

## LIQUIDITY MANAGEMENT SOLUTION AGREEMENT

This Liquidity Management Solution Agreement ("Agreement") made at Mumbai on this \_\_\_\_\_ day of (Month) \_\_\_\_\_ 200 \_ (Year) by and between: \_\_\_\_\_, being a company registered under the Companies Act 1956, and having its registered office at (hereinafter referred to as the "Client", which term shall be deemed to mean and include its successors and assigns) of the FIRST PART;

**AND**

**AXIS BANK LIMITED**, a company incorporated under the Companies Act 1956 and having license to carry on the business of the commercial bank under the Banking Regulation Act, 1949 having its registered office at Trishul', 3<sup>rd</sup> Floor, Opposite Samartheshwar Temple, Law Garden, Ellis Bridge, Ahmedabad 380 006 and its Corporate Office at Axis house, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400025 (hereinafter referred to as "Axis Bank/Bank" which expression unless it be repugnant to the context or meaning thereof mean and include its successors and assigns) of the OTHER PART.

### WHEREAS:

- A. The Client is engaged in the business of \_\_\_\_\_
- B. Axis Bank is in the business of providing banking services including Funds management facilities to all its customers.
- C. So as to streamline the Funds Management Process (defined herein below), the Client has approached Axis Bank for providing a comprehensive automated Liquidity Management Solution and Axis Bank has agreed to provide the Facility (defined herein below) in a manner as described herein below.
- D. The Parties hereto have agreed that their respective rights and obligations with regards to the provision of the Facility and their business relationship entered into hereunder shall be interpreted, acted upon and governed solely in accordance with the terms and conditions of this Agreement.

**IT IS NOW AGREED** by and between the Parties hereto as under: -

### 1. DEFINITIONS

For the purposes of this agreement the following words and phrases shall have the meaning

assigned to them under this article

- > "Common Customer(s)" shall mean the customers/clients/dealers of the Company who are pre-existing current/savings account holders of Axis Bank or who have opened a current/savings account with Axis Bank and have filled in a mandate permitting the "Client" for withdraw amount through any mode from their account subject to a daily limit.
- > "Credit Account" shall mean the current account opened by the Client with Axis Bank upon execution of this Agreement for the purpose of debiting the accounts of the Common Customers.
- > "Designated Account" shall mean the accounts that have been linked to the Credit Account with Axis Bank upon execution of mandate in favour if the client and after the same has been duly verified and accepted by the Bank.
- > "Debit Authority" is a mandate from the common customer authorizing the bank to lonk their account(s) to a specific Client for the purpose of their account being directly debited by the Client for the services rendered/product sold or to be rendered/sold subject to a maximum limit per a specific period.
- > "Facility" shall mean the Liquidity Management Solution offered by Axis Bank to the Client under the terms of this Agreement.

## **2. THE FACILITY**

- 2.1 Axis Bank agrees to provide the Facility to the Client. The exact process notes detailing the process flow and the terms of the Facility as mutually agreed between the Parties is attached hereto as Schedule I. This process note shall be reviewed by the Parties on a periodic basis and maybe modified/changed with the mutual consent of the parties.

## **3. FEES/CHARGES:**

Client shall adhere to the charges as detailed in the product offer letter.

## **4. DUTIES AND OBLIGATIONS OF THE PARTIES:**

### **4.1 CLIENT:**

- a) Upon execution of this Agreement, the Client shall open various accounts with the Bank for which Axis Bank shall provide the Smart Pool – Liquidity Management System facility. The

Client agrees to comply at all times with the terms and conditions applicable to the use of this Facility as offered by the bank detailed in 'Smart Pool – LMS Authorisation Letter' which shall be treated as an Annexure to this agreement and the 'Smart Pool – LMS Authorization Letter' shall form a part of the present agreement and shall be read as a part and parcel of this present agreement.

#### 4.2 AXIS BANK:

- a) Axis Bank shall provide the Facility in the manner agreed to between the Parties as detailed in 'Smart Pool – LMS Authorisation Letter' and shall ensure to make the Facility available to the Customer at all times under the details prescribed in Schedule I. The 'Smart Pool – LMS Authorization Letter' shall form a part of the present agreement and shall be read as a part and parcel of this present agreement.

#### 5. REPRESENTATIONS AND WARRANTIES

The Parties represents to each other (which representations will be deemed to be true and correct for the term of this Agreement) that:

- (a) The Parties have the power to perform their respective obligations hereunder and have taken all necessary action to authorize such execution, delivery and performance;
- (b) It shall be the sole responsibility of the respective Parties to comply with all the internal approvals for entering into this Agreement and for the performance of the respective obligations herein;
- (c) Such execution, delivery and performance does not violate or conflict with any law applicable to either Party and/or any regulatory requirements, any provision of its constitutional documents, any order or judgment of any court or other agency of government applicable to it or any of its assets or any contractual restriction binding on or affecting it or any of its assets;
- (d) All applicable information that is furnished in writing, by or on behalf of the Parties, to each other, is, as of the date of the information, true, accurate and complete in every material respect. Provided that the respective Parties shall intimate each other of any change in any regulatory requirements, the effect of which may be to restrict or prohibit the due performance of this Agreement.

- (e) The Parties shall use all reasonable care in performing their obligations under this Agreement to the best of their ability. The Parties shall, at all times, operate in accordance with the applicable laws and shall not commit or permit the commission of any offence and in the event of any offence being committed by either Party, the other Party shall not be directly or vicariously liable.
- (f) The Parties shall at all times take and maintain all such security precautions, checks and controls as may be necessary for or in connection with the discharge of their respective duties and obligations under this Agreement.
- (g) The First Party shall be responsible for any errors/ omissions/ fraud on the part of their employees and the agencies deployed by them in so far that they pertain to the scope of this Agreement and shall adequately compensate the aggrieved party accordingly.
- (h) The Parties also undertake and agree that the guidelines/ instructions issued/ that may be issued by RBI or any other regulatory authority, which is in force or issued from time to time, will be complied by them as applicable.

## **6. LIMITATION OF LIABILITY**

- 6.1 The Client agrees & undertakes that the Bank's responsibility herein is restricted to the execution of the Facility. Under no circumstance shall the Bank be liable for non-delivery, part delivery and/or faulty delivery of any of the Products by the Client and the Bank shall at all times be indemnified against the same.
- 6.2 Notwithstanding anything contained to the contrary, Axis Bank's sole obligation in the event of interruption of this facility shall be to use all reasonable endeavors to restore the service as soon as is reasonably possible. The Bank shall not be liable for any losses, expenses, damages, charges or costs of whatsoever nature and howsoever occur or sustained or accruing or any nonpayment due to circumstances beyond the reasonable control of the Bank including technical; problems of connectivity, computer breakdown, non-availability of communication links etc. and or inaccuracy or incorrectness of the details/data furnished by the Client and/or the Common Customer.
- 6.4 Notwithstanding any other provisions of this Agreement, in no event shall the Bank be liable for lost profits or revenues, consequential or similar damages arising out of or in connection with this Agreement.

## **7. INDEMNITY:**

7.1 The Client will indemnify the Bank from any loss or claim due to processing of any record, wherein stop payment instructions are given to it directly by the common customer. In case of any objection from the concerned account holders, we undertake to irrevocably allow the Bank to reverse such debits along with interest, if any.

7.2 Client ("Indemnifying Party") hereby agree to indemnify and keep indemnified the other Party ("Indemnified Party") at all times thereafter from and against all losses, damages, charges and expenses of whatsoever nature which the Bank may sustain, incur or suffer or be put to or become liable for by reason of or by consequence of any breach of the Indemnifying Party's representations, warranties, obligations hereof or any action or omission hereunder or any suit, legal proceedings apprehended or lodged by and/or against the Bank or in defending any proceedings or suits lodged against the Bank, including but not limited to following : (i) any failure in complying with all applicable legislation, statutes, ordinances, regulations, administrative rulings or requirements of law by the Client; (ii) any third party claim for damages, injury etc., pursuant to any act or omission of the Client during discharge of its obligations herein; and/or (iii) any deficiency in service on the part of the Client or any matter arising there from.

## **8. TAXES**

It is agreed that in case if any authority like central government / state government /local authority imposes any taxes, cost or charges or levy on the transactions executed under the Facility during the subsistence of the said Agreement and for the period of this Agreement at any future date, the same shall be borne by Client and the Bank shall be indemnified from any such claims.

## **9. CONFIDENTIALITY:**

9.1 Each Party shall treat as confidential all the records, information, data, terms and conditions which are exchanged between the Party under the terms of this Agreement and the neither Party shall not disclose or divulge the same to any third party otherwise than for the specific purpose authorized by the other Party or as may be required by Law. In the event of unauthorized use, access or disclosure of the same by either Party, such Party shall indemnify the other Party in respect of such breach. Each Party agrees that neither Party shall make use of the said confidential information, data, terms and conditions for it's benefit without the express written consent of the other Party, which in case if it is found so shall be treated as breach of contract.

9.2 Both the Parties agree and confirm that all material, records, information and data coming being exchanged are items of value and shall remain the absolute property of the Party providing them.

9.3 This clause shall survive the termination or expiry of this Agreement.

## **10. TERM AND TERMINATION:**

10.1 This Agreement shall be in force from date \_\_\_\_\_ to date \_\_\_\_\_.

10.2 This agreement maybe terminated on the happening of the following:

- a) *Non-Performance:* If any party does not carry out its part of the responsibility/obligations under this agreement, the other party may choose to terminate the Agreement, if the same is not rectified within 30 days from being intimated.
- b) *Breach of confidence:* In the event of breach of confidence of this Agreement, including without limitation, either party's failure to disclose any information regarding changes made in the arrangement entered into or failure to do their respective part of the transaction, which breach is not cured or resolved within 15 days the aggrieved party may pursue its remedy at law or choose to terminate this Agreement.
- c) *Bankruptcy:* This Agreement maybe terminated by either Party in the event that the other Party is adjudicated bankrupt, or if a receiver is appointed for the other party or a substantial portion of its assets, or if any assignment for the benefit of its creditors is made and such adjudication appointment or assignment is not set aside within 30 days.
- d) *Unlawful business being done by either Party:* If a Party discovers at any stage of the term of this Agreement that the other Party is indulging in or carrying out any illegal business under this Agreement then this Agreement shall stand terminated upon such discovery.
- e) *Release of funds not made on time:* If any party fails to make the payment as per the understanding with other Party or to such person as per the direction, the Agreement maybe terminated by giving 3 months notice.

10.3 Notwithstanding anything stated above, either Party reserves the right to terminate the Agreement without reason by giving 3 months notice in writing to other.

10.4 Upon the expiration/ termination of this Agreement, all rights granted by one Party to the other Party in this Agreement shall cease and the Client's access to the Facility granted to the Client in terms of this Agreement shall stand terminated.

10.5 Neither Party shall be liable or obliged to the other Party for any deed/happening after the date of termination and both Parties shall pay the other all amounts due and payable under this Agreement immediately on termination and return all the documents, papers, etc exchanged under the terms of this Agreement.

## **11 GENERAL CLAUSES**

### **11.1 Amendments and Waivers**

No amendments to this Agreement or the Schedules attached hereto shall be valid or binding unless set forth in writing and duly executed by the Parties to this Agreement. No waiver of any breach / of any provision of this Agreement and/or the said Schedules shall be effective or binding unless made in writing and signed by the Party purporting to give such waiver and, unless otherwise provided in the written waiver, shall be limited to the specific breach waived.

### **11.2 Assignment**

Neither Party hereto shall be entitled to assign their respective rights or obligations under this Agreement to any third party without the prior written consent of the other Party to this Agreement. However to this Client agrees that the Bank shall have the right to transfer its obligations herein to any of its affiliates and subsidiaries.

### **11.3 Complete Agreement**

Any changes, alterations, supplements, waivers, if any of its provisions, amendments or interpretations of this agreement shall be valid only if they are in writing and signed by authorized respective of both the Parties.

This Agreement with the Schedule to this agreement, and the 'Smart Pool – LMS Authorization Letter' which shall be an Annexure to this agreement and which is executed by the Client as an Authorisation to the Bank, shall form a part and parcel of this agreement and shall read in

consonance with each other. Any changes in the agreement by way of Supplemental Agreements or the execution of such other 'Smart Pool - LMS Authorization Letter, if any, indicating the relevant additions/deletions' shall also form the part and parcel of the agreement.

#### **11.4 Force Majeure**

11.4.1 If the whole or any part of the performance by the Parties of any part of their respective obligations hereunder is prevented or delayed by causes, circumstances or events caused due to floods, fires, accidents, earthquakes, riots, explosions, wars, hostilities, acts of government, custom barriers, systems failure, IT failures, hacking, or other causes of like character beyond the control of the parties, then to the extent the parties shall be prevented or delayed from performing all or any part of its obligations hereunder by reason thereof despite due diligence and reasonable efforts to do so notwithstanding such causes, circumstances or events, the parties shall be excused from performance hereunder for so long as such causes, circumstances or events shall continue to prevent or delay such performance.

11.4.2 In such circumstances, it is the responsibility of the party or parties affected to notify in writing the other party of the force majeure event as soon as possible, stating the reason why it is unable to continue to perform its duties, and to resume performance of its duties as soon as the same becomes practically possible.

#### **11.5 Non-exclusive**

It is not intended that this Agreement should preclude either party from entering into a similar arrangement with a third party. However, the Client shall enter into such an arrangement or any similar arrangement with a third party only after having received prior written consent from the Bank.

#### **11.6 Relationship of the Parties:**

This arrangement is on a Principal to Principal basis. Nothing contained herein shall be deemed to create any association, partnership, joint venture or relationship of principal and agent or, master and servant or, employer and employee between the parties hereto or to provide any party with the right, power or authority, whether expressed or implied to create any such duty or obligation on behalf of the other parties.

#### **11.7 No third party rights**



This Agreement is solely for the benefit of the Parties hereto and is not intended to provide any rights or obligations in favour of any third parties.

### **11.8 Severability**

It is expressly agreed and declared that if for any reason whatsoever after execution hereof, a court of competent jurisdiction holds any provision hereof to be illegal, void or unenforceable, such provision shall have no effect, and shall not impair the enforceability of any other provisions of this agreement.

### **11.9 Intellectual Property Rights**

Each Party shall continue to be the owner of its respective trade marks, copyrights and all other proprietary rights and no Party shall use any trade mark, logo or copyright of any other Party without permission in writing of the Party who owns such proprietary rights.

### **11.10 Notices**

Any notice or other writing required or permitted to be given hereunder or for the purposes hereof to any Party shall be sufficiently given if delivered personally or if transmitted by fax or other form of recorded communication tested prior to transmission to such Party.

In the case of notice to Axis Bank at:

Business Banking Dept. 6th Floor, Axis House, Bombay Dyeing Mills Compound, Pandurang  
Budhkar Marg, Worli, Mumbai - 400025

In the case of notice to the Client at:

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Or such other address as the Party to whom such writing is to be given shall have last notified to the Party giving the same in the manner provided in this clause. Any notice personally delivered to the Party to whom it is addressed as provided in this clause shall be deemed to have been given and received on the day it is so delivered at such address, provided that if such day is not a Business Day then the notice shall be deemed to have been given and received on the Business Day next following such day. Any Notice mailed to the address and in the manner provided for in this clause shall be deemed to have been given and received on the fifth Business Day next

following the date of its mailing. Any notice transmitted by fax or other form of recorded communication shall be deemed given and received on the first Business Day after its transmission.

#### **11.11 Dispute Resolution**

**This Agreement shall be governed by and construed in accordance with the laws of India**

#### **11.12 Arbitration**

If any dispute, difference or claim arises between the Parties hereto in connection with this Agreement or the validity, interpretation, implementation or alleged breach of the terms of this Agreement or anything done or omitted to be done pursuant to this Agreement, the Parties shall attempt in the first instance to resolve the same through negotiation. If the dispute is not resolved through negotiation within fifteen (15) days after commencement of discussions then any Party may refer the dispute for resolution by Arbitration of sole arbitrator to be appointed by the Bank. All proceedings in any such arbitration shall be conducted under The Arbitration and Conciliation Act, 1996 and shall be conducted in English. The arbitration shall take place in Mumbai, India and shall be governed by the laws of India.

### **SCHEDULE - I**

#### **PROCESS FLOW**

1. Base Branch / RM would obtain the request from corporate along with the detailed requirements in term of fund flow amongst various accounts / entities.
2. Base Branch / RM would duly cross check the information and send the requirement to Business Banking CO.
3. Base Branch / RM would also forward the request for addition / deletion of an account from the existing Liquidity Management structure to Business Banking CO.
4. BB Implementation Team would receive the request from branch / RM and verify the requirements and seek any further information from the branch / RM, if required.
5. BB Implementation Team would provide the detailed requests after thorough verification to CCPH for implementation in Finacle.
6. BB – CO would assist branch / RM regarding any query / clarification regarding Liquidity Management structure.

7. CCPH would be responsible for setting up the Liquidity Management Structure in Finacle 10.2 once all necessary validations and verifications are performed by BB – CO.
8. CCPH would inform the BB – CO once the LM Structure is setup in Finacle 10.2.
9. CCPH would be addressing queries of the corporates in case of any clarifications sought by the branch / RM / BB-CO.
10. In case of addition / deletion of any account to / from an existing Liquidity Management structure, other branch would forward the request to respective RM / Base branch.
11. Other branch would obtain the necessary mandate from the customer for addition / deletion of account and would attach the scanned copy of the same while sending the request to respective Base branch / RM.

**IN WITNESS WHEREOF THE PARTIES HERETO HAVE SET AND SUBSCRIBED THEIR HANDS TO THIS AGREEMENT THE DAY AND YEAR FIRST HEREINABOVE WRITTEN**

**SIGNED, SEALED AND DELIVERED**

by the within named Client through its authorized.

Mr./ Mrs. \_\_\_\_\_

Date: \_\_\_\_\_

Place:

**SIGNED, SEALED AND DELIVERED by AXIS BANK LIMITED**

through its \_\_\_\_\_

Mr./ Mrs. \_\_\_\_\_

Date: \_\_\_\_\_

Place: