

TERM LOAN AGREEMENT

THIS AGREEMENT IS MADE at the place & date mentioned in the Schedule attached hereto between Borrower(s) whose name(s) is/are mentioned in the Schedule attached hereto of ONE PART and the AXIS Bank Ltd., a body corporate, incorporated under the Companies Act, 1956 and having its Registered Office and Central Office at Ahmedabad and Mumbai respectively through its branch at the place as mentioned in the Schedule (hereinafter called the "Bank") of the Second Part. The expressions "Borrower" and the "Bank", unless repugnant to the context, shall include their respective heirs, representatives, successors, executors, administrators, and assigns. In the Agreement, singular shall include plural and the masculine gender the, feminine or neutral gender. The expression Borrower shall, when more than one, include all of them collectively or any of them individually, as the context may require.

IT IS AGREED BY AND BETWEEN THE PARTIES AS FOLLOWS

1. Definitions and Interpretation

1.1 In this Agreement, the following capitalized words shall have the following meanings:

"Agreement" means the PM Vishwakarma Loan Agreement

"Bank" means AXIS Bank Ltd., a Company incorporated under The Companies Act, 1956 and a Banking Company within the meaning of the Banking Regulation act, 1949 and having its registered office at "TRISHUL", 3rd Floor, Opposite Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad - 380 006 acting in these presents through its branch at the place as mentioned in the Schedule "B" and include its successors and assigns.

"Borrower" means one or more individual(s), singly or collectively, as the case may be or a sole proprietary firm, whose name(s) and address(s) is/are stated in Schedule "B" executing this agreement as borrower(s) engaged in the Trades and eligible to be part of the Scheme as prescribed by the Government from time to time.

1. In case when the Borrower is one or more individual(s) each one being deemed to have made this Agreement individually and in case of more than one, all of them having agreed to liabilities hereunder jointly and severally and the term "Borrower" shall include his/her/their respective heirs, executors, administrators, and legal representatives and permitted assigns.

2. In case the Borrower is a sole proprietary firm, the person whose name appears as a sole proprietor and the term Borrower shall include his/her/their heirs, executors, administrators, and legal representatives and permitted assigns.

"Branch" means the branch of the Bank at the place mentioned in the Schedule "B" and where the Term Loan is disbursed and shall include any other branch where the Term Loan account is maintained or transferred to any time at the sole discretion of the Bank.

"Enterprise Development Loan" means subsidized institutional credit support sought to be provided by the Government upon the fulfilment of the terms and conditions by the Borrower as listed in the Scheme

"Monthly Installment" shall mean the amount payable every month by the Borrower to the Bank comprising of interest, or as the case may be, principal and interest.

“Government” shall mean the Ministry of Micro, Small and Medium Enterprises (‘MoMSME’), the Ministry of Skill Development and Entrepreneurship (‘MSDE’) and the Department of Financial Services (‘DFS’), Ministry of Finance (‘MoF’), and Government of India which has declared the Scheme

"Term Loan" means a collateral free loan granted by the Bank in terms of this Agreement and in accordance with guidelines/directions issued by the Government under the Scheme for Enterprise Development Loans. The expression "Term Loan" shall also mean to include the principal amount of loan and all dues outstanding there under if the context so requires.

"Interest Rate" means the rate at which the Bank shall compute and apply interest on the PM Vishwakarma, as stated in Schedule "B" or as may be amended from time to time by the Bank.

“Penal Charge” means the rate at which the Bank shall compute and apply interest on all amounts not paid when due for payment (or reimbursement) by the Borrower to the Bank, as stated in Schedule "B" or as may be amended from time to time by the Bank.

"Parties" means the Bank and the Borrower referred to collectively.

"Schedule" means the schedules of this Agreement.

“Scheme” shall mean a scheme introduced by the Government for traditional artisans and craftspeople of India under the scheme name ‘Prime Minister Vishwakarma’ wherein one of the components include collateral free credit to such traditional artisans and craftspeople, engaged in Trades and eligible as per the Scheme, with guarantee coverage as operated by CGTMSE department of Government of India.

“Trades” shall mean and include the traditional trades covered under the Scheme and as updated in the Scheme document from time to time.

1.1.1 In this Agreement, singular shall include plural and the masculine gender the, feminine gender or neutral gender.

1.1.2 Any expression not defined herein shall, if defined under the General Clauses Act, 1897 shall carry the same meaning as assigned to it under the said Act.

1.2 The arrangement of clauses in this Agreement shall have no bearing on their interpretation.

2. Bank's agreement to lend and Borrower's agreement to borrow

2.1 The Bank agrees, based on the Borrower's Request, Representations, Warranties, Covenants and Undertakings as contained herein and in the application for Term Loan and other documents executed or tendered by the Borrower in relation to the Term Loan, to lend to the Borrower and the Borrower agrees to borrow from the Bank, the term loan on the terms and conditions as fully contained in this Agreement and the Schedule "B".

2.2 The relationship between the Bank and the Borrower as lender and borrower shall commence from the date of this Agreement and subsist until all monies due and payable by the Borrower to the Bank under this Agreement and in all other documents pursuant hereto shall have been fully paid to and received by the Bank.

3. Fees, Charges, Costs and Claims

3.1 The term loan shall bear Service Charges, and any other fees as mentioned in Schedule "B", which the Borrower agrees to reimburse to the Bank separately.

3.2 The Bank shall be entitled to recover from the Borrower Prepayment Charges at the rate mentioned in Schedule "B" on the amount of Term Loan, repaid by the Borrower ahead of the Repayment Terms as mentioned in Schedule "B".

3.3 The Bank shall also be entitled to recover from the Borrower any other charges or costs incurred, or claims suffered by the Bank in connection with the Term Loan, including on account of execution and stamping of this Agreement and any other documentation or security creation pursuant to this Agreement.

3.4 In case the Borrower is more than one party then all the parties shall be jointly and severally liable for all the charges, fees, cost and claim in accordance with the clause 3 of this loan Agreement.

4. Disbursement

4.1 The Bank shall, unless agreed between the Borrower and the Bank otherwise and as stated in schedule "B", disburse the Term Loan by debiting the loan account and direct credit / transfer to his current / saving account.

The Bank shall have an unconditional right to cancel the undrawn/unavailed/unused portion of the Term Loan at any time during the subsistence of the Term 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

4.2 It is understood that the charges in relation to the disbursement (including charges for issuance or for the collection of proceeds by the beneficiary on such payment order or demand draft) shall be borne by the Borrower.

4.3 The Bank may not disburse at any time, any amount unless all the conditions and any other formalities prescribed by the Bank including the following, but not restricted to, are complied with, in the sole discretion of the Bank:

(ii) The Borrower's submission to the Bank, postdated cheques /Electronic Clearing Service mandate/Standing Instruction mandate towards repayment installments; and

(iii) Any other document or writing as the Bank may require in its sole discretion.

(iv) Submission of all the necessary approvals and permission from the appropriate authorities including, but not limited to, approvals and certificates from corporations.

4.4 The Borrower shall repay to the Bank the amount in terms of monthly installments each by the first day of each calendar month or such part thereof as shall remain due and owing to the Bank. The monthly installment includes interest component.

5. Interest & Term Loan Account

5.1 Interest on the Term Loan shall accrue from the date on which the disbursal has been affected in the loan account and accordingly the computation of the first instalment shall be calculated only for the actual number of days remaining for the due date of first installment. For the rest of the installments the entire period of 30 days based on a pre-drawn schedule shall be taken into consideration. The disbursement of the term loan will be done by issuing the disbursement Pay order / Demand draft / account transfer or otherwise without the Bank concerning itself with the receipt of such disbursement by the Beneficiary / Recipient and also with the realization of such payment order / demand draft or the time taken in such realization.

5.2 Interest on the Term Loan shall be computed and debited to the term loan account on the due date in each calendar month/quarter/half year/year as stated in Schedule "B".

5.3 Interest Tax and other levies as may be applicable from time to time on the Term Loan shall be borne by the Borrower.

5.4 The Bank shall be entitled to debit all other amounts due and payable by the Borrower under this Agreement (including but not limited to interest tax, fees, stamp duty, costs, service/prepayment and other charges, claims and

expenses) to the Borrower's loan account, unless separately reimbursed to the Bank by the Borrower. Such amounts shall form part of the Term Loan.

5.5 All amounts in default for payment (i.e. not paid by the Borrower when due to the Bank) including arrears of instalment, interest before the commencement of instalment, costs, charges and expenses debited to the loan account shall attract Penal Charge without there being any need to assign a reason for such revision and interest and Penal Charge shall thereafter accrue at such revised rate(s).

5.6 Interest on the Term Loan shall be computed and debited to the loan account taking the basis of 365 days a year. The interest computation shall follow the formula as below:

$$(\text{Rate of Interest (\%)} \div 365 \text{ or } 366 \text{ for leap year}) \times \text{End of Day Outstanding} \times \text{Number of Days}$$

5.7 Interest on the amount of the Term Loan is to be applied at the fixed rate of interest stipulated in the Schedule to the Agreement. The rate of interest will be fixed for the entire tenor of the Term Loan.

6. Repayment:

6.1 The Monthly Installment (including the principal, interest thereon and any other charges, premium, fees, taxes levies or other dues payable by the Borrower to the Bank in terms of this Agreement) be repayable by the Borrower to the Bank-

(i) At the Branch (or at any other branch of the Bank or at any other place as may be notified by the Bank).
(ii) By way of Monthly Installment as mentioned in the Schedule "B" towards repayment of principal and interest; and

(iii) By separate repayments towards repayment of Penal Charge fees, charges, taxes, claims, costs and expenses charged to the term loan account.

(iv) Borrower(s) agree(s) to keep bank account (details of which the Borrower(s) has/have submitted to the Bank for setting up the Standing Instruction/NACH Mandate to recover the instalment/Installment) adequately funded at least one day prior to the repayment/instalment due date.

(v) Borrower(s) understand(s) and agree(s) that if the Borrower(s) fail(s) to fund the bank account as aforesaid and the Standing Instruction/NACH Mandate fails to be honored on the repayment/instalment due date, Bank shall be at liberty to levy applicable charges as per the Loan Agreement in addition to the other rights available to the Bank under this Loan Agreement and applicable law/regulatory guidelines."

6.2 The Monthly Installment amount shall be arrived at so as to comprise repayment of principal and payment of interest calculated on the basis of the interest rate, periodicity, of repayment, of the entire liability under the Term Loan at the end of its tenor and the Borrower agrees to continue paying instalments until all amounts due under the Term Loan have been repaid in full to the Bank.

6.3 No notice, reminder or intimation will be given to the Borrower regarding his/her obligation to pay the instalment regularly on each due date. It shall entirely be his/her responsibility to ensure prompt and timely payment to the Bank. Any delay or default in payment of any instalment shall make the Borrower liable to pay to the Bank, Penal Charge (for the period of such default) as mentioned in the Schedule "B", besides constituting a default thereby making all sums under this Agreement due and payable to the Bank forthwith.

6.4 All repayments of Principal and payment of interest and all other amounts by way of instalment or otherwise shall be given effect to in the loan account in accordance with the method of effecting payment as stated in the Schedule "B" or as adopted by the Bank from time to time.

6.5 Repayments ahead of the Repayment Terms shall attract Prepayment Charges as stated in Schedule "B".

6.6. The Borrower shall be jointly and severally liable to repay the Loan Obligations in accordance with the terms of loan Agreement and the other Financing Documents

7. Government Subsidy:

The Borrower is aware that the Bank is required to report the repayment of Term Loan and the payment of interest in respect of the Term Loan by the Borrower to the Government as per the requirement of the Scheme. Further the Borrower acknowledges that the Bank will be able to submit the report as per the requirement of the Scheme only if the Borrower is regular in the debt servicing of the Term Loan and has not committed any default.

The Government will directly pay the subsidy amount to the savings account of the Borrower registered in terms of the Scheme.

The Borrower is aware that the Bank does not have any role in calculation of the subsidy amount and processing the payment of subsidy by the Government to the Borrower is not within the control of the Bank. The Borrower agrees that the Bank shall not be liable to the Borrower for any short payment /non-payment /delay in payment of subsidy by the Government.

8. Bank's Rights

The Bank shall, in relation to the Term Loan:

- (i) have the sole right at any time during the tenure of this Agreement to revise/reschedule the repayment terms/ amount of instalment or of any other amounts outstanding there under and the Borrower shall make all future repayments to the Bank according to such revised schedule on being notified by the Bank of such revision or reschedulement;
- (ii) have the sole right to amend any of the terms and conditions of this Agreement including but not limited to revision of interest Rate (including the Penal Charge), periodicity of compounding interest, method of effecting credit of the repayments without assigning any reason or notifying the Borrower and the Borrower agree that such revision shall become applicable from date of such revision in the records of the Bank;
- (iii) have the right to receive and adjust any payment/s that it may receive as an assignee of the insurance in relation to the Property that may have been provided as security and on the life of the Borrower towards amounts due and/or payable by the Borrower under this Agreement;
- (iv) be entitled to disclose any information about the Borrower, his/her account relationship with the Bank and/or any default committed by him (whether such information is provided by the Borrower or obtained by the Bank itself and whether in form of repayment conduct, rating or defaults) to its head office, other branch offices, affiliated entities, Reserve Bank of India, any Refinancing agency, credit rating agency and such third parties as the Bank may in its sole and exclusive discretion, deem fit and proper. The Bank shall also be entitled to seek and receive any information as it deems fit in connection with the Term Loan and/or the Borrower from any third party; and
- (v) be entitled to require the Borrower, in the event of the Borrower opting to resign or retire from the employment prior to the age of superannuation or is discharged or removed from service before such date for any reason whatsoever, to instruct his/her employer to remit the entire dues (including provident fund, gratuity and compensation) becoming payable by the Borrower from his/her employer on account of his/her such cessation of employment and to receive and appropriate the same towards the Borrower's liability under the Term Loan.
- (vi) Each Borrower/Guarantor 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' "

8. Borrower's Representations, Warranties, Covenants and Undertakings.

8.1 With a view to induce the Bank to grant the Term Loan to him/her, the Borrower, hereby represents/warrants to/ covenants/ undertakes with the Bank that he/she-

- (i) Has given complete and correct information and details in the application form about himself/herself;
- (ii) Shall make available to the Bank such security (including mortgage over the Property) in such form and substance as may be required by the Bank;
- (iii) Has no pending claims demands litigation or proceedings against him/her before any court or authority (public or private);
- (iv) Shall ensure that the purpose for which the Term Loan is advanced by the Bank is fulfilled in all respects and produced to the Bank, the necessary documents, as may be required by the Bank;
- (v) shall in addition to the income/ financial statement/s required by the Bank furnish such other information/ documents concerning his/her employment, trade, business, profession or otherwise as the Bank may require from time to time; *Applicable in cases where borrower is maintaining savings a/c with Axis Bank
- (vi) shall promptly and without requiring any notice or instalment reminder from the Bank, repay to the Bank the Term Loan in accordance with the Repayment Terms mentioned in the Schedule "B";
- (vii) shall (in case of more than one borrower) be jointly and severally liable to repay the Term Loan, interest and all other sums due and payable under this Agreement and to observe its terms and conditions;
- (viii) shall not stand surety or guarantor for any third-party liability or obligation;
- (ix) being a resident in India, shall not leave India for employment or business or long stay without first fully repaying the Term Loan then outstanding due and payable with interest and other dues, including prepayment charges, if any;
- (xi) shall keep himself/herself aware of the rules of the Bank, pertaining to term loan, and in force from time to time.
- (xi) the borrower shall, in case the borrower is a company/firm/body corporate, notify the Bank at least 30 days in advance of any intended a) change in business, constitution or constitution documents or b) closure of its business or c) change in address.
- (xii) In the event of savings account/s of the Borrower/s being closed or being shifted from Axis Bank to any other Bank, the Borrower/s shall within 15 days of such closure or shifting of account, arrange to the satisfaction of Axis Bank any other alternative mode of payment of the installments either by way of Electronic Clearing System (ECS) or by submitting Post Dated Cheques (PDC's), failing which the Bank would have an option to recall the outstanding loan of the Borrower/s.*
- (xiii) The Borrower confirms that he has complied with the requirements under the Scheme and shall inform the Bank in case of becoming ineligible at any date during currency of the loan.
- (xiv) 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.

8.2 The Borrower declares, assures and states that, except as mentioned hereunder, the Borrower is not a director nor relative* of any director or none of its directors/partners /members (if the Borrower is a company/partnership firm) is a director; of the Bank or any other Banks including Scheduled Co-operative Banks, subsidiaries/trustees of mutual funds/ venture capital funds; and the Borrower is not a relative* or none of its directors/ partners/ members (if the Borrower is a company/partnership firm) of any Senior Officer# of the Bank or of any other Banks;

#The term 'Senior Officer' means an officer of the Bank, who is in equivalent scale as an officer in senior management level in Grade IV any officer and above in a nationalized bank or any officer in equivalent scale in the State Bank of India and associate banks and in any banking company incorporated in India.

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

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

OR

The Borrower declares that the Borrower is related to the director(s) and /or Senior Officer(s) of the Bank or of any other Banks as specified in schedule "A" hereto:

9. Events of default.

The Bank may by a written notice to the Borrower, declare all sums outstanding under the Term Loan (including the principal, interest, charges, expenses) to become due and payable forthwith and enforce the security (if applicable) in relation to the Term Loan upon the occurrence (in the sole decision of the Bank) of any one or more of the following:

- (i) The Borrower fails to pay to the Bank any amount when due and payable under this Agreement.
- (ii) The Borrower fails to pay to any person other than the Bank any amount when due and payable or any person other than the Bank demands repayment of the loan or dues or liability of the Borrower to such person ahead of its repayment terms as previously agreed between such person and the Borrower;
- (iii) The Borrower defaults in performing any of his/her obligations under this Agreement or breaches any of the terms or conditions of this Agreement;
- (iv) The Borrower opts to resign or retires from the employment prior to the age of superannuation or is discharged or removed from service before such date for any reason whatsoever
- (v) Any of the information provided by the Borrower to avail the Term Loan or any of his/her Representations, Warranties herein being found to be or becoming incorrect or untrue;
- (vi) Any person other than the Bank commencing proceedings to declare the Borrower insolvent or if the Borrower shall become bankrupt or insolvent or commit act of insolvency;
- (vii) The Borrower has failed to comply with the requirements under the Scheme and/or has become ineligible for the Scheme at any date during currency of the Term Loan. (viii) The Bank shall have a lien and right of set-off on all moneys belonging to the Borrower standing to their credit in any account whatsoever with the Bank. If upon demand by the Bank the balance outstanding in the Credit Facility account is not repaid within the prescribed time, such credit balance in any account may be adjusted towards dues under the Credit Facility account. In case of any deficit, the deficit amount may be recovered by the Bank from the Borrower.

10. Assignment and Transfer.

10.1 The Bank shall have a right to sell or transfer (by way of assignment, securitization or otherwise) whole or part of the Term Loan and outstanding amounts under the Term Loan or any other rights under this Agreement or any other document pursuant hereto to any person in a manner or under such terms and conditions as the Bank may decide in its sole discretion.

10.2 The Borrower expressly agrees, in the event of sale or transfer as aforesaid, to accept such person to whom the Term Loan is sold or transferred as his/her lender and make the repayment of the Term Loan to such person as may be directed by the Bank.

10.3 The Borrower shall not transfer or assign his/her rights under this Agreement.

11. Banks appointment of Agent.

The rights, powers and remedies available to the Bank under Law and under these present, shall be exercised by the Bank through any of its employees or agent and the Bank may delegate any or all of the said powers and authorities to such employee or agent.

12. Miscellaneous

12.1 The Borrower confirms the accuracy of the information given in the Term Loan application and further confirms that no material change or alteration has taken place subsequent to the date of application which would impact adversely the safety of amount granted by the Bank in any manner whatsoever.

12.2 The Borrower declares and confirms that he/she is not a party to any litigation of any material character affecting the security and Borrower is not aware of any facts likely to give rise to such litigation or any material claims or enquiries from any tax authorities or other statutory authorities.

12.3 All or any other conditions as specified in the most important information shall form an integral part of this Agreement and the most important information shall always be used in conjunction with this agreement at all times.

12.4 Interest on the amount of the loan will be applied at the rate specified in Schedule "B" to the agreement.

12.5 Without prejudice to any other term of this Agreement, the Parties expressly agree that any payment made by the Borrower to the Bank under this Agreement shall be appropriated by the Bank in the following order-

(i) Costs, charges and expenses that the Bank may expend to service, enforce and maintain the security and therefore recover the Term Loan, interest and all sums due and payable by the Borrower to the Bank under this Agreement.

(ii) Interest on amounts in default and loss of profit on the defaulted amount/s

(iii) Interest

(iv) Principal amount of the term loan

12.6 The Parties agree that any delay or omission by the Bank in exercising any of its rights, powers or remedies as the lender of the loan under this Agreement and other documents pursuant hereto shall not impair the right, power or remedy or be construed as its waiver or acquiesce by the Bank.

12.7 The Parties confirm that this Agreement and its Schedules and any other documentation pursuant to its represent one single agreement between the Parties.

12.8 This Agreement super cedes all prior discussions and representations between the parties, including the Bank brochure, save with respect to the obligations of and representations made by the Borrower to the Bank set forth in any correspondence, application forms or otherwise made or agreed to be made howsoever.

12.9 Laws of India shall govern this Agreement, the security and other documentation pursuant hereto and Courts having jurisdiction where the Branch is situated shall have exclusive jurisdiction over all aspects governing the interpretation and enforcement of this Agreement, the security and other documentation pursuant hereto.

12.10 The addresses of the parties shall be as mentioned under Schedule "B". The Borrower shall forthwith inform the Bank of any change in his/her Address (current residence and office).

12.11 Any notice or request required or permitted under this Agreement to be given by either party to the other shall be only in writing and sent on the address of the other Party as mentioned in the Schedule "B" (or in case to the Borrower, on the address of the Borrower last known to the Bank):

(i) If given by the Bank, may be given by personal delivery, fax or by post and shall be deemed to have been served upon or received by the Borrower, if given by personal delivery, when so delivered and if by post on expiration of 3 days after the same has been delivered to the post office for onward transmission to the Borrower under certificate of posting; and

(ii) If given by the Borrower to the Bank when it is actually received by the Bank.

12.12 Additional terms and conditions: [Term Loans] Bank will deduct my/our instalment and other repayment/charges in terms of my Term Loan account on ____ of every month/quarter/half year commencing from

___/___/20___. I understand that if I do not pay my instalment on the above-mentioned date, my account will be considered as 'Overdue' from the end of that date.

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

1. **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.
2. **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.
3. **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.

4. **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.

- (a) **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	Upto 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	SMA 2	More than 60 days and Up to 90 days
	Up to 90 days		

(b) Non-performing Asset:

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

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

(c) 'Out of Order' Status: An account shall be treated as 'out of order' if:

1. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
2. 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 categorization	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	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	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/	NA	NA
					03.03.2022		
		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	60	SMA-1	01.02.2022/	NA	NA
		amount dues on 01.04.2022 at EOD 01.04.2022			02.04.2022		
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA 2	01.02.2022	NA	NA

					/ 02.04.2022		
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD	90	SMA 2	01.02.2022	NA	NA
		01.05.2022			/ 02.04.2022		
		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

(d) 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:

- 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
- 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).

13. The borrower understand that as a pre-condition, relating to grant of the loans/advances/other non-fund based credit facilities to the Borrower and furnishing of guarantee in relations 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/guarantor/s, 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 t by AXIS Bank of all or any such:

- (i) Information and data relating to Borrower(s).
- (ii) the information or data relating to Borrower(s) obligations in any credit facility granted/ to be granted by the Bank
- (iii) default, if any, committed by Borrower in discharge of Borrower(s)' such obligation as the AXIS Bank may deem appropriate and necessary to disclose and furnish to Credit Information Companies (CIC's). any other agency authorized in this behalf by RBI and or the Government.
- (iv) 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' .

The Borrower declares that the information and data furnished by borrower/me/ us to the AXIS Bank are true and correct the borrower undertakes that –

- (I) The Credit Information Companies (CIC's) Information Utilities (IU) and/or 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
- (ii) The Credit Information Companies (CIC's) Information Utilities (IU) and/or 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 guarantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

14. To take possession/ control of such property/ security , whether directly or through any receiver, recovery agent, manager attorney, or other person as may be appointed by the Bank and to exercise all or any of the powers and rights vested in the Bank under the Agreement and/or any other related transaction documents and/or as available to it in law, who shall be deemed to be the agent of the Bank, including for or in relation to perfection, preservation, valuation, enforcement of security interest, possession, sale, auction, private treaties of security interest, etc. It shall be lawful for the Bank or its agents to enter into or take possession under the provisions contained in any of the documents entered in relation to the security interests henceforth and to hold and enjoy the same and to receive the rents and profits thereof without any interruption or disturbance by the Borrower and/ or the security providers or persons claiming by, through, under or in trust for the Borrower and/ or the security providers.

15. 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 Mumbai/ Delhi / Chennai / Kolkata.

16. Kindly note that insurance plan(s) from the insurance partner(s) engaged by the Bank ('such insurance partner(s)') are made available for your convenience and in case you opt for the same, we can assist you in the enrollment of the chosen plan. It is clarified that purchase of the insurance cover from such insurance partner(s) shall be voluntary/optional and is not linked to availment of any product(s)/service(s) from the Bank. You may choose to avail the insurance cover from such insurance partner(s) or from any other insurance providers."

17. For any grievances in relation to the Term loan, the Borrower may raise any complaint/concerns through the www.axisbank.com/support or call the Bank's customer care 1800-419-5577 Toll Free. The Bank shall endeavour to resolve the grievances and provide appropriate response with respect to such complaint/concerns raised by the Borrower in a timely manner. For further details on the grievance redressal policy of the Bank, the Borrower can access and read the grievance redressal policy of the Bank available at www.axisbank.com/support >> Additional Information >> Grievance redressal policy.

Phone number and email id of the nodal grievance redressal officer -

- nodal.officer@axisbank.com;
Ph. 91-080-61865200
9.30 AM to 5.30 PM-Monday to Saturday
(Except 2nd & 4th Saturdays and Bank Holidays)
- pno@axisbank.com;
Ph. 91- 080-61865098
9:30 AM to 5:30 PM- Monday to Saturday
(Except 2nd & 4th Saturdays and Bank Holidays)

IN WITNESS WHEREOF the parties hereto have set their hand on the day, month and year hereinabove mentioned.
Signed and Delivered by the within named Borrower(s):

1. _____ (Borrower Name) Signature of the Borrower

2. _____ (Borrower Name) Signature of the Borrower

3. _____ (Borrower Name) Signature of the Borrower

Signed, and Delivered by the within named Bank, AXIS BANK LTD through its authorized official.

_____ AXIS BANK LTD., AUTHORIZED SIGNATORY

SCHEDULE - "A"

Sr No	Name of Director (s) / Senior Officer(s)	Designation	Designation
1			
2			
3			
4			
5			
6			
7			
8			
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11			
12			
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14			
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20			

SCHEDULE "B"- LOAN AGREEMENT		
Branch : Branch Address :	Place:	Date:
Applicant		
	(First Name) (Father's/Husband's/Middle Name) (Surname / Family Name)	
	Residence Address :	Office Address :
	Telephone Number:	Telephone Number:
	E-Mail Address :	E-Mail Address :
Co-applicant/ Guarantor		
	(First Name) (Father's/Husband's/Middle Name) (Surname / Family Name)	
	Residence Address:	Office Address:
	Telephone Number:	Telephone Number:
	E-Mail Address:	E-Mail Address:
Facility	Term loan under Prime Minister Vishwakarma Scheme (PM VISHWAKARMA Scheme)	
Facility Amount	Rupees: (In figures)	
	Rupees: (In words)	
Number of Installments	<u>Tranche 1 - 18 monthly Installments</u> <u>Tranche 2 - 30 monthly Installments</u>	
Rate of Interest	5% Fixed p.a.	
Processing Fee	Nil	
Periodicity of Interest Compounding	Monthly	
Repayment Terms	Repayable according to the tenor by Monthly Installment as stated below	
Monthly Installment	Rupees _____ + interest as applicable (in figs)	
	Rupees _____	
	_____ + interest as applicable (In words)	
Repayment	Monthly	
	_____ of every _____	

	month commencing from
Disbursement details	By direct payment/s as follows: 1. Direct a/c credit fvg for Rs: 2. Direct a/c credit fvg for Rs:
Security details (if applicable)	Not applicable
Prepayment / Foreclosure / Part Payment charges	<u>Nil</u>
Repayment instruction / Instrument return charges	Rs. 500/- per instance of dishonor of cheque Standing instruction / ECS debit instruction + GST as applicable
Swap charges (Cheque/Instrument)	Rs. 500/- per occasion of swapping of the PDCs/ECS mandate/Standing instructions mandate + GST applicable
Material Terms & Conditions:	Financial Default: Term Loan (TL): <u> </u> Non-payment of interest / principal or instalment on the due date Financial Default includes all types of payment or financial defaults/irregularities with respect to the Loan Account Non-Financial Default: Term Loan & Cash Credit (TL/CC): • Non-submission / delay in submission of details / documents as per sanction conditions or non-fulfilment of covenants - e.g. Non submission of Insurance, statement, NOC etc • Pending Security Creation (Primary / Collateral • 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 will be subjected to applicable penal charges on the total outstanding amount for Term Loan and total limit sanctioned for CC
Penal Charge	Financial Default: a) Term loan (TL): • 8% p.a. on the overdue amount subject to aggregate penal charges not exceeding Rs. 1,00,000 per instance or minimum

	of ₹300 (Rs. Three hundred) whichever is higher per instance There shall be no capitalization of Penal Charges. *Penal Charges are not applicable for all SHG loans under NRLM/NULM and all other loan sanction limit upto Rs. 50,000/- Note-In the case of loans to SHGs / JLGs, this limit will be applicable to per member and not to the group as a whole. *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. Non-Financial Default: Term Loan & Cash Credit (TL/CC): 1% p.a. from the date of each non-financial default on the total outstanding amount for Term Loan and total limit sanctioned for CC (applicable to all the non-financial defaults) • Penal Charges are not applicable for all SHG loans under NRLM/NULM and all other loan sanction limit upto Rs.50,000/- • Note - In the case of loans to SHGs / JLGs, this limit will be applicable to per member and not to the group as a whole. • There shall be no capitalization of Penal Charges. <i>*Non-financial defaults are being monitored, and charges are applied on a case-by-case basis*</i>
Duplicate statement issuance charges	Rs. 250/- per instance per set + GST as applicable.
Duplicate Amortisation schedule issuance charges	Rs. 250/- per instance per set + GST as applicable.
Duplicate Interest Certificate (Provisional / Actual) issuance Charges	Rs. 250/- per instance per set + GST as applicable.
Credit Information Companies (CIC's) Report Issuance Charges	Rs. 50/- per instance per set + GST as applicable.
Charges for subsequent set of Photocopy of loan agreement/documents where requested by Borrower	Rs. 250/- per instance per set + GST as applicable.
Stamp Duty Charges	As per State Stamp Act
	Sanctioned Loan Amount :
	Tenure

Key Fact Statement	ROI
	Interest Payment Mode :
	Term Loan : Kindly refer to the detailed KFS given along with the Sanction Letter / Welcome Letter / Application Form / DAF, duly signed and accepted by you
	Overdraft Facility: NA

“Goods and Services tax (GST) will be charged extra as per the applicable rates, on all the charges and fees (wherever GST is applicable)”

Notwithstanding anything mentioned above, Axis Bank can add, delete, modify all or any of the above aforesaid terms & conditions without any reference to the borrowers.

Signed & Delivered by the within named borrower/s, this schedule to PM Vishwakarma Agreement on the hereinabove mentioned.

"I/We have been informed that the repayment of our instalment and other repayments/charges will be on Monthly rests and will be due on _____ of every Month commencing from _____. I/We understand that if I/We failed to pay instalment for the Loan availed by me/us on the above-mentioned date, my/our account will be considered as ‘Overdue’ from the end of that date. Unless an earlier demand for repayment is made by Axis Bank Ltd, the Principal and the Interest and costs and charges, if any on Loan, will be payable by the me/us as per the repayment terms stipulated for Loan availed by the respective Borrower/s from the later of the date of execution of this Agreement/disbursement of the Loan. All repayments shall be applied to costs, charges, Interest and the balance finally towards the Loan. Any extension of the repayment period for the Loan shall be at the sole discretion of Axis Bank Ltd."

Borrower / s Name:

Signature:

Applicant Co-applicant

Guarantor

Signed & delivered on behalf of AXIS BANK Ltd.

Name : _____ Signature: _____