

AGREEMENT FOR DEMAND CASH CREDIT AGAINST HYPOTHECATION OF STOCKS AND BOOK DEBTS

THIS Agreement executed by _____ (hereinafter referred to as "The Borrower" which expression shall unless excluded by or repugnant to the context or meaning thereof include his/her/their respective heirs, administrators, assigns transferees, attorneys and successors-in-interest) in favour of **VIJAYA BANK**, a body corporate constituted under the Banking Companies (Acquisition & Transfer of Undertakings) Act, 1980, having its Head Office at Bangalore and amongst other a branch at _____ (hereinafter called "the Bank" which expression shall unless excluded by or repugnant to the context or meaning thereof include its successors and assigns).

WHEREAS, the Bank has at the request of the Borrower granted / agreed to grant accommodation to the Borrower by way of cash credit facility for an amount not exceeding an aggregate limit of Rs. _____ (Rupees) the repayment thereof with interest, cost, insurance premium, postal charges including stamps and other expenses being secured interalia by way of first charge by hypothecation on all the movable properties of the Borrower (as detailed hereinafter), present and future.

AND WHEREAS, the Bank has opened/agreed to open one or more cash credit accounts in the name of the Borrower in respect of the said cash credit facility *which accounts are hereinafter referred to as "the said cash credit accounts"). NOW, IN CONSIDERATION OF THE premises, the Borrower hereby agrees with and declares to the Bank as follows:

1. That the Borrower shall pay to the Bank on demand being made by the Bank the balance then outstanding and owing to the Bank under or at the foot of the said cash credit accounts inclusive of all interest to the date of payment together with any service charges, commitment charges, commission, discount, costs, (between attorney and client) insurance premium, postal charges, including stamps and other expenses and all other moneys debited or which are debitible to the said cash credit accounts hereunder.

2.1. That the Borrower shall pay interest to the Bank from time to time on the amounts outstanding in the said cash credit accounts at ____% p.a.

2.2. That interest payable at the rate aforesaid shall be calculated on the daily balances in the said cash credit accounts and charged in the said cash credit accounts on the last working day of each month or quarter according as the Bank may decide.

2.3. That without prejudice to the generality of the foregoing, the Bank shall also be entitled to charge at its own discretion and the borrower shall be liable to pay and hereby agrees to pay additional interest at ____% p.a. on the said cash credit account either on the entire amount outstanding or the portion thereof as the Bank may fix for an irregularity or any breach of the terms hereof by the Borrower and for such period as the irregularity or breach continues or for such time as the Bank may individually deem it necessary regard being had to the nature of the irregularity or breach provided that the charging and payment of

such enhanced rate of interest shall be without prejudice to the other rights or remedies of the Bank either hereunder or by law to proceed for such irregularity or breach against the Borrower and/or the security hereby created.

2. 4. That notwithstanding anything contained herein before, the bank may at any time increase the rates of interest and/or additional interest payable by the Borrower as above and/or change the periodicity of charging such interest and or additional interest, where upon this Agreement shall operate as if such increased/changed rate of interest and or additional interest and/or periodicity of charging interest/additional interest had always been mentioned in this agreement.

2.5. The borrower shall pay interest at the rate of ___ percent per annum over the VIJAYA BANK'S prime lending rate of interest as may be fixed by the Bank from time to time subject to a minimum of _____ per cent per annum on daily balances with monthly/quarterly/half-yearly / yearly rests, such interest being added to the balance outstanding on the last working day of every calendar ____ (mention month / quarter / half-year / year etc., as appropriate) and the said interest if unpaid will become part of the amount advanced and bear further interest at the same rate. The borrower agrees that the Bank is entitled to charge a higher rate of interest than the rate stated above as per the Vijaya Bank prime lending rate of interest fixed by the Bank from time to time and the Bank's rules and agrees to pay interest at such enhanced rate of interest Notice regarding the change of interest is hereby waived by the borrower. (* Delete if not applicable)

3.1. The Borrowers do hereby hypothecate and charge by way of a first charge to and in favour of the Bank:

- a) The whole of the Borrower's present and future stocks of raw materials, goods in process or manufacture and all finished and manufactured goods and articles such as _____ (here give a general description of the raw materials, goods and articles hypothecated) together with all stores, components and spares which now belong to or may hereafter time to time during the continuance of this security belong to the Borrower and which are or shall or may be brought into stored or be in or upon or about the Borrower's factory, god own and/or other premises at _____ or wherever else the same may be situated, stored or laying or being, including any such raw materials, articles or goods, stores, spares and components or other similar movable property in course of transit or delivery to the Borrower (and all of which hereinafter for brevity's sake referred to as "the said goods") and
- b) All of the Borrower's present and future book debts outstanding monies, receivables, claims, bills, rights to or immovable properties and movable assets and which are now due owing or payable or belonging to the Borrower or which may at any time hereafter during the continuance of this security become due, owing, payable or belonging to the Borrower in the course of its business (and all of which hereinafter for brevity's sake referred to as "the said debts and assets".)

3.2. That said goods and the said debts and assets which are hereby hypothecated by the Borrower to and in favour of the Bank by way of a first charge shall be and remain as security to the Bank for the due payment by the

Borrower to the Bank on demand.

- (a) Of all monies at any time payable by the Borrower to the Bank under or in respect of the said cash credit facility for principal, interest, service charge, commission, discount, or for costs, insurance premium, postal charges including stamp and other expenses and other monies payable hereunder by the Borrower to the Bank and/or which may be incurred by the Bank, and
- (b) for the due payment and discharge of all indebtedness and or liability of the Borrower to the Bank including those in respect of any bills of exchange, promissory notes or instruments at any time drawn, made accepted or endorsed by the Borrower solely or jointly with others which the Bank and/or each one or more of them may discount or become interested, in together with all interest, discount, commission charges (including service charges), commitment charges, costs (between attorney/advocate and client) insurance premium, postal charges including stamps and other expenses payable to or incurred by the Bank.

4.1 That the Bank shall have the absolute right and discretion to decide whether or not to advance or allow to remain outstanding any monies even against the security of the said goods and the said debts and assets hypothecated hereunder by the Borrower. Further, the Bank shall be at liberty at any time at its sole discretion without previous notice to the Borrower and without assigning any reason whatsoever to cease to make any further advances in the said cash credit accounts or at all and to recall at anytime the moneys then due by the Borrower to the Bank in the said cash credit accounts.

4.2. That the Bank shall be at liberty at any time at its sole discretion without previous notice to the borrower and without assigning any reason whatsoever to shift a portion of the advance to any other bank by way of participation and not withstanding the participation the bank will represent the participating Bank and take all steps to protect the interest of the participating Bank also.

5.1. That the Bank shall not be required to make or continue advances in the said cash credit accounts otherwise than at the discretion of the Bank.

5. 2. That the Borrower shall at all times during the continuance of this security keep and maintain such margin of security in favour of the Bank (hereinafter called "the said margins") as mentioned below viz:

_____ % against raw materials and finished goods

_____ % against stores and spares

_____ % against goods in process

_____ % against book debts outstanding up to three months

_____ % against book debts outstanding for more than three months but less than six months.

or such other percentages as the Bank may from time to time determine of the cost or market value (market value as found by the Bank) whichever is lower of the said goods and the said debts and assets or any part thereof.

6 That the Borrower will at all times maintain a sufficient quantity of the said goods and/or the said debts and assets to provide the necessary margin on security as specified herein and as may be required by the Bank from time to time and will forthwith whenever necessary provide further goods and debts and assets approved by the Bank to restore such margin or reduce the amount for the time being due to the Bank by cash payment so as to maintain the said margins.

7.1. That the Borrower shall whenever so required by the Bank furnish to the Bank full particulars of all the assets of the Borrower and of the said goods and the said debts and assets and shall allow the Bank or their authorised agents to take inspection thereof and of all records, books and vouchers pertaining thereto and shall produce such evidence as the Bank may require as to the cost and value of any of the said goods and the said debts and assets.

7.2. That the Borrower shall value the said goods and / or the said debts and assets at the appropriate rates whether fixed by the Bank or not and shall not overvalue the same. In any case, the Bank shall .be at liberty from time to time and at any time to have any of the said goods and/or the said debts and assets inspected and valued by an appraiser or valuer appointed by the Bank which value shall be conclusive and binding on the Borrower both in and out of court of law.

7.3 That the fees, costs, charges and expenses of such inspection, appraisal or valuation (the Bank's statement in regard thereto being conclusive) shall be borne and paid by the Borrower to the Bank on demand and may if not so paid be debited to any of the said cash credit account of the Borrower and shall form part of the money hereby secured.

8.1. That the said goods and the said debts and assets shall be kept at the Borrower's risk and expenses and the Borrower shall at the Borrower's own expense during the continuance of this security keep the said goods in good and marketable condition and in proper working order and shall likewise at the Borrower's own expense insure and keep insured the said goods against loss or damage by fire, riot, civil commotion and all such other risks as the Bank shall require for the full market / replacement value thereof in an insurance office or offices to be approved by the Bank and shall deliver the policies of insurance to the Bank and shall likewise deliver the receipt for the last premium paid for every such policy of insurance and shall, assign to the Bank every such policy of insurance and shall pay to the Bank all proceeds of any policy received by the Borrower during the continuance of this security and shall renew, keep in force and maintain such insurance throughout the continuance of this security and deliver to the Bank the renewal receipts and policies. In default, the Bank may (but shall not be bound to) keep in good condition and render marketable and in good working order the said goods and/or effect or renew such insurance. Any premium paid by the Bank and any costs charges and expenses incurred by the Bank or any of them shall be repaid by the Borrower on demand forthwith and shall until repayment with interest at the rate aforesaid be a charge on the said goods and the said debts and assets hereby hypothecated. The Bank shall be entitled without prejudice to all their other rights and powers, to debit the

amounts of such premium costs, charges and expenses to the said cash credit accounts in such manner as it deems fit. All sums received under such insurance shall be applied in or towards liquidation of the amount for the time being due to the Bank as provided herein.

8.2. That the Bank shall be entitled to adjust, settle and compromise in any manner whatsoever, including by reference to arbitration at the Borrower's cost any dispute arising under or in connection with any decision given in any such arbitration or otherwise shall be valid and binding on the Borrower and the Bank shall also be entitled to receive all monies payable under any such insurance or under any claim made there under and to issue a valid receipt there for and that the amounts so received shall be credited to any of the said cash credit accounts and that the Borrower will not raise any question that a larger sum might or ought to have been received or be entitled to raise any dispute on the balance in any of the said cash credit accounts after such credit. Provided that the Bank may at its own absolute discretion waive any of the requirements as to insurance to such extent and in such manner as the Bank may deem fit.

8.3. That the borrower shall pay all rents, taxes payments and out goings in respect of any immovable property in or on which the said goods or any part thereof may for the time being be lying and shall keep such property insured against loss or damage by fire and shall also insure the same against such other risks as the Borrower shall require and shall produce the policies of insurance of the Bank whenever required by it.

9.1 That the Borrower shall make best endeavours to obtain payment of all the said debts and assets as and when the same shall become payable and pay all such sums when received into the said cash credit accounts with the Bank. Further, the Borrower shall not, except in the ordinary course of business, receive, release or compound any of the said debts and assets without the consent in writing of the Bank and will not do anything whereby the recovery thereof may be delayed, impeded, prejudiced, prevented or become time barred.

9.2 That the borrower shall keep proper books of accounts of its business and carefully keep and preserve all the documents, papers and vouchers in connection with or relating to or which prove or are likely to prove the said debts and assets or any part thereof and will at any time when required produce such books, documents, paper and vouchers for the inspection of the Bank and its officers and agents and allow them or it or him access thereto and to make copies of or extracts from the same.

10.1 That it shall be lawful for the Bank or their agents, nominees, officers or employees forthwith or at any time during the continuance of this advance and without any notice to the Borrower to enter into or upon the place or premises where or wherein any of the said goods and/or the said debts and assets and books of accounts, papers, documents and vouchers and other records relating to the said goods or the said debts and assets may be or situated or kept or stored and for the purpose of such entry, if necessary to do so as Attorney of the Borrower and in the name of the Borrower and to do all acts, deeds and things deemed necessary by the bank and to inspect value, insure, superintend disposal and/or collect particulars of all or any part of the said goods and said debts and assets and check any statements, accounts, reports and information and also if, the Borrower shall fail to repay on demand any monies, which ought

to be paid by the Borrower hereunder or shall commit any breach of any agreement on its part herein contained or under any circumstances which in the sole judgement of the Bank is prejudicial to or imperil or is likely to prejudice or imperil the security created hereunder .or if any distress or execution is levied or enforced against any property or assets whatsoever of the Borrower or if any person shall take any steps towards applying for or obtaining an order for the appointment of the receiver of any property or assets whatsoever of the Borrower or if such receiver is appointed or if any person shall apply or obtain an order for the winding up of the Borrower or if any such order is made or if any step is taken by any person towards passing any resolution to wind up the Borrower or if any such resolution shall be passed or if the Borrower or any of the partners of the Borrower (where the borrower is a partnership firm) being adjudicated insolvent or taking advantage of any law for the relief of insolvent debtors or if the borrower shall suspend or cease to carry on business or to conduct its business to the satisfaction of the Bank then and in any such case, it shall be lawful for the Bank to take charge, seize, recover, receive appoint receivers or remove and take possession of all or any part of the said goods and the said debts and assets and also of all books of accounts, paper, documents and vouchers and other records relating thereto and thereupon either forthwith or at any time and from time to time to sell, realise, dispose of and deal with in any manner including any public auction or tender or private contract and whether with or without intervention of the court all or any part of the said goods and the said debts and assets in such manner and upon such terms and conditions as the Bank thinks fit.

10.2 That the Bank shall, without prejudice to the foregoing powers be also entitled at the Borrower's risk and expenses and if necessary either as Attorney for and on behalf and in the name of the Borrower or otherwise as the Bank may deem fit (the Borrower hereby appointing the Bank to be its Attorney) to take possession and/or to appoint receivers of all or any of the said debts and assets and to give notices and demands to debtors and third parties liable there for and to demand, search for, recover, receive, realise and give effectual receipts and discharges for the same and sell or realise either by public auction or private contract and to transfer, endorse, assign, deliver or otherwise dispose of or deal with all or any of the said debts and assets and to enforce realise settle and compromise in any manner whatsoever including by reference to arbitration and/or deal in any manner with all or any of the said debts and assets and to complete any engagement relating thereto.

10.3. That the Bank shall without prejudice to the foregoing powers be also entitled generally to enforce, realise, settle compromise and deal with any of the rights aforesaid as regards the said goods and the said debts and assets, but without being bound to exercise any of these rights or powers or being liable for, any loss in the exercise thereof and any such exercise shall be without prejudice to the rights and remedies of the Bank of suit or otherwise and notwithstanding that there may be pending suit or other proceedings.

10.4 That the Borrower hereby undertakes to give immediate possession to the Bank on demand of the said goods and the said debts and assets and to give notice to the debtors as and when required by the Bank and to transfer endorse, produce and deliver to the Bank all relative contracts, securities, notes, bills of

exchange and other negotiable instruments and also all books of accounts, documents, papers, files and vouchers relating to the said goods and the said debts and assets and agrees to accept the accounts of sales and realisations given by the Bank as conclusive proof of amounts realised and relative expenses and to pay on demand any shortfall or deficiencies thereby shown. The proceeds of sale or other realisation of the said goods and the said debts and assets and all the monies received from insurance companies or otherwise in respect of the said goods and the said debts and assets remaining after deducting there from the costs (between attorneys/advocates and clients) charges and expenses incidental to such sale or other realisation shall in the first instance be appropriated towards satisfaction of all indebtedness of the Borrower due and outstanding to the Bank such indebtedness being the amount outstanding under the said cash credit accounts and the interest due thereon up to the date of realisation of the security whether actually debited or not to the said cash credit accounts together with any cost (between attorneys/advocates and client) commitment charges, insurance premium, whether actually debited or not and thereafter the balance, if any shall be available for and be appropriated to the remaining outstanding indebtedness of the Borrower on the account to the Bank.

10.5. That the Bank shall be entitled at all times and without any notice to the Borrower to set-off and apply any other money or moneys in the hands of the Bank standing to the credit of or belonging to the Borrower in or towards payment of any amount at any time being payable to the Bank or towards the outstanding in the said cash credit accounts or as otherwise aforesaid and to recover at any time from the Borrower by suit or otherwise the balance remaining payable to the Bank under the said cash credit account or otherwise notwithstanding that all or any of the securities may be outstanding and/or may not have been realised.

10.6. Further, all the rights and securities hereunder or under any Ancillary Agreement in favour of the Bank, and the obligations of the Borrower there under, will extend to cover the Borrower's liabilities to the Bank under any account, whatsoever, of the Borrower with the Bank, notwithstanding that such account may not relate to any particular facility agreed to be granted, at its absolute discretion, in excess of the sanctioned limit.

11. Notwithstanding the provisions contained in Sections 59, 60 and 61 of the Indian Contract Act, 1872, the Borrower/s, agree/s that payment made by him/them to the Bank and all moneys received/ realised by the Bank shall be appropriated by the Bank in the first instance towards interest, service charges, commitment charge, costs, commission, discount, insurance premium, postal charges including stamps and other expenses and other moneys debited and which are debitible to the accounts and the balance, if any, to the Principal. The borrower/s further agree/s and authorise the Bank to appropriate all the moneys received / realised towards any of the several debts due by him/her/ them in order of time whether they are or are not barred by the law in force for the time being as to the limitation of suits and if debts are of equal standing to appropriate moneys received/realised in discharge of each proportionately.

12. That all the said goods and the said debts and assets and all proceeds of sale or other realisation and proceeds of insurance thereof and all documents under this security shall always be kept distinguishable and held as the exclusive

property of the Bank specifically appropriated to the security to be dealt with only under the directions of the Bank and the Borrower shall not without the permission of the Bank create any mortgage charge lien or encumbrance upon or over or affecting the same or any part thereof (and whether ranking prior to or pari-pasu with or subject to security) except to the Bank and also upon or over or affecting the Borrower's undertaking property (whether movable or immovable) and assets (including uncalled capital) not charged to the Bank hereunder or any part thereof except with the permission of the Bank and to the extent it may permit nor suffer any such mortgage, charge lien or encumbrance to affect the same or any part thereof nor do or allow any thing that may prejudice this security.

13.1 That the Borrower will submit to the Bank monthly or as often as may be required, stock statement: of the said goods and also statement of the said debts and assets together with list of current insurance policies and amounts insured verified by certificates of the Borrower or the Manager for the time being of the Borrower that the quantities and amounts stated in the statements are correct and that all the said goods are fully covered by insurance and containing such other certificates and particulars as may be specified by the Bank and will also furnish and verify all financial and other statements reports return certificates accounts documents particulars and information and such other periodical data as may be required by the Bank.

13.2 That the Borrower will also execute all documents, transfers, assignments and endorsements and do all acts deeds and things which the Bank may require for vesting the said debts and assets or any of them in the Bank and to render the same realisable or transferable by the Bank at an) time and also for giving full effect to this security.

13.3 That the Borrower hereby irrevocably appoints the Bank (through its agents and nominees) to be Attorney of and for and in the name of the Borrower to do all such acts, deeds and things and execute all such documents, transfers, assignments, endorsements whatever which the Borrower may be required by the Bank to do or execute under or in respect of this Agreement in the event of the Borrower failing to do so on demand made by the Bank for such purpose.

14. That this Agreement shall operate as and this security shall be a continuing security for the balances from time to time due to the Bank on the said cash credit accounts and for all monies, indebtedness and liabilities hereby secured and the security is not to be considered exhausted by reason of the said cash credit accounts or any of them being brought to credit or to nil balance at any time or from time to time or of their/its being drawn upon to the full extent if afterwards reopened by a payment to credit.

15. That subject to the provisions of clause 11 here of that any general or special lien to the Bank is or may be by law or otherwise entitled to any rights or remedies of the Bank in respect of any present or future indebtedness or liabilities or guarantee obligations of the Borrower to the Bank shall continue to be in force and effect subject to and only subject to the rights of the Bank under this Agreement and it shall be open to the Bank to enforce or have recourse to such rights or remedies or securities without being bound to enforce any security rights or remedies under this Agreement.

16 That all the said goods and the said debts and assets presently hypothecated are the absolute property of the Borrower at the sole disposal of the Borrower and free from any prior charge or encumbrance and all the future goods and debts and assets that will be hypothecated shall be likewise be unencumbered and absolute and disposable property of the Borrower.

17 That the Borrower shall carry on the entire banking transactions of its business only through the Bank wherever it is having its office and undertake that the sale proceeds and/or the recoveries of the 'said goods' and the said 'debts and assets' shall be credited only to the said cash credit accounts. That the borrower shall not during the continuance of this agreement, except with the consent in writing of the Bank, create or allow to be created any mortgage / charge / lien or encumbrance on the securities or any part thereof or do or permit to be done anything which will prejudice the interest of the Bank. The Borrowers declare that they are not enjoying any credit facility/ies with any other Bank or they have any Current Account with any other Bank. Borrowers also undertake not to avail of similar facilities with any other Bank without the prior consent of the Bank. In the event of there being any breach of this condition by the borrowers the Bank is at liberty to proceed against the Borrowers for criminal breach of trust and also to recall the facility/ies/advances forthwith without any notice and enforce its securities.

18. That the Borrower shall at the beginning of each quarter in the calendar year advise to the aggregate amount that the Borrower proposes to draw from the Bank during the quarter the Borrower shall pay to the Bank any commitment charge that may be fixed from time to time by Bank. In default of such payment, the Bank may without prejudice to its other rights here debit the amount of such commitment charge to the said cash credit account and the same thereupon form part of the moneys hereby secured.

19. That the Bank shall not be anyway be responsible in respect of the quantity, quality, weight, amount, value condition and final out turn of the said goods and/or the said debts and assets if the same are or happen to be in possession of the Bank and for any loss, destruction, deterioration thereof of damage thereto occasioned by theft, pilferage, robbery, fire, riot and civil commotion, malicious damage or otherwise however whichever may be the circumstances or the reasons under or for which the loss, destruction, deterioration or damage may arise, including any act, omission, negligence default of the Bank or any of its servants or nominees or agents.

20. That the Borrower has and shall continue to have the necessary powers to enter into this arrangement and do all the things incidental thereto and the Bank shall not be bound to enquire into the powers of the Borrower and this security shall not be affected by reason of any absence of or deficit or excess or irregularity in the exercise of any powers of the Borrower.

21 That the officers or agents or nominees acting or purporting to act on behalf of the Borrower this respect and executing these documents have and shall continue to have necessary powers from the Borrower and further that the Bank shall not bound to enquire into the powers of officer or agent acting or

purporting to act on behalf of the Borrower and this security shall be affected by reason of any absence of or deficiency or excess or irregularity in the exercise any powers of any such officers or agents or nominees.

22. That any demand or notice to be made or given on or to the Borrower may be made or given by leaving the same at or posting the same by Registered post in an envelope addressed to the Borrower at the office or residence or work place as the case may be of the Borrower and every such demand or notice shall be deemed to be received as the case may be at the time at which it is left or at the time at which it would have been delivered in the ordinary course of post at such office or residence or work place as the case may be.

23. That the Borrower shall pay on demand to the Bank the costs between attorney/advocate and client incurred by the Bank in connection with the preparation engrossment stamping and execution of this Agreement in original and duplicate and of any guarantee or other security executed contemporaneously herewith in connection with the moneys hereby secured and of the registration of this security with Registrar of Companies and all other costs (between attorney/advocate and client), incurred or to be incurred by the Bank in connection herewith or with the enforcement or realisation or attempted enforcement or realisation of the security hereby created or the protection or defence or perfection thereof or for the recovery of any monies hereby secured and of all suits and proceedings of whatsoever nature for the enforcement or realisation of the security hereby created or the recovery of such monies or otherwise in connection herewith or in which the Banks may be joined as a party or otherwise involved by reason of the existence of the security hereby created.

24 (i) The borrower/s hereby agree and give consent for disclosure by the Vijaya Bank of all or any such

- a) information or data relating to the borrower.
- b) the information or data relating to any credit facility availed of / to be availed by the borrower and
- c) default, if any, committed by the borrower in discharge of its 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.

(ii) The borrower declares that the information and data furnished by the borrower to the Bank are true and correct.

(iii) The borrower, undertakes that

- a) 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
- b) The Credit Information Bureau (India) Ltd. and any 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 and registered users as may be specified by

Reserve Bank of India in this behalf.

25. The borrower shall not induct a person who is director on the board of a company which has been identified as willful defaulters and in case, such a person is found to be on the board of the borrower company, it would take expeditious and effective steps for removal of the person from its board.

26. That in this Agreement unless expressly excluded by the context (i) all words in singular shall also mean and include corresponding words in plural and vice versa and (ii) all words in masculine gender shall also mean and include corresponding words in feminine gender, with necessary grammatical changes following in the other connecting and related words and phrases.

IN WITNESS WHEREOF, the borrower has executed these presents on this day of ____ at _____