

MASTER TERMS AND CONDITIONS

(Applicable for Loan Against Securities)

These **MASTER TERMS AND CONDITIONS (“T&Cs”)** shall be applicable to loan extended/to be extended against securities by **CHOICE FINSERV PRIVATE LIMITED**, a company incorporated under the provisions of the Companies Act, 2013, CIN No. U74999MH2016PTC281908, having its corporate office at 207A NDM-1, Netaji Subhash place, Pitampura, New Delhi – 110034 and registered office at Shree Shakambhari Corporate Park, 156-158, Chakravorty Ashok Society, J.B.Nagar, Andheri (E) Mumbai Mumbai City MH 400099 IN (hereinafter referred to as the “Lender” which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors, novatees, transferees and assigns) to its borrowers and is registered on _____ with the Sub-Registrar at New Delhi.

WHEREAS:

The Facility (defined hereinafter) applied for by the Borrower on the **Spark.loans platform**, owned and managed by Spark Financial Technologies (P) Ltd., Mumbai, which would be provided to the Borrower up to the amount as specified in and subject to the terms and conditions as mentioned in the Facility Documents (defined hereinafter).

1. DEFINITIONS AND INTERPRETATION

1.1 The following words and expressions shall, unless the context otherwise requires, have the following meaning in the Facility Documents:

- a) **“Actual Margin”** means, at the relevant time, the amount equivalent to the current market value of the Collateral less the Outstandings, as determined by the Lender at its sole discretion.
- b) **“Additional Interest”** means the additional interest which may be levied in relation to the Facility as per the terms contained in the Facility Documents.
- c) **“Additional Securities”** means such securities or financial assets as may be accepted by the Lender from time to time, in its absolute discretion, as security for the Outstandings and shall include (without limitation); all instruments, consents, approvals, permissions, no-objections, confirmations, agreements, deeds and documents delivered or required to be delivered in connection with the creation and perfection of any pledge and charge on the Additional Securities in favour of the Lender/Security Trustee, and all right, title, benefit, interest and entitlement in connection with such Additional Securities or accruing thereto and proceeds arising from sale and other realization of such Additional Securities or any part thereof from time to time including, without limitation, (i) dividends paid or payable in cash or paid or payable other than in cash in respect of, such Additional Securities and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for any Additional Securities; (ii) dividends and other distributions paid or payable in cash in respect of or in connection with any liquidation or dissolution or in connection with a reduction of capital; (iii) cash paid, payable or otherwise distributed in respect of buy-back of, or in exchange for, any Additional Securities; and (iv) any accretions to or in respect of any Additional Securities including any bonus shares, rights shares, sums, distributions and monies received.
- d) **“Affiliates”** includes any body-corporate, partnership, association, foundation, other entity (whether incorporated or not) or person, which through ownership or otherwise, directly or indirectly, is Controlled by, under common Control with, or in Control of such person. Further in case of an individual, Affiliate shall include the Relative (as defined in the Companies Act, 2013) of such individual.
- e) **“Applicable Law”** includes any law, directive, rule, regulation, guideline, circular, notification, clarification, instruction, requirement, constitution, decree, judgment, legislation, order, ordinance, regulation, statute, treaty or other legislative measure having the force of law in any jurisdiction from time to time, and “lawful” and “unlawful” shall be construed accordingly.
- f) **“Application Form”** means the application form submitted by the Borrower for applying for the Facility.
- g) **“Authorisations”** include approvals, clearances, licenses, actions, authorizations, consents, resolutions, filings, rulings, permits, certifications, exemptions etc. for undertaking, performing or enforcing the terms of the Facility Documents.
- h) **“Authority”** includes any government or any governmental or semi-governmental agency or body, regulatory authority or judicial or quasi-judicial body or administrative entity/person, public department or statutory authority.
- i) **“Borrower”** means the borrower as mentioned in the respective Facility Documents.
- j) **“Business Day”** means a day (other than a Saturday or Sunday or a public holiday as defined under Section 25 of the Negotiable Instruments Act, 1881 or as may be otherwise notified by the Lender) on which the relevant office of the Lender, as specified in the Facility Documents is open for normal business transactions.
- k) **“Collateral”** collectively means, the Securities at any time, together with the instruments, consents, approvals, permissions, no-objections, confirmations (including any confirmations from Depository Participant in relation to the pledge of shares), agreements, deeds and documents delivered or required to be delivered in connection with the creation and perfection of the pledge and charge on the Securities including without limitation all rights, title and interest in connection therewith or accruing thereto and proceeds arising therefrom from time to time including, (but not limited to) any distributions received / to be received and monies, including but not limited to (i) dividends paid or payable other than in cash in respect of, and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for any Securities; (ii) dividends and other distributions paid or payable in cash in respect of or in connection with any liquidation or dissolution or in connection with a reduction of capital; (iii) cash paid, payable or otherwise distributed in respect of buy-back of, or in exchange for, any Securities; (iv) any sums, distributions and monies received and at any time held by the Lender; and (v) the Obligors’ DP Account.
- l) **“Control”** (and its cognate expressions) means, in relation to an entity, the power, ability or right, directly or indirectly, to direct the management or policy decisions of that entity and/or to appoint the majority of directors or management body (as applicable) of the relevant entity, in any manner whatsoever.
- m) **“Default”** includes Events of Default (as hereinafter defined) and any event which with the lapse of time or notice would become an Event of Default.
- n) **“Deposited Documents”** means
 - (i) copies of the pledge form to be filed by the Obligors with the Depository Participant requesting the creation of the pledge and confirming the availability of the Securities for the pledge;
 - (ii) the intimation received from the Depository by the Obligors confirming the creation and the noting of the pledge over the Securities in favour of the Lender/Security Trustee and the transfer of the Securities from the “free balances” to the “pledged balances”;
 - (iii) certified copies of the statement of accounts in respect of the Securities issued by the Depository Participant confirming the holding of the Securities by them as the beneficial owner thereof;
 - (iv) the irrevocable Power of Attorney; and;
 - (v) any other documents relating to and any distributions and accretions in respect of the Collateral that are required to be deposited pursuant to the Facility Documents.
- o) **“Depository”** shall have the meaning given to it in Section 2(e) of the Depositories Act, 1996.
- p) **“Depositories Regulations”** shall mean SEBI (Depositories and Participants) Regulations, 1996.
- q) **“Depository Participant”** shall be as mentioned under the Facility Documents.
- r) **“Disbursement”** means the disbursal of Facility or part thereof by transfer of funds or preparation of a payment instrument.
- s) **“Disbursement Date”** shall mean the date of disbursement under the Facility which shall be deemed to be the date of the Payment Instrument issued for disbursement or the date of the transfer done by the Lender for disbursement.

- t) **“Disbursement Request”** means a request for disbursement made by the Borrower under the Facility in such form, substance and manner as may be acceptable to the Lender.
- u) **“Due Date(s)”** shall mean the date(s) on which any amounts in respect of the Outstandings are payable by Obligors to the Lender as more specifically mentioned in the Facility Documents.
- v) **“Encumbrance”** means any mortgage, charge (whether fixed or floating), lien, hypothecation, assignment, security interest or other encumbrances of any kind securing or conferring any priority of payment in respect of any obligation of any person and includes without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security (including comfort letters, undertakings etc.) under Applicable Law.
- w) **“Execution Date”** shall mean the date of signing of the Specific Agreement.
- x) **“Facility”** means the credit facility(ies) availed/to be availed by the Borrower from the Lender from time to time.
- y) **“Facility Documents”** includes Application Form, sanction letter, if any, these T&Cs, the Specific Agreement, and all other agreements, instruments, undertakings, indentures, deeds, writings and other documents executed or entered into, or to be executed or entered into, by the Obligors, the Lender and/or any other person, in relation, or pertaining, to the Facility and the transactions contemplated under the Facility Documents, and includes all modifications and amendments thereto.
- z) **“Facility Value”** means the amount equivalent to the sum total of the amount of the Loan to Value of the Collateral
- aa) **“Financial Statements”** mean the certified true copies of audited financial statements.
- ab) **“Guarantor”** means the guarantor, if any, as mentioned in the respective Facility Documents.
- ac) **“IBC”** shall mean the Insolvency and Bankruptcy Code, 2016 along with all rules and regulations thereunder and all such amendments to the same made from time to time and shall also include any succeeding enactment in that regard for the time being in force.
- ad) **"Indebtedness"** means any indebtedness incurred for or in respect of: (a) monies borrowed; (b) any amount raised under any other transaction (however structured) having the commercial effect of a borrowing; and (c) the amount of any liability in respect of any guarantee or indemnity for any of the items referred to in paragraphs (a) and (b) above.
- ae) **“Indemnified Person”** means: (i) the Lender, its Affiliates and any attorney, agent or other person appointed by them; and (ii) any officers, partners, shareholders, directors, employees or agents of any of the above persons.
- af) **“Instalments”** shall mean the periodical instalments as provided in the Facility Documents and as may be computed by the Lender from time to time in relation to the Facility required to amortise the Facility with interest (rounded off to the next rupee) within such period as may be determined by the Lender from time to time.
- ag) **“Interest”** includes the interest in relation to the Facility at the Rate of Interest as specified in the Facility Documents and shall include PMII wherever applicable.
- ah) **“Long Term Lending Rate”** or **“LTLR”** shall mean the floating benchmark rate of interest for long term loans / credit facilities determined by the Lender from time to time on the basis of its cost of funds plus its spread / margin thereon, which will be reset at such intervals as decided by the Lender. Such benchmark rate of interest will be decided at the sole discretion of the Lender and in the event of an assignment of the benefits, rights and obligations under the Facility Documents, the LTLR may be decided at the discretion of such transferee/assignee with the benchmark rate of such transferee/assignee.
- ai) **“Losses”** include any and all costs, charges, expenses, damages, penalties, fine, imposts, payments, losses, demands, liabilities, claims, actions, proceedings, judgments, orders or other sanctions.
- aj) **“Market Price”** in respect of any Security shall be the price of such Securities calculated in the manner set out in the Facility Documents.
- ak) **“Material Adverse Change”** means the occurrence of any event(s) or circumstance(s) which has or could reasonably be expected to have a Material Adverse Effect.
- al) **“Material Adverse Effect”** means a material adverse effect on or a material adverse change (in the judgement of the Lender) in: (a) the business, operations, property, assets, condition (financial or otherwise) or prospects of the Obligors; (b) the ability of the Obligors to enter into and to perform their obligations under the Facility Documents or any other related document to which any of the Obligors is or will be a party; or (c) the validity or enforceability of the Facility Documents or any other related document or the rights or remedies of the Lender thereunder; or (d) the international capital or loan market; or (e) the political, financial or economic condition of Republic of India; and shall also mean and include any event whether domestic or international, which in the opinion of the Lender could have an adverse effect.
- am) **“Loan to Value”** means the percentage (determined and adjusted by the Lender at its absolute discretion from time to time) of the market value of each asset comprised in the Collateral on which the Lender may provide the maximum amount of financing against such asset subject to the terms of the Facility Documents. Without prejudice to the right of the Lender to vary the Loan to Value of the Securities from time to time, the current Loan to Value assigned by the Lender to the Securities as at the date of these T&Cs is as more particularly set out in the Facility Documents
- an) **“Obligors”** shall mean the Borrower and the Guarantor collectively and the expression **“Obligor”** shall mean any one of them.
- ao) **“Obligors’ DP Accounts”** collectively means the respective accounts of the Obligors maintained with the respective Obligors’ Depository Participants.
- ap) **“Option Date”** shall mean the date falling on and/or after the expiry of the date as specified in the Facility Documents.
- aq) **“Outstandings”** or **“Obligations”** shall include, at any time, all amounts payable by the Obligors to the Lender pursuant to the Facility Documents including but not limited to the present and future obligations and liabilities of the Obligors to pay/ repay without limitation the principal amount of the Facility, Interest and Additional Interest thereon and all stamp duties, Taxes, expenses, fees, liquidated damages, indemnities, costs, charges and expenses including without limitation any statutory or legislative charges, penalties, if any, in connection with the Facility; and such other expenses incurred in relation to any exercise by the Lender of its right, together with legal fees and court costs.
- ar) **“Payment Instrument(s)”** or **“PI(s)”** means any instrument/instruction, electronic or in writing, for transfer of funds as may be notified by the RBI and shall include, without limitation, post-dated cheques, inchoate cheques, instructions for direct debit from a bank account, a message for transfer of funds sent electronically, physically or through an image of instrument for transfer of funds sent electronically, an electronic file containing the details of the funds transfer sent by electronic media, payment through an electronic truncated cheque, various types of plastic cards, electronic clearing system (ECS), National Automated Clearing House (NACH), demand draft or such other instrument / instruction / clearing service as may be notified by RBI from time to time for transfer of funds and acceptable to the Lender.
- as) **“Pledge Request Form”** shall mean the form required to be filed for recording pledge of shares in accordance with the Depository and the Depository Regulations and the rules thereunder and such other documents required to be filed thereunder in relation to a pledge, including Annexure W under the Depository Regulations.
- at) **“PMII”** means the Pre-Monthly Instalment Interest charged by the Lender, at the rate stated in the Facility Documents for the period from the date of the Disbursement of the Facility to the date immediately prior to the commencement of Instalments.

- au) **“Prepayment Charge”** shall mean the charge levied by the Lender in the event of prepayment of the Facility or part thereof as specified in the Facility Documents and as may be stipulated by the Lender from time to time.
 - av) **“Purpose”** shall mean the purpose for which the Facility is sanctioned as specified in the Facility Documents.
 - aw) **“Rate of Interest”** shall mean the Rate of Interest applicable for the Facility and as more specifically mentioned in the Facility Documents and as may be amended by the Lender from time to time in accordance with the Facility Documents.
 - ax) **“Retail Prime Lending Rate”** or **“RPLR”** mean the rate of interest announced by the Lender from time to time as its retail prime lending rate and shall govern the rate of interest for the Facility from time to time.
 - ay) **“Required Margin”** means, at any time the difference between (a) the market value of the Collateral, and (b) the Facility Value of the Collateral, as determined by the Lender in accordance with its policies prevailing from time to time.
 - az) **“RBI”** means the Reserve Bank of India.
 - ba) **“Repayment Schedule”** shall mean the repayment schedule(s) in respect of the Facility as specifically mentioned in the Facility Documents and includes any replacements/revisions thereof by the Lender from time to time.
 - bb) **“RERA”** shall mean and include Real Estate (Regulation and Development) Act, 2016, West Bengal Housing Industry Regulation Act, 2017, and the rules and regulations made thereunder and all such amendments to the same made from time to time and shall also include any succeeding or other enactment in that regard for the time being in force.
 - bc) **“Securities”** means the fully paid up equity shares of the companies, listed debentures, bonds, mutual funds and any other securities defined under the Securities Contract Regulation Act, 1956 which are more particularly described in the Facility Documents, as may be modified or amended from time to time, as may be accepted by the Lender as security for repayment of the Outstandings to enable the Obligor to achieve the required Facility Value to avail the Facility or such part thereof and shall include (without limitation); all instruments, consents, approvals, permissions, no-objections, confirmations, agreements, deeds and documents delivered or required to be delivered in connection with the creation and perfection of the pledge and charge on the security in favour of the Lender/Security Trustee including without limitation the Deposited Documents, and all right, title, benefit, interest and entitlement in connection with the Securities or accruing thereto and proceeds arising from sale and other realization of the Securities or any part thereof from time to time including, without limitation, (i) dividends paid or payable in cash or paid or payable other than in cash in respect of, the Securities and instruments and other property received, receivable or otherwise distributed in respect of, or in exchange for any Securities; (ii) dividends and other distributions paid or payable in cash in respect of or in connection with any liquidation or dissolution or in connection with a reduction of capital; (iii) interest in case of debt instruments, (iv) cash paid, payable or otherwise distributed in respect of buy-back of, or in exchange for, any Securities; and (v) any accretions to or in respect of the Securities including any bonus shares, rights shares, sums, distributions and monies received.
 - bd) **“Securities Transfer Form”** means the form prescribed under the Companies Act, 2013 for transfer of securities in relation to the Securities of the Obligor.
 - be) **“Security Trustee”** shall mean the security trustee appointed, at the sole discretion of the Lender, to act for the benefit of the Lender under the terms of the relevant Facility Documents in relation to the Facility.
 - bf) **“Short Term Lending Rate”** or **“STLR”** shall mean the floating benchmark rate of interest for short term loans/credit facilities determined by the Lender from time to time on the basis of its cost of funds plus its spread / margin thereon which will be reset at such intervals as decided by the Lender. Such benchmark rate of interest will be decided at the sole discretion of the Lender and in the event of an assignment of the benefits, rights and obligations under the Facility Documents, the STLR may be decided at the discretion of such transferee/assignee with the benchmark rate of such transferee/assignee.
 - bg) **“Share Certificate”** means the certificate issued / to be issued by the Obligor to the Lender in respect of the shares held by them.
 - bh) **“Spark.loans”** means the technology platform which enables digital lending against securities through its website, mobile application or otherwise and includes its agents and service providers. Its acts as a service provider for Choice Finserv Private Limited.
 - bi) **“Specific Agreement”** shall mean the agreement executed/to be executed inter alia between the Borrower and the Lender recording specific terms of the Facility.
 - bj) **“Tax”** or **“Taxes”** includes any and all present and future taxes, duties, imposts, cess, levies, surcharge, including without limitation, with respect to or on gross receipts, sales, services, turn-over, ad valorem or value addition, use, consumption, property, franchise, capital, occupation or payroll, license, excise, documents (such as stamp duties), profit, gains (including capital gains), severance, production, withholding, alternative or add-on minimum, transfer or environmental, and other customs and taxes, duties, assessments, cess, imposts, surcharge, charges and/or fees of any kind whatsoever, together with any interest or penalty, addition to tax or additional amount howsoever imposed, withheld, levied, or assessed by any Authority. Taxes shall include any variation or change therein, or the rates thereof, during the term of these T&Cs, or the imposition of any new or further taxes (including Goods and Services Tax) but shall not include tax on the income of any Party.
- 1.2 The division of these T&Cs into clauses, sub-clauses and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of these T&Cs.
- 1.3 References to any gender includes any other gender, the plural shall include the singular and vice versa.
- 1.4 Reference to any agreement, document, instrument, statute, enactment, ordinance, order, regulation etc. shall be construed to include a reference to the amendments, extensions, re-enactments, supplementals, restatements, novations and/or consolidations thereto from time to time.
- 1.5 Reference to the terms “person” or “persons” shall mean and include reference to any individual, sole proprietorship, unincorporated association/organization, body corporate, company, partnership, Hindu Undivided Family, limited liability partnership, joint venture, Authority or trust or any other entity or organization and shall include all persons as defined under section 3 (23) of IBC and/or RERA.
- 1.6 Any reference to the terms Borrower, Guarantor, and/or Obligor shall be deemed to include all the Borrowers, Guarantors and/or Obligor, unless repugnant to the context or meaning thereof, be deemed to include:
- 1.6.1 In case of a company or a limited liability partnership, its successors and permitted assigns,
- 1.6.2 In case of a partnership firm any or each of the partners and survivor(s) of them and the partners from time to time (both in their personal capacity and as partners of the firm) and their respective heirs, legal representatives, executors, administrators and permitted assigns, successors of the firm;
- 1.6.3 in case of a sole proprietorship and individual, respective heirs, administrators, executors and legal representatives of the person;
- 1.6.4 in case of a Hindu Undivided Family, the Karta and any or each of the adult members and their survivor(s) and his/her/their respective heirs, legal representatives, executors, administrators and permitted assigns;
- 1.6.5 in case of a Society, its governing body, successors and permitted assigns; and
- 1.6.6 in case of a Trust, the Trustees for the time and its successors and permitted assigns.
- 1.7 Save and except as specifically provided in the Facility Documents any determination with respect to the ‘materiality’ or ‘reasonability’ of any matter including of any event, quantity, degree, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise shall be made by the Lender in its sole and absolute discretion.
- 1.8 The words “include”, “including” and “in particular” shall be construed without limitation and as being by way of illustration only and shall not be construed as limiting the generality of any foregoing words;

1.9 All the Schedules, Annexures and Exhibits to the Facility Documents shall form an integral part of the relevant Facility Documents.

2. FACILITY AND DISBURSEMENT

- 2.1 The Lender has agreed to lend to the Borrower and the Borrower agrees to borrow from the Lender, revolving credit facility, term loan, such other facility as the Lender may deem fit upto such maximum limit as set out in the Facility Documents (hereinafter referred to as the “Facility Limit”) which is the lesser of: (a) amount referred to in the Facility Documents; or (b) the Facility Value, from the Lender. Where any further loans are granted by the Lender to the Borrower, the term “Facility” shall be deemed to include any such subsequent amount granted to the Borrower by the Lender. Such subsequent amount shall, unless otherwise agreed, be governed by the Facility Documents.
- 2.2 The Borrower may drawdown the Facility either in tranches or by one-time drawdown.
- 2.3 The Borrower may, within the availability period as stipulated in the Facility Documents, deliver a Disbursement Request to the Lender. If the entire amount of the Facility, subject to the terms of the Facility Documents, is not drawn by the Borrower within availability period from the date of first disbursement or if the Obligors have committed any Event of Default prior to the full disbursement of the Facility or if the Borrower has requested to the Lender in writing to reduce the sanctioned amount upto the amount disbursed by the Lender till the date of such request, then without prejudice to the rights and remedies of the Lender under the Facility Documents or otherwise in equity or in law, the aggregate amounts disbursed to the Borrower upto such date shall, at the discretion of the Lender, without any prior intimation to the Obligors, be deemed to be the Facility amount and the Lender shall not be required to advance any further amounts and the Instalments shall commence forthwith. In such case irrespective of the Facility amount as mentioned in the Facility Documents, the amounts advanced so far shall be deemed to be the Facility for the purpose of the Facility Documents.
- 2.4 The Obligors shall, forthwith upon the request of the Lender, furnish to the Lender all such details and evidence as the Lender may require concerning the Facility or the Facility Documents or utilisation of amounts under the Facility. The Borrower shall, within the timelines specified in the Facility Documents and if so required by the Lender, provide an end use certificate to the Lender.
- 2.5 The Lender may at its discretion make a Disbursement directly to the Borrower/ any other person as requested by the Borrower or in such other manner as the Lender may deem fit. Any such Disbursements to such other person(s) shall be deemed to be a Disbursement made to the Borrower.
- 2.6 The Borrower agrees that an online request for Disbursement of the Facility, is subject to Applicable Law, inherent risks and the policies of the Lender as may be applicable from time to time.
- 2.7 In the event of a default in payment of Outstandings on the relevant Due Dates, the Lender may refuse to disburse any further amounts under the Facility.
- 2.8 It will be the sole responsibility of the Obligor to ensure that all user name and passwords as may be shared by the Lender with the Obligor are kept confidential and not revealed/ disclosed to any third party, including any person claiming to represent the Lender, or its agents and shall take all possible care to prevent discovery of the user name or password by any person. Such transmission methods involve the risk of possible unauthorized alteration of data, unauthorized usage thereof for whatever purposes and/ or virus attacks and are susceptible to a number of frauds, misuse, hacking, malicious, destructive or corrupting code, programme or macro which could affect the online facility for Disbursement Request and the Facility. This could result in delays in the processing of the online Disbursement Request or failure in the processing of such requests and the Lender shall not be responsible for the same. The Obligors shall exempt the Lender from any and all responsibility/ liability of such misuse or virus attacks/ transmission to the Borrower’s system and shall not hold the Lender responsible / liable therefor.
- 2.9 In no event shall the Lender be liable for any Losses due to loss or improper or unauthorized use of the passwords, login information, data, onetime passwords etc. on the website of the Lender or through any electronic mode and the Obligor shall be solely responsible for the same. Further, the Lender shall not be liable for any Losses due to any delay or inability to use the Lender’s website or services provided by any electronic mode, the provision of or failure to provide services by the Lender, or for any information, software, products and services obtained through the Lender’s websites, or otherwise arising out of the use of the Lender’s website, whether based on contract, negligence, strict liability or otherwise.
- 2.10 Further, it is hereby clarified that the Lender is agreeing to undertake such transaction based on instructions given by the Obligors and the Lender is not bound to check the accuracy and the authenticity of instructions. It shall be the duty of Obligors to ensure that such instructions are not misused by the Affiliates or staff/members of the Obligors or any third party. The Lender accepts no liability for the consequences arising out of erroneous information supplied by the Obligors. If the Obligors notice an error in the information supplied to the Lender, the Obligors shall immediately advise the Lender and the Lender will endeavor to correct the error wherever possible on a "reasonable efforts" basis.
- 2.11 The Lender reserves the right to discontinue the online Disbursement Request facility or any part thereof at any point of time, but the Lender shall endeavor to provide a prior notice to the Obligors in this regard save and except in circumstances where Lender has discontinued the online Disbursement Request facility or any part thereof to comply with any regulatory requirement or as a consequence of the Obligors committing any breach of the terms or conditions contained in the Facility Documents. The Lender shall not be liable for any damages, claims of any nature whatsoever by reason of such termination or discontinuation of the online Disbursement Request.

3. TENURE

- 3.1 The period of the said Facility granted under the Facility Documents shall be as more particularly as set out under the Facility Documents until terminated by the Lender in its sole discretion. The Lender shall have the right to renew the Facility annually or at such lesser periodic intervals as the Lender may decide from time to time.
- 3.2 Pursuant to any renewal, the Lender may require a modification in the terms and conditions of the Facility as it may deem fit and proper. Upon the said Facility being renewed by the Lender as aforesaid, if required and deemed necessary by the Lender, the Borrower and the Lender shall execute such renewal letters and/or such other deeds, documents or other writings for the same, in favour of the Lender as it may deem fit.

4. REPAYMENT AND INTEREST

- 4.1 The Borrower shall repay the principal amount of the Facility Limit along with the Interest due thereon in the manner as specified in the Facility Documents (hereinafter referred to as the “Repayment Schedule”) or as may be modified /notified by the Lender from time to time, based on the Disbursements made.
- 4.2 The Interest on the Facility shall be charged at the Rate of Interest set out in the Facility Documents, shall be charged from the Disbursement Date and the frequency of the Interest payment shall be as more particularly set out in the Specific Agreement. In case of a fixed Rate of Interest, the Rate of Interest shall be fixed for the period mentioned in the Facility Documents and upon expiry of the period of fixed Rate of Interest, the Facility shall attract floating Rate of Interest. In case of a floating Rate of Interest, the Borrower shall pay Interest to the Lender on the principal amount of the Facility outstanding at the Rate of Interest specified in the Facility Documents. Such floating Rate of Interest shall thereafter vary in accordance with the RPLR, LTLR and/or STLR announced by the Lender from time to time plus/minus the spread/margin. The Rate of Interest and the RPLR, LTRL or STLR shall be subject to review based on respective guidelines / directives issued by RBI in respect of any variation in the respective RPLR, LTLR or STLR and monetary measures impacting the Rate of Interest applicable to banks/financial institutions from time to time. The Lender shall have the right to charge Interest at such revised rates, depending upon the RPLR, LTLR and/or STLR, to give effect to any revision made as per the aforementioned guideline/directives of RBI. The Obligors agree that both in the cases of floating as well as fixed, the Lender shall have the right to increase or decrease the Rate of Interest payable by increasing /decreasing the spread or otherwise. The said change in Rate of Interest payable may be carried out irrespective of any change in the RPLR, LTLR and/or STLR. Notwithstanding any variation in RPLR, LTLR or STLR due to any downward revision, the Borrower shall be liable to pay a minimum rate of interest as stipulated in the Facility Documents.
- 4.3 The Lender shall declare and display such revision in its Rate of Interest and the same shall be declared and announced on its website and/or displayed/notified on notice boards at its various branches and the same shall be deemed to be a notice to the Borrower for such revision. The Borrower hereby agrees that it shall be the duty of the Borrower to ensure that it keeps itself updated of any such changes or variations by visiting

the website or the relevant branch of the Lender. The Lender shall also notify the Borrower of such change in the Rate of Interest. Such revised Rate of Interest shall be applicable prospectively. The Borrower shall in addition, pay and/or reimburse to the Lender, as the case may be, interest tax and any other Tax or other levy as may be levied on, or in respect of Interest payments under these presents. The Borrower shall not dispute the same or raise any objection with regard to the payment of the Interest and charges and the amount thereof.

4.4 The revised Rate of Interest would be payable by the Borrower from the date of change in the Rate of Interest.

4.5 All amounts payable by the Obligors to the Lender under Facility Documents shall be paid on or before the relevant Due Date(s) for such payment without any delay or demur and without any deduction whatsoever by way of set off or counterclaim or otherwise of any amount due or alleged to be due or outstanding from the Lender or any other person and notwithstanding any legal limitation, disability or incapacity of the Obligors.

4.6 The Lender shall not be required to give any notice, reminder or intimation to the Obligors regarding their obligation to pay / repay the amount payable hereunder and it shall be entirely the Obligors' responsibility to ensure prompt and regular repayment of the amount payable by the Obligors to the Lender in the manner provided under the Facility Documents.

4.7 In the event of the Borrower being desirous of shifting from a particular type of Interest agreed earlier by the Borrower and the Lender to another type of Interest or a combination of the other types of Interest rates, the Borrower may do so if permitted by the Lender at such time and on execution of such documents as may be required by the Lender and further on payment of conversion charges, as mentioned in the Facility Documents, of the Outstandings, which conversion charges may be revised by the Lender from time to time.

4.8 The Lender reserves the right to call upon the Obligors to accelerate the payment of Outstandings / other amounts, if the financial position of the Obligors so warrant, at the sole and absolute discretion of the Lender.

4.9 Notwithstanding the provisions of the Facility Documents, in the event the Facility is cancelled / recalled / terminated by the Lender in accordance with the provisions of the Facility Documents, the Outstandings shall become due and payable immediately and the Obligors shall be liable to pay / repay the entire Outstandings forthwith or within such period as may be specified by the Lender. In the event the Obligors fails to pay/repay such Outstandings on or before the respective Due Date or in case of any other Default, the Obligors shall be liable to Additional Interest on the Outstandings in accordance with the provisions of the Facility Documents.

5. PREPAYMENT OF THE FACILITY

5.1 The Obligors shall not, without the prior written approval of the Lender (which approval may be given subject to such terms and conditions as the Lender may deem fit including minimum prepayment amount, prepayment charges and/or any other charges), prepay the Outstandings in part or in full before the due date of the Outstandings. The foreclosure value will be calculated so as to include the balance principal and all Interest and charges accrued till the end of the month in which such foreclosure is effected along with the Prepayment Charges on the entire outstanding value of the Facility at the rate as specified in the Facility Documents. The prepayment shall not take effect before the actual payment is received/realized by the Lender and all Interest and other charges would be leviable till the apportionment of the payments received/realized by the Lender.

5.2 In the event such part-closure is not permitted by the Lender, any excess payment made by the Borrower over and above the value due at any time during the tenor of the Facility will be held in suspense under the Borrower's account (as excess) by the Lender. Such excess payment held by the Lender will not accrue any interest. The Lender may apportion the said amount against any future /past Outstandings on the said account/any account held by the Borrower that may remain unsettled by the Borrower for any reason.

5.3 In case of any prepayment made by the Borrower, the Repayment Schedule may be amended/altered by the Lender in its sole and absolute discretion.

6. MODE OF REPAYMENT

6.1 The Borrower shall repay/pay the monies in respect of the Facility through any PI(s). The Lender may, in its sole discretion, require the Borrower to adopt or switch to any alternate mode of payment and the Borrower shall comply with such request, without any demur or delay.

6.2 The payment/repayment of the Instalments shall commence and continue as per the Repayment Schedule. The Borrower shall issue, in favor of the Lender, the PI(s) as agreed with the Lender towards payment/repayment of the Instalments. The PI(s) issued by the Borrower in respect of the Facility may also be used by the Lender for any subsequent Facility availed by the Borrower from the Lender and all the provisions hereof shall apply thereto. Wherever required, the Borrower shall issue irrevocable instructions (in a form and substance satisfactory to the Lender) to the Borrower's bankers to ensure periodic payment to the Lender pursuant to the PI(s) issued by the Borrower. The failure of the Borrower's bank for any reason to so transfer any such amounts to the Lender shall tantamount to a failure by the Borrower to pay the amounts and shall constitute an Event of Default. The Borrower shall provide to the Lender a confirmation (in a form and substance satisfactory to the Lender) of the acceptance by the Borrower's bank of the above instructions.

6.3 Save and except with the prior written consent of the Lender, the Borrower shall not, under any circumstances, revoke, cancel or alter the instructions or cancel or issue stop-payment instructions with respect to the PI(s) issued or do or omit to do anything which may result in the Borrower's bank not transferring the amounts equal to the Instalments/amounts due under the Facility Documents to the bank account of the Lender on the relevant Due Date. Any attempt to do so shall be considered as an Event of Default.

6.4 If any amounts (not being the principal amount of the Facility or interest thereon) are outstanding for payment by the Borrower either under the Facility Documents or on account of Indebtedness of the Borrower to the Lender, under this Facility, the Lender shall be entitled to encash the PI(s) for the satisfaction of such outstanding amounts notwithstanding that PI(s) have been issued for repayment of the principal amount of the Facility and/or interest thereon, and the Borrower shall continue to be indebted to the Lender for the Facility and/or interest, as the case may be.

6.5 Notwithstanding anything contained in the Facility Documents, and irrespective of the mode of payment selected by the Borrower in the Facility Documents, upon any default by the Borrower in payment of one or more Instalments on the Due Date pertaining to the Facility, any non-realization of the Instalments on the Due Date by the Lender, the Lender shall be entitled, without prejudice to its other rights under the Facility Documents and Applicable Law, to present and/or re-present the PI(s), if any, issued by the Borrower in favor of the Lender in connection with the Facility. Irrespective of the mode of payment/date of payment, selected by the Borrower in the Facility Documents, the Lender shall be entitled to require the payment and/or collection of the Instalments and all other amounts comprising the Outstandings, by any other PI(s), if any, issued by the Borrower in favor of the Lender or utilizing any other mode or manner of payment or repayment of the Instalments and all other amounts comprising the Outstandings.

6.6 All PI(s) issued by the Borrower in favor of the Lender are for the purpose of discharge of the Outstandings that may be due to the Lender under the Facility and that the same are not proposed to be issued as and by way of a security for any purpose whatsoever. The PI(s) are intended to be used at any time by the Lender as the Lender may consider fit and proper, to recover the Outstandings owed by the Borrower to the Lender, and the Borrower, by executing the Application Form and other relevant Facility Documents, has unconditionally and irrevocably authorised the Lender for the same.

6.7 By execution of the Application Form and other relevant Facility Documents, the Borrower has unconditionally and irrevocably authorised the Lender to fill one or more of the PI(s) delivered to the Lender for an aggregate amount not exceeding the maximum amount due by the Borrower to the Lender under the Facility Documents (including those pertaining to any Facility subsequently availed by the Borrower) without notice to Borrower in this behalf. In the absence of such authority having been given by the Borrower to the Lender, the Lender would not have granted the Facility to the Borrower.

6.8 The authority given by the Borrower to the Lender herein to fill in the details of the PI(s) including the amounts payable is as permitted under the provisions of Section 20 of the Negotiable Instruments Act, 1881 and the same does not amount to a material alteration of the said PI(s) by the Lender. By execution of the Facility Documents, the Borrower has agreed and confirmed that in the event the acts of the Lender in filling the PI(s) as aforesaid are construed by any court, tribunal, Authority or other person or forum, judicial, quasi-judicial, non-judicial, governmental, semi-governmental or non-governmental to be an alteration within the meaning of the Negotiable Instruments Act, 1881:

6.8.1 the Borrower has provided the Borrower's consent for such an alteration and that by reason of such alteration, the PI(s) shall/should not be construed to be void or otherwise unenforceable and the Borrower has agreed and accepted to honor such PI(s) when presented for payment;

6.8.2 the Borrower has confirmed that such alteration is made to record the common intention of the Lender and Borrower, which common intention is to fill in the PI(s) with the amounts due by the Borrower to the Lender and to present the same for payment on such dates as the Lender may in its absolute and sole discretion decide.

- 6.9 In this regard the Borrower has also agreed to irrevocably nominate, constitute and appoint the Lender acting through any of its officers, agents as the true and lawful attorney for the Lender on its behalf and its cost and risk to do, execute and perform all or any of the following acts, deeds, matters and things that is to say;-
- 6.9.1 To appoint or engage any agent, courier agencies, correspondent banks for ensuring safe holding of PI(s) and having the same picked up, processed and cleared at the Borrower's risks and costs;
- 6.9.2 Generally to do, perform and execute all acts, deeds, matters and things relating to or concerning or touching the repayment of the Facility;
- 6.9.3 For the better doing, performing and executing all the matters and things aforesaid, the Borrower hereby further grants unto the said Lender full power and authority to substitute and appoint in its place and stead on such terms as it may think fit one or more attorney(s) to exercise for the Borrower as the Borrower's attorney(s) any or all the powers and authorities hereby conferred, to revoke any such appointments and to substitute or appoint any other person(s) in place of such attorney(s) as Lender may from time to time think fit;
- 6.9.4 The Borrower has also agreed to ratify and confirm all and whatsoever that the Lender shall do or cause to be done in or about the premises by virtue of the powers herein given; and
- 6.10 The authority and powers given to the Lender under the Facility Documents is for a consideration and is irrevocable under Section 202 of the Indian Contract Act, 1882 and such authority/power shall survive the death/winding up/dissolution of the Borrower. Further, the Borrower will be required to honor all the PI(s) when presented for payment by the Lender and not to take any steps, which in any way are likely to affect the payment thereunder to the Lender.
- 6.11 If the Lender for any reason modifies the amount of the Instalment, the Borrower shall issue fresh PI(s)/instructions to the Borrower's bank to ensure that the amount of the modified Instalment is transferred to the Lender under PI(s) and the Borrower shall provide the Lender with proof of these instructions and the acceptance thereof by the Borrower's bank. Failure to provide such fresh instructions shall be considered as an Event of Default by the Borrower.
- 6.12 If the Due Date in respect of any amounts payable in respect of the Facility falls on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the Due Date for such payment.
- 6.13 Credit for payments by any method will be given only on realisation or on the relative Due Date(s), whichever is later. The acceptance by the Lender of any payment which is less than the full Instalment or other amounts due and owing at such time shall not constitute a waiver of the Lender's right to receive payment in full at such time or at any subsequent time or a waiver of any other right whatsoever of the Lender under the Facility Documents or Applicable Law.
- 6.14 The Borrower shall promptly issue fresh PI(s), as and when requested by the Lender, if the PI(s) submitted by the Borrower to the Lender are exhausted or about to exhaust or if the Lender is facing any difficulty/impediment for any reason whatsoever in presenting such PI(s) or if required at any time by the Lender at its sole discretion.
- 6.15 The Lender shall not in any way be responsible for delay, omission, or neglect in encashment, damage or loss of any PI(s) for any reasons whatsoever, and shall not be liable to the Obligor in this respect.
- 6.16 The Borrower may, subject to prior approval by the Lender, be permitted to swap/exchange the PI(s) issued to the Lender with alternate PI(s) subject to payment to the Lender of the charges as specified in the Facility Documents.
- 6.17 Any dishonour of any PI(s), would constitute an offence under Section 138 of the Negotiable Instruments Act, 1881 or Section 25 of the Payment and Settlement Systems Act, 2007, as the case maybe.
- 6.18 If any one or more than one or all the PI(s) delivered to the Lender by the Borrower:
- 6.18.1 is/are lost, destroyed or misplaced while in custody of the Lender or its agents, or
- 6.18.2 becomes non-encashable due to any reason; then, the Borrower/the Borrower's executors/heirs/successors shall, within the timelines specified in the Facility Documents, of receipt of any intimation of such loss, destruction or non-encashment of such PI(s) or misplacement (as the case may be) from the Lender or immediately on such PI(s) or any of those being or becoming non-encashable due to any reason, immediately deliver to the Lender such numbers of fresh PI(s) to replace such PI(s). The replacement PI(s) shall be drawn in the manner mentioned in Facility Documents or as directed by the Lender. Any non-presentation on the part of the Lender of any PI(s) (due to any reason whatsoever) shall not in any manner affect the liability of an Obligor to pay/repay the Outstandings or its other obligations under the Facility Documents or in respect of the Facility.
- 6.19 The Borrower shall not give any instructions to the Lender, to not deposit or otherwise to not encash any or all of the PI(s) given by it. In the event of the Borrower or any other person on behalf of the Borrower giving such instructions, then it shall be presumed that the same was done to avoid prosecution under the provisions of the Negotiable Instruments Act, 1881/Payment and Settlement Systems Act, 2007. Any dishonour of the PI(s) or their being returned unpaid for any reason shall give rise to the presumption that, the Borrower from the very inception had no intention to honour the PI(s) and the same were given with a malicious intention to fraudulently obtain the Facility and the Borrower shall be liable to be prosecuted under the provisions of any law applicable in this regard.
- 6.20 The Borrower shall have and shall maintain sufficient balance in the account of the drawee bank for payment of PI(s) issued by the Borrower on and immediately prior to the Due Date(s) when the relevant PI(s) become mature and payable and thereafter to honour any such PI(s).
- 6.21 No notice, reminder or intimation shall be required to be given by the Lender to the Borrower prior to the presentation of any PI(s) to the drawee banks for encashment thereof.
- 6.22 PI(s) shall be drawn on a bank acceptable to the Lender and situated in a locality in the city/ town where the concerned branch of the Lender is situated. The number of such PI(s) shall be equal to the Instalments payable by the Borrower to the Lender.
- 6.23 In the event that the Borrower does not deliver to the Lender PI(s) in respect of all the Instalments payable by the Borrower to the Lender in settlement of the Outstandings to the Lender under the Facility Documents at the same time and chooses to do so in instalments, the Borrower shall at least 6 (six) months prior to the date on which the last PI(s) already delivered by the Borrower to the Lender becomes due for payment, deliver to the Lender the next set of PI(s) in respect of balance Instalments payable by the Borrower to the Lender in settlement of the Outstandings to the Lender under the Facility Documents.
- 6.24 In case of any failure to receive the Instalments or any other amounts due, through the electronic clearing system (debit) for any reason whatsoever as specified by the Borrower, the Lender shall, irrespective of the mode of payment selected by the Borrower in the Facility Documents, be entitled to require the payment and/or collection of the Instalments/other amounts, or the PI(s), if any, submitted by the Borrower, by means of electronic clearing system (debit). The Lender may adopt the aforesaid process by itself or through such other person permitted for the same.

6.25 Tax Deduction

- 6.25.1 All payments to be made by the Obligor to the Lender under the Facility Documents shall be made free and clear of taxes and without any tax deduction, unless a tax deduction is required under the Applicable Law.
- 6.25.2 If an Obligor makes a tax deduction that is not required by Applicable Law, while making any payments to the Lender, the sum payable by such Obligor shall be increased to the extent necessary to ensure that the Lender receives a sum, net of any tax deduction, equal to the sum which it would have received had no tax deduction been made.
- 6.25.3 An Obligor shall promptly upon becoming aware that it must make a tax deduction (or that there is any change in the rate or the basis of a tax deduction) notify the Lender accordingly.
- 6.25.4 If an Obligor is required to make a tax deduction, it shall immediately make the necessary payment required in connection with that tax deduction to the relevant authorities, which would in any case be within the time allowed under the Applicable Law.

- 6.25.5 An Obligor shall provide to the Lender, the TDS certificate in the Form No. 16A of the Income Tax Act, 1961 (“IT Act”) downloaded only from TDS Reconciliation Analysis and Correction Enabling System (“TRACES”) website on a quarterly basis within timelines specified in the Facility Documents from the end of the relevant quarter and ensure that the TDS amount is reflected in the Form 26AS statement under the IT Act of the Lender. If the foregoing is complied with and where an Obligor has paid gross interest amount, the Lender will refund to the Borrower an amount equivalent to the TDS amount paid by such Obligor within timelines specified in the Facility Documents of upon receipt of the TDS Certificate.
- 6.25.6 However, TDS refund claim will not be entertained by the Lender after the timelines given in the Facility Documents of the succeeding financial year.
- 6.25.7 In the event of any subsequent change in the “F” status reflected in the Form 26AS statement under the IT Act of the Lender, the Lender shall be entitled to forthwith debit the TDS amount to the Obligor’s relevant account and the same shall be considered as a part of the Outstandings and shall be recoverable along with Additional Interest and all other applicable costs, charges and expenses.
- 6.25.8 Where an Obligor pays the net interest amount after deducting the tax deductible at source (“TDS”) to the Lender, such Obligor shall deposit the TDS with government treasury within the time specified by law and to provide the Lender, TDS certificate in Form 16A under the IT Act for each quarter within timelines specified in the Facility Documents from the end of the relevant quarter. Within such time, such Obligor shall also ensure that the TDS amount is reflected in the Form 26AS statement under the IT Act of the Lender with “F” status. In the event such Obligor fails to comply with the foregoing, the Lender reserves the right to debit the TDS amount to such Obligor’s relevant account and the same shall be considered as a part of the Outstandings and shall be recoverable along with Additional Interest and all other applicable costs, charges and expenses.
- 6.25.9 In such an event, an Obligor may request for credit of the TDS amount by furnishing of the TDS certificate not later than such number of days of the succeeding financial year as specified in the Facility Documents. Provided that no refund shall be granted of the Additional Interest and all other applicable, costs, charges and expenses debited to such Obligor’s account.

6.26 Tax Indemnity

- 6.26.1 Without prejudice to Clause 6.25 (Tax Deduction), if the Lender is required to make any payment of or on account of Tax on or in relation to any sum received or receivable under or in connection with the Facility Documents (including any sum deemed for purposes of Tax to be received or receivable by the Lender, whether or not actually received or receivable) or if any liability in respect of any such payment is asserted, imposed, levied or assessed against the Lender, the Obligors shall forthwith upon demand by the Lender, indemnify the Lender qua such payment or liability together with any interest, penalties, costs and expenses payable or incurred in connection therewith.
- 6.26.2 The Lender shall notify the Borrower of the event by reason of which it is entitled to do so.
- 6.26.3 The Obligors shall:
- 6.26.3.1 pay, when due, all Taxes required by Applicable Law to be deducted or withheld by it from any amounts paid or payable under the Facility Documents;
- 6.26.3.2 forthwith on demand, indemnify the Lender against any loss or liability, which the Lender incurs as a consequence of the non-payment in full or in part, of those Taxes which are required to be paid by the Borrower in pursuance to the Facility Documents.

7. RENEWAL OF FACILITIES

- 7.1 The Facility sanctioned by the Lender shall be valid and operative for a tenor specified in the Facility Documents.
- 7.2 The Borrower shall in advance, before expiry of Facility, apply to the Lender for renewal/enhancement/review of the Facility, and submit the financial data as may be required by the Lender. The Lender, may, at its sole discretion without any obligation, review and renew the Facility, at its own, on the basis of the operation of the accounts and financial data of the Borrower available with the Lender. The decision of the Lender shall be final and binding upon all the Obligors. The Lender may, at its sole discretion permit the Borrower to avail the Facility beyond expiry of tenor for such period as may be decided by the Lender from time to time. The Obligors hereby agree that the Obligors shall continue to be liable under the Facility Documents for the period of such renewal and/or extension as mentioned hereinabove.

8. METHOD OF APPROPRIATION

- 8.1 Unless otherwise agreed to or decided by the Lender, any payment received by the Lender in relation to the Facility Documents and when received by the Lender shall be appropriated towards the Outstandings in the following order viz:
- 8.1.1 Cost, charges, expenses and other monies and interest thereon;
- 8.1.2 Additional Interest, if any;
- 8.1.3 Interest payable in terms of the Facility Documents; and/or
- 8.1.4 Repayment of instalment of principal amount of the Facility under the Facility Documents.
- 8.2 The Lender may, at its absolute discretion, appropriate any payments made by the Obligors under the Facility Documents towards payments due to the Lender from the Obligors under another agreement or transaction entered into by the Obligors with the Lender and/or towards any other Indebtedness of the Obligors to the Lender and such appropriation shall be final and binding upon the Obligors who shall continue to remain indebted to the Lender for payment of Outstandings under the Facility Documents. The Obligors shall continue to be liable for any deficiency in the amount due to the Lender by the Obligors after adjustment, if any, of the net proceeds of sale, realization, recovery and/or insurance claim.

9. OBLIGORS’ UNDERTAKING AND OBLIGATIONS

- By way of execution of the Application and the relevant Facility Documents, each of the Obligors has agreed, acknowledged, confirmed, undertaken and covenanted that:
- 9.1 The Borrower’s liability and obligations to repay the Outstandings and the Lender’s right at its option to charge Additional Interest shall be absolute and unconditional and the Borrower shall pay to the Lender the same, regardless of any circumstances and disputes, and with time being of the essence of the contracts.
- 9.2 The Obligors shall execute all necessary documents, execute necessary Securities Transfer Forms, make necessary filings of the Pledge Request Form, make necessary filings with the relevant authorities to create and perfect the Pledge over the Collateral in favor of the Lender.
- 9.3 In the event the Borrower fails to pay, when due any Outstandings and the Lender has commenced legal proceedings to recover such sum, the Borrower will further pay the Lender all advances, charges, cost and expenses including legal fees, incurred or paid by the Lender in exercising any right, power or remedy conferred under the Facility Documents (or in the enforcement thereof) and all such sums shall become a part of the Indebtedness secured hereunder and shall be paid to the Lender by the Borrower immediately and without delay or demur.
- 9.4 The obligation to pay Additional Interest by the Borrower shall not entitle the Borrower to claim a defence that no Event of Default (as defined hereinafter) has occurred.
- 9.5 All the proceeds of the sale, transfer, or disposal in any manner whatsoever of the Collateral shall stand pledged to the Lender as Security for the Outstandings.
- 9.6 No action or any other steps have been taken or any legal proceedings been initiated or threatened by or against the relevant Obligors for winding-up, dissolution, liquidation, administration or re-organization or for the appointment of a receiver, administrator, administrative receiver, trustee or similar officer for any or all of its assets, Collateral or revenues.
- 9.7 The Lender shall have the right to appoint, whenever they consider necessary, any chartered accountant / cost accountant / firm of chartered accountants for carrying out any specific assignment/s, to examine the financial and/or cost accounting systems and procedures adopted by

- the Obligors or as concurrent/internal auditors. The Obligors shall give full co-operation and provide the necessary assistance to the chartered accountant/ cost accountant / firm of chartered accountants so appointed by the Lender in carrying out its examination and the same shall be at the sole costs and expenses of the Obligors. The costs, charges and expenses including professional fees and travelling and other expenses for such examination shall be payable by the Obligors. In the event, the Obligors fail to make such payment, the Lender can pay such expenses to the chartered accountant / cost accountant / firm of chartered accountants, and the Obligors shall be liable to reimburse the said expenses to the Lender, together with interest thereon at the same rate as on defaulted amounts from the date of such payment by the Lender.
- 9.8 The Lender may assent, at any time during the continuance of the Facility, to the replacement/substitution of all or any portion of the Securities with new securities acceptable to the Lender.
- 9.9 All Securities delivered, pursuant to the provisions of the Facility Documents, and any bonus or rights received under the Securities shall become and form part of the Securities.
- 9.10 Notwithstanding anything contained in these T&Cs (i) the Obligors shall provide such Security as may be required under the Facility Documents and (ii) the Lender may call upon the Obligor to provide for Additional Securities for securing the Facility and then upon notice to that effect by the Lender, the Obligors shall promptly provide and furnish such Additional Securities in accordance with the Facility Documents, as may be acceptable to the Lender.
- 9.11 The Obligors shall have no right of lien or right to set-off (whether under law or contract or otherwise) upon any money against/towards the Outstandings.
- 9.12 Notwithstanding anything contained in the Facility Documents, the Lender may at its sole and absolute discretion, without assigning reasons, and upon notice to an Obligor, cancel the Facility and demand immediate repayment of all Outstandings under/in relation to the Facility. Delivery of such notice to the Obligor, in the manner as the Lender may deem fit, shall constitute sufficient notice of such cancellation, and thereupon the Facility, all interest and other moneys due and payable thereon, shall become due and payable by the Borrower immediately to the Lender and the Borrower shall forthwith pay the same without any delay or demur.
- 9.13 The Obligors shall notify the Lender of any change in its address and/or the status, terms or place of employment, nationality and/or citizenship.
- 9.14 The Obligors shall sign, execute, register, provide and/or deliver all such agreements, deeds, documents, instruments etc. as may be required by the Lender from time to time.
- 9.15 Lien and Cross Default: Any default by the Obligors or by any Affiliate of the Obligors or any entity related to or connected with the Obligors under any agreement, arrangement, guarantee, and/or under any of its/their Indebtedness (whether actual or contingent, or whether primary or collateral, or whether joint and/or several), with the Lender or its subsidiaries/fellow subsidiaries/Affiliates/any other entity forming part of Choice Group, shall constitute an Event of Default under the Facility and vice-versa. The Lender, its Affiliates and entities/persons in the Choice Group shall have a paramount lien and right of set-off on/against all other, present as well as future monies, securities, deposits of any kind and nature, all other assets, Collateral and properties belonging to the Obligors' credit (whether held singly or jointly with any other person), which are deposited with/under the control of the Lender/ its Affiliates and/or entities/persons in the Choice Group pursuant to any contract entered/to be entered into by the Obligors in any capacity, notwithstanding that such deposits may not be expressed in the same currency as the Indebtedness. The Lender, its Affiliates and entities/persons in the Choice Group shall be entitled and authorized to exercise such right of lien and set-off against all such amounts/assets/properties for settlement of the Outstandings with or without any further notice to any Obligor. In this regard, any discharge given by the Lender to its Affiliates and/or entities/persons in the Choice Group shall be valid and binding on the Obligors. It shall be the Obligors' sole responsibility and liability to settle all disputes/objections with such joint account holders. If so required, the Lender its Affiliates and entities/persons in the Choice Group shall be well within its rights to exercise the right of set-off against the money lying in the joint account(s) or in any deposit/bond/other assets held jointly, for settlement of Outstandings. Further, the Obligors hereby authorize the Lender to make payments to the Lender's Affiliates and/or entities/persons in the Choice Group, for any amounts owed by an Obligor to such Affiliates of the Lender and/or entities/persons in the Choice Group, out of any excess moneys received/recovered by the Lender from the Obligors.
- 9.16 The Obligors shall pay all Taxes, rates, duties (including stamp duties), charges and other imposts and obligations, existing as well as future, in respect of the Facility Documents, the transactions hereunder and all writings executed pursuant to or in connection with the Facility Documents, and, if the Obligors do not pay the same, the Lender may (without being obligated to do so) pay the same on behalf of the Obligors in which case the Obligors shall be liable to forthwith repay the same to the Lender together with interest thereon at the same rate as is applicable to the Facility and, till such payment /repayment. In the event in any judicial or other proceeding, any of the Facility Documents are found or held to be inadequately or inappropriately stamped or any plea to that effect is taken, the Obligors shall forthwith do the needful for ensuring that the document in question is adequately and appropriately stamped.
- 9.17 The Obligors will forthwith inform the Lender:
- 9.17.1 upon occurrence of a Material Adverse Change or a Default;
- 9.17.2 on receiving a notice of application/petition being filed/ intended to be filed for the insolvency /winding up of the an Obligor;
- 9.17.3 The Obligors shall at all times during the currency of the Facility ensure that the Obligors have duly paid all Taxes and statutory dues.
- 9.18 The Obligors shall, without any dispute, accept the statement of accounts and computation of interest provided by the Lender, as final, binding and conclusive evidence and proof of the correctness of the amounts mentioned in such statements of account and/or computation of interest furnished by the Lender and shall be bound by the same;
- 9.19 The Lender shall, in addition to the various rights referred to in the clauses above, be irrevocably entitled and authorized to contact the Obligors' employers and require them to make deductions from the salary/wages payable by the employer to the Obligors and to remit the same to the Lender until all the Outstandings of the Obligors to the Lender is/are completely discharged. The deductions shall be of such amounts, and to such extent, as the Lender may communicate to (and instruct) the Obligors' employers. The Obligors shall not have, or raise/create, any objections to such deductions. No law or contract governing the Obligors and/or the Obligors' employer prevents or restricts in any manner the aforesaid right of the Lender to require such deduction and payment by the Obligors' employer to the Lender. Provided however that in the event the said amounts so deducted are insufficient to pay/repay the Outstandings to the Lender in full, the unpaid amounts remaining due to the Lender shall be paid by the Obligors in such manner as the Lender may in its-sole discretion decide and the payment shall be made by the Obligors accordingly.
- 9.20 In the event of cancellation of the Facility by the Borrower, in addition to the cancellation charges payable by the Obligors, the Obligors shall also be liable to pay the outstanding upfront fees, non-refundable processing fee, additional processing fees and all other charges payable by the Obligors to the Lender.
- 9.21 Unless otherwise approved by the Lender in writing, the Obligors shall not:
- 9.21.1 make any change in its constitution or permit any change in its ownership or control whereby the effective beneficial ownership or control of the Obligor changes;
- 9.21.2 create, assume or incur any further Indebtedness;
- 9.21.3 declare any dividend if any Obligations under the Facility remains unpaid on its Due Date;
- 9.21.4 use the Facility for any anti- social, speculative or illegal purpose or for any other purpose other than the Purpose; and
- 9.21.5 implement any scheme of expansion and acquisition of fixed assets.
- 10. SECURITY**
- 10.1 The Facility together with all interests, costs, fees and expenses and all other monies payable under the Facility Documents or any other moneys due from time to time from the Borrower to the Lender in whatsoever capacity, shall be secured by way of a first and exclusive charge by way of pledge of the Securities in favour of the Lender/Security Trustee (as the case may be) and in the form and manner/acceptable to the satisfaction of the Lender.

10.2 For the creation of the pledge over the Securities, the Obligors shall undertake the following:

- 10.2.1 Being the present beneficial owner of the Collateral, the Obligors shall follow the procedure prescribed under Regulation 58 of the Depository Regulations for creating pledge with respect to the Securities in favour of the Lender/Security Trustee. Without prejudice to the generality of the foregoing, the Obligors shall issue such request, including the Securities Pledge Request Form / Transfer Forms to the Depository through Depository Participant, requesting the creation of the pledge, and signing such other documents and doing all such acts, deeds and things as shall be necessary in accordance with the Depository Regulations to effect the pledge of Collateral in favour of the Lender/Security Trustee. Forthwith upon the Depository recording and registering in its register the pledge of the Collateral in the name of the Lender confirming the creation of the pledge in its records to the Depository, the pledge shall be deemed to have been duly created in favour of the Lender/Security Trustee and the Obligors shall ensure that all the documentary and other evidence and entries are recorded in terms of Regulation 58 of the Depository Regulations, and the name of the Lender/Security Trustee is registered by the Depository Participant as the pledgee so as to ensure that effective and valid pledge on the Collateral is created in favour of the Lender/Security Trustee. The Obligors shall do all such actions and execute such documents and agreements as may be necessary for the valid creation and perfection of the pledge in accordance with the terms of the Facility Documents.
- 10.2.2 Upon the successful completion of the procedures prescribed in clause 10.2.1 above, the Obligors acknowledge that the pledge over the Collateral in favour of the Lender/Security Trustee shall come into effect. Upon the creation of the pledge in favour of the Lender/Security Trustee, all rights, title, claims, demand, benefits and interests, including without limitation the right to proceeds of sale and other realization of the Collateral or such part thereof of the Borrower shall be automatically transferred in favour of the Lender/Security Trustee in accordance with the terms of the Facility Documents. The Obligors shall also deposit the Deposited Documents at the time of the execution of the Facility Documents. The decision as to valuation of the Collateral and Margin Money shall be in the exclusive discretion of the Lender and will be binding on the Obligors.
- 10.2.3 The Lender reserves the right to take any action as may be deemed reasonably necessary for the protection and/or perfection of the Security by way of pledge over the Collateral, including, without limitation, following an Event of Default, to transfer the Collateral in the name of the Lender/Security Trustee and/or its nominee during the continuance of the pledge in accordance with the provisions of the Facility Documents.

10.3 Changes to Pledged Securities

- 10.3.1 If the pledge over the Securities created by the Obligors under the Facility Documents are to be withdrawn from the pledge created in favour of the Lender/Security Trustee, or in case any Additional Securities are pledged by the Obligors in addition to existing pledge or in substitution of any pledge withdrawn, the procedure laid down under Clause 10.2 of these T&C's shall be followed, including without limitation, in the case of Additional Securities, the Obligors shall execute a confirmation letter in favour of the Lender/Security Trustee of in the form and manner specified by the Lender/Security Trustee.
- 10.3.2 Any change in the Securities pledged and/or the pledge of Additional Securities (in accordance with Clause 10.2.1 above) may be effected by the modification to or amendment to the Facility Documents with the written consent/ approval of the Lender. Such change in Facility Documents would, inter alia, include addition of Additional Securities, withdrawal of existing Securities or substitution of the Securities by Additional Securities. Such modification to or amendment of the Facility Documents shall be deemed to have formed a part and parcel of the Facility Documents and would not require execution of a fresh agreement.
- 10.3.3 If the Obligors are required to pledge at any time or from time to time any Additional Securities so as to meet or continue to meet the margin requirements as stated in Clause 10.4 (Margin Requirements), the Obligors shall (i) forthwith pledge with the Lender such Additional Securities acceptable to the Lender; and (ii) deliver to the Lender/Security Trustee (a) the Deposited Documents relating to such Additional Securities along with such further documents indicating the entry for the pledge in respect of such Additional Securities, and/or a letter from the Obligors to the Lender in the form acceptable to the Lender, confirming the creation of the pledge with respect to the Additional Securities) which in the opinion of the Lender is necessary to create or perfect the security expressed to be created under or pursuant to the Facility Documents and which are acceptable to the Lender and (b) certified true copy of any other relevant Authority required in connection with the pledging and charging of such Additional Securities in favour of the Lender/Security Trustee and thereafter, such Additional Securities, together with the Securities, shall comprise the Collateral under the Facility Documents.
- 10.3.4 The Obligors represent that in the event any Additional Securities are to be furnished and that it is their intention to pledge and charge the same in favour of the Lender/Security Trustee,, the Obligors undertake that they shall assign, transfer and charge to and for the benefit of the Lender, such Additional Securities along with all the rights, title, claims, demand, benefits and interest of the Obligors, in, to, under or in respect of such Additional Securities and the proceeds of sale and other realization of the Additional Securities or such part thereof. The Obligor shall take such steps as may be required by the Lender/Security Trustee and deposit and deliver to the Lender/Security Trustee all such documents, deeds and other writings as may be necessary or required by the Lender/Security Trustee and relating to the Additional Securities as Security for the due discharge, redemption and repayment of the Obligations. With regard to any Additional Securities to be furnished by the Obligors pursuant to the Facility Documents, there shall be no prior existing right, title, claim or interest of any third party whosever in relation to or over such Additional Securities or any part thereof.

10.4 Continuing Security

- 10.4.1 The Security created under the Facility Documents is a continuing security for the payment, discharge and performance of all Obligations by the Obligors, regardless of any intermediate payment or satisfaction by the Obligors.
- 10.4.2 Unless released, the Obligations of the Obligors 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 Obligors from the Obligations under the Facility Documents or affect such Obligations, including (but without limitation) and whether or not known to the Obligors:
- 10.4.2.1 any forbearance, concession, waiver, release of or granting of any time or any other indulgence to the Obligors;
- 10.4.2.2 any assertion of, or failure to assert, or delay in asserting, any right, power or remedy against the Obligors;
- 10.4.2.3 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 Obligors or any other person;
- 10.4.2.4 any irregularity, invalidity or unenforceability of any Obligations of the Obligors under the Facility Documents or under any Applicable Law (in effect from any date after the date after the date of these T&Cs) purporting to reduce or otherwise affecting any of such Obligations to the intent that the Obligors' 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;
- 10.4.2.5 any amendment or other modification to any Facility Documents, so that references to any Facility Documents shall include each such amendment or modification;
- 10.4.2.6 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;
- 10.4.2.7 any bankruptcy proceeding, winding up, merger, amalgamation, reconstruction or otherwise of the relevant Obligor with any other trust or by the takeover of management or nationalisation of the Obligors 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;
- 10.4.2.8 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 Clause 10.4, operate to impair or discharge any of the Obligations under the Facility Documents.

- 10.4.3 Nothing contained in the Facility Documents shall operate so as to merge or otherwise prejudice, affect or exclude any of the Lender’s rights or remedies in respect of any present or future Security, guarantee, obligation or decree for the Indebtedness of the Obligors or liability to the Lender nor shall it preclude the Lender from enforcing the Security under the Facility Documents without enforcing in the first instance any other security furnished by any other party to the Lender.
- 10.4.4 No course of dealing and no failure or delay by the Lender in exercising, in whole or in part, any power, remedy, discretion, authority or other right under the Facility Documents or any other agreement shall waive or impair, or be construed to be a waiver of or an acquiescence in, such or any other power, remedy, discretion, authority or right under the Facility Documents or in any manner preclude its additional or future exercise, nor shall the action of the Lender with respect to any default, or any acquiescence by it therein, affect or impair any right, power or remedy of the Lender with respect to any other default.

10.5 Margin Requirements

- 10.5.1 The Obligors shall at all times ensure that the Actual Margin is not less than the Required Margin. If at any time the Actual Margin is less than the Required Margin by the percentage as set out in the Facility Documents or more, the Obligors shall within the number of days as set out in the Facility Documents of the notice thereof, provide Additional Securities acceptable to the Lender and/or reduce the Outstandings to restore the Actual Margin at least to the level of the Required Margin. If the Obligors fail to top-up with Additional Securities in the manner as aforesaid, the Lender shall be entitled at its own discretion to sell, dispose of or redeem any or all the Securities held as Collateral without being liable for any loss or damage or diminution in value sustained thereby. The sale/redemption proceeds shall be applied in reduction of the Indebtedness of the Obligors to the Lender, in such order as the Lender deems fit. In addition to the above, the Lender shall be entitled, but not obligated to, and the Obligors authorize the Lender to take on behalf of the Obligors, all actions that will be deemed necessary to mitigate any loss or preserve the Collateral. The Lender’s determination of the Actual Margin and Required Margin is and shall be conclusive, final and binding on the Obligors. It is hereby clarified that the computation of the value of the Securities shall be based on the Market Price.
- 10.5.2 The Lender’s standard internal facility-to-security value criteria, stipulated margin standards and requirements, top-up and sell-out periods, requirements and procedures, are at all times determined by the Lender in its 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 Obligors, and the Obligors 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 Obligors of such inconsistency and the terms of Facility Documents shall thereafter be deemed to have been and stand amended or modified to the extent necessary without the requirement of any further action on the part of the Lender.

10.6 Rights in Respect of the Collateral

10.6.1 Voting Rights

- 10.6.1.1 The Obligors may, unless Default has occurred and is continuing, exercise any voting rights in respect of the Collateral, provided that the Obligors shall not vote in any manner that is inconsistent with the terms of the Facility Documents or which would give rise to Default, and will not vote in favour of any resolution which would have the effect of altering the rights of the Lender or pursuant to the Facility Documents, or the terms of the pledges or any rights attaching to the pledges or the Collateral in any way.
- 10.6.1.2 Subject to the other provisions of the Facility Documents, once Default has occurred, the Lender shall be entitled to exercise all consequential rights (including voting rights) pertaining to the Collateral.
- 10.6.2 Dividends, Interests and other Distributions: So long as no Default shall have occurred, the Obligors shall be entitled to receive and retain any and all dividends/interest paid in respect of the Collateral provided however that, any and all:
- 10.6.2.1 Dividends/interest paid or payable other than in cash and other distributions property received, receivable or otherwise distributed in respect of, or in exchange for, any Collateral;
- 10.6.2.2 Dividends/interest and other distributions paid or payable in cash in respect of or in connection with any liquidation or dissolution or in connection with a reduction of capital;
- 10.6.2.3 cash paid, payable or otherwise distributed in respect of the principal of, or in buy-back of, or in exchange for, any Collateral; shall (whether or not Default shall have occurred and be continuing) be forthwith delivered to the Lender to hold as part of the Collateral and shall, if received by the Obligors, be received in trust for the benefit of the Lender and shall be segregated from the other property or funds of the Borrower, and be forthwith delivered to the Lender as Collateral in the same form as so received (with any necessary endorsement); and
- 10.6.2.4 In case the Lender has the Securities (or any accretions by way of rights shares, bonus shares or otherwise) transferred to its name during the continuance of the pledge, the Lender will credit all dividends/ interest received in respect of the Securities and all such accretions into the account of the Borrower (so long as no Default shall have occurred).

11. MARGIN MONEY

- 11.1 The Lender may, in its absolute discretion, require the Obligors to deposit a certain sum of money with the Lender as security deposit (“Margin Money”). The quantum of Margin Money, if any, to be paid by the Obligors shall be set out in the Facility Documents. The Margin Money shall be a non-interest bearing, refundable deposit to be kept with the Lender till the time the Facility and the other amounts payable under the Facility Documents have been discharged and paid in full by the Obligors to the satisfaction of the Lender. In the event the Obligors default in their obligations to repay the Facility or any part thereof under the Facility Documents, the Lender shall, without prejudice to the other rights available to it under the Facility Documents or otherwise in equity or in law, be entitled to adjust the Margin Money against the dues of the Obligors of whatsoever nature towards the Lender under the Facility Documents. Without prejudice to the aforesaid, the Lender shall be entitled to adjust the Margin Money against any of the Instalments including the last Instalment payable by the Obligors to the Lender under the Facility Documents.

12. GUARANTEE

- 12.1 The Guarantor in consideration of the Lender agreeing to grant the Facility to the Borrower shall comply with the following in relation to the guarantee provided by the Guarantor under the terms of the Facility Documents.
- 12.1.1 If the Borrower commits default/s in payment on the Due Dates of any Outstandings, the Guarantor shall forthwith on demand without demur or dispute pay to the Lender such amounts in respect of which default shall have been committed by the Borrower with Interest, Additional Interest thereon from its respective Due Dates till the date of realization by the Lender in the manner as set out in the Facility Documents together with all Losses which the Lender has suffered or incurred or may have to incur or suffer including costs of enforcement or attempted enforcement or payment by suit or otherwise or by sale or realisation or attempted sale or realization of any Collateral for such Facility or otherwise howsoever or any costs, charges or expenses which the Lender may incur by being joined in any proceeding to which the Lender may be made or may make itself a party either with or without others in connection with any proceedings or action.
- 12.1.2 The Guarantor shall keep the Lender fully indemnified against all Losses arising from any failure of the Obligors to carry out or fulfill any obligation and/or liability under the Facility Documents.
- 12.1.3 The Guarantor shall observe and perform the terms and conditions of the Facility Documents as a principal obligor and guarantee the due performance and observance thereof by the Obligors and pay the Outstandings on demand (which may be made by the Lender without first exercising any other rights under the Facility Documents or in law) without any demur or protest.
- 12.1.4 The guarantee provided shall be absolute, irrevocable, continuing and the obligations of each Guarantor under the same are several and shall be valid till all Outstandings are paid/repaid to the satisfaction of the Lender.
- 12.1.5 The guarantee shall be in addition to and shall not merge with or otherwise prejudice or affect any other right, remedy, guarantee, indemnity or Security available to the Lender under the Facility Documents and in law or otherwise, and may be enforced notwithstanding the same or any Security created in respect of the Collateral or other property / security in favor of the Lender.

- 12.1.6 A notice of demand by the Lender against the Guarantor shall be the final and conclusive evidence that the Borrower has committed a default and that the monies and the amounts claimed thereunder are due and payable by the Borrower to the Lender, and the Guarantor shall not be entitled to challenge the notice on the ground that no default has been committed or the amount mentioned therein as due and payable is not due and payable or on any other ground.
- 2.1.7 The liability of the Guarantor under the Facility Documents shall not be altered, affected, impaired nor shall the guarantee be discharged or diminished by reason of: (a) death, lunacy, incapacity, insolvency, bankruptcy or winding up, liquidation, dissolution, reorganization or de-merger (as the case may be), of an Obligor or its partners or Karta (as the case may be), or absence of power or irregularity on the part of an Obligor to enter into the Facility Documents, (b) Any waiver granted to an Obligor or any indulgence shown in respect of the terms, either in the form of releasing or handing back to the Borrower, the Securities with or without notice to the Guarantor, (c) the Lender compounding, discharging, releasing or varying the liability of or omitting to claim or enforce payment from the Borrower or any other person, (d) any variance made to the Facility Documents without the consent of the Guarantor;(e) reconstitution or amalgamation of an Obligor or any change in the management, constitution or name of an Obligor, (f) any contract made between the Lender and the Borrower by which the Borrower or Security be released in part or in full; (g) 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; (h) any act, omission, commission, forbearance, neglect or delay of the Lender in the enforcement or waiver of any of the terms of contract between the Lender and/or any Obligor; (i) the Lender enforcing or not enforcing any Security or other right under the Facility Documents or in law, (j) any dispute or disagreement whatsoever under or in relation to any Outstandings between the Lender and an Obligor or any other person; (k) suspension or cancellation of the debt under the Facility/Outstandings owed by a Borrower by any act of legislation and/or by any act of State, or (l) any circumstances whatsoever, including those by which the undertaking/s of the Guarantor is/are/be taken over or nationalized by an Authority under the Industries Development and Regulations Act, 1951 or any other act or Applicable Law.
- 12.1.8 The Lender shall be entitled to take any proceeding (legal or otherwise) against the Guarantor prior to, simultaneously or subsequent to any proceeding (legal or otherwise) against the Borrower or any other person or entity. The Lender's right on the Securities shall not be extinguished by reason of any judgment, decree or order obtained against the Obligors.
- 12.1.9 The guarantee provided by the Guarantor shall not be considered as satisfied or discharged by reason of any intermediate demands by the Lender or payment(s) or payment of the whole or any part of the Outstandings owing to the Lender or by reason of the account of the Borrower in respect of the Outstandings guaranteed being at any time in credit but shall constitute a continuing security for the Outstandings from time to time.
- 12.1.10 The Guarantor shall not be entitled to the benefit of subrogation to the Security held by the Lender until all monies due to the Lender secured by such Security are fully repaid and also if the Security is held by the Lender for any other indebtedness of the Borrower. The Lender shall be under no liability to marshal in favour of a Guarantor any securities or any of the funds or property which the Lender may be entitled to receive or upon which the Lender has claim.
- 12.1.11 To give effect to the Guarantee, the Lender is and shall be at liberty to act as though the Guarantor/s was/were the principal debtor to the Lender for all payments guaranteed by the Guarantor(s) to the Lender, and the Guarantor waives in favour of the Lender all or any of the Guarantor's rights as guarantor so far as may be necessary to give effect to the provisions of the guarantee. The Guarantor also waives all the rights available to the Guarantor under sections 133, 134, 135, 139 and 141 of the Indian Contract Act, 1872 until all monies due to the Lender secured by such Security are fully repaid and also if the same Security is held by the Lender for any other Indebtedness of the Borrower.
- 12.1.12 The Guarantor has not received and has not entered into any arrangement in relation to any commission, brokerage or fees or any other consideration directly or indirectly from the Borrower for guaranteeing the Outstandings.

13. REPRESENTATIONS AND WARRANTIES

- 13.1 Each Obligor hereby represents and warrants to the Lender on a continuing basis that:
- 13.1.1 Each Obligor is duly organized, validly existing and in good standing under the laws of India and has the legal right and full power and all Authorisations to enter into the Facility Documents and the Assets, and perform all transactions contemplated therein;
- 13.1.2 Each of the Obligors has the power to own their assets and carry on its business and are in compliance with Applicable Law;
- 13.1.3 The Obligations are a legal, valid, binding and enforceable debt and terms against the Obligors and their estate and effects;
- 13.1.4 No encumbrance of any nature nor any lien exists over the Securities;
- 13.1.5 All approvals required from any Authority or any other persons for or in connection with the execution, validity and performance of the Facility Documents by the Obligors, including for the creation of the pledge on the Securities by the Obligors have been obtained and are in full force and effect and there is no breach of any applicable law by the Obligors
- 13.1.6 No Default or Material Adverse Change has occurred or is subsisting;
- 13.1.7 The particulars of the Securities set out in the Facility Documents are true, complete and accurate;
- 13.1.8 The Security has been duly authorized and validly issued and allotted and are fully paid;
- 13.1.9 Subject to the Facility Documents, the Obligors are the sole legal and beneficial owner of, and have good and marketable title to the Collateral, which are free from any and all Encumbrances;
- 13.1.10 The execution and performance by the Obligors of the Facility Documents to which they are a party do not in conflict with or result in any violation or breach of or default under any provision of any Applicable Law or its constitutional documents;
- 13.1.11 Upon the recording of the creation of the pledge, the Facility Documents shall create a valid and perfect exclusive charge in the manner specified under the Facility Documents and all filings and other actions necessary to perfect or protect such charge have been and/or shall be duly taken pursuant to the Facility Documents;
- 13.1.12 The Obligors have not granted or agreed to grant in favour of any other person other than the Lender any interest in or any option or other rights in respect of the Collateral or any part thereof;
- 13.1.13 There are no arrears on Taxes or other statutory dues and the Obligors have completed all necessary filings;
- 13.1.14 No suit, litigation, proceeding, investigation, corporate action, creditor's process etc. by an Authority or any other person is ongoing or pending or threatened against the Obligors or in respect of their assets or Collateral;
- 13.1.15 Obligors have and shall make in a timely manner all such filings, and registrations as may be necessary in connection with the creation, perfection or protection of the pledge under or pursuant to the Facility Documents;
- 13.1.16 The Obligors do not have in their possession, any physical share certificates in respect of the Securities nor have the Obligors made any application to the relevant company for the issue of any physical certificates;
- 13.1.17 Any accretions to the Securities including bonus shares, rights shares, and any Additional Securities which are required to be pledged in accordance with the terms of the Facility Documents, shall be in dematerialized form;
- 13.1.18 The "Know Your Customer" requirements of the Lender have been and shall be fulfilled and all other terms and conditions as may be prescribed by RBI or by the Lender from time to time have been and shall be complied with;
- 13.1.19 The Financial Statements of the Obligors and all other statements delivered to the Lender were prepared in accordance with accounting standards applicable in India from time to time consistently applied, save to the extent expressly disclosed in such Financial Statements and give a true and fair view and represent the Obligors' financial condition and operations and contingent liabilities, if any;

- 13.1.20 Neither any of the Obligors nor any of its directors/partners has been declared to be a wilful defaulter. In the event of a person having being identified as a wilful defaulter, the Obligors shall take expeditious and effective steps for removal of such person from directorship/partnership;
- 13.1.21 All information provided by the Obligors are true, accurate and complete and all projections provided by the Obligors have been prepared on the basis of latest information and on the basis of reasonable assumptions;
- 13.1.22 During the continuance of the pledge, the Obligors as the beneficial owner of the Securities shall not dematerialize or apply for the dematerialization of any units comprising of the Securities without the prior written consent of the Lender;
- 13.1.23 In the event the Lender invokes the pledge on the Securities, the Lender may without prejudice to its other rights in law as pledgee, be inter alia entitled to have itself registered as the owner of the Securities in the records of the applicable Depository;
- 13.1.24 No Obligor enjoys immunity against any legal action or proceeding under any Applicable Law or otherwise;
- 13.1.25 None of the Obligors is in breach of any material agreement to which it is a party including without limitation any agreement entered into with a bank/financial institution/lender. The term material agreement being one which could, in the opinion of the Lender, prejudice any of the rights of the Lender under any Facility Document; and
- 13.1.26 The Obligors and each of their Affiliates and their directors / partners / proprietor etc. do not appear on the RBI's list of defaulters and Export & Credit Guarantee Corporation's ("**ECGC**") caution list or any sanctions or terrorist list published by the United Nations or RBI. Further, if any such proceeding is initiated by any of such departments, the Lender shall be promptly informed of the same. In the event, the Lender discovers that the said representation was incorrect at a later stage, or in case of non-reporting of any subsequent proceedings, the Lender shall be fully empowered to take any criminal action / other suitable proceedings against the Obligors. Further, the Obligors and their associates / group companies / family concerns and their directors / partners / proprietor etc. names do not appear on any lists, notifications or directions issued by the RBI with respect to anti-money laundering or combating financing of terrorism or any sanctions lists published by the United Nations Security Council with respect to terrorist related activities.
- 13.2 The Obligors hereby agree, confirm and acknowledge that it is on the basis of the representations and warranties hereinabove and the terms of the Facility Documents that the Lender has agreed to make available the Facility to the Borrower.

14. COSTS AND EXPENSES

- 14.1 The Obligors hereby agree that the processing fees and other fees and charges paid to the Lender are non-refundable in nature and that the Obligors shall pay the costs, fees, charges etc. as mentioned in the Facility Documents. In addition to the same, the Obligors shall pay all the costs, Taxes charges, fees (including attorney fees), expenses, advances, duties, stamp duties (including any increase or differential duties and penalties payable due to an instrument or copy thereof (including electronic record) being brought in any state other than where the same was executed), registration fees/charges, court fees, penalties etc. as may be applicable for / in relation to preparation, negotiation, preservation, performance, execution, enforcement and/or realisation: (i) of/under the Facility Documents, and/or (ii) in relation to the Facility, and/or (iii) in relation to repossession and maintenance of any asset that may be provided as security, release of security etc. from time to time. If required by the Lender, the Obligors shall produce receipt thereof evidencing payments.
- 14.2 The Lender may, without being obligated to do so, in its sole discretion incur any of the costs, Taxes, charges, fees (including attorney fees), expenses, advances, duties, stamp duties, registration fees/charges, court fees, penalties etc. as mentioned in Clause 14.1 above and the Obligors shall forthwith reimburse all such sums paid/incurred by the Lender upon demand. All such sums shall carry interest from the date of payment by the Lender till such reimbursement to the Lender at the Rate of Interest and Additional Interest specified in the Facility Documents. For this purpose without prejudice to any of its other rights, the Lender shall be entitled to debit the Obligors' accounts pending recovery.
- 14.3 In the event of dishonour of any Payment Instruments issued by the Obligors, the Obligor shall be liable to a flat charge separately for each dishonour of Payment Instruments so issued by the Obligors ("**Dishonour Charges**") as set out in the Facility Documents. In case of dishonouring / non-payment on the second presentation, a further charge would be levied. The levy of Dishonour Charges is without prejudice to the rights of the Lender under the Facility Documents or Applicable Laws.
- 14.4 The Lender, may at the risk and cost of the Obligors, engage one or more person(s) to verify any facts or information furnished by, concerning or pertaining to the Obligors and/or in relation to the Facility Documents and/or to collect the Outstandings and may furnish to such person(s) such documents, information, facts and figures as the Lender thinks fit and may delegate to such person(s) the right and authority to perform and execute all acts, deeds, matters and things connected therewith, or incidental thereto, as the Lender thinks fit.
- 14.5 The charges including dishonour charges, Prepayment Charges, cancellation charges and/or other charges etc. mentioned in the Facility Documents are indicative charges as on the date of signing of the Facility Documents and the Lender in its sole and absolute discretion reserves its right to periodically review and revise the same and the Obligors expressly waive any requirement of prior consent. Further, the Lender may waive or re-negotiate any or all of the charges at its sole discretion. The Lender shall intimate the Borrower of any such revision and declare such revised charges on its website www.choiceindia.com. The Borrower shall be liable to pay the revised charges without any demur and shall not be entitled to raise any objections for any such revision.

15. INDEMNITY

- 15.1 The Obligors shall be jointly and severally liable to indemnify and keep the Indemnified Person(s) indemnified and harmless, within such time from the date of demand as may be specified in the Facility Documents, against any Losses incurred as a result of:
- 15.1.1 the occurrence of any Default or investigation of any event which it believes to be a Default;
- 15.1.2 breach of any of the terms and/or conditions of the Facility Documents; and/ or
- 15.1.3 any representation and/or warranty provided by the Obligors found to be or becoming untrue, misleading or false in any respect whatsoever.
- 15.2 The Obligors acknowledge the inherent risks involved in sending the instructions/communications/documents to or by the Lender via facsimile, untested telexes and faxes, telegraph, cable or emails or any other electronic mode and hereby agree and confirm that all risks shall be fully borne by the Borrower and the Borrower hereby assumes full responsibility for the same, and undertakes to indemnify the Lender and keep the Lender indemnified and harmless at all times from and against any and all Losses including any claims and demands by any third party or any other actions, demands, liabilities, costs, charges, damages, Losses, expenses and consequences of whatever nature (including legal fees on a full indemnity basis) and howsoever arising which may be brought or preferred against the Lender or that the Lender may or may have to suffer, incur or sustain by reason or on account of the Lender having so acted whether wrongly or mistakenly or not, or of the Lender failing to act wholly or in part in accordance with the instructions so received which could be a result of any miscommunication, or technological error beyond the control of the Lender considering the mode in which the same was conveyed.

16. EVENTS OF DEFAULT

- 16.1 Each of the following shall be an event of default (each an "Event of Default"): -
- (a) An Obligor committing default in payment of the Outstandings on or before the respective Due Dates;

- (b) Breach by an Obligor of any of the undertakings, covenants, terms and/or conditions etc. of the Facility Documents and/or any of the declarations, representations and/or warranties etc. provided by the Obligors found to be or becoming untrue, misleading, incorrect or false in any respect whatsoever;
- (c) Failure by an Obligor to comply with Applicable Law, including regulations and rules as issued by Authority;
- (d) Occurrence of an event which may lead to Material Adverse Effect;
- (e) If the Obligors fail to maintain the Margin Requirement as laid down in these T&C's;
- (f) Delisting of any Security forming part of the Collateral from any recognized stock exchange of India;
- (g) Issuance of any order by Securities Exchange Board of India or any other regulatory authority debarring the Obligors' Collateral to be traded on any stock exchange;
- (h) If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardise or is likely to prejudice, impair, imperil, depreciate or jeopardise the Security given by the Obligors in the form of pledge of Collateral or any part thereof;
- (i) If any circumstance or event occurs which in the view of the Lender would or is likely to prejudicially or adversely affect in any manner the capacity of the Borrower to repay the Facility or any part thereof including without limitation upon the Borrower or the management of the Borrower ceasing to enjoy the confidence of the Lender and/or the security to be furnished under the Facility Documents;
- (j) If a cross default as below occurs:
 - (i) any debt of an Obligor is not paid when due nor within any originally applicable grace period;
 - (ii) any default (however described) relating to any debt;
 - (iii) any commitment for any debt of an Obligor is cancelled or suspended by a creditor/lender as a result of a default (however described);
- (iv) Any creditor of an Obligor becomes entitled to declare any debt due and payable prior to its specified maturity as a result of a default (however described);
- (v) any encumbrance over any asset of an Obligor to secure any other debt becomes enforceable; or
- (vi) If there is a Default, under one or more agreements or instruments entered into between: (i) Lender and an Obligor; or (ii) Lender and any Affiliate/associate of an Obligor; or (iii) an Obligor or its Affiliates/associate with any of its lenders.
- (k) Any litigation, suit, proceeding etc. is initiated, filed, applied or threatened against an Obligor, including without limitation by any lender, bank or financial institution, and including without limitation for the winding-up, liquidation and/or insolvency of an Obligor or the appointment of a judicial manager or interim or other resolution professional of any of the Obligors and/or initiation, filing, application or threat of analogous proceeding against any of the Obligors in any jurisdiction;
- (l) An Obligor enters into any scheme of arrangement or compromise with the Obligor's creditors or such a scheme of arrangement or compromise is proposed or, a receiver and/or manager is appointed over any of the Obligor's assets,
- (m) An Obligor ceases or threatens to cease to carry on its business;
- (n) Demise or permanent disablement of an Obligor;
- (o) Commitment of any fraud by an Obligor;
- (p) Non-satisfaction of a Condition Precedent or any other conditions that may be prescribed under the Facility Documents; or
- (q) Subsequent to the grant of the Facility, if an Obligor (being an individual) is divorced or any proceeding is taken or commenced or initiated in any family court for the same or otherwise or if there is a family settlement or a dispute amongst the partners;
- (r) If any litigation or proceedings (including arbitration or conciliation proceedings) is initiated against or orders or decrees are passed against or notice are received by an Obligor;
- (s) If the security, if any, created in favor of the Lender ceases to inure to the benefit of the Lender; and/or
- (t) If an Obligor has defaulted under any agreement entered into with the Lender or its subsidiaries/fellow subsidiaries/Affiliates/any other entity forming part of Choice Group.

16.2 The Lender may, without assigning any reason and upon written notice mailed or delivered to any Obligor cancel the Facility herein granted and demand repayment thereof. Delivery of such notification by the Lender shall constitute sufficient notice of such cancellation, and thereupon the entire Outstandings in relation to the Facility shall become due and payable by the relevant Obligors immediately to the Lender.

16.3 The decision of the Lender as to whether or not an Event of Default has occurred shall be final and binding upon the Obligors.

17. CONSEQUENCES OF EVENT OF DEFAULT

17.1 Without prejudice to or affecting or diluting the rights of the Lender under the Facility Documents or under any Facility Documents, if a Default occurs or is outstanding, the Lender may at any time with immediate effect by a notice in writing to any of the Obligors:

- 17.1.1 cancel the Facility, whereupon no further utilisation may be made of the Facility; and/or
- 17.1.2 declare all Outstandings due, owing or outstanding (whether or not then otherwise due) under the Facility as being immediately due and payable or otherwise payable on demand; and/or
- 17.1.3 invoke the pledge on the Collateral and/or transfer or register in its name or in the name of any of its nominees or any other person, as it shall deem fit, all or any of the Collateral, at the cost of the Obligors; and / or
- 17.1.4 receive all amounts payable to the Obligors in respect of the Collateral relating or otherwise payable under the Facility Documents; and / or
- 17.1.5 take all such actions including redemption of all or any part of the Collateral (whether or not transferred in the name of the Lender) and otherwise act with respect thereto as though it were the outright owner thereof; and / or
- 17.1.6 sell the Collateral (or any part thereof) in exercise of the power conferred under Clause 19 of these T&Cs, without the intervention of the court, at a public or private sale or on any securities exchange for cash, upon credit or for future delivery or transfer or procure registration in the name of the Lender, or any of its nominees at the cost of the Borrower, as the Lender may deem commercially reasonable and apply the proceeds thereof towards payment of the Outstandings, provided that the Lender shall not be obliged to make any sale of any Collateral if it determines not to do so, regardless of the fact that notice of sale may have been given.

18. NO LIABILITY OF CALLS

18.1 Nothing in the Facility Documents shall be construed as placing on the Lender any liability whatsoever in respect of any calls, contributions, installments or other payments relating to any of the Collateral or to any other securities accruing, offered, distributed, paid or arising as aforesaid, and the Obligors shall indemnify and keep indemnified the Lender in respect of all calls, contributions, installments or other payments relating to any of the Collateral now or hereafter existing and to any other securities accruing, offered, distributed, paid or arising as aforesaid in respect thereof which may have been made by the Lender on behalf of the Obligors in fulfillment of the Obligors' obligations to the company at any time when the Obligors are the beneficial holder of the same. The amount of any calls, contributions, installments or other payments along with interest thereon relating to any of the Collateral hereafter existing and any other securities accruing, offered, distributed or paid or arising as aforesaid in respect thereof which have been made on behalf of the Obligors shall be repayable by the Obligors to the Lender on demand. Any such amounts paid by the Lender as aforesaid along with interest thereon shall be a charge on the Collateral and shall form part of the Outstandings.

18.2 Without prejudice to the provisions the Facility Documents, the Obligors recognize and expressly accept that the Lender shall, without prejudice to its right to perform such activities itself or through its officers or servants, be absolutely entitled and have full powers and authority to appoint one or more persons or entities of the Lender's choice and to transfer and delegate to such third parties the right and authority to collect on behalf of

the Lender or in trust for the Lender all Outstandings and to perform and execute for and on behalf of the Lender all acts, deeds, matters and things connected thereto with or incidental thereto including sending notices or demand, attending the residence or office of the Obligors or otherwise contacting the Obligors, receiving repayment of the Outstandings (in cash/draft/cheque whether in the name of the Lender, or in its own name) from the Obligors, entering into a compromise with the Obligors, giving a valid receipt and granting effectual discharge to the Obligors and generally performing all lawful acts as such person or entity may consider appropriate for the purpose.

18.3 A certificate in writing signed by an officer of the Lender stating the amount at any particular time due shall be conclusive evidence against the Obligors.

18.4 If the Obligors fail to pay any monies when due or which may be declared due prior to the date when it would otherwise have become due or commits any other default under any agreement including the Facility Documents with the Lender under which it is enjoying any financial/credit/other facility, then in such event the Lender shall, without prejudice to any of its specific rights under each of such agreements, be absolutely entitled to exercise all or any of its rights under any of the agreements (including the Facility Documents) between the Obligors and the Lender at the sole discretion of the Lender.

19. POWER OF REDEMPTION AND SALE

19.1 Upon the occurrence of Default, the Lender may, without prejudice to its other rights under Applicable Law and under or pursuant to the Facility Documents but after giving to the Obligors notice of the number of days’, as specified in the Facility Documents, (which period of notice the Obligors agree as reasonable notice) of the sale, redeem, sell, transfer and appropriate any or all the Collateral, at the cost of the Obligors and redeem, sell or dispose of at the cost of the Obligors, all or any part of the Collateral and may apply the net proceeds of any such redemption, sale, disposition or appropriation towards the payment of the Outstandings. The Lender shall be entitled to invoke in accordance with the terms of the Facility Documents any of the pledges created under the Facility Documents and the Obligors shall not be entitled to question the methodology adopted by the Lender in this regard.

19.2 Following an Event of Default, the Lender/Security Trustee shall be entitled to exercise such power of redemption/sale in such manner and at such time or times and for such consideration (whether payable immediately or by instalments) as it shall in its absolute discretion think fit (whether by private sale or otherwise) and such Collateral (or any relevant part thereof) may be redeemed and/or sold (i) subject to any conditions which the Lender may think fit to impose, and (ii) to any person (including any person connected with the Lender). The Lender shall not be liable or responsible for any loss that may be occasioned from the exercise of such power and/or may arise from any act or default on the part of any broker or auctioneer or other person or body engaged by the Lender for the said purpose.

19.3 The Obligors confirm that the Lender is authorized to give a good discharge for any monies received pursuant to the exercise of its power of sale and a purchaser shall not be bound to enquire whether the power of sale has arisen as herein provided nor be concerned with the manner of application of the proceeds of such sale.

19.4 The Obligors 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 by deferring or advancing the date of such redemption/sale or otherwise howsoever.

19.5 The Obligors shall be liable to pay for the balance Outstandings consequent to the sale of Collateral.

19.6 Notwithstanding anything contained in the Facility Documents, the Lender may, upon issuing written notice to the Obligors (Call notice) of such number of days as specified in the Facility Documents (“Call Notice Period”) prior to such Option Date, call upon the Obligors to repay the Outstandings under the Facility, in part or full, without payment of prepayment fee or penalty (hereinafter referred to as “Call Option”) on or before such Option Date. Similarly, the Obligors shall have a corresponding put option, which may be exercised by the Obligors, by issuing a written notice to the Lender (Put notice) of such number of days as specified in the Facility Documents (“Put Notice period”) prior to such Option Date calling upon the Lender to accept in part or full, the Outstandings under the Facility, without payment of prepayment fee or penalty (hereinafter referred to as “Put Option”) on such Option Date.

20. INSPECTION RIGHTS

20.1 Any nominee of the Lender shall, without any notice and at the risk and expense of the Obligors, be entitled at all times to enter and inspect, value, insure, superintend the disposal of and/or take particulars of all or any part of the Securities and check and all documents, statements, accounts, reports, information in relation to the Securities.

21. RELEASE AND TERMINATION

21.1 The Facility Documents shall terminate upon the payment of Outstandings in full and final satisfaction of the Lender. Upon termination of the Facility Documents, the Lender shall, on the Obligors’ request and at the costs and expense of the Obligors’, release the Collateral from the pledge and charge granted under the Facility Documents, and intimate the Obligors of the same. The Lender shall take the following steps (i) issue instructions to the applicable Depository Participant to confirm the closure of the Security created in favour of the Lender/Security Trustee (ii) redeliver such of the Collateral as may be in the possession of the Lender/Security Trustee and has not theretofore been sold or otherwise applied or released; and (iii) redeliver the Power(s) of Attorney executed in favour of the Lender marked “cancelled”.

22. RIGHT TO DELEGATE

The Lender shall, without prejudice to its rights to perform such activities itself or through its office employees, be entitled to appoint one or more person(s) (“Service Providers”) as the Lender may select and to delegate to such party all or any of its functions, rights and powers under the Facility Documents including the rights and authority to receive on behalf of the Lender from the Obligors all Outstandings and to perform and execute all lawful acts, deeds, matters and things connected therewith and incidental thereto. The Obligors expressly and irrevocably consent that for any claim against the service providers, the Lender shall not be liable and the claim of the Obligors on this account shall be against the service providers only.

23. CONDITIONS PRECEDENT TO DISBURSEMENT

23.1 The Facility may be disbursed by the Lender to the Borrower, in one or more tranches on fulfilment of the following conditions precedent (“Conditions Precedent”). Failure to fulfil the Conditions Precedent could result in the Lender refusing to disburse the Facility. The Conditions Precedent required to be fulfilled are:

23.1.1 The Obligors shall have provided to the Lender, such details, documentary evidences and information as may be required by the Lender under its know your customer norms;

23.1.2 The Obligors shall have provided to the Lender such Payment Instructions as may be required by the Lender.

23.1.3 The Obligors shall have obtained and delivered all Authorisations/documents that may be required by the Lender including without limitation:

23.1.3.1 All the constitutional documents and Authorisations including corporate authorisations and resolutions and/or authority letter etc. including any certifications in relation to the same as may be required by the Lender from time to time;

23.1.3.2 The relevant Obligor(s) shall have delivered to the Lender a certificate issued by the relevant Assessing Officer (as defined under the Income Tax Act, 1961) under the provisions of Section 281(1)(ii) of the Income Tax Act, 1961, wherever applicable;

23.1.3.3 The Obligors shall have delivered to the Lender specimen signatures of the authorized signatories of Obligors duly verified by the Obligors’ principal bankers;

23.1.3.4 The Borrower shall, if required by the Lender, cause the Guarantors to execute and hand over to the Lender an irrevocable and unconditional personal/corporate guarantee in favor of the Lender; and / or

23.1.3.5 Any other document(s) as may be required by the Lender in its sole and absolute discretion.

24. ASSIGNMENT

- 24.1 The Obligors shall not transfer or assign any of its rights or liabilities under the Facility Documents to any person without the prior written consent of the Lender.
- 24.2 The Obligors agree that notwithstanding anything to the contrary contained in any of the Facility Documents, the Lender shall have the right to assign and / or transfer and / or novate and / or otherwise securitise its rights or obligations or any part thereof under the Facility Documents, and / or the Outstandings and/or enter into indemnity or other arrangements for risk sharing, whether with or without recourse to the Lender, to one or more scheduled commercial banks or any other person whether located / placed in India or outside India, without any reference or notice to the Obligors. The Obligors shall not, however, claim any privity of contract with any such entity to whom the Outstandings and/or the rights or obligations under the Facility Documents have been assigned / transferred / securitised or the Lender has entered into indemnity or arrangements for risk sharing.
- 24.3 The Obligors irrevocably and unconditionally confirm that it shall continue to be bound by the terms of the Facility Documents and the other documents in relation to the Facility notwithstanding such transfer or assignment by the Lender.

25. DISCLOSURE AND DATA PRIVACY

- 25.1 The Obligors agree and authorize the Lender to disclose, from time to time, any information and data relating to the Obligors (including personal sensitive data or information and any information that requires a consent under the Information Technology Act, 2008 and/or any other statute) and/or the Facility and/or other facilities availed by the Obligors and/or the ‘financial information’ as defined in Section 3(13) of IBC, in or outside India without requirement of any notice or intimation:
- 25.1.1 to any of its Affiliates and to any member of Choice group or any of their employees, agents, representatives etc.;
- 25.1.2 to third parties engaged by the Lender or any member of Choice group for purposes such as marketing of services and products;
- 25.1.3 to any rating agency, insurer or insurance broker of, or direct or indirect provider of credit protection to the Lender or any member of Choice Group;
- 25.1.4 to any of the service providers or professional advisers of a member of the Choice group with the rights to further share it with their sub-contractors in any jurisdiction;
- 25.1.5 to any credit bureau, database/databanks, corporate, banks, financial institutions etc;
- 25.1.6 to any Authority or other person as required by Applicable Law;
- 25.1.7 to any person pursuant to an order or direction of an Authority;
- 25.1.8 to any credit information company, other agencies or any information utility or other lenders of the Obligors including who may also use, process the said information and data disclosed by the Lender in the manner as deemed fit by them, and who may for consideration or otherwise furnish such processed information and data or products thereof prepared by them, to banks/financial institutions and other credit guarantors or registered users, as may be specified by the RBI;
- 25.1.9 to any other person:
- 25.1.9.1 to (or through) whom the Lender assigns or transfers or novates (or may potentially assign or transfer or novate) all or any of its rights and obligations under the Facility Documents/Facility; and/or
- 25.1.9.2 pursuant to the processing or management of data relating to the Facility or the Obligors; and/or
- 25.1.9.3 as the Lender may deem fit.
- 25.2 The Obligors agree as a pre-condition of the Facility given to the Borrower by the Lender that in case the Obligors commit default in the payment/repayment of the Outstandings on the Due Date(s), the Lender and/or RBI will have an un-qualified right to disclose or publish the name/s of the Obligors or the name/s of their partner/s or directors as defaulter/s in such manner and through such medium as the Lender or RBI in their absolute discretion may think fit including the photographs of the Borrower and/or Obligors or any of their directors, partners, members or personnel.
- 25.3 The Obligors hereby authorise the Lender to carry out their electronic KYC authentication and to fetch electronic KYC data from Aadhaar data base and/or from any other sources as permitted by Applicable Law.
- 25.4 The Obligors hereby provide consent to the Lender to carry out the KYC and other requisite checks by such processes as may be permissible under Applicable Law including authentication / verification of documents or details submitted for KYC purpose, accessing and procuring data from databases maintained by statutory or other Authority. The Obligors expressly authorise/consent to the Lender, its various service providers or agents, including for marketing, collections and recovery agents to contact the Obligors telephonically, through e-mails, telephones, messages, SMS, Whatsapp or other applications or otherwise even if the names of the Obligors appear in the Do Not Call or Do Not Disturb Register to inform the Obligors about the marketing schemes, various financial and/or investment products and/or offerings of other services, Outstandings under the Facility Documents or any other aspect pertaining to any facilities availed or to be availed by the Obligors. The Obligors also expressly declare that such e-mails, telephonic calls, messages, SMS, Whatsapp messages etc. from the tele-callers, agents and/or service provider of the Lender and its associates, affiliates and/or group companies will not cause any inconvenience to them and/or their family members. The Obligors expressly and irrevocably consent that for any claim against the service providers, the Lender shall not be liable and the claim of the Obligors (or any of them) on this account shall be against the service providers and/or tele-callers. The Obligors agree to the use of e-mails, messages, SMS, Whatsapp and/or other applications for communication or sharing of information or documents, agree to abide by the terms and conditions of such applications and agree to the risks associated with such applications or sharing of information through them.

26. NOTICE/COMMUNICATION

- 26.1 Any notice, demand, statement or communication by the Lender to the Obligors:-
- 26.1.1 may be sent to the Obligors by personal delivery, post SMS, MMS, whatsapp, e-mail, facsimile, website or other written or recorded form of electronic communication to their address set out in the Facility Documents or the address of the Obligors last known to the Lender;
- 26.1.2 if sent by post to an address in India, shall be deemed to have been served forty-eight (48) hours after posting, and if sent by post to an address outside India, shall be deemed to have been served seventy-two (72) hours after posting; and
- 26.1.3 if sent by facsimile, SMS, MMS, whatsapp, e-mail or other written or recorded form of electronic communication, shall be deemed to have been served at the time of sending,
- 26.2 Any notice or communication by the Obligors shall be in writing, may only be sent by personal delivery or pre-paid post addressed to the Lender through which the relevant Facility is granted to the Obligors, and will only be effective when actually received by the Lender. No oral communication shall bind the Lender.
- 26.3 The Obligors agree and confirm that any notice or communication sent to any of the Obligors shall be deemed to have been sent to and received by all other Obligors as well.

27. RECORDS OF FACILITY

The Lender shall maintain or cause to be maintained in accordance with its usual practice, electronic/computerised accounting systems at its office, evidencing the amounts disbursed and due under the Facility Documents and such computer generated/maintained certificate/statement/accounts from the Lender’s electronic terminals shall not be contested by the Obligors and the entries made therein shall be conclusive evidence of the existence and amounts of the obligations of the Obligors and amounts realised, recovered and expended including in any legal action or proceedings arising out of or in connection with the Facility Documents and the Obligors shall not contest the same.

28. SEVERABILITY

Each of the provisions of the Facility Documents are intended to be and shall be construed as independent and several of each other. Invalidity, illegality or unenforceability of any provision (in whole or part) of the terms and conditions of the Facility Documents in any jurisdiction shall not affect such provision in any other jurisdiction or invalidate or affect the remaining provisions (including in case of partial invalidity, the valid part of the affected provision) of the Facility Documents.

29. MISCELLANEOUS TERMS

- 29.1 The Obligors, if required by the Lender, shall execute an irrevocable power of attorney in favour of the Lender in the form, substance and manner accepted to the Lender.
- 29.2 The liabilities and obligations of the Obligors under or pursuant to the Facility Documents shall remain in full force and effect notwithstanding any act, omission, event or circumstance whatsoever until the Outstandings are repaid by the Borrower in full.
- 29.3 In the event any changes are required to be made in any of the Facility Documents based on guidelines / directives issued by the RBI to the non-banking financial companies from time to time, such changes shall be deemed to be incorporated in the Facility Documents as if the same were part of the documents since inception and thereafter such amended terms and conditions will thereupon apply to and be binding on the Obligors. Without prejudice to the aforesaid, the Lender may in its sole discretion ask the Obligors to co-operate with the Lender to make those changes in the Facility Documents and the Obligors shall be bound by the same.
- 29.4 The Facility Documents shall operate as a letter of continuity in favour of the Lender, to be enforceable for the repayment of the Outstandings and/or all sums remaining unpaid under the Facility now or hereafter, pursuant to the Facility Documents (as may be amended and modified from time to time) together with Interest, and other charges and all other costs, charges and expenses which may be or become payable in connection therewith.
- 29.5 Notwithstanding any suspension or termination of the Facility, all rights and remedies of the Lender as per the Facility Documents shall continue to survive until the receipt by the Lender of the Outstandings in full to its satisfaction.
- 29.6 The rights, powers and remedies given to the Lender by the Facility Documents shall be in addition to all rights, powers and remedies given to the Lender by virtue of any other security, statute, or rule of law.
- 29.7 Nothing contained in the Facility Documents shall be deemed to limit or affect prejudicially the rights and powers of the Lender under any Applicable Law.
- 29.8 Any forbearance or failure or delay by the Lender in exercising any right, power or remedy under the Facility Documents or grant of time, extension or indulgence to an Obligor by the Lender shall not be deemed to be waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy under the Facility Documents shall not preclude the further exercise thereof and every right and remedy of the Lender shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by the Lender.
- 29.9 In the event of there being more than one Borrower and/or Guarantor the respective liabilities of each of the Borrowers and Guarantors hereunder shall be joint and several.
- 29.10The Lender shall be entitled to enforce the Facility Documents and its rights and benefits created thereunder and to seek any and all remedies to the extent permissible under Applicable Laws from time to time.
- 29.11 Save and except modified under the Facility Documents, all terms and conditions as applicable to Disbursement Requests shall mutatis mutandis apply to online Disbursement Request made under the Facility Documents.
- 29.12 The Obligors consent to the Lender disclosing and/or making available to RBI, any agencies, bureaus (including credit information companies specified by the RBI or otherwise), Affiliates of the Lender, and its holding company viz Choice International Limited, and other persons, the information and/or data including but not limited to as specified in Clause 25 hereinabove.

30. ARBITRATION

If any dispute, difference or claim arises between any of the Obligors and the Lender in connection with the Facility or as to the interpretation, validity, implementation or effect of the Facility Documents or as to the rights and liabilities of the parties under the T&Cs or alleged breach of the Facility Documents or anything done or omitted to be done pursuant to the Facility Documents, the same shall be settled by arbitration to be held in Mumbai as may be decided by the Lender in accordance with the Arbitration and Conciliation Act, 1996, or any statutory amendments thereto and shall be referred to a sole arbitrator to be appointed by the Lender. The award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be in English language. Cost of arbitration shall be borne by the Borrower.

31. GOVERNING LAW AND JURISDICTION

These T&Cs and the Facility Documents are governed by and shall be construed in accordance with the laws of India. Subject to the provisions of Clause 30 above, any suit, petition, reference or other filing permitted or required to be made pursuant to the Arbitration and Conciliation Act, 1996 in respect of the matters arising out of the Facility Documents including, without limitation, a petition for appointment of an arbitrator or arbitrators under Section 11 of the Arbitration and Conciliation Act, 1996 shall be instituted only in competent courts at Mumbai/Delhi/Kolkata/Chennai as may be decided by the Lender.

32. PROTECTIVE CLAUSES

Neither the liability of the Obligors nor the validity or enforceability of the Facility Documents shall be prejudiced, affected or discharged by:

- 32.1 the amendment, variation or modification of any document referred to therein, except to the extent specifically varied or modified with the consent of the persons as required, pursuant to the terms of such document;
- 32.2 any change or restructuring of the corporate structure of an Obligor;
- 32.3 the invalidity, irregularity or unenforceability of any obligation or liability of the Parties (including the Obligors) to the Facility Documents;
- 32.4 any deficiency in the powers of the Obligors or any other person to enter into or perform any of their respective obligations under the Facility Documents or any irregularity in the exercise thereof or any lack of authority by any person purporting to act on its behalf;
- 32.5 the insolvency or liquidation or any incapacity, disability, death or limitation or any change in the constitution, status, control or ownership of the Obligors or any other person, as the case may be;
- 32.6 any other charge, guarantee or right or remedy available to the Lender being or becoming wholly or partly void, voidable, unenforceable or impaired by the Lender at any time releasing, refraining from enforcing, varying or in any other way dealing with any of them or any power, right or remedy that the Lender may now or hereafter have from or against an Obligors or any other person;
- 32.7 any act, omission, event or circumstance which would or may but for this provision operate to prejudice, affect or discharge the Facility Documents or the liability of the Obligors, as the case may be under the Facility Documents or any other right, power or remedy conferred upon the Lender by the Facility Documents or by any Applicable Law; or
- 32.8 any other matter or thing whatsoever.