

12.10.2021

The Director
M/s Azeagaia Development Private Limited
505b & 506, Titanium, Shalimar Corporate Park,
Plot No. Tc/G-1/1, Vibhuti Khand,
Gomti Nagar, Lucknow

Reg:- A/c M/s Azeagaia Development Private Limited – Proposal for sanction of Fresh Term Loan of Rs. 15.00 cr

This has reference to your captioned proposal we are pleased to inform that Competent authority at ours have approved has approved as under in favor of **M/s Azeagaia Development Private Limited:-**

A. Term Loan:

(Amt in Rs cr)

Limits	Approved
TL	15.00

B. Pricing for Fresh TL of Rs.15.00 cr:

Facility	Approved
Term Loan - ROI	RLLR i.e. 6.80% presently
Upfront Fees	0.625% of the loan amount
Other charges	As per bank guidelines

Approval of other issues:-

- (i) 50% relaxation in Upfront fees. (**Approved**)
- (ii) Permission to maintain Escrow Account at SBI (**Approved**)

On terms & conditions as per **Appendix I** and **additional stipulations** as under:-

Additional stipulations:

- Escrow account be opened with our bank and sale proceeds be routed through us. The entire sale proceeds from the SBI escrow account will be transferred to escrow account maintained at ours. Borrower to submit quarterly statement of account of SBI escrow account for monitoring at ours till the obtention of Occupancy certificate of Wing B. SBI account be closed after obtaining OC for Wing B.
- Certificate from Company secretary/CA that FDI guidelines have been complied with to be submitted prior to disbursement.
- To create valid registered mortgage of 83 flats as primary security and 15 flats as collateral security in favor of bank before disbursement of loan and ensure that bank's interest is safeguarded.
- The present Security Coverage i.e. (Primary + Collateral) is 406.73%. The overall security coverage is to be maintained at same level throughout the currency period of loan. Further, the collateral coverage will not be less than 25% as per bank's guidelines throughout the currency period of loan
- To maintain Debt Service Reserve Account (DSRA) to meet the debt service requirement for ensuing one monthly installment and two months interest. DSRA of installment be ensured

For AZEAGAIA DEVELOPMENT PVT. LTD.

DIRECTOR



one month before the start of installment and interest portion in DSRA be maintained after disbursement.

6. The company should obtain NOC for sale of Registered mortgaged flats which will be issued for each sold flat and our loan be adjusted by the sale proceeds accordingly
7. LEI code to be obtained within 3 months from the date of sanction and copy to be submitted for our record..
8. To ensure that valid charge be created in ROC for our loan before disbursement of loan
9. Charge in CERSAI be registered for our loan
10. Undertaking to be submitted that in case of any shortfall in receipt of booking amount, the shortfall amount shall be brought in by the promoters.
11. To submit a statement on quarterly basis giving the details of units booked / sold and amount received against individual units and date of depositing the said amount in the ESCROW account which will be reconciled by the branch.
12. All required and valid statutory approvals/ other approvals be submitted before release of credit facilities
13. To ensure all applicable provisions of RERA Act to be complied.
14. To Submit an undertaking from the promoters that there will not be more than 5% variation in provisional BS as at 31.03.21 & ABS 31.03.21.
15. Charge of SBI be satisfied before disbursement of Term loan.
16. An undertaking to be submitted that Flats proposed for registered mortgaged with our bank are not yet booked by customer and no advance has been taken against these flats.
17. Validity of the credit facilities along with concessions in ROI/ service charges, if any is valid for a period of 12 months from the date of sanction or till next renewal/ review/ enhancement of credit facilities or change in structure of credit facilities, whichever is earlier. In any case concessions in ROI/service charges shall not be extended beyond the date of expiry without having valid sanction.
18. In case of account is being taken over by the other bank / FI, in addition to levying pre-payment charges (non-individual), all the concession / relaxation / waiver in the service charge, Rol etc. granted since last sanction in the account shall be withdrawn and respective amount shall be recovered from the borrower. An undertaking in this regard shall be obtained from the borrower before conveying concession granted in the account.
19. The facilities shall be released only after all the securities are properly charged and all documentation formalities completed.
20. The credit facilities sanctioned to the borrower should be availed within a period of six months from the date of sanction. Facilities not availed within this period should be treated as lapsed and borrower be advised accordingly.
21. (i) Submission of CA certificate in respect of funds incurred in the project (ii) Submission of in respect of physical progress of project and (iii) visits at the project site will be conducted before disbursement of each tranche of term loan.
22. Borrowers/Lenders' Engineers shall submit Quarterly Implementation schedule which should match with the appraisal note and Quarterly Progress Report be submitted to keep apprise the Bank with the progress of the project and to satisfy the bank's officials about end use of funds and timely implementation of the project within the approval.
23. The builder/developer/company would disclose in the Pamphlets/Brochures/Website etc. the name(s) of the bank(s) to which the property is mortgaged.
24. The builder/developer/company would append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/magazines/Website etc.

For AZEAGAIA DEVELOPMENT PVT. LTD.

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25. The builder/developer/company would indicate in their pamphlets/ brochures, that they would provide No Objection Certificate (NOC)/ permission of the mortgagee bank for sale of flats/property, if required.
26. Builder/Developer/company availing credit facility from our bank shall display a board stating that the said property is mortgaged to Punjab National Bank.
27. Real Estate (Regulation and Development) Act, 2016 (RERA) makes it mandatory for developers to post all information on issues such as project plan, layout, government approvals, land title status, sub-contractors to the project, schedule for completion, details of encumbrances on land including name of the party etc with the State Real Estate Regulatory Authority (RERA). In case land is mortgaged by the bank, it should be ensured that the borrower has correctly fed the information at RERA Website.
28. In case of Housing Loan, the right of first refusal will be with PNB

Please ensure compliance of all terms and conditions of sanction as per Appendix- I.

Chief Manager



For AZEAGAIA DEVELOPMENT PVT. LTD.

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Annexure I

Detailed Terms and Conditions of Sanction-
Account: M/s Azeagaia Development Pvt. Ltd.
BO: Ashok Marg, Lucknow.

FACILITY 1: TL		
Limit	Rs. 15.00 cr (Rs Fifteen crores only)	
Interest	RLLR i.e. 6.80% presently for A4 rated account in terms of MSME cir no 66/21 As per internal rating subject to change from time to time as per bank's guidelines and variation in RLLR.	
Repayment schedule	12 monthly installment Rs. 1.25 cr each starting from Sep'22 to Aug'23. Interest to be paid as and when levied. Debt Service Reserve Account (DSRA) to meet the debt service requirement for ensuing one monthly installment and two months interest. DSRA of installment be ensured one month before the start of installment and interest portion in DSRA be maintained after disbursement.	
Disbursement	Period of Draw Down	Amount (Rs. In Crore)
	Quarter ending Dec'21	15.00
	The disbursement will be made in 3 tranches of Rs. 5.00 crore	
Processing Fee	NIL	
Upfront Fee	50% of the applicable i.e. 0.625% of the loan amount	
Review charges	Above ₹1 Crore During implementation stage @0.10%; Max. - ₹10 Lakh. After implementation @0.05%; Max. - ₹5 Lakh.	
Documentation	Rs. 20000/-+ GST	
Penal Interest	Penal interest @2% to be charged on default/non-compliance of any of the terms & conditions and non-submission of financial statements / required documents within due time	
Charges	Pre-payment charges @2% of the pre-paid outstanding amount in case of Take Over i.e. Loan is Prepaid by the Non-Individual Borrower for Shifting to Other Bank / FI. In case of account is being taken over by the other bank/FI, in addition to levying pre-payment charges, all the concession/relaxation/waiver in the service charge, ROI etc. granted since last sanction/review/renewal of the facility or sanction accepted by the borrower with such clause, whichever is earlier, in the account shall be withdrawn and respective amount shall be recovered from the borrower.	
Security Coverage	The proposed Security Coverage i.e. (Primary + Collateral) is 406.73%. The security coverage is to be maintained at same level throughout the currency period of loan. Further, the collateral coverage will not be less than 25% as per bank's guidelines throughout the currency period of loan.	
Commitment charges	As per bank guidelines	
Insurance	All assets charged to Bank shall be adequately insured with agreed Bank	

For AZEAGAIA DEVELOPMENT PVT. LTD.

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	Clause against fire, theft, burglary & / or any other special risk to safeguard the interest of Bank.
Cost Escalations	The borrower shall meet such costs, if any, from its own sources and shall not ask for any additional term loan from the bank.
End Use of Funds	a) For ensuring end use of funds, the disbursement shall be made directly to the Supplier. b) CA Certificate / Chartered Engineer's certificate on actual status of implementation & infusion of funds to be obtained. c) After the completion of the project, completion certificate to be obtained from Certificate of end use of funds should be obtained. The financial statements (Balance Sheet and Profit & Loss Account or other appropriate statements etc.) be obtained from the party to ensure business use of the funds.
	• Separate loan account shall be opened for the borrower, distinct from the existing loan account(s), if any, for coverage under the Scheme. • Cash flow generated out of the Bank finance should mandatorily be routed through Escrow account maintained at our Bank. • The party shall undertake to utilize the fund for the purpose it is sought for and the same shall not be utilized for speculative purpose or any business activity prohibited by law. • Parties to undertake that they do not owe any overdue statutory liabilities like GST, Income Tax, Corporation Tax, Professional Tax, etc. and have obtained / renewed licenses from statutory authorities required for carrying out their business activity. The party shall provide requisite photocopy of the above said payments / receipt / documentation support in confirming the compliance of this clause. • The valuation certificate and legal opinion cum search report shall be obtained invariably in accordance with Bank's Lending Policy from approved Architect / Valuer / Panel Advocate. • Borrower shall display Bank's name as financier at the place of the business. • The borrower may be encouraged to route its transactions through PoS machine/ other digital platforms of PNB. • Prior to release of the facility, legal vetting, PDC shall be obtained as per Bank's extant guidelines. • KYC Compliance / Credit Information Report (CIR) / Confidential Report (CR) / Prepayment Charges / Documentation to be done as per Bank's extant guidelines. • Escrow account shall be opened. • The borrower to comply with applicable RERA regulations prescribed by relevant standards / agencies at the time of project appraisal and ensures to obtain proper certification in this regard at the time of disbursement of loan and implementation of the project. An undertaking to this effect be obtained from the borrower. • Branch / Office shall closely monitor the borrower accounts and shall put in all required efforts to ensure that the account is serviced regularly. • Branch / Office shall safeguard the securities in respect of the credit facility in good and enforceable condition.

For AZEAGAIA DEVELOPMENT PVT. LTD.


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- All other guidelines as per the scheme/ bank guidelines shall be complied with.

OTHER CONDITIONS

- Party to deal with us exclusively
- Party to submit by bank approved valuer certificate on quarterly basis duly supported by CA certificate in respect of progress of the project.
- Authorised capital/paid up capital (including Share Premium) to be further raised as per the projections. The same should be supported by resolution passed by the company/certificate from the company's CA/stamped undertaking from the company.
- Escrow account is to be opened by the party and entire cash flows of the project should be routed through the account.
- Payment shall be made directly to the suppliers as far as possible.
- TL will be released in stages as per physical progress of the project.
- Disbursement of term loan to be in proportion to raising of promoters' contribution.
- The progress in implementation of the project will be monitored/ reviewed by the Bank on quarterly basis and necessary corrective steps will be got initiated, if required, from time to time specially in case of time and cost overruns. The borrower shall facilitate the bank for compliance of the above.
- Before disbursement of Term Loan, it should be ensured that all necessary statutory and other approvals/ permissions including approval of map from LDA, have been obtained by the company.
- Undertaking to be obtained from the party that in case of any shortfall in receipt of booking amount, the shortfall amount shall be brought in by the promoters.
- BM shall obtain a statement from the party on Quarterly basis giving the details of units booked/sold and amount received against individual units and date of depositing the said amount in the ESCROW account which should be reconciled by the branch.
- The builder/developer/company would disclose in the Pamphlets/ Brochures etc., name(s) of ourbank that the property is mortgaged with us.
- The builder/developer/company would append the information relating to mortgage while publishing advertisement of a particular scheme in newspapers/magazines etc.
- The builder/developer/company would indicate in their pamphlets/ brochures, that they would provide No Objection Certificate (NOC)/ permission of the mortgagee bank for sale of flats/property, if required.
- Housing loans of prospective customers of the project and other ancillary business related to the project be obtained.
- All applicable provisions of RERA Act to be complied.
- That the amount of unsecured loans treated as quasi-capital do not exceed 100% of the TNW of the firm and the same are not repaid during the tenor of the loan. Also no interest is to be paid on the unsecured loans treated as quasi-capital.

The credit facilities shall be secured as under:-

i. Primary Security	Details (P.Y.)	Details (P.Y.)	Details (C.Y.)
Facility			TL
Details of Security*	NA	NA	Registered Mortgage of 83 flats in Block B of Multistorey group housing building under construction at Vrindavan Yojna-3, Raebanli road, Lucknow in the name of AZEA Botanica.

For AZEASIA DEVELOPMENT PVT. LTD.

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			List of flats at Table A
SARFAESI Compliant (Y/N)			Y
Type of charge			Registered Mortgage
Value**			Market Value-Rs.47.42 crore Realisable value- Rs. 42.68 crore Market value as on date-Rs. 30.82 crore
Date of valuation			06.09.2021
Basis of valuation			As per valuation report from Vivek Mishra
Status of search report with date regarding noting of charge at ROC			-
Name of the Bank official Visited			Ajay Singh ShammiBhasin
Date of Visit			06.09.21
ii. Collateral Security	Details	Details	Details
Facility	NA	NA	Term loan
Details of Security*			Registered Mortgage of 15 Flats at Block A of Multistorey group housing building under construction at Vrindavan Yojna-3,Raebarily road,Lucknow in the name of AZEA Botanica List of Flat at Table B
SARFAESI Compliant (Y/N)			Y
Type of Charge			Registered Mortgage
Value**			Market Value-Rs.20.35 crore Realisable value- Rs. 18.33 crore Market value as on date-Rs. 17.30 crore
Date of valuation			06.09.2021
Basis of valuation			As per valuation report from Vivek Mishra
Owned by			Azeagaia Development Pvt. Ltd

Table A-Details of Flat Kept as Primary Security

SN	Tower	Floor	Flat Number	Value in lakh
1	Tower-2	10 th Floor	B-1016	55.60
2	Tower-2	10 th Floor	B-1018	55.60
3	Tower 5	1 st Floor	B-102	60.90
4	Tower 5	1 st Floor	B-103	60.90
5	Tower 5	1 st Floor	B-105	60.90
6	Tower 4	1 st Floor	B-107	60.90
7	Tower 2	11 th Floor	B-1116	55.60
8	Tower 2	11 th Floor	B-1118	55.60
9	Tower 3	1 st Floor	B-112	60.90
10	Tower 2	11 th Floor	B-1120	55.60
11	Tower 1	11 th Floor	B-1122	55.60
12	Tower 3	1 st Floor	B-114	60.90
13	Tower 3	1 st Floor	B-115	60.90

For AZEAGAIA DEVELOPMENT PVT. LTD.

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DIRECTOR



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14	Tower 2	1 st Floor	B-116	60.90
15	Tower 2	1 st Floor	B-118	60.90
16	Tower 2	1 st Floor	B-120	60.90
17	Tower 3	12 th Floor	B-1212	55.60
18	Tower 3	12 th Floor	B-1214	55.60
19	Tower 2	12 th Floor	B-1216	55.60
20	Tower 2	12 th Floor	B-1217	55.60
21	Tower 2	12 th Floor	B-1218	55.60
22	Tower 1	1 st Floor	B-122	55.60
23	Tower 2	12 th Floor	B-1220	55.60
24	Tower 1	12 th Floor	B-1223	55.60
25	Tower 1	1 st Floor	B-123	60.90
26	Tower 5	13 th Floor	B-1404	55.60
27	Tower 4	13 th Floor	B-1406	55.60
28	Tower 4	13 th Floor	B-1409	55.60
29	Tower 3	13 th Floor	B-1412	55.60
30	Tower 3	13 th Floor	B-1412E	55.60
31	Tower 3	13 th Floor	B-1414	55.60
32	Tower 3	13 th Floor	B-1415	55.60
33	Tower 2	13 th Floor	B-1416	55.60
34	Tower 2	13 th Floor	B-1418	55.60
35	Tower 2	13 th Floor	B-1420	55.60
36	Tower 1	13 th Floor	B-1422	55.60
37	Tower 1	13 th Floor	B-1423	55.60
38	Tower 5	14 th Floor	B-1503	55.60
39	Tower 5	14 th Floor	B-1505	55.60
40	Tower 4	14 th Floor	B-1506	55.60
41	Tower 4	14 th Floor	B-1507	55.60
42	Tower 4	14 th Floor	B-1508	55.60
43	Tower 4	14 th Floor	B-1509	55.60
44	Tower 3	14 th Floor	B-1510	55.60
45	Tower 3	14 th Floor	B-1511	55.60
46	Tower 3	14 th Floor	B-1512	55.60
47	Tower 3	14 th Floor	B-1512E	55.60
48	Tower 3	14 th Floor	B-1514	55.60
49	Tower 3	14 th Floor	B-1515	55.60
50	Tower 2	14 th Floor	B-1516	55.60
51	Tower 2	14 th Floor	B-1517	55.60
52	Tower 2	14 th Floor	B-1518	55.60
53	Tower 1	14 th Floor	B-1519	55.60
54	Tower 2	14 th Floor	B-1520	55.60
55	Tower 1	14 th Floor	B-1521	55.60
56	Tower 1	14 th Floor	B-1522	55.60
57	Tower 1	14 th Floor	B-1523	55.60
58	Tower 3	2 nd Floor	B-214	60.90
59	Tower 3	2 nd Floor	B-215	60.90
60	Tower 2	2 nd Floor	B-220	60.90

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For AZEAGAIA DEVELOPMENT PVT. LTD.

DIRECTOR



61	Tower 2	2 nd Floor	B-222	60.90
62	Tower 1	2 nd Floor	B-223	60.90
63	Tower 2	3 rd Floor	B-316	60.90
64	Tower 2	3 rd Floor	B-318	60.90
65	Tower 2	3 rd Floor	B-320	60.90
66	Tower 1	3 rd Floor	B-323	60.90
67	Tower 2	4 th Floor	B-416	58.25
68	Tower 2	4 th Floor	B-419E	58.25
69	Tower 3	5 th Floor	B-512E	58.25
70	Tower 2	5 th Floor	B-516	58.25
71	Tower 1	5 th Floor	B-523	58.25
72	Tower 2	6 th Floor	B-616	58.25
73	Tower 2	6 th Floor	B-618	58.25
74	Tower 1	6 th Floor	B-623	58.25
75	Tower 5	7 th Floor	B-701	55.60
76	Tower 2	7 th Floor	B-716	55.60
77	Tower 1	7 th Floor	B-719	55.60
78	Tower 2	8 th Floor	B-818	55.60
79	Tower 2	8 th Floor	B-820	55.60
80	Tower 1	8 th Floor	B-822	55.60
81	Tower 3	9 th Floor	B-912	55.60
82	Tower 2	9 th Floor	B-917	55.60
83	Tower 2	9 th Floor	B-920	55.60
Total				4742.00

Table B-Details of Flat Kept as collateral

SN	Tower	Floor	Flat Number	Value in lakh
1	Tower 7	10 th Floor	A1002	80.18
2	Tower 8	1 st Floor	A110	87.82
3	Tower 7	11 th Floor	A 1102	80.18
4	Tower 7	13 th Floor	A-1402	202.90
5	Tower 7	13 th Floor	A-1404	202.90
6	Tower 7	13 th Floor	A-1405	202.90
7	Tower 8	13 th Floor	A-1406	202.90
8	Tower 8	13 th Floor	A-1407	202.90
9	Tower 8	13 th Floor	A-1408	202.90
10	Tower 8	13 th Floor	A-1410	202.90
11	Tower 8	4 th Floor	A-411	84.00
12	Tower 8	7 th Floor	A-708	80.18
13	Tower 10	14 th Floor	A-1518	63.56
14	Tower 11	2 nd Floor	A-222	69.61
15	Tower 11	3 rd Floor	A-322	69.61
Total				2035.44

C Personal Guarantee: Personal guarantee of Mr. Anirudh Singh Chauhan to be obtained.

For AZEAGIA DEVELOPMENT PVT. LTD.

DIRECTOR



For AZEAGIA DEVELOPMENT PVT. LTD.

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Other Terms & Conditions:-

1. The validity of the sanction shall be 12 months and the borrower shall arrange submission of complete papers for renewal of limits within 10 months from date of sanction.
2. The borrower shall submit quarterly information related to QMS.
3. Processing fee, inspection charges, commitment charges and other charges to be recovered as per bank's schedule of charges.
4. The borrower shall not undertake expansion/ diversification/ modernisation without obtaining prior permission of the bank and without proper tie-up of funds. Similarly, no investment shall be made in associate/allied/ group concerns without prior bank permission.
5. Friends/relatives from whom the unsecured long term loans have been raised shall provide an undertaking that they shall not withdraw these loans during the currency of the bank loan and the borrower shall undertake not to allow their withdrawal without prior permission of the bank. Monies brought in by principal shareholders/directors will not be allowed to be withdrawn without the Bank's permission.
6. The Bank or its authorised officials or other representatives will have the right to carry out periodical inspection or examine the books of accounts of the borrower and to have their factories/offices/assets inspected from time to time by officers of the Bank and/or outside consultants and the expenses incurred by the Bank in this regard will be borne by the borrower.
7. Bank shall have right to withdraw or modify all/any of the sanctioned conditions or stipulate fresh conditions, under intimation to the borrower.
8. Acceptance of sanctioned conditions to be got from the borrower and placed on bank records.
9. The Bank may at its sole discretion disclose any information to any Institution(s) in connection with the credit facilities granted to the borrower.
10. During the currency of the Bank's credit facilities, the borrower shall not, without the prior approval of the Bank in writing,
 - a) Effect any change in their capital structure;
 - b) Formulate any scheme of amalgamation or reconstruction;
 - c) undertake any new project or expansion or modernisation schemes or make any capital expenditure other than those estimated/ projected in the CMA data, without obtaining the Bank's prior consent;
 - d) enter into borrowing arrangements either on secured or unsecured basis with any other Bank, financial institution, borrower or otherwise save and except the working capital facilities granted/to be granted by other member banks, under consortium arrangement with the Bank and the term loans to be obtained from financial Institutions;
 - e) undertake guarantee obligations on behalf of any other borrower/ organization;
 - f) declare dividends for any year, if the account(s) of the borrower with the Bank is/are running irregular or if any of the terms and conditions of the sanction remain un-complied with by the borrower;
 - g) create any charge, lien or encumbrance over its undertaking or any part thereof in favor of any financial institution, bank, borrower, firm or persons;
 - h) sell, assign, mortgage, alienate or otherwise dispose of any of the assets of the borrower charged to the Bank;

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- h) enter into any contractual obligation of a long term nature affecting the borrower financially to a significant extent;
2. j) undertake any activity other than those indicated in the Object Clause of the Memorandum of Association of the borrower;
3. k) Permit any transfer of the controlling interest or make any drastic change in the management set up;
4. l) Divert/utilize Bank's funds to other sister/associate/group concerns or for purposes other than those for which the credit facilities have been sanctioned;
11. The borrower will keep the bank informed of the happening at the event likely to have a substantial effect on their operations/production, sales, profits/disbursements etc., such as defaults/ overdue, labour problem, lock-out, lay-off, power cut etc., and the remedial steps proposed to be taken by the borrower.
12. Margins/rates of interest are subject to revision from time to time at the sole discretion of the Bank
13. The Bank shall charge penal interest under the following circumstances:
 - a) Irregularities/over drawings in OD account(s).
 - b) Non-submission/delayed submission of quarterly / half yearly information after 15 days from the closure of the quarter / half year concerned.
 - c) Non/delayed submission of renewal proposal with audited Balance Sheet and statement of assets and liabilities of the guarantors after 9 months from the date of sanction.
 - d) Default in observance of borrowing covenants/terms and conditions of the sanction.
 - e) Any other eventuality/situation to be decided by the bank.
14. The borrower should execute necessary loan documents, as per bank's guidelines and as drafted by banks' counsels at borrower's cost.
15. The borrower shall execute all necessary legally enforceable loan documents, as per bank's guidelines. Documents will be drafted/vetted by banks' counsels at borrower's cost.

Standard Covenants

I. Mandatory Covenants:

1. The borrower should maintain adequate books of accounts. As per applicable accounting practices and standards, which should correctly, reflects its financial position and scale of operations and should not radically change its accounting system without notice to the Bank.
2. The borrower should submit to the bank such financial statements as may be required by the Bank from time to time in addition to the set of such statements to be furnished by the borrower to the bank as on the date of publication of the borrower accounts.
3. In case of default in repayment of the loan/advances or in the payment of the interest thereon or any agrees instalments of the loan on the due date(s) by the borrower, the Bank and /or the RBI will have an unqualified right to disclose or publish the borrower's name or the name of the borrower/unit and its directors/partners/proprietors as defaulters/willful defaulters in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.

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4. The bank will have the right to share credit information as deemed appropriate with Credit Information Companies (CICs) or any other institution as approved by RBI from time to time.

5. The borrower should not induct into its Board as person whose name appears in the willful defaulters list of RBI/CICs. In case such a person is already on the Board of the company, it would take expeditious and effective steps of removal of that person from its Board. Nominee directors are excluded for this purpose.

6. In the event of default in repayment to the Bank or if cross default has occurred the Bank will have the right to appoint its nominee on the Board of Directors of the borrower to look after its interests.

7. In stressed situation or restructuring of debt, the regulatory guidelines provide for conversion of debt to equity. The bank shall have the right to convert loan to equity or other capital in accordance with the regulatory guidelines.

8. Bank will have the right to examine at all times the borrower's books of accounts and to have the borrower's factories inspected. From time to time, by officer(s) of the bank and/or qualified auditors and /or technical experts and or management consultants of the bank's choice. Cost of such inspection shall be borne by the borrower.

9. After provision of tax and other statutory liabilities, unless expressly permitted otherwise, the bank will have a first right on the profits of the borrower for repayment of amounts due to the bank.

The borrower shall keep the Bank informed of the happening of any event likely to have a substantial effect on their profit or business: for instance, if the monthly production or sales are substantially less than what had been indicated, the borrower shall immediately inform the bank with explanations and the remedial steps taken and /or proposed to be taken.

10. Effect any change in the borrower's capital structure where the shareholding of the existing promoter(s) gets diluted below current level or 51% of the controlling stake (whichever is lower), without prior permission of the Bank – for which 60 days' prior notice shall be required. In case of limited liability partnerships and partnership firm „promoters" would mean managing partner for the purpose of this covenant.

11. The borrower will utilise the funds for the purpose they have been lent. Any deviation will be dealt with as per RBI guidelines.

12. Promoter's shares in the borrowing entity should not be pledged to any Bank/NBFC/Institution without our prior consent.

13. Each of the following events will attract penal interest/charges as applicable, at rates circulated from time to time, over and above the normal interest applicable in the account:

a. For the period of over-drawings above the drawing power/limit in Fund Based Working Capital Accounts on account of interest/devolvement of letters of credit/bank guarantee, insufficient stocks and receivables etc.

b. Delay in submission of stock statements after 10th of the following month.

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- c. Non submission of Audited Balance Sheet within 8 months of closure of financial year.
- d. Non submission/ delayed submission of Follow-up/ Review Data such as QRS/ QMS information, Project Progress Report etc. wherever stipulated, within due date.
- e. f. Non-obtention of External credit risk rating from agency approved by RBI.

II Mandatory Negative Covenants:

1. In the event of default, or where signs of inherent weakness are apparent. The Bank shall have the right to securities the assets charged and in the event of such securitization, the Bank will suitably inform the borrower(s) and guarantor(s)

The undernoted covenants will be subject to prior notice being given by the borrower and being agreed by the Bank. If the Bank turns down the borrower's request but the latter still goes ahead, the Bank shall have the right to call up the facilities sanctioned.

2. Formulate any scheme of amalgamation or reconstruction.

3. Undertake any new project, implement any scheme of expansion/ diversification or capital expenditure or acquire fixed assets (except normal replacements indicated in funds flow statement submitted to and approved by the bank) if such investment results into breach of financial covenants or diversion of working capital funds to financing of long-term assets.

4. Invest by way of share capital in or lend or advance funds to or place deposits with any other concern (including group companies); normal trade credit or security deposits in the ordinary course of business or advances to employee can, however, be extended. Such investment should not result in breach of financial covenants relating to TOL/Adj.TNW and current ratio agreed upon at the time of sanction.

5. Enter into borrowing arrangement either secured or unsecured with any other bank, financial institution, company or otherwise or accept deposits which increases indebtedness beyond permitted limits, stipulated if any at the time of sanction.

6. Undertake any guarantee or letter of comfort in the nature of guarantee on behalf of any other company (including group companies).

7. Declare dividends for any year except out of profits relating to that year after making all due and necessary provisions and provided further that such distribution may be permitted only if no event of default/breach in financial covenant is subsisting in any repayment obligations to the Bank.

8. Create any charge, lien or encumbrance over its undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons.

9. Sell, assign, mortgage or otherwise dispose of any of the fixed assets charged to the Bank. However, fixed assets to the extent of 5% Gross Bloc may be sold in any financial year provided such sale does not dilute FACR below minimum stipulated level. (Not applicable for unsecured loans.)

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10. Enter into any contractual obligation of a long term nature or which, in the reasonable assessment of the Bank, is detrimental to lender's interest, viz. acquisitions beyond the capability of borrower as determined by the present scale of operations or tangible net worth of the borrower/ net means of promoters etc., leveraged buyout etc.
11. Change the practice with regard to remuneration of Directors by means of ordinary remuneration or commission, scale of sitting fees etc, except where mandated by any legal or regulatory provisions.
12. Undertake any trading activity other than sale of products arising out of its own manufacturing operations. (Not applicable in case finance is for trading activity only.)
13. Permit any transfer of the controlling interest or make any drastic change in the management set-up including resignation of promoter directors.
14. Repay monies brought in by the Promoters / Directors / Principal Shareholder and their friends and relatives by way of deposits / loans / advances. Further, the rate of interest, if any, payable on such deposits / loans / advance should be lower than the rate of interest charged by the Bank on its term loan and payment of such interest will be subject of regular repayment of installments to term loans granted / deferred payment guarantees executed by the bank or other repayment obligations, if any, due from the borrower to the Bank.
15. The borrower shall keep the Bank advised of any circumstance adversely affecting the financial position of subsidiaries / group companies or companies in which it has invested, including any action taken by any creditor against the said companies legally or otherwise.
16. The borrower shall deal with our bank / banks under consortium / multiple banking arrangement exclusively, shall not open current account/s with any other bank without our prior permission. The borrower's entire business relating to their activity including deposit, remittances, bills / cheque purchase, non-fund based transactions including LCs and BGs, Forex transactions, merchant banking, any interest rate or currency hedging business etc. should be restricted only to the financing banks under consortium/ multiple banking arrangement.
17. No commission to be paid by the borrowers to the guarantors for guaranteeing the credit facilities sanctioned by the Bank to the borrowers.
18. Approach capital market for mobilizing additional resources either in the form of debt or equity.

Chief Manager



For AZEAGAIA DEVELOPMENT PVT. LTD.

DIRECTOR