

## **Appendix 2A**

TO BE STAMPED AS A PLEDGE  
AGREEMENT AS PER LOCAL STAMP  
ACT) – Applicable to all states  
except Andhra Pradesh

### **FACILITY CUM PLEDGE AGREEMENT**

This Agreement executed at the place and date specified in the Schedule by the person(s) described in the said Schedule (hereinafter referred to as the "Borrower", which expression shall unless repugnant to the context or subject otherwise requires include his/ her /their respective heir(s), executor(s) and administrator(s) and assigns) in favour of

Axis Bank Limited, a public limited company incorporated under the Companies Act 1956 and licensed as a Bank under the Banking Regulation Act, 1949 and having its registered office at "Trishul", 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad-380006 and a branch office as specified in the Schedule (hereinafter called the "Bank" which expression shall include its successors and assigns)

WHEREAS the Borrower is engaged in agricultural activities/ operations, trading agricultural processed commodities/selling agricultural inputs viz. fertilizers, seeds, pesticides and other non - agri commodities viz. Base Metal etc and is in possession of harvested agricultural crops / processed agricultural commodities/ agricultural inputs viz. fertilizers, seeds, pesticides or other non-hazardous non-agricultural commodities for its own benefit and has requested the Bank to grant financial assistance for the purpose(s) as specified in the Schedule.

NOW THIS AGREEMENT WITNESSTH AS UNDER:

## **1. General Interpretation**

In this Agreement, unless the context otherwise requires:

- a) singular includes plural and vice versa.
- b) the headings are inserted for the sake of convenience only and shall not affect the interpretation of the provisions hereof.
- c) the sanction letter more particularly described in the Schedule is a part and parcel of this
- d) Agreement and shall be read in conjunction with this Agreement.

## **2. Definitions**

- a) "Balance Due to the Bank" means and includes the principal amount of the Facility from time to time advanced to the Borrower, interest, penal charges thereon as set out herein and all costs, charges, commissions and expenses, including incremental taxes, interest tax and any other related and consequential charges and taxes, insurance premium which the Bank may have paid or incurred, including in connection with the commodities and also the incidental or other charges debited by the Bank to the account of the Borrower in accordance with the rules, or usage of the Bank.
- b) "Commodities" means the harvested agricultural crops /agricultural processed commodities/ agricultural inputs viz. fertilizers, seeds, pesticides etc, and other non-hazardous non-agricultural commodities (viz. Base Metal) which shall be pledged by the Borrower with the Bank.
- c) "Facility" means the financial assistance granted by the Bank to the Borrower and more particularly described in the schedule.
- d) "Schedule" means the schedule annexed of this Agreement, which forms a part of the Agreement.
- e) "Authorized representative of Joint Liability Groups (JLGs)" shall refer to persons who shall be storing the Commodities in the warehouses on behalf of the Farmers.
- f) "Warehouse" or a "Godown", by whatever name called is a storage area, where the commodities pledged/to be pledged to the Bank are stored.
- g) "WDRA" means the Warehousing Development and Regulatory Authority established under the Warehousing (Development And Regulation) Act, 2007
- h) "Repositories" means an entity that has received a certificate of registration from the Authority for creation and management of electronic negotiable warehouse receipts and include National E- Repository Limited (NERL) and CDSL Commodity Repositories Limited (CCRL)
- i) "Negotiable Warehouse Receipt" means a warehouse receipt under which the goods represented therein are deliverable to the depositor or order, the of endorsement which has the effect of transfer of goods represented thereby and the endorsee for which takes a good title;
- j) "Electronic Negotiable Warehouse Receipt (eNWR) " means a negotiable warehouse receipt issued in an electronic form by warehouseman of WDRA accredited Warehouse
- k) "Repository Participant- Account Maintenance" means as per WDRA guidelines, a Repository may appoint one or more entities as Repository Participants for carrying all or any of the following core activities of repository such as enabling the transfer of electronic Negotiable Warehouse Receipts; on-boarding the users of a Repository; To identify through documentary and/ or physical verification, on behalf of the Repository, the identity, and address of the depositor in whose favor a warehouseman intends to issue an electronic Negotiable

Warehouse Receipt; To facilitate the opening, management, and closing of accounts of users on the Repository;

- l) "Warehouseman" means any person who is granted a certificate of registration in respect of any warehouse or warehouses by the Authority or an accreditation agency for carrying on the business of warehousing
- m) "Repository Platform" is a web based application developed and maintained by the repositories, which provides an end to end solution for all the transactions related to electronic warehouse receipt
- n) Multi Commodity Exchange Clearing Corporation Limited, (MCXCCL) a company incorporated and registered under the provisions of the Companies Act, 1956 and a Clearing Corporation duly recognized by the Government of India under the provisions of Securities Contract (Regulations) Act, 1956. MCXCCL is established to undertake the activity of clearing and settlement of trades in securities or other instruments or products that are dealt with or traded on a recognized stock Exchange
- o) "Multi Commodity Exchange of India" is the recognised commodity exchange in India.
- p) "ComRIS" is the web based application developed and maintained by MCXCCL, which is only an electronic record of ownerships and record of transfers of commodities held by the participants at the corresponding warehouse/s. The ComRIS inter-alia has facility for noting of pledge and thus has the feature to facilitate pledge finance against commodities stored in approved warehouses/vaults.
- q) "ComRIS Account" shall mean the account of Borrower opened through the ComRIS Participant in electronic system of ComRIS which reflects the record of ownership and lien (if any) of Commodities including the details of commodities quantity, place of storage, transactions, transfers, validity certification and other parameters as may be prescribed by MCXCCL from time to time.
- r) "e-Pledge Lot" shall mean noting of lien on the electronic credit balance of commodities in ComRIS account of a borrower by the Pledgee in accordance with the process prescribed or as may be prescribed by MCXCCL from time to time
- s) "ComRIS Participants" shall mean an entity who has been permitted by MCXCCL to open and maintain ComRIS accounts of Borrower in accordance with the process and on the terms and conditions as may be prescribed by the MCXCCL from time to time

### 3. Terms of the Facility

- 1) The Bank shall maintain/cause to be maintained the Facility account in the name of the Borrower for entering the particulars of the said Facility for the time being (hereinafter referred to as the said "Account").
- 2) The Borrower shall each be entitled to the Facility of a maximum amount equivalent to the value of the Commodities pledged by the Borrower from time to time with the Bank. Such value shall be based on the amount of commodities supplied by the Borrower, as evidenced in the warehouse receipt/storage receipt and other documents deposited by the Borrower/Collateral Manager or unencumbered eNWR/ePledge Lot depicting in the beneficiary account/ComRIS account of the borrower with ComRIS Participants / Repository Participant – Account Maintenance and evidencing the pledge of commodities to the Bank and the market price offered for the said commodities, from time to time. Notwithstanding the above the maximum amount of credit line available to the Borrower shall not exceed Rupees \_\_\_\_\_. In case of JLGs, the maximum amount of credit line provided to individual farmers within the overall limit of JLG shall not exceed Rs. 10 lakhs. The price of the commodity considered for disbursement of a warehouse receipt/storage receipt/ eNWR/ePledge lot, shall be at the sole discretion of the Bank.
- 3) a) The Bank at the request of the Borrower has agreed to grant / granted credit facility as described in the Schedule with full power to the Bank from time to time to renew or reduce or enhance the limit (as and when the Borrower/Collateral Manager deposits warehouse

receipts/storage receipts or unencumbered eNWR/ePledge lot depicting in the beneficiary account/COMRIS account of the borrower with ComRIS Participants / Repository Participant – Account Maintenance duly endorsed in favour of the Bank evidencing the pledge of commodities to the Bank) or altogether withdraw the facility on the terms and conditions appearing herein.

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

4) The Borrower shall pay interest on said facility as specified in the Schedule, which shall be paid along with the repayment of the Facility as specified herein.

5) The Borrower shall pay 'the Balance due to the Bank' on demand from the Bank. Without prejudice to the right of the Bank to demand the balance due to the Bank at any time, the Borrower hereby agrees to repay all amount(s) drawn and/or outstanding under the said account on the date(s) as stipulated together with interest, penal charges and other amounts payable under this Agreement

6) The Borrower hereby deposits and agrees to deposit with the Bank the warehouse receipt/storage receipt slips/eNWR/ePledge lot and such other documents as sought by the Bank either directly or through Collateral Manager or agent with an intention to create a pledge on the commodities described in the schedule and such future commodities of the Borrower against which the Borrower intends to avail the Facility, from time to time thereon.

7) In case of eNWR/ePledge lot Borrower will require to follow the process mentioned below in order to create valid pledge in favor of the Bank:

- The Borrower shall deposits the commodity in the WDRA accredited warehouse/MCX accredited Warehouse where the warehouseman generates the electronic Negotiable Warehouse Receipt in the repository platform/ electronic credit balance of commodities in ComRIS. This eNWR/ePledge Lot should reflects as electronic balance in the Beneficiary account/COMRIS account of the borrower opened with the Repository Participant – Account Maintenance (RP – Account Maintenance) )/Comris Participant.
- The Borrower shall then submit the request for pledge of eNWR/ePledge Lot to the Bank through Comris Participant /RP – Account Maintenance with an intention to create a pledge on the commodities described in the schedule and such future commodities of the Borrower against which the Borrower intends to avail the Facility, from time to time thereon
- The Borrower shall submit the unencumbered eNWR/ePledge Lot depicting in the beneficiary account/COMRIS account of the borrower with Comris Participant /Repository Participant – Account Maintenance and evidencing the commodities pledged to the Bank and the market price offered for the said commodities.

8) The Borrower agrees that all warehouse receipt/storage receipt slips/ eNWR/ePledge Lot and such other documents, which the Borrower may from time to time pledge to the Bank against which the Bank provides the Borrower credit facilities, are to be held by the Bank as continuing securities for all the credit facilities granted, banking accommodation and/or expenses which Bank may make or incur to or for the Borrower in connection therewith and all other liabilities to the Bank, present and future and the Bank is to be at liberty to exercise all rights (if any) of the Borrower (unpaid sellers of the said agricultural crops /agricultural processed commodities/ agricultural inputs/Non-Agri Commodities, without further reference to the Borrower to sell, insure, warehouse or otherwise deal with the said agricultural crops /agricultural processed commodities/ agricultural inputs/Non-Agri Commodities or to sell or to deal with the same as though Bank is the absolute owners thereof and the Bank is expressly authorized by the Borrower to refuse to deliver the said agricultural crops /agricultural

processed commodities/ agricultural inputs/Non-Agri Commodities covered by the respective warehouse receipt/storage receipt slips/ eNWR/ePledge Lot (whatever be their tenor). The Borrower agree that the Bank's accounts of sale and accounts of expenses shall be accepted by the Borrower as conclusive evidence of the Correctness of matters there in written and the Borrower declare that this instrument and Bank's right hereunder shall in no way be affected by the Borrower's death or any change in Borrower's name, style or constitution.

- 9) The Borrower agrees that the Bank and its authorized agents shall be exempt from all liabilities for any loss or damages due to the deterioration of the said agricultural crops /agricultural processed commodities/ agricultural inputs/ Non-Agri Commodities howsoever caused to the Borrower's delay, mistake, omission or misinterpretation, or otherwise howsoever.
- 10) The Borrower hereby acknowledges to have deposited the Commodities with the warehouse/Collateral Manager more particularly described in the schedule, absolutely belonging to the Borrower, which the Borrower is competent to pledge and hereby pledge as continuing security for the due payment of the amounts that may be due from time to time to the said Bank in respect of the Facility with interest and all charges during the existence of this Agreement notwithstanding-
  - a) The existence of a credit balance or "Nil" balance in the accounts at anytime or any partial payment or fluctuation of accounts or
  - b) Any loan(s) or any parts thereof have been repaid either after demand has been made by the Bank or otherwise or has not been so repaid on demand.
- 11) The Borrower shall ensure that at any point of time, during the currency of the facility, the receipt wise total outstanding including the eNWR/ePledge Lot (including interest accrued till date) as a percentage of the market value of the commodities pledged should not exceed 82.5%. In case of shortfall in the security cover of the Facility, the Borrower shall furnish additional security or deposit funds within 5 days of being served a notice to replenish with the original margin level as stipulated in the schedule. In case, the borrower does not bring in additional security or funds within the stipulated time, the Bank may offload the commodities, directly or through an agent, in part or full, at its discretion to ensure maintenance of the requisite margin. The loss if any from this action would be to the borrower's account. However, during the notice period or any time during the currency of the facility, if the total outstanding (including interest accrued till date) as a percentage of the market value of the commodities pledged touches 90 % due to commodity price volatility, Bank may immediately initiate disposal of the commodities on the same day directly or by appointing an agent. The Banks Decision and action shall final as regards such disposal. The Bank may offload the commodities in part or full at its discretion. All the expense of the agent, if any, appointed shall be borne by the borrower.
- 12) The Borrower(s) hereby constitute and appoint the Bank as its attorney in its name and on its behalf to execute and do all acts and things in connection with the pledge of the pledged goods and/or the enforcement/sale thereof as may be required by the Bank and also to do all such other acts and things for giving effect to the provisions of this Agreement and powers reserved to the Bank. The Borrower agrees and undertakes to ratify and confirm all and whatsoever the Bank shall lawfully do or cause to be done by virtue of this clause.
- 13) The Borrower confirms that it is a farmer(s)/farmer (other than individual) into the business of \_\_\_\_\_/authorized representative of farmers mentioned in schedule (Joint Liability Groups-JLGs)/food and agro-based processing unit(s) with original investment in Plant & Machinery upto Rs. \_\_\_\_\_ /agri-input dealer(s)/commission agent(s)/arthia(s)/trader(s) and not a defaulter to any Bank /financial institution and the Facilities hereby obtained will be utilized for agricultural purposes only as per sanctioned terms.
- 14) The Borrower shall co-ordinate with such Agent or a Collateral Manager as may be appointed by the Bank for administering the Facility availed by the Borrower.
- 15) The Borrower shall accept as conclusive proof of the sum or sums owed by the Borrower to the Bank any statement of account made by the Bank and duly signed by any authorized signatory of the Bank.

- 16) In case the Borrower fails or defaults to comply with any of the terms of said Facility and/or this Agreement, including schedules, by any reason whatsoever borrowers shall be liable to pay the Bank penal charges at the rate(s) stipulated in Schedule on the balance due to the Bank from the date of default of failure till payment. Provided that the Bank may from time to time in accordance with the Bank's policy suitably and prospectively revise the said penal charges.
- 17) In case the Borrower is more than one individual, each one or any of them is authorized and empowered by the other(s) of them to admit and acknowledge his/their liability to the Bank by any payment into the account(s) or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by one or more of them shall be construed to have been made on behalf of each one of them and all the Borrowers shall be jointly and severally liable to the Bank. In case of default by the borrower, the borrower undertakes, agrees to co-operate with the Bank for smooth disposal of the commodities pledged, even if the price being realized is less than the price considered for funding or the current market price. The price of the disposal as decided by the Bank shall be acceptable to the borrower and shall not be challenged.
- 18) The Borrower hereby agrees and undertakes that no such person whose name is appearing in the list of Wilful defaulters shall be inducted on its board and that in case, such a person is found to be on its Board, it would take expeditious and effective steps for removal of such person from its Board.
- 19) The Borrower hereby acknowledges and agrees that the Bank has a right to award a separate mandate to our Auditor or any independent Auditor, as the Bank may deem fit with a view to obtain a specific certificate regarding diversion /siphoning of funds by the Borrower. The Borrower agrees and undertakes to co-operate with such Auditors and provide the necessary information and/or documents as may be required by such Auditors. The Borrower also agrees and undertakes to bear all the expenditure in respect of obtaining the said Certificate and agrees to indemnify and keep the Bank indemnified in this regard.
- 20) The interest payable by the Borrower shall be subject to the changes based on guidelines / directive issued by RBI to banks from time to time and the changes made by the Bank.
- 21) I/We understand that the insurance plan(s) from the insurance partner(s) engaged by the Bank ('such insurance partner(s)') are made available for our convenience and in case I/We opt for the same, Bank's representative can assist further in the enrolment of the chosen plan. I/We acknowledge that the Bank has clarified that purchase of the insurance cover from such insurance partner(s) is voluntary/optional and is not linked to availment of any product(s)/service(s) from the Bank. I/We further confirm that I/we have been given the option to avail the insurance cover from such insurance partner(s) or from any other insurance providers.
- 22) The Borrower covenants and agrees that, so long as the Loan Obligations are outstanding, and until the full and final payment of all Loan Obligations to the satisfaction of the Bank, the Borrower shall co-operate with such auditors as may be appointed by the Bank in case the Facilities or the loan account of the Borrower is red-flagged by the Bank and/or any other lenders. The Borrower further covenants and agrees to provide the necessary information and/or documents as may be required by such auditors, and bear all the expenditure in respect of the same and agrees to indemnify and keep the Bank indemnified in this regard."

#### **4. Dealing with the Commodities**

- a) The Borrower shall not, without previous permission in writing of the Bank, sell or otherwise part with the possession/ownership of the commodities. Where with such permission of the Bank the

commodities is sold or disposed off by the Borrower, the value of such produce sold shall be paid forthwith to the Bank towards repayment of the Facility.

- b) It shall be the duty of the Borrower to safeguard and diligently manage the commodities and do everything that is necessary to preserve, protect and maintain the quality of the commodities. Whenever required by the Bank, the Borrower shall do everything necessary for transferring to and effectively vesting in the Bank or any of its officers or nominees titled to the commodities. The Borrower shall keep the Bank informed of the true condition of the commodities.
- c) The Borrower hereby expressly undertakes to hold the commodities in trust for and as agent of the Bank until full repayment of all the balance due to the Bank including interest, cost and expenses of the Bank. The Borrower(s) further agrees to deal with and dispose of the Commodities in the manner instructed by and under the supervision and control of the Bank, its agents, officers or nominees.
- d) The Borrower shall insure/ensure insurance of the pledged commodities as may be required by the Bank against loss or damage by fire and other risks as may be required by the Bank and shall bear all costs, expenses, charges, levies, taxes, fees etc. payable in connection with the pledged commodities, their storage in the warehouse/godown, insurance thereof, provision of security and/or the taking of any action for protection/preservation thereof, protection of the Bank's interest therein, as also all costs, expenses and charges payable in connection with the enforcement of the pledge and sale thereof. In the event the Bank is required to pay any amounts in this regard the same shall form part of the Balance due to the Bank and the Borrower(s) shall promptly reimburse the said amounts to the Bank on receipt of notice in this regard. Any such insurance shall be in the name of the Bank/ assigned to the Bank as required by the Bank. It shall be also lawful for but not obligatory upon the Bank to insure the commodities by debit to the Borrower's account. The proceeds of any such insurance shall, at the discretion of the Bank either applied towards replacement of the commodities or towards the satisfaction of the balance due to the Bank.
- e) The Borrower hereby declares and confirms that the commodities are free from encumbrances and has not been offered/does not constitute security for any loan /advance availed by the Borrower from any other person or institution.
- f) The Borrower shall be responsible for the quantity and quality of the pledged commodities as also for the correctness of any statements/documents furnished to the Bank in connection with the pledged commodities, as also for any loss, damage, shortage or deterioration of the pledged commodities owing to any cause whatsoever. The Borrower agrees that the Bank shall not be held liable of any loss, damage or depreciation of the said commodities or any additions substitutions that may be made there to undergo while in possession nor shall the Bank aforesaid be held liable in case of theft, burglary, loss by fire, floods, earthquakes, enemy, warfare civil commotion and riots and the like and authority herein contained in favor of the Bank to enable them to sell and transfer the said property, goods, documents, securities etc., is hereby declared to be irrevocable during the currency thereto, and the Borrower hereby consents that the terms and conditions herein before stipulated shall apply notwithstanding the Borrower accounts with the said Bank at any of their offices any be bought to credit or the credit given fully exhaust and notwithstanding any settlement of account and the Borrower hereby admit that the Bank's rules of Business have been read by/read over and explained to the Borrower and all the borrower transactions with the said Bank shall be governed by those rules howsoever they may be changed, altered or modified or added to from time to time.
- g) The Borrower shall punctually pay all outgoing/ charges in respect of the said commodities and of the premises wherein the commodities is stored.
- h) The Bank and its officers or authorized persons shall be entitled at anytime or from time to time, without notice to the Borrower but at the Borrower's risks and expenses and if so required as attorneys of Borrower(s) for and in the name of Borrower, to enter and remain at any place or places where the commodities shall be and to inspect and take inventories and or to take

possession of, recover and receive the commodities or appoint any receiver/s of the commodities and or to sell by public auction or private contract or otherwise dispose off or deal with all or any part of commodities and to enforce, realize, settle, compromise and deal with any of the rights aforesaid without being bound to exercise any of these powers or being liable for any loss in the exercise thereof and without the Bank's rights and remedies of suit against the Borrower and to apply the net proceeds of such sale/s in or towards the liquidation of the balance due to the Bank and the Borrower hereby agrees to accept the Bank's account regarding sale/s and or realizations as final and to pay any shortfall or deficiency therein shown.

- i) The Borrower shall adhere to the rules and regulations stipulated in the WDRA/MCX and shall ensure compliance with the provisions of WDR Act/Security Contract Act including amendments thereof from time to time
- j) The Bank shall at all times have a paramount charge, lien and right of set off on all monies, securities, deposits and other assets and properties belonging to the Borrower with the Bank. Without prejudice to any other rights available to the Bank, the Bank shall be entitled to set off, adjust or otherwise appropriate any of the aforesaid monies, securities deposits or any other assets and properties towards payment or liquidation of any other monies which are due or may become due from the Borrower whether solely or jointly with any other person(s) as Principal Borrower or as Guarantor.
- k) The Borrower has paid and undertakes to pay in future all rents, insurance and all other charges regularly to the warehousing corporation/private warehouses/godowns without allowing the charges to fall in arrears. In the event of the failure of the Borrower to pay the same, the Borrower authorizes the Bank to pay the same along with interest on the Borrower's behalf by debiting the current/ savings/ cc/ loan account as the case may be.

##### **5. Events of Default**

An event of default shall be deemed to have occurred if the Borrower (a) commits a breach of any of the terms and conditions in this Agreement including in the Schedule annexed hereto and /or the sanction letter or any written terms agreed thereon (b) fails to pay any installment or any other payment on the due dates and such failure continues for 5 days; or (c) makes assignment for the benefit of creditors or the Commodities are attached or any regulatory restraint is levied thereon by the appropriate government or other authorities as the case may be, or a receiver is appointed thereof or insolvency proceedings are instituted against the Borrower; or (d) where any information mentioned by the Borrower to the Bank is found to be incorrect or incomplete in any material facts stated therein

- 6. Upon occurrence of any of the Events of default, without prejudice to the other rights, the Bank is entitled to declare the Facility/Balance due to the Bank immediately due and payable and upon the Borrower failing to make the said payments within 5 days from the date of margin call notice or within 10 days for any other irregularities thereof, the Bank may enforce its security and exercise any other right remedy which may be available to it under the applicable laws. The Borrower agrees that the Bank is at liberty to enforce the pledged Commodities and sell the same at prevailing market price without any reference to the minimum support price (MSP). In such an event the Borrower confirms that the bank shall not be liable to pay to the borrower the differences, if any between the prevailing market price and the MSP.
- 7. In the event the commodities under this Agreement are in jeopardy (as determined by the Bank in its sole discretion) for any reason whatsoever, the Bank shall be entitled to enforce the pledge and sell the pledged Commodities in any manner and the sale proceeds shall be utilized towards reduction of the balance due to the Bank. In case of eNWR/ePLedge Lot the Bank shall revoke the pledge in the repository platform/Exchange COMRIS system and transfer the balances from beneficiary account/COMRIS account to its own account in the repository platform/Exchange COMRIS system. The Bank shall then sell the pledged commodities in any

manner and the sales proceeds shall be utilized towards reduction of the balance due to the Bank. The Borrower hereby authorizes the Bank/its agents/representatives to remove the pledged Commodities or any part thereof, from any warehouse/godown that the same may be stored or be lying in and transfer/shift the same to any other warehouse/godown or any other place as the Bank may, in its sole discretion, deem fit. The Borrower hereby authorizes the Bank/its agents/representatives to sign/endorse/discharge any warehouse receipts/eNWR/ePledge Lot or any other documents or writings and do all acts and deeds as may be required for the purpose.

8. Nothing contained herein above shall affect, limit or take away the right of the Bank to recover personally from the Borrower or from their properties or guarantor or their properties, the Balance due to the Bank notwithstanding that all or any of the commodities may not have been sold or realized. The security of Commodities shall not prejudice or affect any other rights and remedies of the Bank.

9. **Severability**

If any term or provision or this Agreement should be declared invalid by a court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain unimpaired and be in full force and effect.

10. **Assignment**

The Borrower shall not have any right to assign its obligations under this Agreement, however the Bank has the right to transfer, assign, securitize or sell in any manner, in whole or in part, the outstanding and dues to any third party without reference or intimation to the Borrower and any such transfer/assignment/ sale/securitization shall conclusively bind the Borrower and all other persons.

#### **11. CIBIL Clause**

The Borrower understands that as a pre condition, relating to grant of the Facility to the Borrower and furnishing of guarantee in relation thereto, the Bank requires consent of the Borrower of the credit facilities granted/ to be granted by the Bank for the disclosure by the Bank of information relating to the Borrower, any credit facilities availed of / to be availed, by the Borrower, obligations as assumed by the Borrower in relation thereto and default, if any, committed in discharge thereof. Accordingly, the Borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such:

- a. Information and data relating to Borrower
- b. The information or data relating to Borrower's obligations in any credit facility granted/ to be granted by the Bank
- c. Default, if any committed by Borrower in discharge of the Borrower's obligation as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorized in this behalf by RBI.

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

1. The Credit Information Bureau (India) Ltd. and any other agency so authorized may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them and
2. The Credit Information Bureau (India) Ltd. and other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to Banks/Financial Institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

12. The Borrower hereby gives specific consent to the Bank/Lender for disclosing / submitting the 'financial information' as defined in Section 3 (13) of the Insolvency and Bankruptcy Code, 2016 ('Code' for brief) read with the relevant Regulations/ Rules framed under the Code, as amended and in force from time to time and as specified there under from time to time, in

respect of the Credit/ Financial facilities availed from the Bank/ Lender, from time to time, to any 'Information Utility' ( 'IU' for brief ) as defined in Section 3 ( 21 ) of the Code, in accordance with the relevant Regulations framed under the Code, and directions issued by Reserve Bank of India to the banks from time to time and hereby specifically agree to promptly authenticate the 'financial information submitted by the Bank/Lender, as and when requested by the concerned 'IU' .

13. All disputes, differences and / or claim or questions arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect thereof or as to the right, obligations and liabilities of the parties hereunder shall be referred to and settled by arbitration, to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof, of a sole arbitrator to be nominated by the Lender/Bank, and in the event of death, unwillingness, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the Lender/Bank may appoint a new arbitrator to be a sole arbitrator. The arbitrator shall not be required to give any reasons for the award and the award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be held at Mumbai/Delhi/Kolkata/Bangalore/Chennai/Kochi. The arbitral procedure shall be conducted in English.
14. Repo rate would be declared by the Bank on a monthly basis and shall be displayed at the AXIS BANK website. Subsequent disbursements would be at the respective Repo of the month in which funds are drawn. The applicable external benchmark rate would be applicable to the entire loan facility including the existing bills (which have been disbursed but unpaid).
15. The interest rate will be reset on the 25th of the last month of each calendar quarter i.e., 25th March ,25th June ,25th Sep and 25th Dec. To clarify, the cumulative effect of all (both increase or decrease) changes in Repo rate in a particular quarter will be passed/come in force on the aforesaid dates.
16. Borrower is deemed to have noticed the changes in the rate of interest whenever the changes in Repo are displayed / notified at/by the branch or website/published in the newspaper/made through entry of interest charged in passbook/statement of account sent to the borrower.
17. In case of my/our failure to repay the loan, I/we hereby authorize the Bank to publish my/our photographs in the print media under the title of a defaulter of loan. I am also aware that the right to publish the photograph shall solely be with the Bank and the Bank shall have the discretion to publish the photographs of all or selected defaulters.
18. The borrower hereby confirm that he/she has not deposited commodity in the godown/warehouse more than the limit prescribed issued by the State Government/Department of Consumer Affairs in this regard and is in compliance with all existing rules and regulations, as applicable.

#### **19. Penal Charges and Other Charges :-**

- All amounts in default for payment, due to delay or non-payment of EMI/Installment or interest thereon including any costs, charges and expenses or due to occurrence of any other Event of Default as per Sec.[5] shall be debited to the loan/drawal account and in such case Bank shall also levy the penal charges and other charges as applicable and prescribed in the sanction letter and loan agreement in the said loan/drawal account for the period of default without there being any need to assign a reason for the same, which shall be paid by the Borrower.

- However, if Borrower fails to make the payment of above said amounts in default for payment or the penal charges and other charges levied by the Bank within 90 days from the due date of such payments, in that case said loan/drawal account shall be classified as Non Performing Asset ("NPA").
- In order to regularise the said loan/drawal account, the Borrower shall be liable to pay all the above mentioned amounts in default and/or penal charges and other charges, as the case may be, [on immediate basis].

**20) Fair Practice Code:-**

- The Fair Practice Code for the Lenders as published on the Axis Bank's website, shall apply to the Loan. Copy of the Fair Practice Code for lenders as available on the Bank's website.

<https://www.axisbank.com/docs/default-source/default-document-library/fair-practice-code-for-lenders.pdf>

23) (a) RBI vide its guidelines (reference no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22) on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances – Clarifications' dated 12-11-2021 has clarified and/or harmonized certain aspects of the extant Regulatory guidelines. The Borrower agrees, undertakes and confirms that the Bank has brought the following clarifications to the notice of the Borrower and the Borrower confirms of having been apprised of as follows:

**1.1 Additional terms and conditions:**

- Interest for the Warehouse receipt Finance will be due and charged on every last day of the month from the date of disbursement.
- Principal repayment will be due on the maturity of said warehouse receipt finance along with the interest for the broken period (i.e., difference between last month end interest application and maturity of the loan).
- I understand that if I do not pay my dues on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.

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

- (i) Dues: shall mean the principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.
- (ii) Overdue: shall mean the principal / interest / any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid by the due date fixed by the bank.
- (iii) Relevance of the principle of 'First In First Out' (FIFO) in appropriation of payments into the Borrower's account: The principle of FIFO i.e. 'First In, First Out' accounting method is relevant to arrive at the number of days overdue for determining the SMA/NPA status. The FIFO principle assumes that the oldest outstanding dues in the

loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the Borrower first. For example, if in any loan account as on 01-02-2021, there are no overdues and an amount of INR X is due for payment towards principal instalment / interest / charges, any payment being credited on or after 01-02-2021 in the loan account will be used to pay off the dues outstanding on 01-02-2021.

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

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

(iv) Age of oldest dues:

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

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

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

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

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

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

- (i) Interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- (ii) The account remains 'out of order' as indicated below, in respect of an Overdraft / Cash Credit (OD / CC),

- (iii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- (iv) The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- (v) The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.
- (vi) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.
- (vii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

(d) 'Out of Order' Status:

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

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

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

Due date of payment	Payment date	Payment covers	Age of oldest dues in days	SMA /NPA categorisation	SMA since date / SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	No Payment or Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	No Payment or Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA

		Dues of 01.02.2022 fully paid, Due for 01.03.2022 is not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022/03.03.2022	NA	NA
		Dues of 01.02.2022 fully paid, due for 01.03.2022 not fully paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022, 01.03.2022 and amount dues on 01.04.2022 at EOD 01.04.2022	60	SMA-1	01.02.2022/02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 01.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NA	02.05.2022
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 &	32	NPA	NA	NPA	02.05.2022

		01.06.2022 at EOD 01.08.2022					
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdue s	NA	NA	STD from 01.10.2022

(e) The Borrower agrees and acknowledges that the manner of classification and illustrations of SMA and NPA as provided in sub-clauses (a) to (d) above in which the Bank is required to classify accounts as SMA / NPA as per the various applicable regulations and guidelines issued by RBI from time to time and:

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

## 22) Politically exposed person

For individuals

The Borrower agrees that he/she is not a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that he/she and/or any of their family members /close relatives becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

Definition -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

For non individuals

The Borrower agrees that none of its Director/Partner/Trustee/Office Bearer/Promoter/Authorised Signatory/Beneficial owner in the organisation or any of their family members /close relatives is/are a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that either of them becomes a PEP. In such an event, the Bank will obtain approval from its senior

management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

Definition -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

### Schedule

#### Terms and Conditions

Terms and Conditions	
1.	Place of Agreement
2.	Date of Agreement
3.	Details of the borrower
	Name of the Borrower Address Village: Tehsil: District: Telephone No. Village: Tehsil: District: Telephone No.
4.	Address of the Branch office of the Bank Axis Bank Ltd. _____ Branch _____ _____
5.	Commodity/ Margin

6.	Purpose	<ul style="list-style-type: none"> <li>For pursuing Agricultural activities (in case of farmers/JLGs)</li> <li>For the conduct of business (in case of farmers other than individuals, food and agro-based processing units, agri-input dealers, cooperatives, others, etc., )</li> </ul>
7	Amount of Credit Facility	Rs. (Rupees )
8	Nature of the Facility	Credit Line against Pledge of Warehouse/Storage Receipts/ eNWR/ePledge Lot
9	Processing fee	_____ % + service Tax as applicable to be to be collected upfront before disbursement OR _____ % + service tax collected for each tranche of disbursement.
10	Prepayment charges	<ol style="list-style-type: none"> <li>Prepayment charges (0.50% exclusive of GST) of the amount being prepaid only if prepayment is within one month from the date of disbursement. Otherwise Nil.</li> <li>Prepayment penalty is not applicable in case of loan against electronic Negotiable Warehouse Receipt (eNWR).</li> <li>In case of Micro and Small Enterprises (MSE) customers, no prepayment charges are applicable if; <ul style="list-style-type: none"> <li>a. Loan amount is up to Rs.50 Lakhs under Fixed rate loans, or</li> <li>b. Loans with floating interest rates (irrespective of the loan limit)</li> </ul> </li> <li>Nil prepayment charges to individual borrowers for loans given under floating rate regime for business purpose.</li> </ol>
11	Rate of Interest	At .....% above Repo Rate (the Repo Rate applicable at present being ____% p.a.) i.e., presently at the rate of..... percent per annum (i.e actual no. of days/365) or at such other rate as the Bank may fix from time to time, in relation to the Repo Rate," payable on due date along with the principal amount.
12.	<p><b>Penal Charges</b></p> <p><u>Financial Default:</u></p> <ol style="list-style-type: none"> <li>Non-payment of principal overdue amount on the Loan Maturity</li> </ol> <p>Financial Default includes all types of payment or financial defaults/irregularities with respect to the Loan Account</p> <p><u>Non-Financial Default:</u></p> <ol style="list-style-type: none"> <li>Any breach of the terms and conditions stipulated in the facility and pledge agreement or non-</li> </ol>	<p><b>Financial Default:</b></p> <ol style="list-style-type: none"> <li>8% p.a. on the overdue amount (subject to aggregate penal charges not exceeding Rs. 1,00,000 per instance)</li> </ol> <p>There shall be no capitalization of Penal Charges.</p> <p>* Credit line/ Short term loan - In addition to the penal charge, the borrower will be required to pay the regular interest on overdue EMI / overdue interest / overdue principal which would be charged at contracted or applicable interest rate for the days it remains overdue.</p> <p><b>Non-Financial Default:</b></p> <ol style="list-style-type: none"> <li>1% p.a. from the date of each non-financial default on the total outstanding amount. (applicable to all the non-financial defaults)</li> </ol> <p>There shall be no capitalization of Penal Charges.</p>

	<p>submission of any other document (such as Warehouse Rent, Stock statements) shall be termed as material term and condition breach and shall be subjected to applicable penal charges on the total outstanding amount.</p> <p>2. Any failure to comply with stipulated norms, irregularities or default with respect to the loan account (like site visits, revaluation, audit charges, or BC commission) as specified in the sanction letter or during the loan tenure shall constitute a policy non-compliance and shall be termed as material term and condition breach and shall be subjected to applicable penal charges on the total outstanding amount.</p>	<p>* Charges will apply immediately upon breach of the stipulated timelines*</p>
13	Valuation of Commodity	<p>The value of the commodity as security shall be the lower of the following:</p> <ol style="list-style-type: none"> <li>1. Value of goods as reflected in the warehouse receipt/storage receipt/ eNWR.</li> <li>2. Value of the goods based on the average price prevailing in the nearest mandi on the day previous to the date of disbursement.</li> <li>3. Price cap provided by the Bank from time to time for various commodities</li> </ol> <p>For Base Metals:</p> <p>Lower of the following:</p> <ol style="list-style-type: none"> <li>1. MCX Spot price (Landing premium/discount if applicable)</li> <li>2. MCX (near month daily settlement price (Landing premium discount if applicable)</li> <li>3. Price cap as fixed by the Bank from time to time</li> </ol>

14.	Security	<p>Primary: Pledge of Warehouse Receipts /Storage Receipts/ eNWR/ ePledge Lot with the licensed repositories under WDRA evidencing the pledge of commodities in favour of the Bank</p> <p>Collateral: Personal guarantee etc.</p>
15.	Maximum tenor	<p>The tenure of the loan shall be ..... months. The validity of the facility against a Warehouse Receipt/Storage Receipt/ eNWR to expire by the end of the month in which new crop arrives (harvesting season). In case of any commodity having multiple harvesting seasons, the tenure of the intermittent crop also needs to expire by the end of the month in which new main crop arrives. The above tenors are subject to the maximum duration as specified by the Bank for each commodity.</p> <p>For Base Metal: 12 months</p>
16	Repayment Terms	<p>Interest: Interest will be charged and will fall due on monthly intervals.</p> <p>Principal: Principal repayment along with interest (from application date) on due dates, i.e., at the end of tenure of each disbursement.</p>
17	Other Conditions	<ul style="list-style-type: none"> <li>➤ In case of private warehouse/godown/ silo warehouse, value &amp; Quality of stocks will be certified by Collateral Manager, appointed by the Bank.</li> <li>➤ In case of eNWR/ ePledge Lot, the value and quality of stocks will be certified by the warehouseman.</li> <li>➤ The Memorandum &amp; Articles of Association of the company should have the provision for borrowing against pledge (Applicable, if the borrower is a Company).</li> <li>➤ Company to provide Board resolution for this sanction specifying the authorized signatory for execution of loan documents (Applicable, if the borrower is a Company).</li> <li>➤ The stocks pledged to us are to be exclusively charged to our Bank and the borrower should furnish an undertaking that the stocks pledged to us will not be included in the stock statements submitted to the existing Bankers, if any.</li> <li>➤ The Borrower shall ensure that at any point of time, during the currency of the facility, the receipt wise total outstanding (including interest accrued till date) as a percentage of the market value of the commodities pledged should not exceed 82.5%. In case of outstanding exceeds 82.5 %, the Borrower shall furnish additional security or deposit funds within 5 days of being served a notice to replenish with the original margin level as stipulated in the schedule. In case, the borrower does not bring in additional security or funds within the stipulated time, the Bank may offload the commodities, directly or through an agent, in part or full, at its discretion to ensure maintenance of the requisite margin. The loss if any from this action would be to the</li> </ul>

		<p>borrower's account. However, during the notice period or any time during the currency of the facility, if the total outstanding (including interest accrued till date) as a percentage of the market value of the commodities pledged touches 90 % due to commodity price volatility, Bank may immediately initiate disposal of the commodities on the same day directly or by appointing an agent. The Banks Decision and action shall final as regards such disposal. The Bank may offload the commodities in part or full at its discretion. All the expense of the agent, if any, appointed shall be borne by the borrower.</p> <ul style="list-style-type: none"> <li>➤ Providing PDCs towards repayment of the loan.</li> <li>➤ Pre-stacked stock will not be financed. The same can be considered only if the borrower agrees to pay the de-stacking and restacking expenses.</li> <li>➤ Warehouse / Storage Receipts/ eNWR/ ePledge Lot should be kept valid during the currency of the facility.</li> <li>➤ Inspection of the Commodity stocked will be conducted at least once in a month by the Bank officials.</li> <li>➤ QC charges, fumigation charges and other charges if any, wherever required are to be borne by the borrower.</li> <li>➤ Repo Rate would be declared by the Bank on a monthly basis and shall be displayed at the Axis Bank website. Subsequent disbursements would be at the respective Repo rate of the month in which funds are drawn.</li> <li>➤ The maximum funding price for commodities will be within the price cap decided by the Bank from time to time.</li> </ul>
18.	Sanction Letter	Ref. No. _____ dated _____

The contents of the document have been explained to me in \_\_\_\_\_ language and I/we have understood the same.

IN WITNESS WHEREOF the Borrower has hereunto put his hand and seal on

In case the Borrower is an Individual:

\_\_\_\_\_

Borrower's Signature

\_\_\_\_\_

Borrower's Initial

[Note: Both the signature and the initials to be obtained on this page from the individual or a power of attorney holder of the individual. Clause to be suitably modified if the document is being executed by the power of attorney holder of the borrower with following

statements "In case the Security Provider is an individual executing through the Security Provider's power of attorney holder" and "Borrower's Power of Attorney Holder's Signature" "Security Provider's Power of Attorney Holder's Initial"]

In case the Borrower is a company:

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Authorised Signatory Signature

Authorised Signatory Initial

[Note: Both the signature and the initials to be obtained on this page]

THE COMMON SEAL OF [\_\_\_\_\_]

Name & Signature/thumb impression

Authorized Signatory on behalf of the Bank

having its registered office at  
[ ] has been hereunto affixed  
pursuant to the resolution of its board of directors  
passed at the meeting held on [ ] day of  
[ ], [ ] in the presence of  
[ ], its  
[ ].

[Note : To be suitably modified based on the Articles of Association of the company.]

In case the Borrower is a partnership firm:

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

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

Signed and delivered on behalf of the  
Borrower by its partners:

(a) Mr./Ms. \_\_\_\_\_

Signature

---

Initial

(b) Mr./Ms. \_\_\_\_\_

Signature

---

Initial

(c) Mr./Ms. \_\_\_\_\_

Signature

---

Initial

(d) Mr./Ms. \_\_\_\_\_

Signature

---

Initial

(e) Mr./Ms. \_\_\_\_\_

Signature

---

Initial

[Note: Both the signature and the initials to be obtained on this page. It is advisable that all partners of the partnership firm execute this Agreement, however all the parties may authorize the designated

partner to sign this Agreement in accordance with the partnership deed.]

In case the Borrower is a Proprietorship Concern:

For M/s. \_\_\_\_\_

\_\_\_\_\_  
(Proprietor Signature)

\_\_\_\_\_  
(Proprietor Initial)

[Note: Both the signature and the initials to be obtained on this page]

In case the Borrower is a HUF:

For \_\_\_\_\_, a Hindu Undivided Family

\_\_\_\_\_  
(Karta Signature)

\_\_\_\_\_  
(Karta Initial)

[Note: Both the signature and the initials to be obtained on this page. To be executed by the Karta of the HUF.]

In case the Borrower is a Trust/Society:

For \_\_\_\_\_, acting as the \_\_\_\_\_ of the Borrower, authorized under resolution dated \_\_\_\_\_ passed by \_\_\_\_\_ of the Borrower.

\_\_\_\_\_  
[insert designation]  
Signature

\_\_\_\_\_  
[insert designation]

Initial

[Note: Both the signature and the initials to be obtained on this page. Clause to be suitably modified based on the bye laws of the trust/ society.]

Name & Signature/thumb impression

Authorized Signatory on behalf of the Bank

## **Appendix 2B**

## **FACILITY AGREEMENT**

This Agreement executed at the place and date specified in the Schedule by the person(s) described in the said Schedule (hereinafter referred to as the "**Borrower**", which expression shall unless repugnant to the context or subject otherwise requires include his/ her /their respective heir(s), executor(s) and administrator(s) and assigns) in favour of

Axis Bank Limited, a public limited company incorporated under the Companies Act 1956 and licensed as a Bank under the Banking Regulation Act, 1949 and having its registered office at "Trishul", 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad-380006 and a branch office as specified in the Schedule (hereinafter called the "**Bank**" which expression shall include its successors and assigns)

WHEREAS the Borrower is engaged in agricultural activities/ operations, trading agricultural processed commodities/selling agricultural inputs viz. fertilizers, seeds, pesticides etc and is in possession of harvested agricultural crops / processed agricultural commodities/ agricultural inputs viz. fertilizers, seeds, pesticides and other non-agricultural commodities viz. Base Metal etc for its own benefit and has requested the Bank to grant financial assistance for the purpose(s) as specified in the Schedule.

NOW THIS AGREEMENT WITNESSTH AS UNDER:

### **1. General Interpretation**

In this Agreement, unless the context otherwise requires:

- (a) singular includes plural and vice versa.
- (b) the headings are inserted for the sake of convenience only and shall not affect the interpretation of the provisions hereof.
- (c) the sanction letter more particularly described in the Schedule is a part and parcel of this Agreement and shall be read in conjunction with this Agreement.

### **2. Definitions**

- a) "Balance Due to the Bank" means and includes the principal amount of the Facility from time to time advanced to the Borrower, interest, penal charges thereon as set out herein and all costs, charges, commissions and expenses, including incremental taxes, interest tax and any other related and consequential charges and taxes, insurance premium which the Bank may have paid or incurred, including in connection with the commodities and also the incidental or other charges debited by the Bank to the account of the Borrower in accordance with the rules, or usage of the Bank.
- b) "Commodities" means the harvested agricultural crops /agricultural processed commodities/ agricultural inputs viz. fertilizers, seeds, pesticides etc and other non-hazardous non-agricultural commodities deposited by the Borrower with the warehouse.
- c) "Facility" means the financial assistance granted by the Bank to the Borrower and more particularly described in the schedule.
- d) "Schedule" means the schedule annexed of this Agreement, which forms a part of the Agreement.
- e) "Authorized representative of Joint Liability Groups (JLGs)" shall refer to persons who shall be storing the Commodities in the warehouses on behalf of the Farmers.
- f) "Warehouse" or a "Godown", by whatever name called is a storage area, where the commodities pledged/to be pledged to the Bank are stored.

- g) "WDRA" means the Warehousing Development and Regulatory Authority established under the Warehousing (Development And Regulation) Act, 2007
- h) "Repositories" means an entity that has received a certificate of registration from the Authority for creation and management of electronic negotiable warehouse receipts and include National E- Repository Limited (NERL) and CDSL Commodity Repositories Limited (CCRL)
- i) "Negotiable Warehouse Receipt" means a warehouse receipt under which the goods represented therein are deliverable to the depositor or order, the of endorsement which has the effect of transfer of goods represented thereby and the endorsee for which takes a good title;
- j) "Electronic Negotiable Warehouse Receipt (eNWR) " means a negotiable warehouse receipt issued in an electronic form by \_warehouseman of WDRA accredited Warehouse\_and management of electronic negotiable warehouse receipts
- k) "Repository Participant- Account Maintenance" means as per WDRA guidelines, a Repository may appoint one or more entities as Repository Participants for carrying all or any of the following core activities of repository such as enabling the transfer of electronic Negotiable Warehouse Receipts; on-boarding the users of a Repository; To identify through documentary and/ or physical verification, on behalf of the Repository, the identity, and address of the depositor in whose favor a warehouseman intends to issue an electronic Negotiable Warehouse Receipt; To facilitate the opening, management, and closing of accounts of users on the Repository;
- l) Repository Participant – Pledgee means entities for carrying out core activity of enabling the pledge or removal of the pledge, e-auction of electronic Negotiable Warehouse Receipts. These entities are Scheduled Commercial Bank as listed under Schedule 2 (as amended) of the Reserve Bank of India Act, 1934, or financial institution licensed under the Banking Regulation Act, 1949 and the Reserve Bank of India Act, 1934; Such other financial intermediaries which are permitted by RBI for the purpose of carrying on the business of lending and borrowing; Any custodian as defined by SEBI
- m) "Warehouseman" means any person who is granted a certificate of registration in respect of any warehouse or warehouses by the Authority or an accreditation agency for carrying on the business of warehousing
- n) Repository Platform: Repository platform is a web based application developed and maintained by the repositories, which provides an end to end solution for all the transactions related to electronic warehouse receipt
  
- (d) **Multi Commodity Exchange Clearing Corporation Limited,( MCXCCL)** a company incorporated and registered under the provisions of the Companies Act, 1956 and a Clearing Corporation duly recognized by the Government of India under the provisions of Securities Contract (Regulations) Act, 1956. MCXCCL is established to undertake the activity of clearing and settlement of trades in securities or other instruments or products that are dealt with or traded on a recognized stock Exchange
- (e) **“Multi Commodity Exchange of India”** is the recognised commodity exchange in India.
- (f) **“ComRIS”** is the web bases application developed and maintained by MCXCCL, which is only an electronic record of ownerships and record of transfers of commodities held by the participants at the corresponding warehouse/s. The ComRIS inter-alia has facility for noting of pledge and thus has the feature to facilitate pledge finance against commodities stores in approved warehouses/vaults.
- (g) **“ComRIS Account”** shall mean the account of Borrower opened through the ComRIS Participant in electronic system of ComRIS which , reflects the record of ownership and lien (if any) of Commodities including the details of commodities quantity, place of storage,

transactions, transfers, validity certification and other parameters as may be prescribed by MCXCCL from time to time.

- (h) "**e-Pledge Lot**" shall mean noting of lien on the electronic credit balance of commodities in ComRIS account of a borrower by the Pledgee in accordance with the process prescribed or as may be prescribed by MCXCCL from time to time
- (i) "**ComRIS Participants**" shall mean an entity who has been permitted by MCXCCL to open and maintained ComRIS accounts of Borrower in accordance with the process and on the terms and conditions as may be prescribed by the MCXCCL from time to time

### 3. Terms of the Facility

- 19) The Bank shall maintain/cause to be maintained the Facility account in the name of the Borrower for entering the particulars of the said Facility for the time being (hereinafter referred to as the said "Account").
- 20) The Borrower shall each be entitled to the Facility of a maximum amount equivalent to the value of the Commodities deposited by the Borrower with the warehouse, from time to time. Such value shall be based on the amount of commodities supplied by the Borrower as evidenced in the warehouse receipt /storage receipt and other documents deposited by the borrower/Collateral Manager or unencumbered eNWR/ePledge Lot depicting in the beneficiary account/COMRIS account of the borrower with ComRIS Participants / Repository Participant – Account Maintenance and evidencing the pledge of commodities to the Bank and the market price offered for the said commodities, from time to time. Notwithstanding the above the maximum amount of credit line available to the Borrower shall not exceed Rupees \_\_\_\_\_. In case of JLGs, the maximum amount of credit line provided to individual farmers within the overall limit of JLG shall not exceed Rs. 10 lakhs. The price of the commodity considered for disbursement of a warehouse receipt/storage receipt/ eNWR/ePledge lot, shall be at the sole discretion of the Bank.
- 21) a) The Bank at the request of the Borrower has agreed to grant / granted credit facility as described in the Schedule with full power to the Bank from time to time to renew or reduce or enhance the limit (as and when the Borrower/Collateral Manager/ WDRA registered warehouse deposits warehouse receipts/storage receipts or unencumbered eNWR/ePledge lot depicting in the beneficiary account/COMRIS account of the borrower with ComRIS Participants / Repository Participant – Account Maintenance duly endorsed in favour the Bank evidencing the pledge of commodities to the Bank or altogether withdraw the facility on the terms and conditions appearing herein.  
b) The Bank shall have an unconditional right to cancel the undrawn/unavailed/unused portion of the Loan at any time during the subsistence of the Loan, without any prior notice to the Borrower, for any reason whatsoever. In the event of any such cancellation, all the provisions of this Agreement and all other related documents shall continue to be effective and valid and the Borrower shall repay the outstanding dues under the loan duly and punctually as provided herein.
- 22) The Borrower shall pay interest on said facility as specified in the Schedule, which shall be paid along with the repayment of the Facility as specified herein.
- 23) The Borrower) shall pay 'the Balance due to the Bank' on demand from the Bank. Without prejudice to the right of the Bank to demand the balance due to the Bank at any time, the Borrower hereby agrees to repay all amount(s) drawn and/or outstanding under the

said account on the date(s) as stipulated together with interest, penal charges and other amounts payable under this Agreement.

- 24) The Borrower hereby acknowledges to have deposited the Commodities with the warehouse/Collateral Manager more particularly described in the schedule, absolutely belonging to the Borrower, notwithstanding-
  - a) The existence of a credit balance or "Nil" balance in the accounts at anytime or any partial payment or fluctuation of accounts or
  - b) Any loan(s) or any part thereof has been repaid either after demand has been made by the Bank or otherwise or has not been so repaid on demand.
- 25) In case of eNWR/ePledge lot Borrower will require to follow the process mentioned below in order to create valid pledge in favor of the Bank:
  - (a) The borrower shall deposits the commodity in the WDRA accredited warehouse/ MCX accredited Warehouse where the warehouseman generates the electronic Negotiable Warehouse Receipt in the repository platform/ electronic credit balance of commodities in ComRIS.. This eNWR/ePledge Lot should reflects as electronic balance in the Beneficiary account/COMRIS account of the borrower opened with the Repository Participant – Account Maintenance (RP – Account Maintenance) /Comris Participant.
  - (b) The borrower shall then submits the request for pledge of eNWR/ePledge Lot to the Bank through Comris Participant RP – Account Maintenance with an intention to create a pledge on the commodities described in the schedule and such future commodities of the Borrower against which the Borrower intends to avail the Facility, from time to time thereon
  - (c) The Borrower shall submit the unencumbered eNWR ePledge Lot depicting in the beneficiary account/COMRIS account of the borrower with Comris Participant /Repository Participant – Account Maintenance and evidencing the commodities pledged to the Bank and the market price offered for the said commodities.
- 26) The Borrower shall ensure that at any point of time, during the currency of the facility, the warehouse receipt /storage receipt wise total outstanding including eNWR ePledge Lot (including interest accrued till date) as a percentage of market value of the commodities deposited with the warehouse should not exceed 82.5%. In case of shortfall in the security cover of the Facility, the Borrower shall furnish additional security or deposit funds within 5 days of being served a notice to replenish with the original margin level as stipulated in the schedule. In case the borrower does not bring in additional security or funds within the stipulated time, the Bank may offload the commodities, directly or through an agent, in part or full, at its discretion to ensure maintenance of the requisite margin. The loss if any from this action would be to the borrowers account. However, during the notice period or any time during the currency of the facility, if the total outstanding (including interest accrued till date) as a percentage of the market value of the commodities deposited with the Bank touches 90 % due to commodity price volatility, Bank may immediately initiate disposal of the commodities on the same day directly or by appointing an agent. All the expense of the agent, if any, appointed shall be borne by the borrower. The Banks decision and action shall final as regards such disposal.
- 27) The Borrower(s) hereby constitute and appoint the Bank as its attorney in its name and on its behalf to execute and do all acts and things in connection with the commodities and/or the enforcement/sale thereof as may be required by the Bank and also to do all such other acts and things for giving effect to the provisions of this Agreement and powers

reserved to the Bank. The Borrower agrees and undertakes to ratify and confirm all and whatsoever the Bank shall lawfully do or cause to be done by virtue of this clause.

- 28) The Borrower confirms that it is a farmer(s)/farmer (other than individual) into the business of \_\_\_\_\_/authorized representative of farmers mentioned in schedule (Joint Liability Groups-JLGs)/food and agro-based processing unit(s) with original investment in Plant & Machinery upto Rs. \_\_\_\_\_ /agri-input dealer(s)/commission agent(s)/arthia(s)/trader(s) and not a defaulter to any Bank /financial institution and the Facilities hereby obtained will be utilized for agricultural purposes only as per sanctioned terms.
- 29) The Borrower shall co-ordinate with such Agent or a Collateral Manager as may be appointed by the Bank for administering the Facility availed by the Borrower.
- 30) The Borrower shall accept as conclusive proof of the sum or sums owed by the Borrower to the Bank any statement of account made by the Bank and duly signed by any authorized signatory of the Bank.
- 31) In case the Borrower fails or defaults to comply with any of the terms of said Facility and/or this Agreement, including schedules, by any reason whatsoever borrowers shall be liable to pay the Bank penal charges at the rate(s) stipulated in Schedule on the balance due to the Bank from the date of default of failure till payment. Provided that the Bank may from time to time in accordance with the Bank's policy suitably and prospectively revise the said penal charges.
- 32) In case the Borrower is more than one individual, each one or any of them is authorized and empowered by the other(s) of them to admit and acknowledge his/their liability to the Bank by any payment into the account(s) or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by one or more of them shall be construed to have been made on behalf of each one of them and all the Borrowers shall be jointly and severally liable to the Bank. In case of default by the borrower, the borrower undertakes & agrees to cooperate with the Bank for smooth disposal of the commodities deposited, even if the price being realized is less than the price considered for funding or the current market price. The price of the disposal as decided by the Bank shall be acceptable to the borrower and shall not be challenged.
- 33) The Borrower hereby agrees and undertakes that no such person whose name is appearing in the list of Wilful defaulters shall be inducted on its board and that in case, such a person is found to be on its Board, it would take expeditious and effective steps for removal of such person from its Board.
- 34) The Borrower hereby acknowledges and agrees that the Bank has a right to award a separate mandate to our Auditor or any independent Auditor, as the Bank may deem fit with a view to obtain a specific certificate regarding diversion /siphoning of funds by the Borrower. The Borrower agrees and undertakes to co-operate with such Auditors and provide the necessary information and/or documents as may be required by such Auditors. The Borrower also agrees and undertakes to bear all the expenditure in respect of obtaining the said Certificate and agrees to indemnify and keep the Bank indemnified in this regard.
- 35) The interest payable by the Borrower shall be subject to the changes based on guidelines / directive issued by RBI to banks from time to time and the changes made by the Bank.
- 36) I/We understand that the insurance plan(s) from the insurance partner(s) engaged by the Bank ('such insurance partner(s)') are made available for our convenience and in case I/We opt for the same, Bank's representative can assist further in the enrolment of the chosen plan. I/We acknowledge that the Bank has clarified that purchase of the insurance cover from such insurance partner(s) is voluntary/optional and is not linked to availment of any product(s)/service(s) from the Bank. I/We further confirm that I/we have been given the option to avail the insurance cover from such insurance partner(s) or from any other insurance providers.

37) The Borrower covenants and agrees that, so long as the Loan Obligations are outstanding, and until the full and final payment of all Loan Obligations to the satisfaction of the Bank, the Borrower shall co-operate with such auditors as may be appointed by the Bank in case the Facilities or the loan account of the Borrower is red-flagged by the Bank and/or any other lenders. The Borrower further covenants and agrees to provide the necessary information and/or documents as may be required by such auditors, and bear all the expenditure in respect of the same and agrees to indemnify and keep the Bank indemnified in this regard.

#### **4. Dealing with the Commodities**

- a) The Borrower shall not, without previous permission in writing of the Bank, sell or otherwise part with the possession/ownership of the commodities. Where with such permission of the Bank the commodities is sold or disposed off by the Borrower, the value of such produce sold shall be paid forthwith to the Bank towards repayment of the Facility.
- b) It shall be the duty of the Borrower to safeguard and diligently manage the commodities and do everything that is necessary to preserve, protect and maintain the quality of the commodities Whenever required by the Bank, the Borrower shall do everything necessary for transferring to and effectively vesting in the Bank or any of its officers or nominees titled to the commodities. The Borrower shall keep the Bank informed of the true condition of the commodities.
- c) The Borrower hereby expressly undertakes to hold the commodities in trust for and as agent of the Bank until full repayment of all the balance due to the Bank including interest, cost and expenses of the bank. The Borrower(s) further agrees to deal with and dispose of the Commodities in the manner instructed by and under the supervision and control of the Bank, its agents, officers or nominees.
- d) The Borrower shall insure/ensure insurance of the commodities as may be required by the Bank against loss or damage by fire and other risks as may be required by the Bank and shall bear all costs, expenses, charges, levies, taxes, fees etc. payable in connection with the commodities, their storage in the warehouse/godown, insurance thereof, provision of security and/or the taking of any action for protection/preservation thereof, protection of the Bank's interest therein, as also all costs, expenses and charges payable in connection with the enforcement of the commodities and sale thereof. In the event the Bank is required to pay any amounts in this regard the same shall form part of the Balance due to the Bank and the borrower(s) shall promptly reimburse the said amounts to the Bank on receipt of notice in this regard. Any such insurance shall be in the name of the Bank/ assigned to the Bank as required by the Bank. It shall be also lawful for but not obligatory upon the Bank to insure the commodities by debit to the Borrower's account. The proceeds of any such insurance shall, at the discretion of the Bank either applied towards replacement of the commodities or towards the satisfaction of the balance due to the Bank.
- e) The Borrower hereby declares and confirms that the commodities are free from encumbrances and has not been offered/does not constitute security for any loan /advance availed by the Borrower from any other person or institution.
- f) The Borrower shall be responsible for the quantity and quality of the commodities as also for the correctness of any statements/documents furnished to the Bank in connection with the commodities, as also for any loss, damage, shortage or deterioration of the commodities owing to any cause whatsoever. The Borrower agrees that the Bank shall not be held liable of any loss, damage or depreciation of the said commodities or any additions substitutions that may be made there to undergo while in possession nor shall the Bank aforesaid be held liable in case of theft, burglary, loss by fire, floods, earthquakes,

enemy, warfare civil commotion and riots and the like and authority herein contained in favor of the Bank to enable them to sell and transfer the said property, goods, documents, securities etc., is hereby declared to be irrevocable during the currency thereto, and the Borrower hereby consents that the terms and conditions herein before stipulated shall apply notwithstanding the Borrower accounts with the said Bank at any of their offices any be bought to credit or the credit given fully exhaust and notwithstanding any settlement of account and the Borrower hereby admit that the Bank's rules of Business have been read by/read over and explained to the Borrower and all the borrower transactions with the said Bank shall be governed by those rules howsoever they may be changed, altered or modified or added to from time to time.

- g) The Borrower shall punctually pay all outgoing/ charges in respect of the said commodities and of the premises wherein the commodities is stored.
- h) The Bank and its officers or authorized persons shall be entitled at anytime or from time to time, without notice to the Borrower but at the Borrower's risks and expenses and if so required as attorneys of Borrower(s) for and in the name of Borrower, to enter and remain at any place or places where the commodities shall be and to inspect and take inventories and or to take possession of, recover and receive the commodities or appoint any receiver/s of the commodities and or to sell by public auction or private contract or otherwise dispose off or deal with all or any part of commodities and to enforce, realize settle, compromise and deal with any of the rights aforesaid without being bound to exercise any of these powers or being liable for any loss in the exercise thereof and without the Bank's rights and remedies of suit against the Borrower and to apply the net proceeds of such sale/s in or towards the liquidation of the balance due to the Bank and the Borrower hereby agrees to accept the Bank's account regarding sale/s and or realizations as final and to pay any shortfall or deficiency therein shown.
- i) The Bank shall at all times have a paramount charge, lien and right of set off on all monies, securities, deposits and other assets and properties belonging to the Borrower with the Bank. Without prejudice to any other rights available to the Bank, the Bank shall be entitled to set off, adjust or otherwise appropriate any of the aforesaid monies, securities deposits or any other assets and properties towards payment or liquidation of any other monies which are due or may become due from the Borrower whether solely or jointly with any other person(s) as Principal Borrower or as Guarantor.
- j) The Borrower has paid and undertakes to pay in future all rents, insurance and all other charges regularly to the warehousing corporation without allowing the charges to fall in arrears. In the event of the failure of the Borrower to pay the same, the Borrower authorizes the Bank to pay the same along with interest on the Borrower's behalf by debiting the current/ savings/ cc/ loan account as the case may be.
- k) The Borrower shall adhere to the rules and regulations stipulated in the WDRA/MCX and shall ensure compliance with the provisions of WDR Act/Security Contract Act including amendments thereof from time to time
- l) The Borrower has paid and undertakes to pay in future all rents, insurance and all other charges regularly to the warehousing corporation/private warehouses/godowns without allowing the charges to fall in arrears. In the event of the failure of the Borrower to pay the same, the Borrower authorizes the Bank to pay the same along with interest on the Borrower's behalf by debiting the current/ savings/ cc/ loan account as the case may be.

## **5. Events of Default**

An event of default shall be deemed to have occurred if the Borrower (a) commits a breach of any of the terms and conditions in this Agreement including in the Schedule annexed hereto and /or the sanction letter or any written terms agreed thereon (b) fails to pay any installment or any other payment on the due dates and such failure continues for

5 days; or (c) makes assignment for the benefit of creditors or the Commodities are attached or any regulatory restraint is levied thereon by the appropriate government or other authorities as the case may be, or a receiver is appointed thereof or insolvency proceedings are instituted against the Borrower; or (d) any information mentioned by the Borrower to the Bank is found to be incorrect or incomplete in any material facts stated therein or (e) where any information mentioned by the Borrower to the ComRIS Participants / Repository Participant – Account Maintenance and warehouseman and eNWR/ ePledge Lot generated basis thereof if found to be incorrect or incomplete or invalid in any material facts stated therein"

6. Upon occurrence of any of the Events of default, without prejudice to the other rights, the Bank is entitled to declare the Facility/Balance due to the Bank immediately due and payable and upon the Borrower failing to make the said payments within 5 days from the date of margin call notice or within 10 days for any other irregularities thereof, the Bank may enforce its security and exercise any other right remedy which may be available to it under the applicable laws. The Borrower agrees that the Bank is at liberty to enforce the Commodities and sell the same at prevailing market price without any reference to the minimum support price (MSP). In such an event the Borrower confirms that the bank shall not be liable to pay to the borrower the differences, if any between the prevailing market price and the MSP.
7. In the event the Commodities under this Agreement are in jeopardy (as determined by the Bank in its sole discretion) for any reason whatsoever, the Bank shall be entitled to sell the Commodities in any manner and the sale proceeds shall be utilized towards reduction of the balance due to the Bank. In case of eNWR/ePledge Lot the Bank shall revoke the pledge in the repository platform/Exchange COMRIS system and transfer the balances from beneficiary account/COMRIS account to its own account in the repository platform/ Exchange COMRIS system. The Bank shall then sell the pledged commodities in any manner and the sales proceeds shall be utilized towards reduction of the balance due to the Bank. The Borrower hereby authorizes the Bank/its agents/representatives to remove the Commodities or any part thereof, from any warehouse/godown that the same may be stored or be lying in and transfer/shift the same to any other warehouse/godown or any other place as the Bank may, in its sole discretion, deem fit. The Borrower hereby authorizes the Bank/its agents/representatives to sign/endorse/discharge any warehouse receipts/storage receipt/eNWR/ ePledge Lot or any other documents or writings and do all acts and deeds as may be required for the purpose.
8. Nothing contained herein above shall affect, limit or take away the right of the Bank to recover personally from the Borrower or from their properties or guarantor or their properties, the Balance due to the Bank notwithstanding that all or any of the commodities may not have been sold or realized. The security of Commodities shall not prejudice or affect any other rights and remedies of the Bank.
9. **Severability** If any term or provision of this Agreement should be declared invalid by a court of competent jurisdiction, the remaining terms and provisions of this Agreement shall remain unimpaired and be in full force and effect.
10. **Assignment** The Borrower shall not have any right to assign its obligations under this Agreement, however the Bank has the right to transfer, assign, securitize or sell in any manner, in whole or in part, the outstanding and dues to any third party without reference or intimation to the Borrower and any such transfer/assignment/ sale/securitization shall conclusively bind the Borrower and all other persons.
11. **CIBIL Clause**

The Borrower understands that as a precondition, relating to grant of the Facility to the Borrower and furnishing of guarantee in relation thereto, the Bank requires consent of the Borrower of the credit facilities granted/ to be granted by the Bank for the disclosure by

the Bank of information relating to the Borrower, any credit facilities availed of / to be availed, by the Borrower, obligations as assumed by the Borrower in relation thereto and default, if any, committed in discharge thereof. Accordingly, the Borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such:

- a. Information and data relating to Borrower
- b. the information or data relating to Borrower's obligations in any credit facility granted/ to be granted by the Bank
- c. Default, if any committed by Borrower in discharge of the Borrower's obligation as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorized in this behalf by RBI.
- d. The Borrower declares that the information and data furnished by Borrower to the Bank are true and correct.

The Borrower undertakes that –

- e. The Credit Information Bureau (India) Ltd. and any other agency so authorized may use, process the said information and date disclosed by the Bank in the manner as deemed fit by them and
- f. The Credit Information Bureau (India) Ltd. and other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to Banks/Financial Institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

12. The Borrower hereby gives specific consent to the Bank/Lender for disclosing / submitting the 'financial information' as defined in Section 3 (13 ) of the Insolvency and Bankruptcy Code, 2016 ( 'Code' for brief ) read with the relevant Regulations/ Rules framed under the Code, as amended and in force from time to time and as specified there under from time to time, in respect of the Credit/ Financial facilities availed from the Bank/ Lender, from time to time, to any 'Information Utility' ( 'IU' for brief ) as defined in Section 3 ( 21 ) of the Code, in accordance with the relevant Regulations framed under the Code, and directions issued by Reserve Bank of India to the banks from time to time and hereby specifically agree to promptly authenticate the 'financial information submitted by the Bank/Lender, as and when requested by the concerned 'IU' .

13. All disputes, differences and / or claim or questions arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect thereof or as to the right, obligations and liabilities of the parties hereunder shall be referred to and settled by arbitration, to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof, of a sole arbitrator to be nominated by the Lender/Bank, and in the event of death, unwillingness, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the Lender/Bank may appoint a new arbitrator to be a sole arbitrator. The arbitrator shall not be required to give any reasons for the award and the award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be held at Mumbai/Delhi/Kolkata/Bangalore/Chennai/Kochi. The arbitral procedure shall be conducted in English.

14. Repo would be declared by the Bank on a monthly basis and shall be displayed at the AXIS BANK website. Subsequent disbursements would be at the respective Repo of the month in which funds are drawn. The applicable external benchmark rate would be applicable to the entire loan facility including the existing bills (which have been disbursed but unpaid).

15. The interest rate will be reset on the 25th of the last month of each calendar quarter i.e., 25th March ,25th June ,25th Sep and 25th Dec. To clarify, the cumulative effect of all (both increase or decrease) changes in Repo rate in a particular quarter will be passed/come in force on the aforesaid dates.

16. Borrower is deemed to have noticed the changes in the rate of interest whenever the changes in Repo are displayed / notified at/by the branch or website/published in the newspaper/made through entry of interest charged in passbook/statement of account sent to the borrower.
17. In case of my/our failure to repay the loan, I/we hereby authorize the Bank to publish my/our photographs in the print media under the title of a defaulter of loan. I am also aware that the right to publish the photograph shall solely be with the Bank and the Bank shall have the discretion to publish the photographs of all or selected defaulters.
18. The borrower hereby confirm that he/she has not deposited commodity in the godown/warehouse more than the limit prescribed issued by the State Government/Department of Consumer Affairs in this regard and is in compliance with all existing rules and regulations, as applicable.

**19. Penal Charges and Other Charges :-**

- All amounts in default for payment, due to delay or non-payment of EMI/Installment or interest thereon including any costs, charges and expenses or due to occurrence of any other Event of Default as per Sec.[19] shall be debited to the loan/drawal account and in such case Bank shall also levy the penal charges and other charges as applicable and prescribed in the sanction letter and loan agreement in the said loan/drawal account for the period of default without there being any need to assign a reason for the same, which shall be paid by the Borrower.
- However, if Borrower fails to make the payment of above said amounts in default for payment or the penal charges and other charges levied by the Bank within 90 days from the due date of such payments, in that case said loan/drawal account shall be classified as Non Performing Asset ("NPA").
- In order to regularise the said loan/drawal account, the Borrower shall be liable to pay all the above mentioned amounts in default and/or penal charges and other charges, as the case may be, [on immediate basis].

**35) Fair Practice Code:-**

- The Fair Practice Code for the Lenders as published on the Axis Bank's website, shall apply to the Loan. Copy of the Fair Practice Code for lenders as available on the Bank's website.

<https://www.axisbank.com/docs/default-source/default-document-library/fair-practice-code-for-lenders.pdf>

36).(a) RBI vide its guidelines (reference no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22) on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances – Clarifications' dated 12-11-2021 has clarified and/or harmonized certain aspects of the extant Regulatory guidelines. The Borrower agrees, undertakes and confirms that the Bank has brought the following clarifications to the notice of the Borrower and the Borrower confirms of having been apprised of as follows:

**1.3 Additional terms and conditions:**

- Interest for the Warehouse receipt Finance will be due and charged on every last day of the month from the date of disbursement.
- Principal repayment will be due on the maturity of said warehouse receipt finance along with the interest for the broken period (i.e., difference between last month end interest application and maturity of the loan).
- I understand that if I do not pay my dues on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.

#### 1.4 Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

- (v) **Dues:** shall mean the principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.
- (vi) **Overdue:** shall mean the principal / interest / any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid by the due date fixed by the bank.
- (vii) **Relevance of the principle of 'First In First Out' (FIFO) in appropriation of payments into the Borrower's account:** The principle of FIFO i.e. 'First In, First Out' accounting method is relevant to arrive at the number of days overdue for determining the SMA/NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the Borrower first. For example, if in any loan account as on 01-02-2021, there are no overdues and an amount of INR X is due for payment towards principal instalment / interest / charges, any payment being credited on or after 01-02-2021 in the loan account will be used to pay off the dues outstanding on 01-02-2021.

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

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

- (viii) **Age of oldest dues:**

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

#### (f) Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)

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

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

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

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

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

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

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

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

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

Due date of payment	Payment date	Payment covers	Age of oldest dues in days	SMA /NPA categorisation	SMA since date / SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	No Payment or Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	No Payment or Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 is not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022/ 03.03.2022	NA	NA
		Dues of 01.02.2022 fully paid, due for 01.03.2022 not fully paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022, 01.03.2022 and amount dues on 01.04.2022 at EOD 01.04.2022	60	SMA-1	01.02.2022/ 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NA	02.05.2022
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

(i) The Borrower agrees and acknowledges that the manner of classification and illustrations of SMA and NPA as provided in sub-clauses (a) to (d) above in which the Bank is required

to classify accounts as SMA / NPA as per the various applicable regulations and guidelines issued by RBI from time to time and:

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

**37) Politically exposed person**

**For individuals**

The Borrower agrees that he/she is not a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that he/she and/or any of their family members /close relatives becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

**Definition** -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

**For non individuals**

The Borrower agrees that none of its Director/Partner/Trustee/Office Bearer/Promoter/Authorised Signatory/Beneficial owner in the organisation or any of their family members /close relatives is/are a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that either of them becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

**Definition** -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

## Schedule

### Terms and Conditions

1.	Place of Agreement	
2.	Date of Agreement	
3.	Details of the borrower	
	Name of the Borrower	Address Village: Tehsil: District: Telephone No.  Village: Tehsil: District: Telephone No.
4.	Address of the Branch office of the Bank	Axis Bank Ltd. _____ Branch  _____
5	Commodity/Margin:	
6	Purpose	<ul style="list-style-type: none"> <li>• For pursuing Agricultural activities (in case of farmers/JLGs)</li> <li>• For the conduct of business (in case of farmers other than individuals, food and agro-based processing units, agri-input dealers, cooperatives, others, etc.,)</li> </ul>
7	Amount of Credit Facility	Rs. _____ (Rupees _____)
8	Nature of the Facility	Credit Line against deposit of Warehouse/storage Receipts/ eNWR/ePledge Lot
9	Processing fee	_____ % + service Tax as applicable to be to be collected upfront before disbursement OR _____ % + service tax collected for each tranche of disbursement.
10	Prepayment charges	<ol style="list-style-type: none"> <li>1. Prepayment charges (0.50% exclusive of GST) of the amount being prepaid only if prepayment is within one month from the date of disbursement. Otherwise Nil.</li> <li>2. Prepayment penalty is not applicable in case of loan against electronic Negotiable Warehouse Receipt (eNWR).</li> <li>3. In case of Micro and Small Enterprises (MSE) customers, no prepayment charges are applicable if;           <ol style="list-style-type: none"> <li>a. Loan amount is up to Rs.50 Lakhs under Fixed rate loans, or</li> </ol> </li> </ol>

		<p>b. Loans with floating interest rates (irrespective of the loan limit)</p> <p>4. Nil prepayment charges to individual borrowers for loans given under floating rate regime for business purpose.</p>
11.	Rate of Interest	<p>At .....% above Repo Rate (the Repo Rate applicable at present being ____% p.a.) i.e., presently at the rate of..... percent per annum (i.e actual no. of days/365) or at such other rate as the Bank may fix from time to time, in relation to the Repo Rate," payable on due date along with the principal amount.</p>
12	<p><b>Penal Charges</b></p> <p><u>Financial Default:</u></p> <p>2. Non-payment of principal overdue amount on the Loan Maturity</p> <p>Financial Default includes all types of payment or financial defaults/irregularities with respect to the Loan Account</p> <p><u>Non-Financial Default:</u></p> <p>2. Any breach of the terms and conditions stipulated in the facility and pledge agreement or non-submission of any other document (such as Warehouse Rent, Stock statements) shall be termed as material term and condition breach and shall be subjected to applicable penal charges on the total outstanding amount.</p> <p>3. Any failure to comply with stipulated norms,</p>	<p><b>Financial Default:</b></p> <p>1. 8% p.a. on the overdue amount (subject to aggregate penal charges not exceeding Rs. 1,00,000 per instance)</p> <p>There shall be no capitalization of Penal Charges.</p> <p>* Credit line/ Short term loan - In addition to the penal charge, the borrower will be required to pay the regular interest on overdue EMI / overdue interest / overdue principal which would be charged at contracted or applicable interest rate for the days it remains overdue.</p> <p><b>Non-Financial Default:</b></p> <p>1% p.a. from the date of each non-financial default on the total outstanding amount. (applicable to all the non-financial defaults)</p> <p>There shall be no capitalization of Penal Charges.</p> <p>* Charges will apply immediately upon breach of the stipulated timelines*</p>

	irregularities or default with respect to the loan account (like site visits, revaluation, audit charges, or BC commission) as specified in the sanction letter or during the loan tenure shall constitute a policy non-compliance and shall be termed as material term and condition breach and shall be subjected to applicable penal charges on the total outstanding amount.	
13	Valuation of the Commodities	<p>The value of the commodity as security shall be the lower of the following:</p> <ol style="list-style-type: none"> <li>1. Value of goods as reflected in the warehouse receipt/eNWR</li> <li>2. Value of the goods based on the average price prevailing in the nearest <i>mandi</i> on the day previous to the date of disbursement.</li> <li>3. Price cap provided by the Bank from time to time for various commodities</li> </ol> <p><b><u>For Base Metals:</u></b></p> <p><b>Lower of the following:</b></p> <ol style="list-style-type: none"> <li>1. MCX Spot price (Landing premium/discount if applicable)</li> <li>2. MCX (near month daily settlement price (Landing premium discount if applicable)</li> <li>3. Price cap as fixed by the Bank from time to time</li> </ol>
13	Security	<p><b>Primary:</b> Deposit of Warehouse Receipts /Storage Receipts eNWR/ ePledge Lot with the licensed repositories under WDRA evidencing the pledge of commodities with lien noted in favour of the Bank</p> <p><b>Collateral:</b> Personal guarantee etc. ,</p>

13.	Maximum tenor	<p>The tenure of the loan shall be ..... months. The validity of the facility against a Warehouse Receipt/Storage Receipt/ eNWR to expire by the end of the month in which new crop arrives (harvesting season). In case of any commodity having multiple harvesting seasons, the tenure of the intermittent crop also needs to expire by the end of the month in which new main crop arrives. The above tenors are subject to the maximum duration as specified by the Bank for each commodity.</p> <p><b>For Base Metal: 12 months</b></p>
14.	Repayment Terms	<p>Interest: Interest will be charged and will fall due on monthly intervals.</p> <p>Principal: Principal repayment along with interest (from application date) on due dates, i.e., at the end of tenure of each disbursement.</p>
15.	Other Conditions	<ul style="list-style-type: none"> <li>➤ In case of private warehouse/godown/ silo/WRDA registered warehouse, value &amp; Quality of stocks will be certified by Collateral Manager, appointed by the Bank.</li> <li>➤ In case of eNWR/ ePledge Lot, the value and quality of stocks will be certified by the warehouseman.</li> <li>➤ The Memorandum &amp; Articles of Association of the company should have the provision for borrowing against pledge (Applicable, if the borrower is a Company).</li> <li>➤ Company to provide Board resolution for this sanction specifying the authorized signatory for execution of loan documents (Applicable, if the borrower is a Company).</li> <li>➤ The stocks pledged to us are to be exclusively charged to our Bank and the borrower should furnish an undertaking that the stocks pledged to us will not be included in the stock statements submitted to the existing Bankers, if any.</li> <li>➤ The Borrower shall ensure that at any point of time, during the currency of the facility, the warehouse receipt /storage receipt wise/ eNWR/ ePledge Lot wise total outstanding (including interest accrued till date) as a percentage of market value of the commodities deposited with the warehouse should not exceed 82.5%. In case of outstanding exceeds 82.5 %, the Borrower shall furnish additional security or deposit funds within 5 days of being served a notice to replenish with the original margin level as stipulated in the schedule. In case the borrower does not bring in additional security or funds within the stipulated time, the Bank may offload the</li> </ul>

		<p>commodities, directly or through an agent, in part or full, at its discretion to ensure maintenance of the requisite margin. The loss if any from this action would be to the borrowers account. However, during the notice period or any time during the currency of the facility, if the total outstanding (including interest accrued till date) as a percentage of the market value of the commodities deposited with the Bank touches 90 % due to commodity price volatility, Bank may immediately initiate disposal of the commodities on the same day directly or by appointing an agent. All the expense of the agent, if any, appointed shall be borne by the borrower. The Banks decision and action shall final as regards such disposal</p> <ul style="list-style-type: none"> <li>➤ Providing PDCs towards repayment of the loan.</li> <li>➤ Pre-stacked stock will not be financed. The same can be considered only if the borrower agrees to pay the de-stacking and restacking expenses.</li> <li>➤ Warehouse / Storage Receipts/ eNWR/ ePledge Lot should be kept valid during the currency of the facility.</li> <li>➤ Inspection of the Commodity stocked will be conducted at least once in a month by the Bank officials.</li> <li>➤ QC charges, fumigation charges and other charges if any, wherever required are to be borne by the borrower</li> <li>➤ Repo Rate would be declared by the Bank on a monthly basis and shall be displayed at the Axis Bank website. Subsequent disbursements would be at the respective Repo rate of the month in which funds are drawn.</li> <li>➤ The maximum funding price for commodities will be within the price cap decided by the Bank from time to time.</li> </ul>
16.	Sanction Letter	Ref. No. _____ dated _____

The contents of the document have been explained to me in \_\_\_\_\_ language and I/we have understood the same.

IN WITNESS WHEREOF the Borrower has hereunto put his hand and seal on

In case the Borrower is an Individual:

\_\_\_\_\_

\_\_\_\_\_

**Borrower's Signature**

**Borrower's Initial**

[Note: Both the signature and the initials to be obtained on this page from the individual or a power of attorney holder of the individual. Clause to be suitably modified if the document is being executed by the power of attorney holder of the borrower with following statements "In case the Security Provider is an individual executing through the Security Provider's power of attorney holder" and "**Borrower's Power of Attorney Holder's Signature**" "**Security Provider's Power of Attorney Holder's Initial**"]

In case the Borrower is a company:

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**Authorised Signatory Signature**

**Authorised Signatory Initial**

[Note: Both the signature and the initials to be obtained on this page]

**THE COMMON SEAL OF** [\_\_\_\_\_]

Name & Signature/thumb impression

Authorized Signatory on behalf of the Bank

\_\_\_\_\_

having its registered office at  
[\_\_\_\_\_] has been hereunto affixed  
pursuant to the resolution of its board of directors  
passed at the meeting held on [\_\_\_\_\_] day of  
[\_\_\_\_], [\_\_\_\_] in the presence of  
[\_\_\_\_], its  
[\_\_\_\_].

[Note : To be suitably modified based on  
the Articles of Association of the company.]

In case the Borrower is a partnership firm:

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

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

Signed and delivered on behalf of the  
Borrower by its partners:

(f) Mr./Ms. \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial**

(g) Mr./Ms. \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial**

(h) Mr./Ms. \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial**

(i) Mr./Ms. \_\_\_\_\_

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Initial**

(j) Mr./Ms. \_\_\_\_\_

---

**Signature**

---

**Initial**

[Note: Both the signature and the initials to be obtained on this page. It is advisable that all partners of the partnership firm execute this Agreement, however all the parties may authorize the designated partner to sign this Agreement in accordance with the partnership deed.]

In case the Borrower is a Proprietorship Concern:

For M/s. \_\_\_\_\_

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(Proprietor **Signature**)

**(Proprietor Initial)**

[Note: Both the signature and the initials to be obtained on this page]

In case the Borrower is a HUF:

For \_\_\_\_\_, a Hindu Undivided Family

**(Karta Signature)**

**(Karta Initial)**

[Note: Both the signature and the initials to be obtained on this page. To be executed by the Karta of the HUF.]

In case the Borrower is a Trust/Society:

For \_\_\_\_\_, acting as the  
\_\_\_\_\_ of the Borrower, authorized under resolution  
dated \_\_\_\_\_ passed  
by \_\_\_\_\_ of the Borrower.

---

[insert designation]

**Signature**

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[insert designation]

**Initial**

*[Note: Both the signature and the initials to be obtained on this page. Clause to be suitably modified based on the bye laws of the trust/ society.]*

Name & Signature/thumb impression

Authorized Signatory on behalf of the Bank

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**SUPPLEMENTAL AGREEMENT**

THIS SUPPLEMENTAL AGREEMENT is made and entered by and between on \_\_\_\_\_day of \_\_\_\_\_ year

**“Borrower”**, which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns) of the OTHER PART;

AND

Axis Bank Limited, a banking company carrying on its banking business under the Banking Regulation Act, 1949 and incorporated under the Companies Act, 1956 and having its registered office at Ahmedabad and its corporate office at Axis house, C-2, Wadia International Centre, P.B.Marg, Worli, Mumbai 400025 (hereinafter referred to as “**the Bank**” which term shall include unless the context be repugnant to its successors and assigns in business) of the ONE PART.

The Parties to this Agreement are hereinafter individually referred to as a "Party" and collectively as "Parties".

**WHEREAS** by *Facility Cum Pledge* Agreement dated [\_\_\_\_\_] entered into between the Bank and the “**Borrower**” (hereinafter referred to as the Principal Agreement), “**Borrower**” has inter-alia agreed to avail Loan from the Bank against pledge of warehouse receipts/storage receipts which are more particularly described in the Principal Agreement and the Bank has accepted the same subject to the terms contained therein.

**AND WHEREAS** in terms of clauses for “Definitions, Terms of the Facility, Dealing with the Commodities, Event of Default, Event of Jeopardy and Schedule of the Principal Agreement, the Principal Agreement can be modified, amended or altered with the consent of both the Parties, and thus, the Parties hereby agree to execute this separate agreement, being supplemental of Principal Agreement whereby Bank extends the facility against electronic Negotiable Warehouse Receipt. Now, the Borrower and the Bank has agreed to further amend the Principal Agreement and include obligations of the Parties for the facility as hereunder set forth in this Supplemental Agreement.

In consideration of both Parties mutually agreeing to execute this Supplemental Agreement,

THIS AGREEMENT WITNESSETH AS UNDER:

1. Parties hereby agree that Clause no. 2, under the heading ‘definition’ in the Principal Agreement shall stand modified and replaced as under-

2.a "WDRA" means the Warehousing Development and Regulatory Authority established under The Warehousing (Development And Regulation) Act, 2007

2.b “Repositories” means an entity that has received a certificate of registration from the Authority for creation and management of electronic negotiable warehouse receipts and include National E- Repository Limited (NERL) and CDSL Commodity Repositories Limited (CCRL)

2.c “Negotiable warehouse receipt” means a warehouse receipt under which the goods represented therein are deliverable to the depositor or order, the of endorsement which has the effect of transfer of goods represented thereby and the endorsee for which takes a good title;

2.d “electronic negotiable warehouse receipt ” means a negotiable warehouse receipt issued in an electronic form by warehouseman of WDRA accredited Warehouse

2.f **Repository Participant – Account Maintenance** means as per WDRA guidelines, a Repository may appoint one or more entities as Repository Participants for carrying all or any of the following core activities of repository such as enabling the transfer of electronic Negotiable Warehouse Receipts; on-boarding the users of a Repository;

To identify through documentary and/ or physical verification, on behalf of the Repository, the identity, and address of the depositor in whose favor a warehouseman intends to issue an electronic Negotiable Warehouse Receipt; To facilitate the opening, management, and closing of accounts of users on the Repository;

2.i **“Warehouseman”** means any person who is granted a certificate of registration in respect of any warehouse or warehouses by the Authority or an accreditation agency for carrying on the business of warehousing

2.j **“Repository Platform”** platform is a web based application developed and maintained by the repositories, which provides an end to end solution for all the transactions related to electronic warehouse receipt

**2.k Multi Commodity Exchange Clearing Corporation Limited,( MCXCCL)** a company incorporated and registered under the provisions of the Companies Act, 1956

and a Clearing Corporation duly recognized by the Government of India under the provisions of Securities Contract (Regulations) Act, 1956. MCXCCL is established to undertake the activity of clearing and settlement of trades in securities or other instruments or products that are dealt with or traded on a recognized stock Exchange **“Multi Commodity Exchange of India”** is the recognised commodity exchange in India.

**2.1 “ComRIS”** is the web bases application developed and maintained by MCXCCL, which is only an electronic record of ownerships and record of transfers of commodities held by the participants at the corresponding warehouse/s. The ComRIS inter-alia has facility for noting of pledge and thus has the feature to facilitate pledge finance against commodities stores in approved warehouses/vaults.

**2.m “ComRIS Account”** shall mean the account of Borrower opened through the ComRIS Participant in electronic system of ComRIS which , reflects the record of ownership and lien (if any) of Commodities including the details of commodities quantity, place of storage, transactions, transfers, validity certification and other parameters as may be prescribed by MCXCCL from time to time.

**2.n “e-Pledge Lot”** shall mean noting of lien on the electronic credit balance of commodities in ComRIS account of a borrower by the Pledgee in accordance with the process prescribed or as may be prescribed by MCXCCL from time to time

**2.o “ComRIS Participants”** shall mean an entity who has been permitted by MCXCCL to open and maintained ComRIS accounts of Borrower in accordance with the process and on the terms and conditions as may be prescribed by the MCXCCL from time to time

2. Parties hereby agree that Clause no. 3, under the heading ‘Terms of Facility’ in the Principal Agreement shall stand modified as under-

3.2. The Borrower shall each be entitled to the Facility of a maximum amount equivalent to the value of the Commodities pledged by the Borrower from time to time with the Bank. Such value shall be based on the amount of commodities supplied by the Borrower, as evidenced in the warehouse receipt/storage receipt and other documents deposited by the Borrower/Collateral Manager or unencumbered eNWR/ePledge Lot depicting in the beneficiary account/COMRIS account of the borrower with ComRIS Participants /Repository Participant – Account Maintenance and evidencing the pledge of commodities to the Bank and the market price offered for the said commodities, from time to time. Notwithstanding the above the maximum amount of credit line available to the Borrower shall not exceed Rupees

\_\_\_\_\_. In case of JLGs, the maximum amount of credit line provided to individual farmers within the overall limit of JLG shall not exceed Rs. 10 lakhs. The price of the commodity considered for disbursement of a warehouse receipt/storage receipt/ eNWR/ePledge lot, shall be at the sole discretion of the Bank.

3.3 a) The Bank at the request of the Borrower has agreed to grant / granted credit facility as described in the Schedule with full power to the Bank from time to time to renew or reduce or enhance the limit (as and when the Borrower/Collateral Manager deposits warehouse receipts/storage receipts or unencumbered eNWR/ePledge lot depicting in the beneficiary account/COMRIS account of the borrower with Repository Participant – Account Maintenance duly endorsed in favour of the Bank evidencing the pledge of commodities to the Bank) or altogether withdraw the facility on the terms and conditions appearing herein.

3.6 The Borrower hereby deposits and agrees to deposit with the Bank the warehouse receipt/storage receipt slips/eNWR/ePledge lot and such other documents as sought by the Bank either directly or through Collateral Manager or agent with an intention to create a pledge on the commodities described in the schedule and such future commodities of the Borrower against which the Borrower intends to avail the Facility, from time to time thereon.

Introduction of **clause 3.7** In case of eNWR/ePledge lot Borrower will require to follow the process mentioned below in order to create valid pledge in favor of the Bank:

- i) The borrower shall deposits the commodity in the WDRA accredited warehouse/MCX accredited Warehouse where the warehouseman generates the electronic Negotiable Warehouse Receipt in the repository platform/ electronic credit balance of commodities in ComRIS. This eNWR/EPledge Lot should reflects as electronic balance in the Beneficiary account /COMRIS account of the borrower opened with the Repository Participant – Account Maintenance (RP – Account Maintenance)/ Comris Participant.
- ii) The borrower shall then submits the request for pledge of eNWR/ePledge Lot to the Bank through Comris Participant /RP – Account Maintenance with an intention to create a pledge on the commodities described in the schedule and such future commodities of the Borrower against which the Borrower intends to avail the Facility, from time to time thereon
- iii) The Borrower shall submit the unencumbered eNWR/ePledge Lot depicting in the beneficiary account /COMRIS account of the borrower with Comris Participant /Repository Participant – Account Maintenance and evidencing the commodities pledged to the Bank and the market price offered for the said commodities.

Clause 3. shall therefore stand modified accordingly.

3. Parties hereby agree that, under the clause heading 'Dealing with the Commodities' in the Principal Agreement shall stand modified as under-
  - 17.i The Borrower shall adhere to the rules and regulations stipulated in the WDRA/MCX and shall ensure compliance with the provisions of WDR Act/Security Contract Act including amendments thereof from time to time

4. Parties hereby agree that **Clause**, under the heading 'Events of default' in the Principal Agreement shall stand modified as under-  
An event of default shall be deemed to have occurred if the Borrower (a) commits a breach of any of the terms and conditions in this Agreement including in the Schedule annexed hereto and /or the sanction letter or any written terms agreed thereon (b) fails to pay any installment or any other payment on the due dates and such failure continues for 5 days; or (c) makes assignment for the benefit of creditors or the Commodities are attached or any regulatory restraint is levied thereon by the appropriate government or other authorities as the case may be, or a receiver is appointed thereof or insolvency proceedings are instituted against the Borrower; or (d) where any information mentioned by the Borrower) to the Bank is found to be incorrect or incomplete in any material facts stated therein
  
5. Parties hereby agree that below **Clause**, in the Principal Agreement shall stand modified as under-  
In the event the Commodities under this Agreement are in jeopardy (as determined by the Bank in its sole discretion) for any reason whatsoever, the Bank shall be entitled to enforce the pledge and sell the pledged Commodities in any manner and the sale proceeds shall be utilized towards reduction of the balance due to the Bank. In case of eNWR ePLedge Lot the Bank shall revoke the pledge in the repository platform/Exchange COMRIS system and transfer the balances from beneficiary account/COMRIS account to its own account in the repository platform/Exchange COMRIS system. The Bank shall then sell the pledged commodities in any manner and the sales proceeds shall be utilized towards reduction of the balance due to the Bank. The Borrower hereby authorizes the Bank/its agents/representatives to remove the pledged Commodities or any part thereof, from any warehouse/godown that the same may be stored or be lying in and transfer/shift the same to any other warehouse/godown or any other place as the Bank may, in its sole discretion, deem fit. The Borrower hereby authorizes the Bank/its agents/representatives to sign/endorse/discharge any warehouse receipts/eNWR/ePledge Lot or any other documents or writings and do all acts and deeds as may be required for the purpose.

6. Parties hereby agree that schedule of the Principal Agreement shall stand modified as under-

Valuation of Commodity	<p>The value of the commodity as security shall be the lower of the following:</p> <ol style="list-style-type: none"> <li>4. Value of goods as reflected in the warehouse receipt/storage receipt.</li> <li>5. Value of the goods based on the average price prevailing in the nearest <i>mandi</i> on the day previous to the date of disbursement.</li> <li>6. Price cap provided by the Bank from time to time for various commodities</li> </ol> <p><b><u>For Base Metals:</u></b></p> <p><b>Lower of the following:</b></p> <ol style="list-style-type: none"> <li>1. MCX Spot price (Landing premium/discount if applicable)</li> <li>2. MCX (near month daily settlement price (Landing premium discount if applicable)</li> <li>3. Price cap as fixed by the Bank from time to time</li> </ol>
Security	<p><b>Primary:</b> Pledge of Warehouse Receipts /Storage Receipts/ eNWR/ ePledge Lot with the licensed repositories under WDRA evidencing the pledge of commodities in favour of the Bank</p> <p><b>Collateral:</b> Personal guarantee etc.</p>
Other Conditions	<p><b>Following condition is added</b></p> <ul style="list-style-type: none"> <li>➤ In case of eNWR/ ePledge Lot, the value and quality of stocks will be certified by the warehouseman.</li> <li>➤ Warehouse / Storage Receipts/ eNWR/ ePledge Lot should be kept valid during the currency of the facility.</li> </ul>
Nature of the Facility	Credit Line against Pledge of Warehouse/Storage Receipts/ eNWR/ePledge Lot
Maximum tenor	<p>The tenure of the loan shall be ..... months. The validity of the facility against a Warehouse Receipt/Storage Receipt/ eNWR to expire by the end of the month in which new crop arrives (harvesting season). In case of any commodity having multiple harvesting seasons, the tenure of the intermittent crop also needs to expire by the end of the month in which new main crop arrives. The above tenors are subject to the maximum duration as specified by the Bank for each commodity.</p> <p><b>For Base Metal:</b> 12 months</p>

7. It is further agreed that save and except the above mentioned addition and/or modification of the terms, conditions and stipulations, warranties, confirmations, responsibilities as stated and agreed to by both the Parties, the Principal Agreement shall continue to be in force. This Supplemental Agreement shall form an integral part of the Principal Agreement and be deemed to be incorporated and shall always be read in conjunction with the Principal Agreement. This Supplemental Agreement shall not be considered as substitution, suspension or termination of the Principal Agreement, except if the contrary is specifically stated herein above.
8. Parties agree that in case of any conflict between the terms of this Supplemental Agreement and the Principal Agreement, this Supplemental Agreement shall prevail only with respect to the terms and conditions and the subject matter that are specifically contemplated under this Supplemental Agreement.
9. The interest rate will be reset on the 25th of the last month of each calendar quarter i.e., 25th March, 25th June ,25th Sep and 25th Dec. To clarify, the cumulative effect of all (both increase or decrease) changes in Repo rate in a particular quarter will be passed/come in force on the aforesaid dates.
10. I/We understand that the insurance plan(s) from the insurance partner(s) engaged by the Bank ('such insurance partner(s)') are made available for our convenience and in case I/We opt for the same, Bank's representative can assist further in the enrolment of the chosen plan. I/We acknowledge that the Bank has clarified that purchase of the insurance cover from such insurance partner(s) is voluntary/optional and is not linked to availment of any product(s)/service(s) from the Bank. I/We further confirm that I/we have been given the option to avail the insurance cover from such insurance partner(s) or from any other insurance providers.
11. The Borrower covenants and agrees that, so long as the Loan Obligations are outstanding, and until the full and final payment of all Loan Obligations to the satisfaction of the Bank, the Borrower shall co-operate with such auditors as may be appointed by the Bank in case the Facilities or the loan account of the Borrower is red-flagged by the Bank and/or any other lenders. The Borrower further covenants and agrees to provide the necessary information and/or documents as may be required by such auditors, and bear all the

expenditure in respect of the same and agrees to indemnify and keep the Bank indemnified in this regard.

9. (a) RBI vide its guidelines (reference no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22) on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances – Clarifications' dated 12-11-2021 has clarified and/or harmonized certain aspects of the extant Regulatory guidelines. The Borrower agrees, undertakes and confirms that the Bank has brought the following clarifications to the notice of the Borrower and the Borrower confirms of having been apprised of as follows:

**1.5 Additional terms and conditions:**

- Interest for the Warehouse receipt Finance will be due and charged on every last day of the month from the date of disbursement.
- Principal repayment will be due on the maturity of said warehouse receipt finance along with the interest for the broken period (i.e., difference between last month end interest application and maturity of the loan).
- I understand that if I do not pay my dues on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.

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

(ix) **Dues:** shall mean the principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

(x) **Overdue:** shall mean the principal / interest / any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid by the due date fixed by the bank.

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

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

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

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

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

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

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

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

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

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

- (xv) Interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- (xvi) The account remains 'out of order' as indicated below, in respect of an Overdraft / Cash Credit (OD / CC),
- (xvii) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- (xviii) The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- (xix) The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

(xx) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.

(xxi) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

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

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

(v) the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or

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

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

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

01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NA	02.05.2022
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

(m) The Borrower agrees and acknowledges that the manner of classification and illustrations of SMA and NPA as provided in sub-clauses (a) to (d) above in which the Bank is required to classify accounts as SMA / NPA as per the various applicable regulations and guidelines issued by RBI from time to time and:

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

## 10) **Politically exposed person**

### **For individuals**

The Borrower agrees that he/she is not a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that he/she and/or any of their family members /close relatives becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

**Definition** -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

**For non individuals**

The Borrower agrees that none of its Director/Partner/Trustee/Office Bearer/Promoter/Authorised Signatory/Beneficial owner in the organisation or any of their family members /close relatives is/are a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that either of them becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

**Definition** -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

IN WITNESS WHEREOF both the Parties hereunto put its hand and seal on the date and year first herein above written.

Signed and Delivered by )

the Withnamed )

Borrower )

In presence of )

\_\_\_\_\_ )

Signed and Delivered by )

the With named )

Axis Bank Ltd. )

In presence of )

Its Authorised Signatory, )

\_\_\_\_\_ )

**SUPPLEMENTAL FACILITY CUM PLEDGE AGREEMENT**

**This Agreement executed at the place and date specified in the Schedule by the person(s) described in the said Schedule (hereinafter referred to as the “Borrower”, which expression shall unless repugnant to the context or subject otherwise requires include his/ her /their respective heir(s), executor(s) and administrator(s) and assigns) in favour of**

Axis Bank Limited, a public limited company incorporated under the Companies Act 1956 and licensed as a bank under the Banking Regulation Act, 1949 and having its registered office at

“Trishul”, 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellisbridge, Ahmedabad-380006 and a branch office as specified in the Schedule (hereinafter called the “Bank” which expression shall include its successors and assigns)

**WHEREAS:**

1. The Borrower was sanctioned Commodity Loan, under the CLWF Scheme, aggregating to **Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only)** by the Bank (hereinafter referred to as the “Credit Facilities”) vide its sanction letter no. \_\_\_\_\_ dated \_\_\_\_\_ & for the further facility/limit **by way of enhancement in CLWF limit** to the extent of **Rs. \_\_\_\_\_/- (Rs. \_\_\_\_\_ only)** by Bank vide sanction letter no \_\_\_\_\_ dated \_\_\_\_\_ & to make aggregate limit/s of **Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ Only)** (hereinafter called the “Principal Sanction Letter”).
2. In consideration of the said sanction the borrower has entered into a Facility Cum Pledge Agreement **dated \_\_\_\_\_** (hereinafter referred to as the “Principal Facility Cum Pledge Agreement”). The Borrower had also executed the under mentioned loan/security documents.
  - i. Facility cum Pledge Agreement
  - ii. DP Note
  - iii. DP delivery cum waiver letter
  - iv. Declaration cum indemnity bond.
3. By the said Facility Cum Pledge Agreement dated \_\_\_\_\_ executed by the Borrower, the Borrower has created charge by way of Pledge in favour of the Bank, as and by way of security for the above-referred credit facilities of present and future movable assets, that is, the pledge of Warehouse receipts described in general terms in the Schedule attached to the Facility Cum Pledge Agreement (all of which are hereinafter called “Pledged Property”).
4. At the request of the borrower, the Bank has agreed to provide finance to the borrower against the pledge of agri commodities Numbers, within the sanctioned limit and has agreed to execute the necessary documents as mandated by the Bank. By virtue of providing finance against the agri commodities Numbers and revision of the Principal Sanction Letter, it has become necessary to amend the Principal Facility Cum Pledge Agreement, which the Borrower has agreed to do.
5. At the request of the Borrower, the Bank has agreed to provide additional / enhance the Credit line warehouse finance facility, including against agri commodities Numbers under the said **CLWF** Scheme over and above the outstanding amount to the Borrower and have sanctioned the said facility to the Borrower vide its Sanction Letter No. **dated \_\_\_\_\_** (hereinafter referred to as the “Enhanced Sanction Letter”), as under:-

<b>S.No</b>	<b>Nature of facility</b>	<b>Existing limits</b>	<b>Revised limits</b>
1	CLWF limit		

\*Interchangeable with CLWF limit against pledge of physical stock

The aforesaid additional/enhanced limit/s is/are sanctioned on the specific condition that the same should be secured by extension of charge on the Pledged property covered by the Principal Facility Cum Pledge Agreement shall continue to be a security for the Bank for the additional/enhanced limit together with interest, additional interest, expenses, costs and all other monies payable by the Borrower to the Bank and the Borrower agrees that all other terms and conditions in the Principal Facility Cum Pledge Agreement shall apply to the additional/enhanced limit.

6. By virtue of this enhancement and revision of the Principal Sanction Letter, it has become necessary to amend the Principal Facility Cum Pledge Agreement, which the Borrower has agreed to do.
7. Considering the provision of finance against pledge of agri commodities Numbers and enhancement in the facility, the borrower agrees that the terms of the facility shall be as per the supplemental agreement.

The parties hereto have agreed to execute this Supplemental Agreement as under:

**NOW THIS AGREEMENT WITNESSETH AS UNDER:**

- 1) The Borrower agrees and confirms that this Agreement is and shall be supplemental to the said Principal Facility Cum Pledge Agreement dated \_\_\_\_\_ and shall always be read in conjunction with the same and with all the agreements already executed.
- 2) The Borrower agrees and confirms that the borrowing Limit of **Rs.\_\_\_\_\_/-** stated in the Schedule of the said Principal Facility Cum Pledge Agreement and in all other places in the said Principal Facility Cum Pledge Agreement shall stand modified to **Rs.\_\_\_\_\_/-**
- 3) The rate of interest applicable for the revised aggregate limit shall be \_\_\_\_\_% above Repo Rate. The interest rate will be reset on the 25th of the last month of each calendar quarter i.e., 25th March ,25th June ,25th Sep and 25th Dec. To clarify, the cumulative effect of all (both increase or decrease) changes in Repo rate in a particular quarter will be passed/come in force on the aforesaid dates. **Repo Rate applicable at present being \_\_\_\_\_% p.a.** i.e., presently at the rate of \_\_\_\_\_% per annum in relation to the Repo rate for **CLWF limits**".
- 4) It is hereby agreed that the figure of **Rs.\_\_\_\_\_/-** appearing in the said Principal Facility Cum Pledge Agreement shall stand revised to **Rs.\_\_\_\_\_/- (Rs.\_\_\_\_\_ Only)** and the figure of **At .....% above Repo Rate (the Repo Rate applicable at present being \_\_\_\_\_% p.a.)** i.e., presently at the rate of..... percent per annum or at such other rate as the Bank may fix from time to time, in relation to the **Repo Rate for CLWF limit (Physical stock)**. The interest rate will be reset on the 25th of the last month of each calendar quarter i.e., 25th March ,25th June ,25th Sep and 25th Dec. To clarify, the cumulative effect of all (both increase or decrease) changes in Repo rate in a particular quarter will be passed/come in force on the aforesaid dates. and that all other terms and conditions in the Principal Facility Cum Pledge Agreement shall

remain unchanged and shall continue to be applicable to the revised limits and be binding on the Borrower.

a) The Borrower acknowledges and agrees that the Bank has/shall have sole discretion to:

- i.allow Temporary Overdrafts in the account for meeting the temporary mismatches;
- ii.allow operations beyond sanctioned limits i.e. granting excesses etc.
- iii.honour cheques in the account for other than agreed purposes;
- iv.allow any additional facilities on regular or ad-hoc basis;
- v.allow drawings in the account after classifying it as NPA.

The Borrower also undertakes and agrees that they shall not be entitled to claim any of the above as a matter of right even if the same are allowed by the Bank at any point of time at their sole discretion. In such event, the Borrower hereby waives the requirement of notice of withdrawal of any such facility stated above in this clause.

- 5) The Borrower agrees and declares that all the schedules, covenants and stipulations contained in the said Principal Facility Agreement and to be performed and observed by the Borrower shall be applicable to the enhanced facility as herein mentioned and be binding on and enforceable against the Borrower as if all the provisions contained in the Principal Facility Agreement were reiterated and reproduced herein.
- 6) The Borrower confirms and agrees that except for the above modification all the terms and conditions, covenants, stipulations including all the provisions and schedules contained in Principal Facility Agreement executed by the borrower will hold good without any change and shall form part of this Supplemental Agreement.
- 7) The Parties hereby agree that save and except the terms and conditions hereinafter specified for the above said substitution in this supplemental agreement, all the other terms and conditions as contained in the Principal Facility Agreement shall remain unchanged and shall continue to be applicable to the said extension of charge in favour of the Bank and be binding on the Borrower irrespective of the contents of this supplemental agreement.
- 8) The Borrower understand that as a pre-condition, relating to grant of the loans/ advances/other fund based and/or non fund based credit facilities to the Borrower, the Bank requires the consent of the Borrower for the disclosure by the bank of, information and data relating to the Borrower, of the credit facility availed of/to be availed, by the Borrower. Obligations assumed/to be assumed, by the Borrower(s) in relation thereto and default, if any, committed by the Borrower in discharge thereof.

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

- (a) information and data relating to us
- (b) the information or data relating to any credit facility availed of/to be availed by us and
- (c) default, if any, committed by us, in discharge of our such obligations,

as the Bank may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Ltd. and any other agency authorised in this behalf by RBI

We, declare that the information and data furnished by us to the Bank are true and correct.

We, undertake that:

the Credit Information Bureau (India) Ltd, and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them and

the Credit Information Bureau (India) Ltd. and any other agency, so authorised may furnish for consideration, the processed information and data or products thereof prepaid by them, to Banks/FIs and other credit grantors or registered users, as may be specified by the Reserve bank in this behalf.

- 9) That all the terms and conditions, covenants, stipulations, clauses including all the provisions contained in the Principal Facility Agreement executed by the borrower shall remain unchanged and shall apply mutatis mutandis to this Supplemental Agreement also.
- 10) All disputes, differences and / or claim or questions arising out of these presents or in any way touching or concerning the same or as to constructions, meaning or effect thereof or as to the right, obligations and liabilities of the parties hereunder shall be referred to and settled by arbitration, to be held in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof, of a sole arbitrator to be nominated by the Lender/Bank, and in the event of death, unwillingness, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the Lender/Bank may appoint a new arbitrator to be a sole arbitrator. The arbitrator shall not be required to give any reasons for the award and the award of the arbitrator shall be final and binding on all parties concerned. The arbitration proceedings shall be held at Mumbai/Delhi/Kolkata/Bangalore/Chennai/Kochi. The arbitral procedure shall be conducted in English.
- 11) The Borrower hereby gives specific consent to the Bank/Lender for disclosing / submitting the 'financial information' as defined in Section 3 (13) of the Insolvency and Bankruptcy Code, 2016 ('Code' for brief) read with the relevant Regulations/ Rules framed under the Code, as amended and in force from time to time and as specified there under from time to time, in respect of the Credit/ Financial facilities availed from the Bank/ Lender, from time to time, to any 'Information Utility' ('IU' for brief) as defined in Section 3 (21) of the Code, in accordance with the relevant Regulations framed under the Code, and directions issued by Reserve Bank of India to the banks from time to time and hereby specifically agree to promptly authenticate the 'financial information submitted by the Bank/Lender, as and when requested by the concerned 'IU' .

**12) Penal Charges and Other Charges :-**

- All amounts in default for payment, due to delay or non-payment of EMI/Installment or interest thereon including any costs, charges and expenses or due to occurrence of any other Event of Default as specified in the sanction letter & loan agreement shall be debited to the loan/drawal account and in such case Bank shall also levy the penal charges and other charges as applicable and prescribed in the sanction letter and loan agreement in the said loan/drawal account for the period of default without there being any need to assign a reason for the same, which shall be paid by the Borrower.
- However, if Borrower fails to make the payment of above said amounts in default for payment or the penal charges and other charges levied by the Bank within 90 days from the due date of such payments, in that case said loan/drawal account shall be classified as Non Performing Asset (“NPA”).
- In order to regularise the said loan/drawal account, the Borrower shall be liable to pay all the above mentioned amounts in default and/or penal charges and other charges, as the case may be, [on immediate basis]

### **13) Fair Practice Code:-**

- The Fair Practice Code for the Lenders as published on the Axis Bank's website, shall apply to the Loan. Copy of the Fair Practice Code for lenders as available on the Bank's website.

<https://www.axisbank.com/docs/default-source/default-document-library/fair-practice-code-for-lenders.pdf>

**14.).(a)** RBI vide its guidelines (reference no. RBI/2021-2022/125 DOR.STR.REC.68/21.04.048/2021-22) on 'Prudential Norms on Income Recognition, Asset Classification and Provisioning, pertaining to Advances – Clarifications' dated 12-11-2021 has clarified and/or harmonized certain aspects of the extant Regulatory guidelines. The Borrower agrees, undertakes and confirms that the Bank has brought the following clarifications to the notice of the Borrower and the Borrower confirms of having been apprised of as follows:

#### **1.7 Additional terms and conditions:**

- Interest for the Warehouse receipt Finance will be due and charged on every last day of the month from the date of disbursement.
- Principal repayment will be due on the maturity of said warehouse receipt finance along with the interest for the broken period (i.e., difference between last month end interest application and maturity of the loan).
- I understand that if I do not pay my dues on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.
- I/We understand that the insurance plan(s) from the insurance partner(s) engaged by the Bank ('such insurance partner(s)') are made available for our convenience and in case I/We opt for the same, Bank's representative can assist further in the enrolment of the

chosen plan. I/We acknowledge that the Bank has clarified that purchase of the insurance cover from such insurance partner(s) is voluntary/optional and is not linked to availment of any product(s)/service(s) from the Bank. I/We further confirm that I/we have been given the option to avail the insurance cover from such insurance partner(s) or from any other insurance providers.

- The Borrower covenants and agrees that, so long as the Loan Obligations are outstanding, and until the full and final payment of all Loan Obligations to the satisfaction of the Bank, the Borrower shall co-operate with such auditors as may be appointed by the Bank in case the Facilities or the loan account of the Borrower is red-flagged by the Bank and/or any other lenders. The Borrower further covenants and agrees to provide the necessary information and/or documents as may be required by such auditors, and bear all the expenditure in respect of the same and agrees to indemnify and keep the Bank indemnified in this regard.

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

(xiii) **Dues:** shall mean the principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

(xiv) **Overdue:** shall mean the principal / interest / any charges levied on the loan account which are payable, but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid by the due date fixed by the bank.

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

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

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

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

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

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

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

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

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

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

- (xxii) Interest and/or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- (xxiii) The account remains 'out of order' as indicated below, in respect of an Overdraft / Cash Credit (OD / CC),
- (xxiv) The bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- (xxv) The instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops
- (xxvi) The instalment of principal or interest thereon remains overdue for one crop season for long duration crops.
- (xxvii) The amount of liquidity facility remains outstanding for more than 90 days, in respect of a securitisation transaction undertaken in terms of the Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021.

(xxviii) in respect of derivative transactions, the overdue receivables representing positive mark-to-market value of a derivative contract, if these remain unpaid for a period of 90 days from the specified due date for payment.

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

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

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

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

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

		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NA	02.05.2022
01.06.2022	01.06.2022	Fully paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

(q) The Borrower agrees and acknowledges that the manner of classification and illustrations of SMA and NPA as provided in sub-clauses (a) to (d) above in which the Bank is required to classify accounts as SMA / NPA as per the various applicable regulations and guidelines issued by RBI from time to time and:

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

## 15) Politically exposed person For individuals

The Borrower agrees that he/she is not a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that he/she and/or any of their family members /close relatives becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

**Definition** -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

**For non individuals**

The Borrower agrees that none of its Director/Partner/Trustee/Office Bearer/Promoter/Authorised Signatory/Beneficial owner in the organisation or any of their family members /close relatives is/are a politically exposed person (PEP) and further undertakes to inform Axis Bank in the event that either of them becomes a PEP. In such an event, the Bank will obtain approval from its senior management to continue the business relationship and subject the account to the Customer Due Diligence measures as applicable to the customers of PEP category including enhanced monitoring on an ongoing basis.

**Definition** -Politically exposed persons are individuals who are or have been entrusted with prominent public functions in a foreign country, e.g., Heads of States or Governments, senior politicians, senior government/judicial/military officers, senior executives of state-owned corporations, important political party officials, etc.

**Schedule**

**Terms and Conditions**

		<b>Terms and Conditions</b>
1.	Place of Agreement	
2.	Date of Agreement	
3.	Details of the borrower	
	<b>Name of the Borrower</b>	
4.	Address of the Branch office of the Bank	Axis Bank Ltd. _____ Branch
5.	Commodity/ Margin	As per attached <b>Annexure I</b>
6.	Purpose	<ul style="list-style-type: none"> <li>• Working capital for the conduct of business.</li> <li>• For pursuing Agricultural activities (in case of farmers/JLGs)</li> <li>• For the conduct of business (in case of farmers other than individuals, food and agro-based processing units, agri-input dealers, cooperatives, others, etc., )</li> </ul>
7	Amount of Credit Facility	<b>Existing Facility Rs. _____/- + Enhancement Facility Rs. _____/- . Aggregate Limit/s Rs. _____/- (Rupees _____ Only)</b>
8	Nature of the Facility	Credit Line against Pledge of Warehouse/Storage Receipts
9	Processing fee	_____ % + Goods and Service Tax (GST) collected to be paid upfront/ for each tranche of disbursement.
10	Prepayment charges	<ol style="list-style-type: none"> <li>1. Prepayment charges (0.50% exclusive of GST) of the amount being prepaid only if prepayment is within one month from the date of disbursement. Otherwise Nil.</li> <li>2. Prepayment penalty is not applicable in case of loan against electronic Negotiable Warehouse Receipt (eNWR).</li> <li>3. In case of Micro and Small Enterprises (MSE) customers, no prepayment charges are applicable if; <ol style="list-style-type: none"> <li>a. Loan amount is up to Rs.50 Lakhs under Fixed rate loans, or</li> <li>b. Loans with floating interest rates (irrespective of the loan limit)</li> </ol> </li> </ol>

		4. Nil prepayment charges to individual borrowers for loans given under floating rate regime for business purpose.
11	Rate of Interest	At .....% above Repo Rate (the Repo Rate applicable at present being ____% p.a.) i.e., presently at the rate of..... percent per annum (i.e actual no. of days/365) or at such other rate as the Bank may fix from time to time, in relation to the Repo Rate,” payable on due date along with the principal amount.
12.	<p><b>Penal Charges</b></p> <p><u>Financial Default:</u></p> <p>3. Non-payment of principal overdue amount on the Loan Maturity</p> <p>Financial Default includes all types of payment or financial defaults/irregularities with respect to the Loan Account</p> <p><u>Non-Financial Default:</u></p> <p>3. Any breach of the terms and conditions stipulated in the facility and pledge agreement or non-submission of any other document (such as Warehouse Rent, Stock statements) shall be termed as material term and condition breach and shall be subjected to applicable penal charges on the total outstanding amount.</p> <p>4. Any failure to comply with stipulated norms, irregularities or default with respect to the loan account (like site visits, revaluation, audit charges, or BC commission) as specified in the sanction letter or during the loan tenure</p>	<p><b>Financial Default:</b></p> <ol style="list-style-type: none"> <li>1. 8% p.a. on the overdue amount (subject to aggregate penal charges not exceeding Rs. 1,00,000 per instance)</li> </ol> <p>There shall be no capitalization of Penal Charges.</p> <p>* Credit line/ Short term loan - In addition to the penal charge, the borrower will be required to pay the regular interest on overdue EMI / overdue interest / overdue principal which would be charged at contracted or applicable interest rate for the days it remains overdue.</p> <p><b>Non-Financial Default:</b></p> <p>1% p.a. from the date of each non-financial default on the total outstanding amount. (applicable to all the non-financial defaults)</p> <p>There shall be no capitalization of Penal Charges.</p> <p>* Charges will apply immediately upon breach of the stipulated timelines*</p>

	shall constitute a policy non-compliance and shall be termed as material term and condition breach and shall be subjected to applicable penal charges on the total outstanding amount.	
13	Valuation of Commodity	<p>The value of the commodity as security shall be the lower of the following:</p> <ol style="list-style-type: none"> <li>1. Value of goods as reflected in the warehouse receipt/storage receipt.</li> <li>2. Value of the goods based on the average price prevailing in the nearest <i>mandi</i> on the day previous to the date of disbursement.</li> <li>3. Price cap provided by the Bank from time to time for various commodities</li> </ol>
14.	Security	<p><b>CLWF:</b></p> <p><b>Primary:</b>  <b>Collateral:</b>  <b>Other Security:</b>  <b>Personal guarantee :</b></p>
5.	Maximum tenor	<p>The tenure of the loan shall be _____ months. The validity of the facility against a Warehouse Receipt/Storage Receipt to expire by the end of the month in which new crop arrives (harvesting season). In case of any commodity having multiple harvesting seasons, the tenure of the intermittent crop also needs to expire by the end of the month in which new main crop arrives. The above tenors are subject to the maximum duration as specified by the Bank for each commodity.</p>
16	Repayment Terms	<p><b>Interest:</b> Interest will be charged and will fall due on monthly intervals.  <b>Principal:</b> Principal repayment along with interest (from last application date) on due dates i.e. at the end of tenure of each disbursement.</p>
17	Other Conditions	<ul style="list-style-type: none"> <li>➤ In case of private warehouse/godown/ silo/WRDA accredited warehouse, value &amp; Quality of stocks will be certified by Collateral Manager, appointed by the Bank.</li> <li>➤ The Memorandum &amp; Articles of Association of the company should have the provision for borrowing against pledge (Applicable, if the borrower is a Company).</li> </ul>

		<ul style="list-style-type: none"> <li>➤ Company to provide Board resolution for this sanction specifying the authorized signatory for execution of loan documents (Applicable, if the borrower is a Company).</li> <li>➤ The stocks pledged to us are to be exclusively charged to our Bank and the borrower should furnish an undertaking that the stocks pledged to us will not be included in the stock statements submitted to the existing Bankers, if any.</li> <li>➤ The Borrower shall ensure that at any point of time, during the currency of the facility, the receipt wise total outstanding (including interest accrued till date) as a percentage of the market value of the commodities pledged should not exceed 82.5%. In case of outstanding exceeds 82.5 %, the Borrower shall furnish additional security or deposit funds within 5 days of being served a notice to replenish with the original margin level as stipulated in the schedule. In case, the borrower does not bring in additional security or funds within the stipulated time, the Bank may offload the commodities, directly or through an agent, in part or full, at its discretion to ensure maintenance of the requisite margin. The loss if any from this action would be to the borrower's account. However, during the notice period or any time during the currency of the facility, if the total outstanding (including interest accrued till date) as a percentage of the market value of the commodities pledged touches 90 % due to commodity price volatility, Bank may immediately initiate disposal of the commodities on the same day directly or by appointing an agent. The Banks Decision and action shall final as regards such disposal. The Bank may offload the commodities in part or full at its discretion. All the expense of the agent, if any, appointed shall be borne by the borrower.</li> <li>➤ Providing PDCs towards repayment of the loan.</li> <li>➤ Pre-stacked stock will not be financed. The same can be considered only if the borrower agrees to pay the de-stacking and restacking expenses.</li> <li>➤ Warehouse / Storage Receipts should be kept valid during the currency of the facility.</li> <li>➤ Inspection of the Commodity stocked will be conducted at least once in a month by the Bank officials.</li> <li>➤ QC charges, fumigation charges and other charges if any, wherever required are to be borne by the borrower.</li> <li>➤ The maximum funding price for commodities will be within the price cap decided by the Bank from time to time.</li> </ul>
18.	Sanction Letter	Ref. No. _____ dated _____

## Annexure I

### List of eligible commodities along their margins and validity

Commodity Name	Funding %	Maximum Storage Period Including Revalidation	Approved Regions
ARECANUT	70	12	KK (only Karnataka), TN
BAJRA	75	9	MPCG, NT, RJ, TN, PB
BARLEY	70	9	NT, RJ, PB
BENGAL GRAM (CHICK PEA)	70	9	APTS, EAST, GJ, KK (Karnataka), MH, MPCG, NT, RJ
BLACK GRAM (URAD)	70	9	APTS, MH, MPCG, TN, GJ, KK, NT, RJ
BLACK PEPPER	70	12	KK, TN
CARDAMOM	70	9	KK, TN
CASHEW (KERNELS AND RAW NUTS)	70	6	APTS, EAST, MH, KK, TN
CASTOR SEEDS	70	12	APTS, GJ, MH, RJ
COFFEE	70	9	KK, TN
COPRA	70	9	KK, TN
CORIANDER	70	9	APTS, GJ, KK, MH, MPCG, RJ, TN
COTTON BALES	70	12	All designated branches
COTTON SEED	70	9	APTS, GJ, HRJK, KK, MH, MPCG, PB, RJ
COTTON SEED OILCAKE	70	6	APTS, GJ, HRJK, KK, MH, MPCG, PB, RJ
FENNEL SEEDS (SAUNF)	70	9	GJ, RJ
FENUGREEK SEEDS (METHI)	70	9	MPCG, RJ
GREEN GRAM (MUNG)	70	9	APTS, GJ, KK, MH, TN, MPCG, NT, RJ
GROUNDNUT (IN SHELL)	70	6	APTS, GJ, KK (Davangere), RJ, TN, HRJK
GROUNDNUT (KERNEL)	70	6	GJ
GROUNDNUT DOC	70	6	GJ, MH
GUAR GUM	70	9	GJ, HRJK (HARYANA ONLY), RJ
GUAR SEEDS	70	12	GJ, HRJK, MPCG, RJ
ISABGOL	70	9	GJ, MPCG (Madhya Pradesh), RJ
JAGGERY	75	9	GJ, MH, NT, RJ (Jodhpur)
JEERA (CUMIN SEEDS)	70	9	GJ, RJ
JOWAR (SORGHUM)	75	9	APTS, MH, TN, RJ, PB
LENTIL (MASOOR)	70	9	MH, MPCG (Madhya Pradesh), EAST, NT, RJ
MAIZE	75	9	APTS, EAST, GJ, KK, MH, MPCG, NT, TN, PB, RJ
MUSTARD DOC	70	6	HRJK, MH, PB
MUSTARD SEEDS	70	9	GJ, HRJK, MPCG, NT, RJ, EAST, PB
PADDY	75	12	APTS, EAST, GJ, HRJK, KK, MPCG, MH, NT, PB, RJ, TN
PROCESSED DAL OF APPROVED PULSES	70	6	REFER POINT ANNEX.1
RED CHILLIES	70	9	APTS, KK, MH, MPCG, TN
RED GRAM (TUR)	70	9	APTS, GJ, KK, MPCG, MH, TN, RJ, NT
RICE	70	9	APTS, GJ, MPCG, NT, HRJK, PB, TN, RJ
RICE BRAN DOC	70	6	PB, HRJK, TN, RJ, MPCG
RUBBER SHEET	75	6	KK (Kerala), TN (Madurai)
SAGO	70	6	TN

SESAME SEEDS	70	9	MPCG (Neemuch), GJ, NT, RJ, TN
SKIMMED MILK POWDER	70	6	MPCG, MH
SOYBEAN	70	9	APTS (Warangal), GJ, KK, MPCG, MH, NT (Rudrapur, Jalaun & Mauranipur), RJ (Kota)
SOYBEAN DOC	70	6	EAST, GJ, KK, MH, MPCG, TN
SUGAR	75	12	All designated branches
TURMERIC	65	9	APTS, EAST, KK, MH, TN
WHEAT	75	9	All designated branches.
YELLOW PEAS	70	9	APTS, MH, EAST, NT

The contents of the document have been explained to me in \_\_\_\_\_ language and I/we have understood the same.

IN WITNESS WHEREOF the Borrower has hereunto put his hand and seal on

Name & Signature/thumb impression

**Axis Bank Ltd**

Authorized Signatory on behalf of the Bank

**Authorized Signatory**

Place:

Date :