

ANNEXURE A – SECURITY OVER MUTUAL FUNDS AND EQUITY SHARES**1 Definitions**

In this Annexure A, unless defined below, capitalised terms shall have the meaning given to them under the GTCs.

1.1 “BSE” means the BSE Limited.

1.2 “Black Swan Event” means any means any extraordinary event, circumstance, or occurrence that:

- (i) could not have been reasonably foreseen or anticipated by the affected party through prudent risk management practices at the time of execution of this Agreement;
- (ii) has a material and substantial adverse impact on financial markets generally or specifically on the market for the Collateral Securities;
- (iii) results in extreme market volatility, significant market disruption, or suspension of trading of the Collateral Securities; and
- (iv) is not attributable to the ordinary risks associated with the securities market or general economic conditions that could reasonably be expected to occur in the ordinary course of business

1.3 “Business Hours” shall mean the customary hours of operation for any stock exchange in India (where the relevant Collateral Securities are listed) on any Business Day.

1.4 “Collateral” means, in relation to any Collateral Securities, collectively, the Collateral Securities together with all bonus units (in relation to such Collateral Securities, if any), instruments, consents, approvals, permissions, no-objections, confirmations, agreements, deeds and documents delivered or required to be delivered or deemed to be delivered in connection with the creation and perfection of the Security over such Collateral Securities, and all rights and accretions in connection therewith or accruing thereto and proceeds arising therefrom for the time being and from time to time, any distributions received and/or to be received and moneys paid or payable in connection with the Collateral Securities, including but not limited to:

- (i) dividends paid or payable and/or other distributions made or to be made (whether in cash or otherwise) in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for such Collateral Securities;
- (ii) cash and other distributions paid, payable or otherwise distributed in respect of such Collateral Securities;
- (iii) rights, money or other assets accruing or offered by way of redemption or otherwise in respect of such Collateral Securities;
- (iv) any indemnity, warranty or guarantee, payable by reason of loss to or otherwise with respect to any of the Collateral; and
- (v) all the right, title, interest, benefit, claims, demands of the Security Provider(s), both present or future, in respect of or otherwise in connection with such Collateral Securities.

1.5 “Collateral Eligibility Event” means, in relation to any Collateral Securities, a notice being issued or any step or action being taken in relation to any of the following events:

- (i) change in the constitution of the relevant mutual fund scheme relating to such Collateral Securities;
- (ii) termination, winding-up or liquidation of the relevant mutual fund scheme relating to such Collateral Securities;
- (iii) change in the nature or classification by the relevant Governmental Authority of the relevant mutual fund scheme or shares relating to such Collateral Securities;
- (iv) redemption or liquidation of such Collateral Securities without the prior written consent of the Lender;

- (v) suspension of, or other restrictions on, trading and/or listing of the shares forming part of the Collateral Securities on the stock exchanges;
- (vi) placing surveillance measures on the shares forming part of the Collateral Securities by the stock exchanges or the relevant Governmental Authority;
- (vii) suspension of or other restrictions on trading in or redemption of units of the relevant mutual fund scheme relating to such Collateral Securities;
- (viii) merger or amalgamation or other restructuring of the relevant mutual fund scheme or underlying company relating to such Collateral Securities;
- (ix) cancellation, surrender or suspension of, or failure to renew, the registration of the trustee, the asset management company or the relevant mutual fund scheme relating to such Collateral Securities under applicable regulations of the Securities and Exchange Board of India or any other legal licenses or regulatory authorisations required to be maintained by pursuant to the rules and regulation of any regulatory authority with competent jurisdiction;
- (x) transfer of ownership of the relevant Collateral Securities to any other person other than the Security Provider(s);
- (xi) any action that has resulted in/would result in the removal of perfection of Security over the Collateral Securities or result in any invalidity, irregularity, unenforceability, imperfection or avoidance or any defect in the Collateral Securities; or
- (xii) any action that results in the Collateral Securities being frozen, blocked, or locked-in by the stock exchanges or the relevant Governmental Authority.

1.6 “Collateral Securities” means, collectively, the Initial Securities and any other Eligible Securities over which Security Interest has been marked pursuant to any top-up or substitution requirement stipulated under the Facility Documents (and specifically under this Annexure A).

1.7 “Depository” means the National Securities Depository Limited and/or the Central Depository Services (India) Limited and/or any other depository authorised by the Securities and Exchange Board of India, as the context requires.

1.8 “Eligible Securities” means: (i) the Initial Securities; (ii) in relation to mutual fund units, mutual fund units with the same International Securities Identification Number; (iii) in relation to mutual fund units, any other mutual fund units acceptable to the Lender; and (iv) in relation to equity shares, any other listed equity shares acceptable to the Lender.

1.9 “Initial Securities” means such number of mutual fund units and/or equity shares together with all other Collateral in respect of such mutual fund units and/or equity shares on which the applicable Security Interest has been marked in favour of Lender on or prior to the first Tranche Facility.

1.10 “Margin” means the difference between the Market Value of the Collateral Securities and the Outstanding.

1.11 “Market Price” means (i) in case of mutual fund units, the net asset value of the mutual fund units last published by the relevant mutual fund/asset management company/Association of Mutual Funds in India, (ii) in case of equity share, the lower of (a) the last closing price of the equity shares on [NSE / BSE]²; or (b) the simple average of the daily volume weighted average price on [NSE / BSE] for each of the immediately preceding 60 (Sixty) Business Days.

1.12 “Market Value” means (i) in case of mutual fund units forming part of Collateral Securities, the total value of the mutual fund units calculated as a product of the Market Price and the total number of mutual fund units

² To retain the relevant stock exchange on which the equity shares are listed and in the event the equity shares are listed on both the stock exchanges, to retain as per the commercial understanding

forming part of Collateral Securities, (ii) in case of equity shares forming part of Collateral Securities, the total value of the equity shares calculated as a product of the Market Price and the total number of equity shares forming part of Collateral Securities.

- 1.13** “NSE” means the National Stock Exchange of India Limited;
- 1.14** “Required Margin” means (i) in case of equity oriented mutual fund units forming part of Collateral Securities, Margin being not less than 50% of the Market Value of the Collateral Securities or such other thresholds as may be communicated by the Lender to the Obligor(s) as per the Lender’s internal credit policy, (ii) in case of equity shares forming part of Collateral Securities, Margin being not less than 50% of the Market Value of the Collateral Securities or such other thresholds as may be communicated by the Lender to the Obligor(s) as per the Lender’s internal credit policy, (iii) in case of any other Collateral Securities, Margin thresholds as may be communicated by the Lender to the Obligor(s) as per the Lender’s internal credit policy.
- 1.15** “RTA” means KFin Technologies Limited and/or Computer Age Management Services Limited and/or any other registrar and transfer agent authorised by the Securities and Exchange Board of India, as the context may require.
- 1.16** “Security Interest” means (i) in relation to mutual fund, the creation of lien; and (ii) in relation to equity shares, the creation of pledge, by the Security Provider(s) in favour of the Lender from time to time.

2 Security

- 2.1** The Borrower(s) and the Security Provider(s) irrevocably and unconditionally agrees to secure the obligations under the Tranche Facilities by marking the applicable Security Interest over the Collateral Securities, together with all other Collateral, from time to time. It is clarified that the Security Interest over the Collateral Securities shall secure each Tranche Facility on a *pari passu* basis or in such manner as the Lender, at its sole discretion, may deem fit.

3 Valuation, Top Up and Substitution

3.1 Valuation

- (i) The Lender shall, at a frequency determined solely by the Lender, determine the latest Market Value of the Collateral Securities by referring to the Market Price of the relevant Collateral Securities. If the Market Price has not been published on any Business Day, then the most recently available Market Price shall be applied for calculation.
- (ii) The Facility Statements comprising the Market Value calculated as per paragraph 3.1(i) above shall be displayed on the Online Account or shared with the Borrower(s) as and when requested by them.
- (iii) The Borrower(s) shall ensure that the Margin shall not be less than the Required Margin at all times. The Lender’s determination of the Margin and Required Margin is and shall be conclusive, final and binding on the Obligor(s).
- (iv) The Security and Required Margin requirements are at all times determined by the Lender in its sole discretion based on the Lender’s internal policies prevailing from time to time, and that such internal criteria, standards, requirements and/or procedures shall be applied to the Obligor(s), and the Obligor(s) shall be notified of any change thereof. In the event that the terms and conditions of the Facility Documents are inconsistent with or contrary to such revised criteria, standards, requirements and/or procedures, the Lender shall so inform the Obligor(s) of such inconsistency, and the terms of Facility Documents shall be amended or modified to the extent necessary.

3.2 Borrower(s) Security Triggers

- (i) If the Borrower(s) proposes to avail a new Tranche Facility under the Sanctioned Amount, the Borrower(s) and/or the Security Provider(s) shall mark the applicable Security Interest over such number of additional Eligible Securities in accordance with paragraph 8 below such that the Margin, after creation of security over the additional Eligible Securities and disbursement of such Tranche Facility, be not less than the Required Margin at all times.
- (ii) The Borrower(s) may request the Lender to permit the Security Provider(s) to release any Collateral Security and/or substitute any or all of such Collateral Securities with other Eligible Securities in the form and manner satisfactory to the Lender, from time to time. If the Lender accepts such a request for substituting Collateral Securities, the Borrower(s) or the Security Provider(s) shall, within such time as may be specified by the Lender, (a) substitute such Collateral Securities with other Eligible Securities, and/or (b) take any other action as may be agreed between the Borrower(s) and the Lender, including actions required to satisfy the conditions mentioned in paragraph 8 below with regard to such substitute Collateral Securities. Notwithstanding the Borrower(s) right to request a release or substitution of Collateral Securities, the Lender shall allow such release or substitution only if after the recreation or substitution of Security over the eligible Collateral Securities in accordance with the terms of the Facility Documents, the Obligor(s) shall ensure that the Margin shall not be less than the Required Margin at all times.

3.3 Lender Security Triggers

- (i) If, at any point of time when any amount under the Facility is Outstanding, the Margin is less than the Required Margin or is less than the Margin requirements as set out under Applicable Law, the Lender may, within such time as may be specified by the Lender, require the Borrower(s) to mark the applicable Security Interest over such number of additional Eligible Securities in accordance with paragraph 8 below such that the Margin is not less than the Required Margin at all times.
- (ii) Further, if, at any point of time when any amount under the Facility is Outstanding, the Margin is less than the Required Margin or is less than the Margin requirements as set out under Applicable Law, any excess amounts remaining with the Lender after apportionment of the Borrower's repayment pursuant to Clause 10.1 shall be held by the Lender towards restoring the Margin to the Required Margin and no interest shall be paid on such amount being retained by the Lender.
- (iii) The Lender may:
 - (a) if the Market Price in relation to any Collateral Securities has not been published by the relevant mutual fund/asset management company/stock exchange at any point of time, or
 - (b) on the basis of change or modification in Applicable Law, or
 - (c) on the basis of change to the Lender's credit policy pursuant to which the Margin and/or Required Margin required to secure the Outstanding are varied, or
 - (d) determining in its sole discretion that certain Collateral Security is unacceptable to the Lender, or
 - (e) on the occurrence of a Collateral Eligibility Event,require the Borrower(s) to (a) substitute any or all of such Collateral Securities with other Eligible Securities within such time as may be specified by the Lender, and/or (b) request/instruct the Lender to sell certain Collateral Securities, (c) make payment for any Outstanding and/or (d) take any other action as may be agreed between the Borrower(s) and the Lender, and thereafter provide a confirmation to the Lender that the Margin is not less than the Required Margin. The Borrower(s) and the Security Provider(s), as applicable, shall additionally undertake to satisfy the conditions mentioned in paragraph 8 below.
- (iv) It is clarified that even after a notice is provided to the Borrower(s) as set out in Paragraph 3.3(i) above if the Required Margin has not been restored by the Borrower(s) (within the timeline set out in Paragraph 3.3(i)), then no further notice would be required to be issued by the Lender to exercise its right to invoke the pledge and sell, dispose off or realise any or all of the Collateral Securities on any stock exchange and apply

proceeds of such sale to set-off Required Margin requirement and without being liable for any loss or damage or diminution in value sustained by the Borrower(s). It is clarified that if the Borrower(s) choose to repay the corresponding quantum of the relevant Tranche Facility to restore the Required Margin, such repayment shall permanently reduce the Sanctioned Amount by the amount so repaid, and such repaid amounts cannot be re-borrowed under this Agreement;

- (v) Notwithstanding anything contained hereinabove, the Borrower(s) acknowledge and agree that upon the occurrence of a Black Swan Event, the Lender may with a prior notice of 1 (One) Business Hour (which shall be considered as a reasonable notice under Applicable Law) to the relevant Borrower, exercise its rights in respect of such Collateral Securities by sale of the Collateral Securities on any stock exchange and apply proceeds of such sale to set-off the Required Margin requirement. The Borrower(s) acknowledge and agree that the right to sell the Collateral Securities contained in this clause is reasonable and necessary to protect the interest of the Lender in respect of repayment of relevant Tranche Facility having regard to inherent risk associated with Collateral Securities and their market prices. Any action taken by the Lender in terms of this clause shall not be challenged by the Borrower(s), and the Lender shall not be liable to the Borrower(s) for any loss or damage which may be caused to the Borrower(s) as a result.

4 Right of Redemption and Sale

- 4.1** Upon the occurrence and during the continuance of an Event of Default, the Lender may, without further authority, without the intervention of the court, without any consent of or notice to the Obligor(s) and without prejudice to its other rights under Applicable Law, sell and transfer any of the Collateral Securities on any stock exchange, at the cost of the Obligor(s), after giving a prior notice of 1 (One) Business Day (which shall be considered as a reasonable notice under Applicable Law) to the Obligor(s), and may apply the proceeds of any such sale or disposition towards repayment of the Facility. Provided however that upon occurrence of a Black Swan Event, notice of 1 (One) Business Hour shall be considered as a reasonable notice under Applicable Law.
- 4.2** Notwithstanding the non-occurrence of an Event of Default, the Lender may, upon receiving a request from the Borrower(s), undertake necessary actions to sell/transfer any or all of the Collateral Securities and apply the proceeds from such sale/transfer in accordance with Clause 6 of the GTCs and other terms of the Facility Documents.
- 4.3** In the event that the Lender is unable to dispose of the Collateral Securities by sale on the stock exchange or by repurchase by the mutual fund (as the case may be) for any reason, the Lender may dispose of the Collateral Securities by way of an "off-market transaction" (disposal through a private sale) and all the costs incurred by the Lender for an off-market transaction shall be reimbursed by the Obligor(s).
- 4.4** The Obligor(s) shall not have any claim against the Lender and/or its nominees in respect of any loss arising out of any such sale pursuant to the terms of the Facility Documents or any postponement thereof howsoever caused and whether or not a better price could or might have been obtained upon the redemption, sale or disposition of the whole or any part of the Collateral Securities by deferring or advancing the date of such redemption/sale or otherwise howsoever.
- 4.5** The Obligor(s) agree that they shall cooperate with the Lenders to facilitate the process outlined in this paragraph 4.
- 4.6** The Obligors shall be liable to pay for the balance Outstanding consequent to the sale of Collateral Securities and shall comply with all other requirements in relation to the balance Outstanding amount consequent to the sale of the Collateral Securities, till such time any amounts under the Facility are outstanding.
- 4.7** Upon the occurrence of an Event of Default, subject to Clause 14 (Consequences of an Event of Default) and this Clause, Obligors recognise and accept that invocation of Collateral Securities by the Lender and the sale thereof shall be at such intervals and on such terms and conditions at the sole discretion of Lender.

Such invocation of the Collateral Securities on the day of invocation shall not be construed as settlement of the Obligors' Outstanding until the entire invoked Collateral Securities are sold and Outstanding are recovered in terms of the Facility Documents. The Obligors further confirm that the Lender has a right to set off the Obligors Outstanding's from any monies received pursuant to the exercise of its power of sale post invocation in the manner at the sole discretion of the Lender.

5 Continuing Security

- 5.1** The Security Interest created under the Facility Documents is a continuing Security for the payment, discharge and performance of all Outstanding by the Obligor(s), regardless of any intermediate payment or satisfaction by the Obligor(s).
- 5.2** Unless released, the obligations of the Obligor(s) under the Facility Documents shall not be discharged or impaired by and shall not be affected by any act, omission or circumstances which, but for this provision, might operate to release or otherwise exonerate the Obligor(s) from the obligations under the Facility Documents or affect such obligations, including (but without limitation) and whether or not known to the Obligor(s):
- (i) any forbearance, concession, waiver, release of or granting of any time or any other indulgence to the Obligor(s);
 - (ii) any assertion of, or failure to assert, or delay in asserting, any right, power or remedy against the Obligor(s);
 - (iii) any taking, holding, reviewing, exchanging, varying, releasing, waiving or omitting to take, perfecting or enforcing any rights, remedies or security against or granted by the Obligor(s) or any other person;
 - (iv) any irregularity, invalidity or unenforceability of any obligations of the Obligor(s) under the Facility Documents or under any Applicable Law purporting to reduce or otherwise affecting any of such obligations to the intent that the Obligor(s)' obligations under the Facility Documents will remain in full force and must be construed accordingly as if there were no such irregularity, unenforceability, invalidity, law or order;
 - (v) any amendment or other modification to any Facility Documents, so that references to any Facility Documents shall include each such amendment or modification;
 - (vi) any assignment by the Lender to any person of any of its rights, benefits, duties and obligations under and in accordance with the Facility Documents;
 - (vii) any bankruptcy proceeding, winding up, merger, amalgamation, reconstruction or otherwise of the relevant Obligor(s) with any other trust or by the takeover of management or nationalisation of the Obligor(s) or other incapacity or lack of power or authority or other circumstance of, or any change in the constitution or identity or loss of identity by the relevant Obligor;
 - (viii) any other act, event, neglect, omission or circumstance whatsoever (however caused or arising and whether or not similar to any of the foregoing) which would or might, but for this paragraph 5.2, operate to impair or discharge any of the obligations under the Facility Documents.

6 Conditions Precedent

No drawdown in relation to any Tranche Facility shall be made by any Obligor(s) unless the Lender has received all the documents and other evidence listed below.

- 6.1** The Obligor(s) shall ensure that as on the proposed drawdown date: (a) it is in compliance with all the provisions of the Facility Documents; and (b) the representations to be made by the Obligor(s) are true in all respects.

- 6.2** Prior to drawdown of any Tranche Facility, the Security Provider(s) has requested the relevant RTA and/or the Depository (as the case may be) to create applicable Security Interest over such Security as required to maintain Required Cover after the disbursement of such Tranche Facility.
- 6.3** Prior to drawdown of any Tranche Facility, the Lender has received an acknowledgement(s) evidencing that the relevant RTA and/or the Depository (as the case may be) has/have validly marked the applicable Security Interest over such Security as set out in Clause 6.2 above.
- 6.4** The execution and successful registration of NACH Mandate in favor of the Lender for the auto-debit of all scheduled EMIs in relation to such Tranche Facility.

7 Cross Collateral

The Security provided in relation to this Facility, under any Security Documents may be utilised against any other obligation of the Obligors in relation to any other facility availed by the Obligor from the Lender.

8 Conditions Subsequent

The Borrower(s) and the Security Provider(s) shall deliver or cause to be delivered to the Lender evidence (satisfactory to the Lender) in relation to completion of all the actions listed below within the timelines specified herein:

- 8.1** In case of any top-up or substitution of Collateral Securities in accordance with paragraph 3.2 and paragraph 3.3 above, within the timeline specified by the Lender, the Security Provider(s) has requested the relevant RTA and/or the Depository (as the case may be) to create the applicable Security Interest over the relevant Collateral Securities.
- 8.2** In case of any top-up or substitution of Collateral Securities in accordance with paragraph 3.2 and paragraph 3.3 above, within the timeline specified by the Lender, the Lender has received an acknowledgement(s) evidencing that the relevant RTA and/or the Depository (as the case may be) has validly marked the applicable Security Interest on the relevant Collateral Securities in favour of the Lender.
- 8.3** Where the Security Provider(s) is/are not an individual or a partnership firm, within 30 (Thirty) days from the date on which the relevant RTA and/or the Depository (as the case may be) has marked a valid applicable Security Interest on the relevant Collateral Securities in favour of the Lender, file with the relevant Registrar of Companies a form recording the creation/modification of charge in respect of the applicable Security Interest created over the relevant Collateral Securities.
- 8.4** Where the Security Provider(s) is/are not an individual or a partnership firm, provide to the Lender, the certified copies of the relevant forms filed with the relevant Registrar of Companies recording the creation/modification of charge in respect of the applicable Security Interest created over the relevant Collateral Securities, within 30 (Thirty) days from the date on which the relevant RTA and/or the Depository (as the case may be) has marked a valid applicable Security Interest on the relevant Collateral Securities in favour of the Lender;
- 8.5** Where the Security Provider(s) is/are not an individual or a partnership firm, provide to the Lender, immediately on receipt, a copy of the certificate of registration of charge issued by the relevant Registrar of Companies. In this regard, the Security Provider(s) undertakes that they/it will use all reasonable efforts to ensure that the certificate of registration of charge is issued promptly by the relevant Registrar of Companies.

9 Representations and Warranties

- 9.1** In addition to the representation and warranties made in Clause 11 and Schedule I of this GTC, the Security Provider(s) also makes the representations and warranties set out in this paragraph 9, to the Lender on the Effective Date by reference to the facts and circumstances then existing on the Effective Date. Each of the

representations and warranties: (i) shall be repeated on each date until the Termination Date; (ii) are true, correct, accurate and not misleading as on the Effective Date; and (iii) shall remain true, correct, accurate and not misleading on each date until the Termination Date.

- 9.2** The Security Provider(s) is the absolute legal and beneficial owner of all the Collateral Securities over which it purports, or is required, to create Security Interest. Such assets are fully paid up, freely transferable and free from any Encumbrance (other than the Security Interest created pursuant to the Facility Documents) and/or any lock-in requirements and/or any other impediment to creation of the Security Interest or transferability or enforcement of the Security Interest created pursuant to the Facility Documents.
- 9.3** Upon creation of pledge in accordance with the terms of the Facility Documents, the Facility Documents shall create a valid and perfect exclusive charge in the manner specified under the Facility Documents.
- 9.4** None of the Obligor(s) have granted or agreed to grant in favour of any other person (other than the Lender) any Security over the Collateral Securities or any part thereof.
- 9.5** The Obligor(s) do not have in their possession, any physical share certificates in respect of the Collateral Securities nor have the Obligor(s) made any application to the relevant company for the issue of any physical certificates by rematerialisation of the shares.
- 9.6** The Collateral Securities are not, and will not be, subject to any right of first refusal, right of repurchase or any similar right granted to, or retained by any person other than the Lender.
- 9.7** Each of the Obligor(s) represent that it is their intention to pledge, and hereby pledge(s), all the Collateral Securities in favour of the Lender to secure repayment by the Obligor(s) to the Lender, of the Outstanding from time to time.

10 Covenants and Undertakings

- 10.1** In addition to the covenants and undertakings made in Clause 12 and Schedule II of this GTC, the Borrower(s) and the Security Provider(s) also makes the covenants and undertakings set out in this paragraph 10. The Borrower(s) and the Security Provider(s) irrevocably and unconditionally undertakes to the Lender that on or from the Effective Date and until the Termination Date, he/she/it/they shall comply with the undertakings and covenants set out under this paragraph 10.
- 10.2** Other than as expressly permitted under the Facility Documents, the Security Provider(s) shall not redeem, transfer, or issue any instructions for the redemption or liquidation or transfer, of any of the Collateral Securities in any manner.
- 10.3** The Borrower(s) and the Security Provider(s) shall ensure that, at all times, the Collateral Securities owned by it are duly authorised and freely transferable and is not subject to any lock-in requirements and/or any other impediment to creation of the Security Interest or transferability or enforcement of the Security Interest created pursuant to the Facility Documents.
- 10.4** The Borrower(s) and the Security Provider(s) hereby agree and undertakes that until all the Outstandings are paid in full to the Lender, neither the Borrower(s) nor the Security Provider(s) shall sell and/or create any Security over the Collateral Securities in any manner whatsoever other than as provided under the Facility Documents.
- 10.5** The Borrower(s) and the Security Provider(s) shall ensure that the Lender receives all of the documents and other evidence list in paragraph 8 in a form and substance satisfactory to the Lender by no later than the date of delivery of such documentation and/or evidence as prescribed in paragraph 8 above.
- 10.6** The Borrower(s) and the Security Provider(s) shall not (nor agree to) enter into a single transaction or a series of transactions (whether related or not and whether voluntary or involuntary) to sell, transfer or otherwise dispose of any Collateral Securities other than as provided under the Facility Documents. The Borrower(s) and the Security Provider(s) confirms that the Lender or any delegate is authorised to give a good discharge for

any monies received pursuant to the exercise of its power of transfer or redemption and the Borrower(s) and the Security Provider(s) shall not be entitled to challenge the validity of transfer or redemption on any grounds including the eligibility and timing to initiate sell-off of the Collateral Securities, the manner in which sell-off was done and the price at which sell-off was done. Notwithstanding anything to the contrary, all the proceeds of the sale, transfer, or disposal in any manner whatsoever of the Collateral Securities shall form part of the Collateral and be subject to Security Interest.

10.7 The Borrower(s) and the Security Provider(s) hereby undertakes to promptly take actions as per the discretion of the Lender, in relation to the following:

- (i) to perfect or protect the applicable Security Interest and/or the priority of the applicable Security Interest over the Collateral Securities from time to time, including taking all actions and making all filings (including without limitation (where the Security Provider(s) is/are not an individual or a partnership firm) filing relevant charge creation/ modification/satisfaction forms with the relevant Registrar of Companies) to ensure that the Security Interest remains a first priority perfected charge in favour of the Lender;
- (ii) on the occurrence and continuance of an Event of Default, to facilitate the realisation of the Collateral Securities or the exercise of any rights vested in the Lender or any delegate, including without limitation, registering the Collateral Securities (or any part thereof) in the name of the Lender or its delegate and executing any transfer, conveyance, charge, assignment or assurance of the Collateral Securities (whether to the Lender or its delegate), making any registration and giving any notice, order or direction without in any way derogating or affecting the Lender's Security Interest in the Collateral Securities;
- (iii) to execute and sign from time to time all transfers, transfer forms, powers of attorney, proxies, conveyance, charge, assignment or assurance of the Collateral Securities and other documents in relation thereto which Lender or its delegate considers to be necessary for perfecting Lender's title to any or all of the Collateral Securities or for enforcing the Security Interest any time after an Event of Default has occurred in accordance with the Facility Documents; and
- (iv) on the occurrence and continuance of an Event of Default, take all such actions on all or any part of the Security Interest (whether or not transferred in the name of the Lender, a delegate or any other Person), to deliver to the Lender or its delegate or to any Person authorized by the Lender, all dividends, interest and other distributions made in respect of Security.

10.8 Miscellaneous

- (i) Without being obliged to do so, wherever it is felt necessary, the Security Provider(s) hereby expressly provides consent to the Lender to exercise its right to initiate the perfection of Security, as per the terms of Section 78 of the Companies Act, 2013, at the cost and expense of the Obligor(s).
- (ii) The Security Provider(s) hereby represents and warrants that he/her/it/they have been made aware of the terms of the Facility Documents, and hereby accept and agree to be bound by the Facility Documents.

ANNEXURE B – GUARANTEE TERMS**1 Guarantee and Indemnity**

In consideration of the Lender granting the Facility to the Borrower(s) on the terms and conditions under the Facility Documents, the Guarantor irrevocably and unconditionally:

- (i) guarantees to the Lender punctual performance by the Borrower(s) of all its obligations under the Facility Documents;
- (ii) undertakes with the Lender that whenever the Borrower(s) does not pay any amount due under or in connection with any Tranche Facility provided under the Facility Document, it shall immediately on demand by the Lender pay that amount as if it was the principal obligor;
- (iii) acknowledges and agrees with the Lender that if any or all the Tranche Facilities guaranteed by it is or becomes unenforceable, invalid or illegal, it will, as an independent and primary obligation, indemnify the Lender immediately on demand against any cost, loss or liability it incurs as a result of the Borrower(s) not paying any amount which would, but for such unenforceability, invalidity or illegality, have been payable by it under any Facility Document on the date when it would have been due. The amount payable by the Guarantor under this indemnity will not exceed the amount it would have had to pay under this paragraph 1 if the amount claimed had been recoverable on the basis of the guarantee;
- (iv) acknowledges and agrees that any penal charges payable pursuant to this paragraph 1 are reasonable, and commensurate with the non-compliance by the Guarantor with any or all of the material terms and conditions of the Facility Documents, and such charges are not discriminatory within any particular loan or product category provided by the Lenders to its customers;
- (v) acknowledges and agrees that that its obligation to pay in accordance with this paragraph 1 constitutes financial debt (as defined under the Insolvency and Bankruptcy Code, 2016); and
- (vi) acknowledges and agrees that its obligation to pay the Outstandings shall be determined by reference to the amount of the Outstandings due under the Facility Documents without giving effect to any reductions or haircuts that may be imposed or sought to be imposed in respect of the obligations of the Guarantor, Borrower(s) or any other Obligor(s) whether pursuant to the Insolvency and Bankruptcy Code, 2016, or any other laws relating to insolvency, or under any other mechanism in respect of credit defaults, restructuring, stressed assets, non-performing assets and other similar mechanisms, or in any other manner whatsoever.

2 Continuing Guarantee: This guarantee is a continuing guarantee and will extend to the ultimate balance of sums payable by the Borrower(s) under the Facility Documents, notwithstanding any intermediate payment or satisfaction of all or any part of the Outstanding or the insolvency or liquidation or any incapacity or change in the constitution or status of the Guarantor or any intermediate settlement of account. This guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of or to any of the Facility Documents and/or any facility or amount made available under any of the Facility Documents.

3 Reinstatement: If as a result of insolvency, winding up, liquidation or any similar event in relation to the Guarantor or the Borrower(s), any payment by the Borrower(s) or the Guarantor is avoided, reduced or must be restored, or any discharge, release or arrangement (whether in respect of the obligations of the Borrower(s) or the Guarantor or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other thing which is avoided, reduced or must be restored, then the liability of the Guarantor and the guarantee shall continue or be reinstated as if the payment, discharge or arrangement had not occurred and the Lender shall be entitled to recover the value or amount of that payment or Security from the Borrower(s) and/or the Guarantor, as if the payment, discharge or arrangement had not occurred.

4 Waiver of defences

The obligations of the Guarantor will not be affected by any act, omission, matter or thing which would reduce, discharge, impair, release or prejudice the Outstanding or any of the Obligor(s) obligations under the Facility Documents (whether or not known to it or the Lender) including without limitation:

- (i) the Lender compounding, discharging, releasing or varying the liability of or granting any time, indulgence, or concession to any Obligor or any other person or omitting to claim or enforce payment from any Obligor or any other person; or
- (ii) any contract made between the Lender and the Obligor(s) by which the Obligor(s) will be released; or
- (iii) any act or omission which would not have discharged or affected the liability of the Guarantor had it been the principal debtor instead of Guarantor or by anything done or omitted which but for this provision might operate to exonerate or otherwise release the Guarantor; or
- (iv) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights against, or security over assets of, the Borrower, any Obligor or the Guarantor or any other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security or guarantee; or
- (v) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of any Facility Document; or
- (vi) any unenforceability, illegality, invalidity or impossibility of performance of any obligation of any person under any Facility Document; or
- (vii) any dispute between the Guarantor, the Borrower(s) or any Obligor and the Lender; or
- (viii) any time, forbearance or other indulgence given or agreed by the Lender to the Obligor(s) in respect of its obligations under any Facility Document; or
- (ix) any legal limitation, disability or incapacity relating to the Borrower(s) or the Guarantor or any other Obligor(s) to give undertakings and/or indemnities or any irregularity in the exercise of such power; or
- (x) any invalidity, irregularity, unenforceability, imperfection or avoidance or any defect in any Security granted by, or the obligations of, the Borrower(s) or the Guarantor or any other Obligor(s); or
- (xi) any change in the name, constitution or otherwise of any Obligor or any change in the set-up of any Obligor

which may be by way of change in the constitution, winding-up (voluntary or otherwise) or any merger, absorption, amalgamation, consolidation, compromise or otherwise of the Borrower(s) or the Guarantor or any other Obligor(s) with any other corporate entity or concern; or

- (xii) any change in the management of the Borrower(s) and/or the Guarantor(s) or any other Obligor(s) or takeover of the management of the Borrower(s) and/or the Guarantor(s) or any other Obligor(s) by any government entity or by any other authority or the acquisition or nationalisation of the Borrower(s) and/or the Guarantor(s) or any other Obligor(s) or of any of their respective undertaking(s) or pursuant to Applicable Law; or
- (xiii) any change in the constitution of the Lender; or
- (xiv) any initiation or continuation of any insolvency, bankruptcy, fresh start process, liquidation, winding up or similar proceedings or occurrence of any circumstances whatsoever affecting, the Borrower(s) or any Obligor's or the Guarantor's liability to discharge the obligations under any document or the appointment of any insolvency resolution professional in respect of the Borrower, any Obligor or the Guarantor or the obligations of the Borrower(s), any Obligor or the Guarantor being avoided by any liquidator or any other person, as the case may be; or
- (xv) any other circumstance or occurrence, whether similar or dissimilar to any of the foregoing, which would or may, but for this paragraph 4 have the effect of discharging/impairing or otherwise affecting the obligations of the Borrower(s), any Obligor, the Guarantor, or any other person under any Facility Document.

- 5 **Separate guarantee:** This guarantee provided is for the entire Outstanding until the termination of the Facility irrespective of the date on which any part of the Outstanding arose or any amounts giving rise to any part of the Outstanding were made available to any Obligor(s). This guarantee shall not be terminated or extinguished merely for demand of any amount herein but shall be in full force and effect for the part of the Borrower(s) due not demanded until all the obligations has been repaid to the satisfaction of the Lender. The guarantee can be invoked in relation to each Tranche Facility and in the event the guarantee is invoked for more than one Tranche Facility simultaneously the guarantee amounts invoked shall be utilised on a *pari passu* basis in relation to the Tranche Facilities or in such manner as the Lender, at its sole discretion, may deem fit.
- 6 **Recourse:** The Guarantor waives any right it may have of first requiring the Lender to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor.
- 7 **Independent Obligations:** The guarantee is in addition to and is not in any way prejudiced by any other encumbrances, right or remedy now or subsequently held by the Lender or the enforcement thereof, or any other action that may be commenced against the Guarantor by the Lender and shall not be merged with or affected by any other Security, right or remedy, now or at any time hereafter held by or available to the Lender. Any Security, right or remedy provided under any other Facility Document shall not in any way be prejudiced or affected by this guarantee or the transactions contemplated hereunder.
- 8 **Deferral of Guarantor's right:** The Guarantor waives in favour of the Lender, all or any of the rights the Guarantor may have (i) against the Lender as surety in Applicable Law, (ii) to bring legal or other proceedings for an order requiring the Borrower(s) or any other Obligor to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under this Annexure B, (iii) to exercise any right of set-off against any Obligor(s).
- 9 **Certificates and Determinations:** Any certification or determination by the Lender of a rate or amount under any Facility Document is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

- 10 Demands:** Any demand for payment made by the Lender pursuant to paragraph 1 and any other demand in relation to the Outstanding in relation to any Tranche Facility shall be valid and effective even if it contains no statement evidencing quantum of such Outstanding in relation to such Tranche Facility.
- 11 Miscellaneous:** The Guarantor hereby represents and warrants that he/her/it/they have been made aware of the terms of the Facility Documents, and hereby accept and agree to be bound by Facility Documents.

Acknowledgment and acceptance by the Borrower:

I have carefully read and understood the terms and conditions for the Facility and would like to confirm our acceptance.

ACCEPTANCE BY THE BORROWER:

I have carefully read and understood the terms and conditions for the Facility and would like to confirm my acceptance by way of clicking the "Agree and proceed" button by the borrower:

Acceptance, Signing, Delivery, Execution of the Facility Documents

The Borrower hereby expressly acknowledges and confirms that he/she/it/they has/have read, verified, understood the terms and conditions specified in the Facility Documents and the Borrower has irrevocably agreed to and accepted, signed and delivered the Facility Documents including all the terms and conditions specified therein, by clicking the "Agree and proceed" button and no other further act, deed or writing or any physical or wet signature or acceptance on part of the Borrower shall be required for signing, acceptance and delivery by the Borrower.

The acceptance, signing and delivery by/for and on behalf of the Borrower is complete and absolute as above.

The Borrower also acknowledges that the execution of the Facility Documents would be complete only once the same is accepted by the Lender and all the conditions specified in the Facility Documents are duly complied by the Borrower. The Lender is not required to sign the Facility Documents in any physical form. Subsequent to acceptance of the Borrower as above, the Lender shall be deemed to have accepted the Facility Documents online by way of Lender sending an email communicating such completion and attaching therewith the copy of the Facility Documents.

Upon acceptance of the Facility Documents by the Borrower, the Facility Documents and any electronic copy made by/on behalf of the Lender thereof shall be deemed and treated as the original Facility Documents. The Lender may print paper copies of the electronic record or produce in any such form at its discretion, of the Facility Documents and/or of logs/records of accepting and signing by the Borrower as aforesaid, and the same shall be fully binding on the Borrower. The Borrower has no objection to such print-outs or any such other form (in the discretion of Lender) being produced by the Lender including in evidence in any court, tribunal or otherwise, to prove the signing, acceptance, execution as above, as well as the contents of the Facility Documents.

Acknowledgment and acceptance by the Security provider:

I have carefully read and understood the terms and conditions for the Facility and would like to confirm our acceptance.

ACCEPTANCE BY THE SECURITY PROVIDER:

I have carefully read and understood the terms and conditions for the Facility and would like to confirm my acceptance by way of clicking the “Agree and proceed” button by the security provider:

Acceptance, Signing, Delivery, Execution of the Facility Documents

The Security provider hereby expressly acknowledges and confirms that he/she/it/they has/have read, verified, understood the terms and conditions specified in the Facility Documents and the Security provider has irrevocably agreed to and accepted, signed and delivered the Facility Documents including all the terms and conditions specified therein, by clicking the “Agree and proceed” button and no other further act, deed or writing or any physical or wet signature or acceptance on part of the Security provider shall be required for signing, acceptance and delivery by the Security provider.

The acceptance, signing and delivery by/for and on behalf of the Security provider is complete and absolute as above.

The Security provider also acknowledges that the execution of the Facility Documents would be complete only once the same is accepted by the Lender and all the conditions specified in the Facility Documents are duly complied by the Security provider. The Lender is not required to sign the Facility Documents in any physical form. Subsequent to acceptance of the Security provider as above, the Lender shall be deemed to have accepted the Facility Documents online by way of Lender sending an email communicating such completion and attaching therewith the copy of the Facility Documents.

Upon acceptance of the Facility Documents by the Security provider, the Facility Documents and any electronic copy made by/on behalf of the Lender thereof shall be deemed and treated as the original Facility Documents. The Lender may print paper copies of the electronic record or produce in any such form at its discretion, of the Facility Documents and/or of logs/records of accepting and signing by the Security provider as aforesaid, and the same shall be fully binding on the Security provider. The Security provider has no objection to such print-outs or any such other form (in the discretion of Lender) being produced by the Lender including in evidence in any court, tribunal or otherwise, to prove the signing, acceptance, execution as above, as well as the contents of the Facility Documents.