastructure finance company as defined by the Reserve Bank of India for any reason whatsoever.
 - j) If any security on or over any part of the assets of the Borrower or any Security Provider or any of the Borrower's subsidiaries or the Borrower's holding company becomes enforceable or a distress, attachment, writ of seizure and sale, garnishee order, injunction or any form of execution is levied or enforced upon or issued against any such assets.
 - k) Any borrower / security provider or any of its Affiliates is (or is deemed by law to be) insolvent or unable to pay its debts, suspends or threatens to suspend payment of any of its debts or takes any other step with a view to rescheduling all or a material part of (or of a particular type of) its indebtedness, proposes a general assignment, arrangement or composition with any creditor, or a moratorium is agreed or declared in respect of all or a material part of (or a particular type of) its indebtedness or assets; or any corporate action, legal proceeding or step is taken in relation to the bankruptcy, winding up, dissolution, termination, administration, judicial management, provisional supervision or reorganization (by way of a voluntary arrangement, scheme of arrangement or otherwise) of any borrower / security provider or any of its Affiliates or for the appointment of a liquidator (including a provisional liquidator), receiver and/or manager, judicial manager, trustee, administrator, agent or similar officer in respect of any borrower / security provider , any of its Affiliates or over any of its respective assets or any analogous step is taken in any jurisdiction;

- l) If any event or change or series of events or changes occurs which, in Bank's opinion, might have a material or adverse effect on the business or financial condition of the Borrower or any Security Provider or any of the Borrower's subsidiaries or the Borrower's holding company or a material or adverse effect on the ability of the Borrower or any Security Provider or any of the Borrowers' subsidiaries or the Borrower's holding company to perform its obligations under this Agreement or any of the Facility Documents
 - m) If the Borrower or any Security Provider or any of the Borrower's subsidiaries or the Borrower's holding company is insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to deferring, rescheduling or readjusting all or a material part of (or of a particular type of) its indebtedness (or of any part of its respective indebtedness which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of its creditors, or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) its indebtedness.
 - n) If any step is taken by any person with a view to the bankruptcy, liquidation, winding up or dissolution of the Borrower or any Security Provider or any of the Borrower's subsidiaries or the Borrower's holding company or for the appointment of a liquidator (including a provisional liquidator), receiver and/or manager, judicial manager, trustee, administrator, agent or similar officer of the Borrower or any Security Provider or any of the Borrower's subsidiaries or the Borrower's holding company or over any part of its/their assets.
 - o) If there occurs or exists any compulsory acquisition, nationalization or expropriation of a substantial part of the assets of the Borrower.
 - p) If the Borrower is involved in any material litigation, which in the opinion of the Bank would have adverse effect on the Borrower or its business.
 - q) If the Borrower fails to pay any decretal amount even after final judgment or court order.
 - r) If there exists any revocation or withdrawal of permission for availing of the Financial Facilities, operating licenses, licenses for carrying out business or other authorizations of the Borrower.
 - s) If due to any change in or imposition of new law, statute, regulation or guidelines, it becomes unlawful for the Bank to continue with the Financial Facilities or one or part of them or it becomes necessary or obligatory for the Bank to withdraw or cancel the Financial Facilities or one or part of them.
 - t) If there occurs, in the opinion of Bank, a material adverse change or any development which may result in a prospective material adverse change in the monetary, political, financial (including conditions in any of the financial markets) or economic conditions or exchange control in Singapore or internationally (including any changes in stock, bond, currency, interbank or property market conditions, in interest rates or in existing foreign exchange controls
 - u) If any other events comparable or analogous to any events specified in Paragraphs (k), (n), or (m) shall happen in relation to the Borrower, any security provider or any other group company of the Borrower in any jurisdiction in which the customer, such security provider or (as the case may be) such other Entity is organised, domiciled or resident (as the case may be) or carries on business or has assets or liabilities.
- 10.2 On the happening of any event of default or any event, which after the notice or lapse of time or both would constitute an event of default, the Borrower shall forthwith on happening of such an event give a notice to the Bank (such notice called the "Notice of Default").
- 10.3 If any event of default or any event, which after the notice or lapse of time or both would constitute an event of default, the entire principal amount of the Financial Facilities together

with interest, fees, costs, charges, expenses and all amounts payable hereunder shall become forthwith due and payable and the Bank shall be entitled to enforce the security created herein and recover the amounts outstanding under the Financial Facilities with interest and all other amounts.

10.4 Without prejudice to the provisions of Article 10.3, on the happening of any event of default:

- i. the Bank shall be entitled to seek a mandatory prepayment by Borrower of the Facilities upon notice and immediately exercise forthwith all or any rights, powers or remedies with respect to the securities herein created/contemplated (if any) without any restriction whatsoever including but not limited to the power to sell by public auction or private contract or otherwise dispose of or deal in any manner with all or any part of such securities.
- ii. the part of Financial Facilities which has not been drawn down, utilized or cancelled shall automatically be cancelled and forthwith cease.
- iii. convert the debt into equity under applicable law including but not limited passing of the required shareholders' resolution as per section 62(3), Companies Act 2013.
- iv. Provided that the Bank may in addition to the rights mentioned above, the Bank may also exercise its right of lien and set off upon the occurrence of a "Credit Event" (as defined under Clause 9.1 of this Agreement) of the Borrower and/or the security provider. **ONLY FOR SECURED FACILITIES)**
- v. any sum repaid to the Bank by the Borrower shall be applied at Bank's sole discretion towards the settlement and discharge of the Borrower's liabilities and obligations on any account.
- vi. the Borrower shall, without demand from the Bank, immediately procure the complete and unconditional release of the Bank from all its liabilities and obligations (whether contingent or otherwise) and including without limitation, all of the Bank's liabilities and obligations under all notes and bills accepted, endorsed or discounted by and all Letters of Guarantee and documentary credits entered into or issued by Bank for the Borrower's account or at the Borrower's request failing which the Borrower shall without demand immediately pay to the Bank such sums as may be necessary to be paid to the beneficiaries or any other persons whatsoever under or in relation to the said notes, bills, Letters of Guarantee and documentary credits in order for the Bank to obtain such release together with all costs and expenses incurred or which may be incurred by the Bank in respect thereof.
- vii. the Borrower shall provide cash cover for all contingent liabilities and for all notes and bills accepted endorsed or discounted by and Letters of Guarantee and documentary credits entered into or issued by the Bank for the Borrower's account or at the Borrower's request.
- viii. **Special Consultants** If Bank determines that the Borrower is or will be unable to perform its obligations under any Facility Document, Bank may appoint, or require the Borrower to appoint, a special consultant and/or an independent asset management or stock monitoring professional ("Special Consultants") acceptable to Bank, to audit the Borrower, to render advisory and asset management services in relation to all or any of the assets and properties the subject of any Security Documents or perform such other duties as Bank may require. Such Special Consultants shall be the agents of the Borrower which will be solely responsible for the Special Consultants' actions and remuneration.
- ix. The Borrower agrees that in the event the Borrower's account is flagged for potential irregularities, the Bank shall have the right to appoint an auditor to conduct an audit of the Borrower's financial records, books and accounts, operations etc. The Borrower agrees to cooperate fully with the auditors and provide all required documentation and information within the stipulated timelines. The Borrower shall bear all the costs associated with the audit, including but not limited to auditor's fees.
If the audit report remains inconclusive or its submission is delayed due to the Borrower's non-cooperation, the Bank shall be entitled to conclude on the status of the account as a fraud or otherwise, based on the material available on the Bank's records and its own internal investigation or assessment.
If the Bank determines, following internal investigation or audit conducted as a red- flagging of the Borrower's account, that the Borrower has committed fraud or made any material misrepresentations in connection with the Facilities, the Bank shall have the right to, by notice to the Borrower to immediately terminate the Facilities and declare all outstanding amounts

under the Facilities to be immediately due and payable. Additionally, the Bank reserves the right to pursue any additional legal remedies available to it under applicable laws.

- X. Pursuant to the applicable provisions under the Companies Act 2013, the Bank shall (if so, required in its sole opinion) have the right to appoint a Nominee Director on the board of the Borrower.
- 10.5 In addition to and without prejudice to the aforesaid powers and rights, the Bank on taking or obtaining possession of the goods hypothecated to the Bank or any part thereof shall in respect thereof have all the rights conferred by law on a pawnee of goods.
- 10.6 The Bank shall also be entitled to do all things which the Bank shall consider requisite or advisable to place and keep the Bank in exclusive possession, custody and control of the goods hypothecated to the Bank as a pawnee or pledgee thereof and so that such possession, custody and control may be apparent and undisputed
- 10.7 The Bank shall not be responsible in any way for the quantity, condition or safety of the goods hypothecated to the Bank of which possession shall be given to or taken or obtained by the Bank.
- 10.8 All expenses incurred by the Bank in exercising the aforesaid powers or otherwise enforcing any security or any collateral security created/to be created in favour of the Bank or in obtaining legal advice and aid in connection therewith or in connection with the Bank's position or rights with respect to the security or with the custody or sale of the goods hypothecated to the Bank shall be payable by the Borrower and may be debited by the Bank to the said Financial Facilities.
- 10.9 The Borrower agrees to accept the Bank's accounts of sales and realizations as sufficient proof of any amounts realized and relative expenses and other matters stated therein and to pay on demand any shortfall or deficiency due to the Bank.
- 10.10 In the alternative and/or in addition to the above rights and powers, the Bank reserves the rights to charge Penal Charges until the events of default are remedied/rectified to the satisfaction of the Bank.
- 10.11 The Borrower accepts that in the event of default for failure to pay any amount due from the Borrower under any of the Facility Documents on the due date or on demand the Borrower's account shall be classified as special mention account ("SMA") and non-performing assets ("NPA") in accordance with the RBI Circular on Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 (as amended from time to time) and Master Circular - Prudential norms on Income Recognition, Asset Classification and Provisioning pertaining to Advances dated October 01, 2021 (as amended from time to time).

Loans other than revolving facilities		Loans in the nature of revolving facilities like cash credit/overdraft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of:
SMA-0	Upto 30 days		
SMA-1	More than 30 days and upto 60 days	SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days	SMA-2	More than 60 days and upto 90 days

10.12 “Credit Event” means and includes the issue of any notice, order or direction (by whatever name called) including a garnishee order, by any government or any governmental agency, semi-governmental or judicial or quasi-judicial entity or authority (including, without limitation, any statutory authority, stock exchange or any self-regulatory organisation established whether or not established under a statute) with respect to the Security/ies.” *(Only applicable for secured facility)*

ARTICLE 11 – CONSENT CLAUSE

The Borrower hereby gives its irrevocable consent to the Bank for disclosing the name of the Borrower and its Directors to the Reserve Bank of India as “Willful Defaulter” in the event the Borrower defaults in respect of Facilities with the Bank. Without prejudice to the provisions of the foregoing sentence, Borrower hereby agrees and gives consent for the disclosure by the Bank of all or, any such information as may be required under applicable laws.

The Borrower hereby authorizes the Bank, its employees or any other person who by reason of the scope of work or capacity or office has access to the records, registers or any correspondence or material with regard to information relating to the Borrower, its account, the Facilities (collectively, the “Information”), to disclose such Information to (1) any person to whom such disclosure is permitted or required under any law or regulation or required or requested by any court, government authority or regulator; and (2) to the persons below:

- a. any Obligor;
- b. any person in connection with a Transfer or proposed Transfer. A “Transfer” includes any assignment or transfer of any of our rights or obligations, any participation, sub-participation, transfer of credit or other risk (entirely or in part) or benefit (entirely or in part) by any means, and entry into any other contractual relationship, in relation to the Facilities;
- c. any person for the purposes of enforcing or protecting the rights or interests in relation to the Facilities, any security document;
- d. any person in connection with any insolvency or analogous proceeding (including, without limitation judicial management, winding-up, compromise or arrangement, and receivership) relating to you, any Obligor or any other person/entity in connection with the Facilities, any Security Document;
- e. any government department, agency, ministry, body or statutory board or any relevant authority of any country with jurisdiction over the affairs of the Bank Group;
- f. any person involved in or connected to the grant of the Facilities to you, the preparation of any document, the performance of any transactions contemplated under any document and/or (as the case may be) (including, without limitation, programme managers, legal and other professional advisors and partners) and any person to whom we grant Facilities and/or (as the case may be) with whom we enter into documentation pursuant to any change in the Borrower’s constitution;
- g. any person having or claiming any interest in any security provided for the Facilities or any person in favour of whom the Borrower is proposing to create or grant an interest in the security for the purpose of seeking any consent for the creation or variation of any interest in or increasing the amount of moneys and liabilities secured or to be secured by any encumbrance over the security or in connection with any security sharing arrangements relating to the security or any enforcement of any security or any sale transfer disposition or any other dealing by any person whatsoever over or of or with the security;
- h. any insurer, valuer or proposed insurer or valuer for any security provided for the Facilities;
- i. any of your auditors or any auditor of any Obligor;
- j. any person engaged by us to collect any sums of money owing to us from you, for any purpose in connection with the collection of such sum;
- k. any person in connection with the provisions of insurance or services to meet DBS Group’s operational, administrative or risk management requirements;
- l. any member of the Bank Group or any third-party service provider engaged by us in connection with data processing, cross-selling of products (if applicable) and pursuing, on our behalf, further business opportunities; and
- m. any person in connection with the promotion to any of the Bank’s customers of financial products and services offered by any financial institution in India or elsewhere or by any corporation within the Bank Group.

This Paragraph is not and shall not be deemed to constitute, an express or implied agreement by the Bank with the Borrower for a higher degree of confidentiality than that prescribed as per applicable laws.

ARTICLE 12 – COST AND EXPENSES

- 12.1 The Borrower shall pay to Bank on demand on a full indemnity basis, all costs, duties stamp duty, levies charges, penalties including the penalties with respect to or resulting from delay or omission to pay any stamp duty, registration charges or other taxes and expenses, legal or otherwise in connection with the preparation, negotiation, execution, perfection of this Agreement as well as all other document executed/that may be executed for the Financial Facilities, from time to time, the preservation or enforcement or attempted preservation or enforcement of this Agreement and/or any other document executed for the Financial Facilities or otherwise in connection with the same, any security created thereunder or the Financial Facilities or in connection with dealing with any third party claim or order against the Borrower's account with Bank (including abortive costs and expenses). All such payments shall be paid in the currencies in which such costs and expenses were incurred. If Bank in its discretion pays any insurance premia, legal fees, stamp duty, valuation fees, governmental or statutory levies and taxes and other costs, expenses or other moneys whatsoever on default of such payment by the Borrower, the Borrower shall forthwith on demand repay the same to Bank together with interest thereon at the rate(s) as may be prescribed by the Bank from time to time from the date of payment thereof by the Bank up to the date of repayment by the Borrower. The Borrower shall also pay to the Bank on demand such amounts as Bank may certify as sufficient to indemnify Bank in respect of the cost or loss incurred by Bank resulting from such prepayment or termination. The Borrower indemnifies and shall keep indemnified the Bank, its employees, successors and assigns from and against all costs, charges, duties, levies, penalties including the penalties whether resulting from delay or omission to pay any stamp duty, registration charges or otherwise and expenses incurred or loss or damage suffered by the Bank in connection with the Financial Facilities including negotiation, execution and enforcement of the Facility Documents.
- 12.2 The Borrower agrees and undertakes to forthwith pay an amount determined by the Bank in its sole discretion acting in good faith and in a commercially reasonable manner and notified to the Borrower, equal to the sum of all costs, fees, charges, expenses (including loss of financing), tax and duties thereon incurred by the Bank in connection with broken funding for any advances prepaid, any advances requested for but not made, unwinding costs for foreign exchange, the prepayment of the Facility (or any part thereof) and the related termination, settlement or reestablishment of any financing arrangements and/or hedging arrangements (which hedge the interest rate risks, exchange risks and/or other risks of the Bank) which the Bank may enter into from time to time in respect of, or in connection with the Facility

ARTICLE 13- BORROWERS UNDERTAKING TO THE BANK TO HOLD THE BANK HARMLESS:

- 13.1 The Borrower hereby undertakes that the Borrower shall hold the Bank harmless of and save the Bank against any losses or costs or expenses which the Bank may sustain or incur as a consequence of any Event of Default by the Borrower, as stipulated here-in-above or the Facilities contemplated herein is cancelled or reduced by the Bank at any time without any prior notice and for any or no reason whatsoever and in particular the Borrower shall not hold the Bank liable or responsible for any cheque, payment instrument or instruction is dishonored or returned or any consequences thereof.

ARTICLE 14- SERVICE OF NOTICES, STATEMENTS, ETC.

- 14.1 Any notice, statements, correspondences, confirmations or requests (the “Notices”) to be given or made by a party to the other shall be in writing. Such Notice shall be deemed to have been duly received by the party to whom it is addressed if it is given or made at such party's address specified below or at the address such party shall have designated by notice to the other party by giving a notice at the below mentioned address:

- If to the Bank: DBS Bank India Limited at the address mentioned at Serial No. 2 and shall be deemed to have been received by the Bank when it is actually received by it.
- If to the Borrower: The address as detailed at Serial No. 1 or the last available address with the Bank and shall be deemed to have been received by the Borrower if given by post, on the expiration of three days after the same shall have been delivered to the post office, if given by telegram on the expiration of 24 hours after the telegram shall have been delivered to the telegraph office and if delivered personally, when left at the address of the Borrower, as aforesaid, and a certificate by an officer of the Bank who sent such notice or communication that the same was so given or made shall be final and conclusive.

ARTICLE 15- RIGHTS CUMULATIVE AND NO WAIVERS

- 15.1 The Bank's rights under this Agreement and the Facility Documents are cumulative and may be exercised as often as it considers appropriate and are in addition to its rights under general law. No failure or delay by the Bank in exercising any right, power or privilege hereunder shall operate as a waiver hereof. No defective or partial exercise of any rights, power or privilege shall preclude any other or further exercise of that or any other right and no course of conduct or negotiation on the Bank's part shall preclude the Bank from exercising any such right or constitute a suspension, variation or waiver of any such right. Any waiver or variation of Bank's rights shall only be effective against Bank if it is an express waiver or variation and is in writing.

ARTICLE 16- RIGHTS BINDING ON THE BORROWER

- 16.1 The rights given to the Bank in the Facility Documents shall be binding on the Borrower and its successors and shall not be determined or in any way prejudiced or affected by (i) any liquidation (whether compulsory or voluntary) affecting the Borrower or any Security Provider or any change in the Borrower's or the Security Provider's constitution whether by way of amalgamation, consolidation, reconstruction or otherwise, or (ii) any change in the Bank's constitution whether by way of amalgamation, consolidation, reconstruction or otherwise, or (iii) any death, bankruptcy, insanity or other disability affecting any Security Provider.

ARTICLE 17- SEVERABILITY

- 17.1 The illegality, invalidity or unenforceability of any provision or part thereof of the Agreement and/or any other Facility Document under the law of any jurisdiction shall not affect or impair the validity, legality and enforceability of any other provision or part of the provision and the remaining provisions of the Agreement and/or any other Facility Document shall be construed as if such invalid, unlawful or unenforceable provision or part thereof had never been contained in the Facility Documents.

ARTICLE 18- ASSIGNMENT AND TRANSFER

- 18.1 The Bank may at any time without the consent of and without notice to the Borrower or any other person assign or transfer all or any part of our benefits, rights and/or obligations under any Facility Document to any person as the Bank deems fit including by way of risk participation which shall be governed by terms of the UNIFORM CODE GOVERNING INTER BANK PARTICIPATIONS, 1988 ("Uniform Code") as may be amended from time to time by Reserve Bank of India. Any such assignee or transferee shall be entitled to the full benefit of such rights and/or obligations as if it were the Bank in respect of the rights and/or obligations assigned or transferred to it. If the Bank assigns

or transfer all or any part of its rights and/or obligations, all references in the Facility Documents to the Bank shall thereafter be construed as a reference to the Bank and/or its assignees and/or transferees. Pursuant to the Uniform Code, the Bank would continue to protect the participating bank's interest during the period of participation.

ARTICLE 19 – GOVERNING LAW & JURISDICTION

- 19.1 This Agreement shall be governed by and interpreted in accordance with the laws of India. (except Derivative facility which shall be governed as per the covenants of the ISDA agreement).
- 19.2 In the event of any dispute arising under this Agreement the court in the city as mentioned in Serial No. 7 of the Schedule written hereunder shall alone have jurisdiction to entertain and try the proceeding arising out of such a dispute and accordingly the parties hereto submit to the exclusive jurisdiction of such courts/tribunals. (except Derivative facility which shall be governed as per the covenants of the ISDA agreement). Nothing contained in this paragraph shall limit the right of the Bank to take proceedings against the Borrower in any other court of competent jurisdiction nor shall the taking of proceedings in one or more jurisdictions preclude the Bank from taking proceedings in any other jurisdiction, whether concurrently or not.

ARTICLE 20 Right of Review clause for facilities without LG or LC Facilities

We reserve the right to review the facilities (hereinafter defined as "Uncommitted Facilities" which expression shall include any of them or any part of them) at any time and from time to time at our absolute discretion. Notwithstanding any other provisions in this letter, Standard Conditions and any other document, we shall have the right at our absolute discretion and without prior notice to you, immediately to vary, terminate, reduce, suspend or cancel the Uncommitted Facilities, to cease to make available any further utilization of the Uncommitted Facilities and/or to demand immediate repayment of all moneys and liabilities owing to us under the Uncommitted Facilities (whether actual or contingent).

Right of Review clause for facilities with LG or LC Facilities

We reserve the right to review the facilities (hereinafter defined as "Uncommitted Facilities" which expression shall include any of them or any part of them) at any time and from time to time at our absolute discretion. Notwithstanding any other provisions in this letter, Standard Conditions and any other document, we shall have the right at our absolute discretion and without prior notice to you, immediately to:

- (i) vary, terminate, reduce, suspend or cancel the Uncommitted Facilities, to cease to make available any further utilization of the Uncommitted Facilities and/or to demand immediate repayment of all moneys and liabilities owing to us under the Uncommitted Facilities (whether actual or contingent); and/or
- ii) demand payment from you of the monies that you are liable for under the said facilities or any other contingent type transactions, issued under or pursuant to the Uncommitted Facilities, notwithstanding that the beneficiary(ies) under such facilities or any other contingent type transactions, have not made any claim on us and upon such demand made by us, monies so demanded by us shall become a debt due and payable by you forthwith; and/or
- iii) require you to procure the complete and unconditional release of all your liabilities and obligations under all such facilities or any other contingent type transactions issued by us or

to pay us such sums as are required to enable us to procure such release together with all costs and expenses we may incur in respect thereof or to keep us in funds to fully pay off and discharge all of our liabilities (whether actual or contingent) under such facilities or any other contingent type transactions.

21 . In addition to the terms and conditions mentioned in this Agreement, the Terms and Conditions titled as “Terms and Conditions for Letter of Credit Facilities” and listed at Annexure “_____” of this Agreement shall apply to the Letter of Credit Facility (where and if applicable).

SCHEDULE I

<u>Sr. No</u>	<u>Particulars</u>	<u>Details</u>
1	Name & Registered Address of the Borrower	
2	Branch	
3	Details of the Facilities*	<p>a. Nature of the Facility</p> <ul style="list-style-type: none"> - Multiline Working Capital Facilities: INR ----- (Indian Rupees ----- Only). As more particularly described under Offer Letter dated ----- bearing reference number ----- (as amended/supplemented from time to time) - Foreign Currency Resident Loan ("FCRL"): <p>b. Break up between Principal and interest:</p> <ul style="list-style-type: none"> - Principal - Interest <p>c. Frequency of repayment</p> <p>d. : Tenor and due date:</p> <p><i>Note: Any changes in the above-mentioned details shall be communicated by the Bank from time to time in writing and by virtue of an Offer Letter</i></p>
4	Details of Offer Letter/ Facility Letter	Offer Letter/ Facility Letter Ref No (as amended/supplemented / modified from time to time)
5	Rate of Interest	<u>As per Offer Letter/Facility Letter</u>
6	Repayment	<p><u>As per Offer Letter/Facility Letter</u></p> <p>The repayment date/s will be communicated to the Borrower by the Bank from time to time.</p>
7	Place of Jurisdiction	
8	Security Details	
9.	Specific terms and conditions for FCRL	1. Purpose of FCRL: FCRL: For meeting the foreign exchange requirement or for the rupee working capital/ capital expenditure needs of the Borrower.

		<p>2. FCRL can be drawn down in any of the following currencies..... (“Foreign Currency”) and the repayment shall be made in the same currency in which the Term Loan has been drawn down.</p> <p>3. If by reason of any material and adverse change in the international financial and capital markets, or any material and adverse change in national or international financial, political or economic conditions or any currency availability or exchange rates or control, the Foreign Currency requested for by the Borrower under the FCRL is unavailable to the Bank, the Borrower's request for such Foreign Currency shall be deemed to be withdrawn and the Borrower may request for an alternative Foreign Currency subject to the terms of the Facilities and to availability.</p>
10	Date and Place of Execution	
11	Financial Covenant	

SCHEDULE -II

MATERIAL TERMS & CONDITIONS [NOTE: TO BE USED FOR MSME CUSTOMERS]

Material Terms & Conditions	Percentage or absolute approach	Amount or % p.a. to be charged	Frequency of monitoring and charging (respectively)
Overdue/Overdrawn instances	Percentage	3% p.a. of overdue/overdrawn amount.	<ul style="list-style-type: none"> For CCOD- Monthly basis For Loans & trade facilities- Interest demand date or foreclosure date whichever is earlier-
Non-Creation of Security	Percentage	2% p.a. of Facility amount for which security creation is pending.	<ul style="list-style-type: none"> Monitored basis due date Monthly basis (post lapse of due date)
Financial Covenants breach	Percentage	2% p.a. of Facility amount	<ul style="list-style-type: none"> Monitoring basis agreed frequency. Monthly basis
Non-Financial Covenants breach	Percentage	2% p.a. of Facility amount	<ul style="list-style-type: none"> Monitoring basis agreed frequency Monthly basis
Valuation Pending	Absolute	INR 5,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis
Stock Audit Pending	Absolute	INR 25,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis
Insurance Pending	Absolute	INR 10,000	<ul style="list-style-type: none"> Monitored basis due date. Monthly basis post expiry of insurance.
Renewal offer letter not accepted	Absolute	INR 15,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis
Non submission of Net-worth Statement	Absolute	INR 5,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis
Non-submission of end use certificate	Absolute	INR 5,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis
Non-Submission of Stock Statements	Absolute	INR 10,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis
Facility documents pending	Absolute	INR 10,000	<ul style="list-style-type: none"> Monitoring on monthly basis Monthly basis

MATERIAL TERMS & CONDITIONS
[NOTE: TO BE KEPT FOR NON-MSME CUSTOMERS]

Material Terms & Conditions	Percentage or absolute approach	Amount or % p.a. to be charged	Frequency of monitoring and charging (respectively)
Overdue/Overdrawn instances	Percentage	3% p.a. of overdue/overdrawn amount.	For CCOD- Monthly basis. For Loans & trade facilities - Interest demand date or foreclosure date whichever is earlier-
Non- Creation of Security	Percentage	2% p.a. of Facility amount for which security creation is pending.	Monitored basis due date. Monthly basis (post lapse of due date)
Financial Covenants breach	Percentage	2% p.a. of Facility amount	Monitoring basis agreed frequency. Monthly basis
Non-Financial Covenants breach	Percentage	2% p.a. of Facility amount	Monitoring basis agreed frequency. Monthly basis
Valuation Pending	Absolute	INR 25,000	One time, post due date
Stock Audit Pending	Absolute	INR 25,000	One time, post due date.
Insurance Pending	Absolute	INR 25,000	Monitored basis due date. Monthly basis post expiry of insurance
Renewal offer letter not accepted	Absolute	INR 25,000	One time, post due date
Non-Submission of Net worth Statement	Absolute	INR 25,000	One time, post due date
Non-submission of end use certificate	Absolute	INR 25,000	One time, post due date
Non-Submission of Stock statement	Absolute	INR 10,000	Monitoring on monthly basis Monthly basis
Facility Documents pending	Absolute	INR 10,000	One time, post due date

IN WITNESS WHEREOF THE PARTIES HERETO HAVE CAUSED THIS DEED TO BE EXECUTED ON THE DAY AND YEAR FIRST HEREINABOVE WRITTEN AND IN THE MANNER HEREINAFTER MENTIONED

For Company
 FOR _____]
 _____]
 through its Authorised]
 Signatory/ies Mr. _____]
 and Mr. _____]
 (Name of Authorised Signatory & Designation)]

The _____ common _____ seal _____ of _____]
 _____ was affixed hereunto]



pursuant to a resolution passed by its Board of Directors at their meeting held on _____ in the presence of Mr. _____ and Mr. _____ of the company who have in token thereof have affixed their signatures]

(APPLICABLE ONLY IN CASE ARTICLES OF ASSOCIATION STATES THAT COMMON SEAL AFFIXATION IS REQUIRED IN LOAN DOCUMENTS)

OR

For LLP/Partnership Firm

For _____]
(Name of the Firm/LLP)]

(Authorised Signatory / Partner)]

For Sole Proprietorship

For _____]
(Name of the Proprietorship Firm)]

(Name of the Proprietor/Authorised Signatory)]

For Hindu Undivided Family

For _____]
(Name of the HUF)]

(Name of the Karta)]

For Society/Association

For _____]
(Name of the Society)]

(Authorised Signatory)]

For Trust

For _____]
(Name of the Trust)]

(Name of the Trustee)]

Signed and Delivered by DBS Bank India Limited,]
Through its duly Constituted Attorney]
Mr. _____]



Annexure "A"

Terms and Conditions Applicable to Foreign Exchange Facilities (the "FX Facilities")

These Terms and Conditions (including any annexes) shall be read together with, and form an integral part of, the Working Capital Facilities Agreement ("the Agreement") executed by and between DBS Bank India Limited ("the Bank") and the undersigned ("the Counterparty") and all representations and warranties will be deemed to have been repeated here. These Terms and Conditions shall apply to all Transactions (defined below).

1) Operation FX Facilities

- a. The Counterparty may, from time to time, request the Bank to enter into Transactions by making a request containing such details as may be required by the Bank in the form of an offer by the Counterparty (which offer shall be irrevocable) and acceptance thereof by the Bank at its absolute discretion, which offer and acceptance may occur over the telephone or other form of electronic transmission and communication. The applicable exchange rate under such Transaction shall be determined by the Bank at the time such Transaction was entered into. The parties intend that they are legally bound by the terms of each Transaction from the moment they agree to those terms (whether orally or otherwise). A Confirmation will be sent as soon as practicable by the Bank thereafter (but any failure or delay in doing so shall not affect the binding nature of the Transaction) and may be executed and delivered in counterparts (including by facsimile transmission) or be created by an exchange of telexes, by an exchange of electronic messages on an electronic messaging system or by an exchange of e-mails, which in each case will be sufficient for all purposes to evidence a binding supplement to this Agreement. The parties will specify therein or through another effective means that any such counterpart, telex, electronic message or e-mail constitutes a Confirmation. The Counterparty shall request correction of any error within two (2) days from the date of **receipt of** such Confirmation, failing which the Counterparty shall be deemed to have affirmed and accepted such terms.

The Bank may, at the Counterparty's request, agree to rollover a FX Transaction at current rates and any gain or loss arising from such extension shall be for the Counterparty's account. No FX Transaction shall be extended if such extension would violate any applicable laws and regulations in the jurisdiction of Bank and/or the Counterparty.

2) Payments and Deliveries:

- a. Subject to the condition precedent that: (i) no Event of Default has occurred and is continuing, (ii) no Early Termination Date has been designated pursuant to Clause 6, and (iii) each other applicable condition precedent (if any) specified in the related Confirmation, each payment hereunder shall be made on the due date for value on such day at the place and in the account specified in the relevant Confirmation or otherwise pursuant to this Agreement in freely transferable funds and in the manner customary for payments in the required currency, and each delivery shall be made for receipt on the due date in the manner customary for the relevant obligation unless otherwise specified in the relevant Confirmation or elsewhere in this Agreement. Unless otherwise specified in the related Confirmation, if the due date falls on a date which is not a Business Day, the due date will instead be the first following day that is a Business Day unless that day falls in the next calendar month, in which case the due date will be the first preceding day that is a Business Day. If on any date, amounts would otherwise be payable in the same currency and in respect of the same Transaction by each party to the other, then, unless otherwise specified in the related Confirmation, on such date, each party's obligation to make payment shall be set-off and only the net excess amount (if any) paid by the party owing the greater amount to the

other party. Occurrence of any Event of Default or designation of Early Termination Date shall be governed by Section 6 of these terms and conditions.

- b. Each payment by the Counterparty shall be made free and clear of and without any deduction whatsoever. If the Counterparty is required by law to make any deduction from any sum payable hereunder: (i) the sum payable shall be increased as may be necessary so that after making all required deductions, the Bank receives and retains an amount equal to the sum it would have received and retained had no such deductions been made, (ii) the Counterparty shall make such deductions, (iii) the Counterparty shall pay the full amount deducted to the relevant taxation or other authority in accordance with applicable law, and (iv) the Counterparty shall, at the request of the Bank, forthwith provide documentation pertaining to its tax status and produce copies of receipts issued by the relevant taxation or other authority which indicate payment of the taxes or other amounts. The Counterparty will fully indemnify the Bank on demand for any taxes paid by the Bank (other than any tax imposed on and calculated by reference to the net income actually received or receivable by the Bank (but, for the avoidance of doubt, not including any sum deemed for purposes of tax to be received or receivable by the Bank but not actually received or receivable) by the jurisdiction in which the Bank is incorporated or in which the Branch is located) and any liability arising therefrom (whether or not such taxes were legally asserted). The obligations of the Counterparty contained in this Clause will survive the payment in full of the other obligations of the Counterparty hereunder and the termination of this Agreement.
- c. The Bank in its sole absolute discretion, is free to make a payment under a Transaction before the Counterparty has satisfied its corresponding obligation under the Transaction. In such an event the Counterparty shall hold that payment in trust for the Bank until full satisfaction of Counterparty's obligation under the Transaction.
- d. The Counterparty understands that if for any Transaction, the Amount Purchased by the Bank or where the Counterparty is required to pay any Net Amount to the Bank on the Settlement Date, the Net Amount, is to be settled from a fixed deposit the Counterparty places with the Bank (the "**Settlement Deposit**"): -
 - (a) the Counterparty shall not withdraw any sum from the Settlement Deposit, nor otherwise deal with the Settlement Deposit, until the Counterparty has paid the Amount Purchased by the Bank or the Net Amount, as the case may be, to the Bank in full on the Settlement Date; and
 - (b) the Counterparty grants the Bank a fixed and paramount charge and a right to set-off over the Settlement Deposit for/against full settlement of the Amount Purchased by the Bank, or any Net Amount payable by the Counterparty to Bank, as the case may be.

3) **Disruption of Settlement Rates**

- a. If the price source of the Settlement Rate specified in the relevant Confirmation fails to publish or announce that currency exchange rate on the Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by such price source), the Bank will determine the Settlement Rate for that Valuation Date in good faith on a commercially reasonable manner, using any other available price source which actually publishes or announces such currency exchange rate on such Valuation Date (or if different, the day on which rates for that date would, in the ordinary course be published or announced by the relevant price source).

- b. If the Settlement Rate specified in the relevant Confirmation is provided or sanctioned by the government authority issuing the currency exchange rate in question, and is replaced by a successor currency exchange rate provided or sanctioned by the said government authority (the “**Official Successor Rate**”), then the Settlement Rate for the relevant Valuation Date will be determined as if the parties had specified any available price source which publishes or announces the Official Successor Rate (including, but not limited to, an official publication of that governmental authority) on such Valuation Date (or, if different, the day on which rates for that date would, in the ordinary course, be published or announced by the relevant price source).

4) Extraordinary Event

- a. If there occurs in relation to any Transaction or otherwise, an Extraordinary Event, the Bank shall have the sole discretion to determine any adjustments or action necessary in relation to such Transaction and/or to some or all Transactions or otherwise to the FX Facilities in view of the Extraordinary Event. Such adjustments or actions may include (a) altering or varying the quantities or the exchange rates of currencies bought or sold in respect of such Transaction or some or all Transactions, (b) requiring delivery in a currency other than the currency of the Transaction, or (c) terminating the Transaction or some or all Transactions and/or the FX Facilities. Provided the Bank undertakes such action in good faith, any such adjustment or action shall be binding on the Counterparty who shall be liable for any additional loss, damages, costs, charges and/or expenses incurred by the Bank on the account of the Counterparty or which the Counterparty is consequently liable for as a result of such adjustment or action.

on
5) Interest on overdue amount

- a. The Counterparty shall pay interest at a rate of 16% per annum on any overdue amount under any Transaction which is payable in Indian Rupees. Such interest shall be compounded monthly from the due date of the relevant overdue amount to the date of payment by the Counterparty to the Bank.
- b. For overdue amounts payable in any currency other than Indian Rupees, the Counterparty shall pay interest at a rate of 2% per annum over the Bank’s costs of funds with reference to that overdue amount from the due date of the relevant amount up to the date of payment to the Bank. Such interest shall be compounded monthly/daily from the due date of the relevant overdue amount to the date of payment by the Counterparty to the Bank. The Bank’s determination of its cost of funds shall be final and conclusive on the Counterparty and the Bank shall not be required to reveal how its cost of funds was/is determined.

6) Termination

- a. The Bank may terminate any or all outstanding Transactions at any time before maturity without notice, on the occurrence of any Extraordinary Event or any Event of Default, or in the event that there is a substantial likelihood that Bank will receive payments under a Transaction from which an amount is required to be deducted or withheld for or on account of a tax due to an action taken by a taxing authority or brought in a court of competent jurisdiction, or change in the relevant tax laws on or after a Transaction is entered into.
- b. Provided that, where any Event of Default is governed by a system of law which does not permit termination to take place after the occurrence of such event, then, immediately upon the occurrence of such event, all outstanding Transactions will be deemed to be terminated as of the time immediately preceding the institution of the relevant proceeding or the presentation of the

relevant petition or the occurrence of the relevant event, as the case may be (this process to be known as “**automatic termination**”).

- c. Upon the termination of any or all Transactions pursuant to Paragraph (6) (a) or (6) (b) above (“Early Termination Date”):
 - (i) the Bank shall determine in good faith its total losses or gains, calculated in the Termination Currency, as a result of the early termination under the terminated Transaction, including any loss of bargain, cost of funding or, loss or cost associated with terminating or re-establishing any hedge or related trading position (or any gain resulting from any of them) and any amounts that became due and payable (or but for Paragraph 6 (b) would have become due and payable) by either party on or prior to the Early Termination Date. Bank shall make such determination as of the relevant Early Termination Date, or, if that is not reasonably practicable, as of the earliest date thereafter as is reasonably practicable. For the avoidance of doubt, Bank may (but need not) make such determination by reference to quotations of relevant rates or prices from one or more leading dealers in the relevant markets. For the purposes of such determination, all amounts not denominated in the Termination Currency shall be converted into the Termination Currency at the Bank’s prevailing exchange rate at the time of such conversion;
 - (ii) Bank shall, to the fullest extent permitted by applicable law, aggregate and net all amounts due from the Bank to the Counterparty and all amounts due to the Bank from the Counterparty as determined under Paragraph 6(c)(i) above against one another (such net amount being referred to as “Termination Amount”);
 - (iii) where the Termination Amount is due from the Counterparty, the Bank may declare such Termination Amount to be forthwith due and payable by the Counterparty whereupon such Termination Amount shall become and be forthwith due and payable in the Termination Currency, without presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by the Counterparty. If the Termination Amount is due from the Bank to the Counterparty, then (subject to any lien or set-off or other similar right of the Bank), such amount will be paid by the Bank to the Counterparty within a reasonable time after our determination of such Termination Amount under Paragraphs 6(c)(i) and 6(c)(ii);
 - (iv) in addition (but without prejudice to) any rights or remedies otherwise available to the Bank in respect of any and all Securities, the Bank may immediately exercise any and all rights and remedies in respect of such Securities and apply all proceeds thereof toward settlement of the Termination Amount (or part thereof) due and payable by the Counterparty; and
 - (v) without prior notice to the Counterparty, the Bank may sell any securities or other property of the Counterparty held at that time by the Bank under any security documents (whether for safekeeping, custody, pledge, transmission, collection or otherwise) as the Bank may in its discretion deem appropriate and apply all proceeds thereof toward settlement of the Termination Amount (or part thereof) due and payable by the Counterparty.
- d. Any proceeds received by the Bank under Paragraph (6) (c) (iv) or Paragraph (6) (c) (v) after (a) full settlement of the Termination Amount due and payable by the Counterparty; (b) deducting all costs and expenses incurred by the Bank in connection the exercise of its rights and remedies under Paragraph (6) (c) (iv) or Paragraph (6) (c) (v), and (c) full settlement of all other amounts due to the Bank whether under these Terms and Conditions, the Facility Agreement or any other agreement between the Counterparty and the Bank, shall be paid by the Bank

to the Counterparty as soon as reasonably practicable. If the proceeds received by the Bank under Paragraph (6) (c) (iv) or Paragraph (6) (c) (v) are insufficient to cover the payments referred to in the foregoing, the Counterparty shall pay to the Bank promptly upon demand the amount of any such deficiency.

- e. In the event of an automatic termination of all outstanding Transactions pursuant to Paragraph (6) (b), without prejudice to any other rights or remedies which the Bank may have, the Counterparty shall fully indemnify the Bank on demand against all expense, loss, damage and liability that the Bank may suffer or incur in respect of the terminated Transactions as a consequence of movement in interest rates, currency exchange rates or other relevant rates or prices between the date the Transactions are automatically terminated and the date that the Bank first become aware that such automatic termination has occurred.

7) Representations and Warranties

- a. The Counterparty represents and warrants to the Bank (which representations are deemed to be repeated on each date on which a Transaction is entered into) that: (i) in connection with this Agreement and each Transaction, it is not relying on any advice, statements or recommendations (whether written or oral) of the Bank and has not received from the Bank any assurance or guarantee as to the expected results of each Transaction, it has the capacity to evaluate each Transaction and has made its own decision to enter into such Transaction, it understands the terms, conditions and risks of each Transaction and is willing to accept those terms and conditions and to assume (financially and otherwise) those risks, it acknowledges and agrees that the Bank is not acting as a fiduciary or advisor to it in connection with each Transaction, it is acting as principal (and not as agent for any other person) in respect of this Agreement and each Transaction, and it is entering into each Transaction for the purposes of managing its borrowings or investments, hedging its underlying assets or liabilities or in connection with a line of business, and not for purposes of speculation. The Counterparty undertakes to provide to the Bank such documents and evidence as prescribed by the relevant laws and regulations or as may be required by the Bank to verify compliance by the Counterparty with all applicable laws and regulations (including without limitation, exchange control laws and regulations).

8) Risk Disclosure:

Counterparty acknowledges that it has received, read and understood the contents of the Generic Risk Disclosure Statement at Annex A.

9) Conflict of Terms

- a. In the event of any inconsistency between these Terms and Conditions and the Agreement, these Terms and Conditions shall prevail over the Agreement with respect to any Transaction.
- b. All Transactions entered into by the Counterparty and the Bank shall be subject to these Terms and Conditions and the terms and conditions under the ISDA Agreement as and when executed. In the case of a conflict or inconsistency these Terms and Conditions and the terms and conditions under the ISDA Agreement (if entered into by the Counterparty and the Bank), the terms and conditions under the ISDA Agreement will prevail.
- c. In the case of a conflict or inconsistency between the terms of any Confirmation/Transaction and these Terms and Conditions, the terms of the Confirmation/Transaction will prevail with respect to the relevant Transaction.

10) Exclusions

- a. The Bank shall not be liable to the Counterparty for any and all liabilities, losses and damages (direct, indirect or consequential) incurred by the Counterparty (including, without limitation, any liability, loss or damage arising from any loss or delay in the transmission or wrongful interception of any order through any equipment or system owned and/or operated by or for the Bank).

11) Consent to Recording

- a. The Counterparty and Bank (a) consent to the recording of telephone conversations of their trading and marketing personnel in connection with these Terms and Conditions and any Transactions, and to the submission of such recordings in evidence in any proceedings; and (b) agrees to obtain any necessary consent of and give notice of such recording to such personnel.

- 12) Transfers:** The Bank may, at any time, without prior notice or consent assign any of its rights, or transfer by novation any of its rights and obligations under this Agreement and/or any one or more Transactions to any of its branches, related corporations, or affiliates, such assignment or transfer to take effect from the date specified in such notice.

- 13) Determinations and Calculation Agent:** The Calculation Agent will be the Bank, and all determinations and calculations required under a Transaction will be made by the Calculation Agent. Whenever the Calculation Agent is required to act, it will do so in good faith and in a commercially reasonable manner, and its determinations and calculations will be binding on the parties in the absence of manifest error.

14) Definitions and Interpretation

Unless the context requires otherwise in these Terms and Conditions, the following expressions shall have the following meanings. Capitalized words used herein but not defined shall have the same meaning as assigned to it under the Working Capital Facilities Agreement:

“Amount Purchased by the Bank” means the currency and amount agreed to be purchased by Bank in the relevant Transaction;

Amount Sold by the Bank means the currency and amount agreed to be sold by Bank in the relevant Transaction;

“Business Day” means a day on which commercial banks are open for general business (including dealings in foreign exchange and foreign currency deposits);

“Confirmation” means any electronic messaging system, other document or other confirming evidence exchanged between the parties confirming a Transaction, and such electronic messages, document or evidence will constitute a Confirmation for the purposes of these Terms and Conditions even where not so specified therein.

“Currency Obligation” means any obligation of either Bank or the Counterparty to deliver a currency pursuant to a Transaction;

“Forward Rate” means the currency exchange rate agreed between the Counterparty and the Bank.

“FX Transaction” means a Transaction under which one party agrees to purchase an agreed amount in one currency in exchange for the sale by it to the other party of an agreed amount in another currency, with settlement of such exchange to occur on a specified date (the **“Settlement Date”**) in the future. The **“agreed amount”** of each currency may be a specified amount or may be capable of determination by the Calculation Agent based upon a specified formula or methodology. The exchange may also be subject to the occurrence or non-occurrence of certain specified events or conditions.

- a. Unless otherwise specified in the related Confirmation, on the Settlement Date in respect of an FX Transaction, each party will pay the agreed amount of the currency specified or determined as payable by it under such FX Transaction, subject to the

occurrence or non-occurrence (as the case may be) of any applicable specified events or conditions.

- b. If so agreed by the parties in the related Confirmation for the later of the two FX Transactions, if two FX Transactions involve the same currency pair and have a common Settlement Date, except that a party buys one currency in one FX Transaction and sells that same currency in the other FX Transaction, then only the net amount due from one party to the other in respect of each currency will be paid on that Settlement Date.

“Extraordinary Event” means (a) a natural or man-made disaster, armed conflict, act of terrorism, riot, labour, disruption or any other circumstances beyond the Bank’s control; or (b) any event which the Bank in good faith believes to have material adverse effect on any Transaction and shall include without limitation any form of exchange control restriction or requirement of whatsoever nature affecting availability, convertibility, credit or transfers of currencies or funds, any form of debt or other moratorium on jurisdictions, individuals or entities, any devaluation, redenomination or demonetisation of the underlying currencies of any Transaction and/or any form of restriction or requirement which in the Bank’s good faith opinion adversely alters or changes the Bank’s rights or obligations undertaken under such Transaction ;

“Event of Default” means any of the events set out under the Agreement.

“Net Amount” means the difference between the base currency amount calculated at the Transaction forward rate and the base currency amount calculated at the Settlement Rate on the Valuation Date specified in Transaction;

“Settlement Rate” means for any Valuation Date in respect of a Settlement Date, the currency exchange rate specified as such or otherwise determined as provided in the relevant Confirmation;

“Transactions” mean FX Transactions

“Termination Currency” means Indian Rupees; and

“Valuation Date” means the date specified as the Valuation Date or otherwise determined as provided in the relevant Confirmation, which is a day in respect of which the Settlement Rate or any other currency exchange rate (as provided in the Confirmation) is to be determined.

GENERIC RISK DISCLOSURE STATEMENT

Purpose

1. This Generic Risk Disclosure Statement covers certain risks associated with entering into the Transactions and is intended to be generic in nature. A large part of minimizing risk should begin from reading the terms of each Transaction carefully but there is also a need to be informed of the various forms of risk, such as market risk, credit risk, liquidity risk, funding risk, operational risk and legal risk. A more detailed disclosure statement is set out below.
2. With respect to capacity, you should be aware that the Bank is at all times, acting as a potential arm's length counterparty, and not as your financial adviser or fiduciary, unless the Bank has otherwise agreed in writing. This does not imply that the Bank does not at any time render advisory services, merely that this only occurs where the Bank assumes a positive responsibility for a counterparty's portfolio and expressly agrees in writing to provide advisory services.
3. You should also be aware that the Bank and/or its affiliates may from time to time take proprietary positions and/or make markets in instruments identical or economically related to the Transactions entered into with you, or may have an investment banking or other commercial relationship with and access to information from the issuer(s) of securities, financial instruments or other interests underlying Transactions entered into with you. The Bank may also undertake proprietary activities, including hedging transactions related to the initiation or termination of a Transaction with you that may adversely affect the market price, rate, index or other market factor(s) underlying a Transaction entered into with you and consequently the value of the Transaction.

Disclosure

1. Before considering any Transaction, you must consider whether the Transaction is appropriate in the light of your objectives, experience, financial, risk management and operational resources and other relevant circumstances. The expressly stated terms of the Transaction are the next step to note.
2. Before entering into any Transaction, you should inform yourself of the various types of risk and the nature and extent of the exposure to risk of loss, which may significantly exceed the amount of any initial payment by or to you. The following are given as illustrations of the types of risks which you may encounter. This list is not exhaustive.
 - (a) **Market Risk.** There is a general risk of market failure which arises from political or financial or macro-economic developments.
 - (b) **Credit Risk.** There is a risk of counterparty or issuer default which may arise from, inter alia, insolvency factors. As a guide, you are advised to refer to the latest reports from reputable rating agencies.
 - (c) **Legal and Enforcement Risks.** There is a risk that default due to for example, credit failure, will lead to consequential legal and enforcement problems.
 - (d) **Liquidity Risk.** The benefits of customization in achieving particular financial and risk management objectives may be offset by significant liquidity risks.
 - (e) **Operational Risk.** It is essential to ensure that proper internal systems and controls are sufficient to monitor the various types of risk which can arise, and which can be quite complex.
 - (f) **Emerging Markets.** Transactions involving emerging markets involve higher risk as the markets are highly unpredictable and there may be inadequate regulations and safeguards available to participants in such markets.

THIS BRIEF STATEMENT DOES NOT PURPORT TO DISCLOSE ALL OF THE RISKS OR OTHER RELEVANT CONSIDERATIONS OF ENTERING INTO TRANSACTIONS. YOU SHOULD REFRAIN FROM ENTERING INTO ANY SUCH TRANSACTION UNLESS ALL RISKS ARE FULLY UNDERSTOOD AND YOU HAVE INDEPENDENTLY DETERMINED THROUGH A LEGAL OR FINANCIAL ADVISER THAT THE TRANSACTION IS APPROPRIATE FOR YOU. THE BANK IS ACTING SOLELY IN THE CAPACITY OF AN ARM'S LENGTH COUNTERPARTY AND NOT IN THE CAPACITY OF A FINANCIAL ADVISER OR FIDUCIARY.

