

Loan Account Number: \_\_\_\_\_



**Kotak Mahindra Bank Ltd.**

**AGREEMENT**

**LOAN AGAINST SECURITIES**

Name of the applicant: \_\_\_\_\_

Location: \_\_\_\_\_

Security: \_\_\_\_\_

Amount sanctioned: \_\_\_\_\_

Customer Name	
Existing CRN, if any	
Organization Name and Designation	
SM name and Employee Code	
FOS name and Employee Code	
Source of Lead	Branch/Privy/Wealth/Direct/DSA/ Other _____ (Please specify)
Promo Code, if any	
Loan Amount, ROI, PF	
Complete LAS Application Form	
Last 2 years' self-certified ITR (if required)	
Last 3 months' self-attested bank statement (if required)	
Client Master List (CML) for the relevant Demat Account (in case of Demat Equity shares or Demat MF units or Demat Bonds)	
Self-attested Mutual Fund statement (for physical MF units)	
Security Cheque (for Insurance lock-in policies and close ended MFs)	
LAS Agreement with Franking done	
End use declaration (as specified by Credit)	
RCU positive report (for Insurance cases)	
Assignment confirmation in favor of Kotak Mahindra Bank (for Insurance cases)	
Original Insurance Policies (for Insurance cases)	
Original SVC report (for Insurance cases)	
Branch RM Name with LG Code, LC Code, RM Code	
Branch name, Code and Channel name	
DSA Name/DSA Code, if applicable	





**Co-Applicant 1**

**Security Provider 1**  **Authorised signatory 1**

Name   
CRN (if any)  (if any)  Date of Birth   
Address

City  State   
Country  Pin Code

Telephone  Mobile No.

PAN Number  Aadhar Number

Occupation   Salaried  Self Employed  Retired  Others

**Co-Applicant 2**

**Security Provider 2**  **Authorised signatory 2**

Name   
CRN (if any)  (if any)  Date of Birth   
Address

City  State   
Country  Pin Code

Telephone  Mobile No.

PAN Number  Aadhar Number

Occupation   Salaried  Self Employed  Retired  Others

**Co-Applicant 3**

**Security Provider 3**  **Authorised signatory 3**

Name   
CRN (if any)  (if any)  Date of Birth   
Address

City  State   
Country  Pin Code

Telephone  Mobile No.

PAN Number  Aadhar Number

Occupation   Salaried  Self Employed  Retired  Others

**Co-Applicant 4**

**Security Provider 4**  **Authorised signatory 4**

Name   
CRN (if any)  (if any)  Date of Birth   
Address

City  State   
Country  Pin Code

Telephone  Mobile No.

PAN Number  Aadhar Number

Occupation   Salaried  Self Employed  Retired  Others

**Loan Details**  
 Type of Loan  New  Enhance Loan Amount \_\_\_\_\_ Loan Tenure \_\_\_\_\_ End use \_\_\_\_\_  
 Security offered \_\_\_\_\_

**Schedule of Charges**

LOAN AGAINST SECURITIES OVERDRAFT CHARGES	
Rate of Interest	As Applicable
Penal Charges on Overdrawn Amount	8% p.a. plus applicable taxes on the overdrawn amount For Digital cases - ₹1,499/-
Processing Fee (Non-refundable)	For Equity (Non-Digital), Debt - MF/FMP/, Bonds - Up to 2% of the Loan/Sanctioned credit limit subject to Minimum of ₹2,500/- For other physical securities (LIC / Pvt Insurance policies) - Up to 2% of the Loan/Sanctioned credit limit subject to Minimum of ₹5,000/-
Renewal Fee	₹3,500+GST (for non-insurance cases) ₹5000+ GST (For Insurance cases)
Security Invocation Charges	0.3% of the sell-off value subject to a Maximum of ₹ 5,000/- & Minimum ₹ 5,00/- Invocation charges of ₹5,000 (only in cases where customers are unwilling to collect the proceeds on their own)
Maturity Invocation	For deep geography (remote) locations, a fee up to 1% on the maturity amount will be charged subject to a minimum of ₹10,000 and a maximum of ₹25,000 (only in cases where customers are unwilling to collect the proceeds on their own)
MF Pledge charges for CAMS- Pledged digitally	₹700+ GST per request
Partial release of MF	₹50 per request
Partial release of Insurance Policies	₹50 per request
Sale of security in the event of default	All brokerages, transaction charges and other levies as per actuals
Demat charges	As applicable to the Demat account from time to time
Stamp duty and other statutory charges	As applicable
IVR statement charges	₹50 per request
Rate Reduction charges	₹3,000+ GST
Benchmark change charges	₹10,000+ GST
Prepayment charges	Nil

**Documents Submitted**

I / We confirm having submitted the following self attested documents (ticked below) along with this loan application form to the Bank representative Photograph (signed a cross - Proof of Identity  Proof of Identity  Proof of Signature  Proof of Residence  Undated cheques  Demat A/c statement  Mutual Fund Statement attested  ITR  Client Master List  Surrender Value Certificate  3 Months Bank Statement attested  Salary Slip

**Indicative list of documents that can be provided while applying for Loan Against Securities**

**Identity Proof:** • Passport • Driving License • PAN Card • Valid Photo Credit / Debit Card issued by Banks - Only if the Photo and signature are imprinted on the front of the card • Voter's ID card • Identity document issued by government and/or Statutory / Regulatory body (if included) • Bank passbook (Active accounts) with photograph only of schedule commercial banks only alongwith the bank seal / stamp and signature of the bank official. (updated not more than 3 months old) • Aadhar Card.  
**Signature Proof:** • Passport • Drive License • PAN Card • Valid Photo Credit / Debit issued by Banks - Only if the Photo and signature are imprinted on the front of the card • Identity document issued by government and/or Statutory Regulatory body (if signature included).  
**Residence Proof:** • Passport • Driving License • Voter's ID card • PAN Intimation Letter • Ration Card • Identity document issued by government and/or Statutory / Regulatory body (if address included) • Utility Bill (Elec./Tele./Mobile/Piped Gas/Water bill/Broadband bill not more than 3 months old for bank account). Original and photocopy \*statements allowed. E-statements should be PDF printouts. • Credit Card Statement not more than 2 months old. E-statements should be PDF printouts • Registered Leave. & License agreement (for tenants) • Letter from Housing Society (Only for owners with latest 2 months Maintenance Bill • Sale deed • Bank Statement (Active Account) - signed & stamped or with logo / printed by Bank and not more than 2 months old. E-statements should be PDF printouts with logo of the bank • Bank passbook (Active Accounts) of schedule commercial banks only along with the bank seal / stamp and signature of the bank official. (updated not more than 3 months old) • Gas connections copy (Front page of the booklets signed off by a PSU Official) with computerized gas bill not more than 3 months old / photocopy of gas connections copy showing cylinder purchases not more than 3 months old • Aadhar card.

\*(to be OSV by the Bank official)

**Sign up & Declaration**

I/We declare that I/we are/am/are resident Indians and that all the particulars and information given in the application form are true, correct, complete and that they shall form the basis of any loan Kotak Mahindra Bank Limited (KMBL) may decide to grant me/us. I/ We undertake to inform KMBL regarding any change in my/our above mentioned details and to provide any further information that KMBL may require. I/We further agree that my/our loan should be governed by the terms of the loan agreement executed between KMBL and myself/ourselves. I/We authorize KMBL and its affiliates to use information from this application for administrative purposes. I/ We understand that KMBL reserves the right at its sole discretion to reject this application without providing any reasons. I/We authorize KMBL, its group companies and their agents to exchange or share all the information relating to me and my repayment history with banks, financial institutions, credit bureaus, agencies, statutory bodies etc. as may be required or as they deem fit I/We agree that I/we will not utilize the money (ies) receive under the loan agreement(s) for any purpose which are prohibited under any law for the time in being in force. The Applicant and/ or the Co-Applicable(s) shall be liable to pay all the charges, fees and / or interest as prescribed by KMBL. I/We agree that the processing fees collected upfront, shall not be refunded if my/our application for loan is rejected by KMBL on any ground whatsoever or once the loan has been sanctioned by KMBL, irrespective of whether I/we finally avail the same. I/We are aware that any new phone number, mobile number, email id provided by an existing Customer while opting for any product of KMBL (eg-Credit Card, Personal Loan etc) shall be automatically updated in the records of KMBL in lieu of the phone number, mobile number, e-mail id provided at the time of opening the account or previously registered with KMBL. All further intimations / communications pertaining to the Bank Account shall also be sent by KMBL only to the new phone number, mobile number, email id and no intimations / communications shall be sent to the phone number, mobile number, email id provided at the time of opening the Bank Account or previously registered with KMBL.

**Details of property held / investments as on date (with value):**

I/we hereby authorize the bank to debit all charges towards payment of stamp duty / franking of the documents and other related expenses, to my/our OD account being opened by me/us with the bank.  
 I/We hereby declare that the usage of funds granted to me as overdraft will be used by me/us for my/our declared purpose only.

I/ We certify that all the information submitted above is correct.  
 I/We hereby declare that the usage of funds granted to me as overdraft shall not be utilized either singly or in association with other person, for any of the activities in which investment by persons resident outside India is prohibited, namely; the business of chit fund, or Nidhi Company, or agricultural or plantation activities or in real estate business, or construction of farm houses, or trading in Transferable Development Rights (TDRs)

**I have read & acknowledged the MITC of the applied loan and confirm having received the MITC which also contains all the charges/fees/levies etc. applicable on the said loan.**

Signature of Applicant

Date:

Place:

(Signature of Co-Applicant 1)	(Signature of Co-Applicant 2)	(Signature of Co-Applicant 3)	(Signature of Applicant)
(Signature of Security Provider 1)	(Signature of Security Provider 2)	(Signature of Security Provider 3)	(Signature of Security Provider 4)
(Authorised Signatory 1)	(Authorised Signatory 2)	(Authorised Signatory 3)	(Authorised Signatory 4)

(Signature of Co-Applicant 1)	(Signature of Co-Applicant 2)	(Signature of Co-Applicant 3)	(Signature of Applicant)
(Signature of Security Provider 1)	(Signature of Security Provider 2)	(Signature of Security Provider 3)	(Signature of Security Provider 4)
(Authorised Signatory 1)	(Authorised Signatory 2)	(Authorised Signatory 3)	(Authorised Signatory 4)

(Signature of Co-Applicant 1)	(Signature of Co-Applicant 2)	(Signature of Co-Applicant 3)	(Signature of Applicant)
(Signature of Security Provider 1)	(Signature of Security Provider 2)	(Signature of Security Provider 3)	(Signature of Security Provider 4)
(Authorised Signatory 1)	(Authorised Signatory 2)	(Authorised Signatory 3)	(Authorised Signatory 4)



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**MOST IMPORTANT TERMS AND CONDITIONS (MITC) – OVERDRAFT FACILITY - LAS**

The Overdraft Facility ("Facility") is subject to the regulations issued by Reserve Bank of India ("RBI") from time to time.

**Purpose of Facility**

Eligible Individuals may avail the Facility for meeting contingencies or their personal needs and Non Individuals may avail the Facility for their working capital / business needs. The Borrower(s) shall clearly declare the purpose of availing the Facility in their application with the Bank.

**Amount of advance**

The maximum facility amount that can be availed will be the amount sanctioned by the Bank at its sole discretion. The Bank will review your Account periodically and may modify the facility amount from time to time based on Bank's internal criteria.

**Rate of Interest (ROI): -**

Interest will be at the rate as set out in the Facility Letter issued to you by the Bank and such Interest shall be paid in accordance with the Facility Documents/Agreements.

In case the ROI is floating/variable in nature, the ROI may change inter-alia due to change in the Base Rate/ Benchmark Rate of the Bank (as may be applicable). You shall keep yourself informed of such change in ROI from time to time.

**Repayment**

You shall pay/repay the Facility Balance on or prior to the due dates. The Facility will be considered as fully repaid only when all the dues are paid and the outstanding amount becomes zero.

**Mode of Repayment:**

Customer can make the payment of fees, interest or repay the dues inter-alia by any of the following below mentioned payment options.

1. **Cheque:** Make a cheque or draft in favor of "Kotak Mahindra Bank \_\_\_\_\_" & drop in to the ATM's or at the Partner drop boxes
2. **Transfer from your Kotak Bank Account:** If you hold a savings / current account with Kotak Bank then payment can be made online at [www.kotak.bank.in](http://www.kotak.bank.in) using Internet banking.
3. **NEFT:** Payment can be made from any of your other bank account/s through net banking electronically if your bank has enabled the NEFT (National Electronic Funds Transfer) facility.
4. **RTGS:** RTGS stands for Real Time Gross Settlement. The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is ` 2 lakh or as may be prescribed by RBI from time to time.
5. **Cash Deposit at the branch:** Payment can be made by depositing cash at specified locations during banking hours.

The payment options will be subject to the terms and conditions of banking services and facilities. Depending on the payment options available, the Customer shall take necessary measures to ensure that payments are credited on or before the due date.

**Facility Tenure**

Tenure of the Facility would be for a period of 1 year. Upon completion of the tenure, the Bank may at its sole discretion decide to renew/extend/enhance the Facility/limits on such terms and conditions as may be prescribed by the Bank.

**Security**

The Facility shall be secured with such securities as may be acceptable to the Bank. Such securities must be free of any charge, lock in or encumbrances of any kind from any third party. You shall promptly substitute the security in case such security becomes unacceptable to the Bank in accordance with its policy.

In addition to the security, the Bank may also stipulate one or more guarantees of person(s) acceptable to the Bank or seek any other kind of security as the Bank may deem fit in order to secure the outstanding balance under the Facility.

## Margin

By putting margin requirements, the Bank will prescribe the amount of overdraft that may be drawn down or Facility Balance that could be maintained by the Borrower, against the value of securities. Margin shortfall beyond a prescribed limit and period will constitute an Event of Default. Hence required margin shall be maintained at all times until repayment/payment of all amounts outstanding.

The Margin requirement will be reviewed regularly. Bank shall, in its sole discretion, be entitled to vary/change the margins (including on account of any change as may be directed by RBI and/or any other regulatory/statutory body) from time to time or call upon higher margins in terms of the Facility.

Presently, the margin requirement against different types of securities is as below:

Type of Security	Loan to Value
Shares	Up to 50%
Equity MFs	Up to 50%
Debt MFs	Up to 85%
Non Convertible Bonds	Up to 70%
Life Insurance	Up to 80%

Margins for Open Ended and Close Ended MF units /Fixed Maturity Plans may be acceptable subject to Bank's Policy .

### Drawing Power

Drawing Power shall mean the least of (i) Maximum Overdraft Limit as mentioned in the Facility Letter, (ii) value of Security provided for Facility less Margin or (iii) the independent operative limit for the Facility as may be decided by the Bank and communicated to the Borrower based on the review/assessment by the Bank of the Borrower from time to time.

### Charges: -

Please refer to following charges applicable to the Facility:-

SCHEDULE -LOAN AGAINST SECURITIES OVERDRAFT CHARGES	
Rate of Interest	As applicable
Penal Charges on Overdrawn Amount	8% p.a. plus applicable taxes on the overdrawn amount
Processing Fee	For Digital cases – Up to ₹1,499/- For Equity (Non-Digital), Debt - MF/FMP/, Bonds – Up to 2% of the Loan/Sanctioned credit limit subject to Minimum of ₹2,500/- For other physical securities (LIC / Pvt Insurance policies) – Up to 2% of the Loan/Sanctioned credit limit subject to Minimum of ₹5,000/-
Renewal Fee	₹3,500+GST (for non-insurance cases) ₹5000+ GST( For Insurance cases)
Security Invocation Charges	0.3% of the sell-off value subject to a Maximum of ₹ 5,000/- & Minimum ₹ 5,00/-
Maturity Invocation	Invocation charges of ₹5,000 (only in cases where customers are unwilling to collect the proceeds on their own) For deep geography (remote) locations, a fee up to 1% on the maturity amount will be charged subject to a minimum of ₹10,000 and a maximum of ₹25,000 (only in cases where customers are unwilling to collect the proceeds on their own)
MF Pledge charges for CAMS- Pledged digitally	₹700+ GST per request
Partial release of MF	₹50 per request
Partial release of Insurance Policies	₹50 per request
Sale of security in the event of default	All brokerages, transaction charges and other levies as per actuals
Demat charges	As applicable to the Demat account from time to time
Stamp duty and other statutory charges	As applicable
IVR statement charges	₹50 per request
Rate Reduction charges	₹3,000 + GST
Benchmark change charges	₹10,000+GST
Prepayment charges	Nil

### Note

- Any other product-specific charges shall be informed separately prior to availing of the Facility. Charges for other Services would be specified as applicable when the Borrower applies for the revalidation of sanction, change in EMI Date, solvency charges, etc.
- Taxes / other statutory levies may be charged if applicable as per Government / RBI directives.
- The Bank reserves the right to alter any charges or fees from time to time or to introduce any new charges or fees, as it may deem appropriate by giving prior notice as prescribed by RBI and/or as published on the Bank's website-www.kotak.bank.in

## Default

In case any amount due is not paid by the due date, the same will constitute an Event of Default and the Bank will be entitled to recover the dues by liquidating the securities with the Bank or by taking such other action which the Bank may be entitled to take in terms of the Facility Documents.

Any default or delay in payment will attract default charges applicable in terms of the Facility.

## Customer Service: -

For any requirement, you may contact our Service Desk from Mon-Friday on the number 022-66056373/913 or can write to service.las@kotak.com

## Disclaimer:

Credit is at the sole discretion of Kotak Mahindra Bank Limited and is subject to Collection and Verification of Documents and other Information, Credit Bureau Checks, Personal Discussion (PD), and other Checks as may be felt necessary by the Bank. The Final Offering may be different from any initially communicated offer. The Bank may make available any information in the Application Form and other Documents submitted to the Bank and information pertaining to the Overdraft Facility to any institution or body. Bank shall be in no way responsible for non-receipt of intimations/communications to the previously registered Addresses, Phone Numbers, Mobile Numbers, E-mail id, etc. The MITC are only indicative and not exhaustive. For detailed terms and conditions of the Overdraft Facility, please refer to the Agreement for Overdraft Against Securities. In case of contradiction in the MITC and provisions of the Agreement for Overdraft Against Securities, provisions contained in the Agreement for Overdraft Against Securities shall prevail.



## AGREEMENT FOR OVERDRAFT AGAINST SECURITIES

THIS AGREEMENT is made at the place and on the date specified in the in the Schedule-cum-Key Fact Statement ("Schedule") annexed to this Agreement, by and amongst:

Kotak Mahindra Bank Limited, a Banking Company incorporated under the Companies Act, 1956, and licensed as a bank under the Banking Regulation Act, 1949, and having its registered office at 27BKC, C-27, G Block, Bandra Kurla Complex, Bandra (E), Mumbai- 400051, and a branch at the address specified in the Schedule hereto, hereunder written ("Branch Office") (hereinafter referred to as the "Bank" which expressions shall, unless it be repugnant to the meaning, subject or context thereof, mean and include its successors and assigns) of the FIRST PART;

AND

The person/s specified in the in the Schedule hereto being borrowers and co-borrowers, hereinafter collectively referred to as "Borrower" of the SECOND PART;

AND

The person/s specified in the in the Schedule hereto AND the person/s specified in as security provider in the Schedule hereto (hereinafter referred to as the "Security Provider") of the THIRD PART.

The expression "Borrower" or "Security Provider" shall, unless repugnant to the context or meaning thereof, be deemed to include, (i) where the Borrower concerned is an individual his/her heirs, executors and administrators; (ii) where the Borrower concerned is a Hindu undivided family, the member or members for the time being of the said Hindu undivided family, and their respective heirs, executors and administrator; (iii) where the Borrower concerned is a Company within the meaning of the Companies Act, 2013 or any under any previous company law, a Limited Liability Partnership, incorporated under the Limited Liability Partnership Act, 2008, its successors in title; (iv) where the Borrower concerned is an unincorporated body, all the members of such body and their respective successors; (v) where the Borrower is the Governing Body of a Society, its respective successors and the members of the Governing Body and any new members elected, appointed or co-opted; (vi) where the Borrower is the Trustees of the Trust, their successors;

The Borrower and the Security Provider shall be collectively referred to as "Obligor".

The Borrower, Security Provider and the Bank are hereinafter individually referred to as a "Party" and collectively as the "Parties".

- A. At the request of the Borrower, the Bank has agreed to grant the Facility (as defined hereinafter) on the terms and conditions and for the Purpose as hereinafter appearing.
- B. The Parties hereto have agreed to record the terms and conditions in relation to the Facility and certain other matters related thereto in the manner hereinafter contained.
- C. In valuable consideration thereof for the grant of the Facility to the Borrower, the Borrower and/or the Security Provider on and behalf of the Borrower has agreed to secure the obligations of the Borrower pursuant hereto including the entire amount of the Facility together with all interest, , penal charges, any other charges including charges for non-compliance, dues and monies payable, costs and expenses reimbursable, as outstanding from time to time and whether any of them due or not, payable by the Borrower to the Bank pursuant to this Agreement and/or arising in connection with Facility (hereinafter collectively referred to as the "Outstanding Balance") in the manner hereinafter contained.

NOW THIS AGREEMENT WITNESSTH AND IT IS AGREED BY AND BEWTEEN THE PARTIES AS UNDER:

### 1. DEFINITIONS

- 1.1 "Account" shall mean the overdraft / current account opened in the name of and maintained by the Borrower with the Bank under the Facility as more particularly specified in the Schedule / Facility Letter issued/ to be issued by the Bank from time to time.
- 1.2 "Agreement" includes this Agreement together with all Schedules, Annexure hereto, all amendments, restatements, supplements to this Agreement, MITC Facility Letter(s), addendum to the Facility Letters from time to time.
- 1.3 "Annexure" means the Annexure to this Agreement including Annexure I and Annexure II hereof.
- 1.4 "Business Day" shall mean any day of the week (excluding Sundays and any day which is a public holiday for the purpose of Section 25 of the Negotiable Instruments Act, 1881 (26 of 1881) on which banks are open for general banking business in the place in India where the Branch Office of the Bank is situate from which Disbursement under the Facility has been/will be made and "Business Days" shall be construed accordingly
- 1.5 "Disbursement" shall mean an amount advanced by the Bank, and borrowed by the Borrower, by way of withdrawals from the Account under the Facility, including by way of direct transfer or cheque or other payment instrument made in favour of the concerned person, for and on behalf of the Borrower, subject to the Maximum Overdraft Limit, and "Disbursements" shall be construed accordingly.
- 1.6 "Drawing Power" shall mean the least of (i) Maximum Overdraft Limit, (ii) value of Security provided for Facility less Margin or (iii) the independent operative limit for the Facility as may be decided by the Bank and communicated to the Borrower based on the review/ assessment by the Bank of the Borrower from time to time.
- 1.7 "Due Date(s)" shall mean the dates on which any part of the Outstanding Balance becomes due for payment to the Bank in accordance with this Agreement.
- 1.8 "Event of Default" shall mean the events of default as mentioned in Article 5.1 hereunder and any events of defaults as may be mentioned in any of the Facility Documents including Security Documents and the Facility Letter.

- 1.9 **"Encumbrance"** shall mean any right, title or interest existing or created or purporting to exist or be created or agreed to be created by way of or in the nature of sale, agreement to sell, pledge, hypothecation, licence, hire-purchase, lease, tenancy, mortgage, charge, co-ownership, attachment or other process of any court, tribunal, judicial/ quasi-judicial/ regulatory or statutory or any other authority, statutory liabilities which are recoverable by sale of property or any other third party rights or encumbrance generally including sale and lease back transactions and title retentions or any other form of charge whatsoever and shall include any agreement to create any such Encumbrance.
- 1.10 **"Facility"** shall have the same meaning as assigned to the term in Clause 2 hereof.
- 1.11 **"Facility Documents"** shall include this Agreement together with all Schedules, Annexures, other documents including the MITC Security Documents, powers of attorney, demand promissory note, letter of continuing security, general undertaking, declarations etc., (wherever applicable), Facility Letter, and other documents (whether financing, security or otherwise) executed or entered into, or to be executed or entered into, by the Parties, or any other person, in relation to, or pertaining to, or arising out of the transactions contemplated by, or under this Agreement and/or the Facility and/or any Secured Assets and includes all amendments, restatements, supplements in respect of any of the aforesaid documents.
- 1.12 **"Facility Letter"** shall mean all the letters issued / to be issued by the Bank from time to time in connection with the Facility/ies and includes, as the case may be, the Credit Eligibility Letter, the Sanction Letter, the Sanction Intimations Letter(s), all addendums, supplements etc. thereto issued from time to time. The Facility shall be deemed sanctioned only upon issuance of the Sanction Letter/ Sanction Intimation Letter or Disbursement (whichever is earlier) by the Bank.
- 1.13 **"Final Settlement Date"** shall mean the date on which all the Outstanding Balance(s) under this Agreement have been irrevocably paid/repaid by the Borrower and/or the Security Provider (wherever applicable) to the Bank, to the full satisfaction of the Bank, and the Bank has issued an express written confirmation to that effect to the Borrower.
- 1.14 **"Indebtedness"** shall mean any indebtedness in respect of monies borrowed or liabilities contracted (including any contingent liabilities, under guarantees, indemnities, hire purchase and leasing) of the Borrower and the Security Provider and shall be deemed to include any indebtedness of any associate/affiliate of the Borrower or the Security Provider or a person or entity related to the Borrower or the Security Provider, and any indebtedness of the Borrower and/or Security Provider and/or of any associate/affiliate of the Borrower and/or any associate/ affiliate of the Security Provider or a person and entity related to the Borrower or the Security Provider.
- 1.15 **"Interest Rate"** shall mean the rate of interest applicable to the Facility from time to time, as may be specified by the Bank.
- 1.16 **"Margin"** means the minimum value of Secured Assets (valuation as per Bank's discretion) to be maintained/ made available over and above the Outstanding Balance (in absolute terms), expressed in percentage terms or any other manner by the Bank and as may be mentioned in the Facility Letter. The value of Secured Assets may be determined at the discretion of the Bank including on the basis of Market Price.
- 1.17 **"Market Price"** in respect of any Secured Asset shall be the least of the trading price of such Secured Asset quoted during the regular market hours in the immediately preceding 24 hours on the Bombay Stock Exchange and/ or the National Stock Exchange, or the previous closing price, as the Bank may specify (and for such period as the Bank may from time to time specify) as further reduced by applying such percentage as may be prescribed by the Bank, with the resultant value being the market price. In case of a Secured Asset which is proposed to be issued or offered to the public or proposed to be allotted by way of private placement, or proposed to be vested under a scheme of allotment of shares to the employees, the issue price of the security or such other basis and such other method and manner fit for valuation as the Bank in its sole discretion may stipulate from time to time. In case of a unit of a Mutual Fund, the least of the repurchase price declared by the Mutual Fund or the Net Asset Value or the market value or such other value as declared by the Bank.
- 1.18 **"MITC"** shall mean Most Important Terms and Conditions – overdraft facility – LAS including Schedule -Loan Against Securities Overdraft Charges.
- 1.19 **"Maximum Overdraft Limit"** shall mean the amount mentioned as such in the Schedule(s)/ Facility Letter as modified by the Bank from time to time (and to which modification(s) the Security Provider and the Borrower hereby upfront consents), to which all the Disbursements hereunder are subject to.
- 1.20 **"Outstanding Balance"** shall have the same meaning as assigned to the term in Recital C hereinabove.
- 1.21 **"Purpose"** shall mean the purpose as mentioned in the Schedule hereto
- 1.22 **"RBI"** shall mean the Reserve Bank of India.
- 1.23 **"Person"** includes an individual, statutory corporation, body corporate, partnership, limited liability partnership, joint venture, association of persons, Hindu Undivided Family (HUF), societies (including cooperative societies), trust, unincorporated organization, government (Central, State or otherwise), sovereign State or any agency, department, authority, or political subdivision thereof, international organisation, agency or authority (in each case whether or not having a separate legal personality) and shall include their respective successors.
- 1.24 **"Product Schedule"** shall mean, as the context may permit or require, the Schedule annexed hereof and named as "Product Schedule" as may be amended, supplemented, restated from time to time, the terms contained wherein shall be additionally applicable to the Facility in case the Facility or part of it is pertaining to the relevant product/purpose mentioned in such Product Schedule.
- 1.25 **"Sanction Letter"** shall mean a letter issued by the Bank to the Borrower sanctioning the limits for the Facility not exceeding the Maximum Overdraft Limit and includes Sanction Intimation Letter and the Facility shall be deemed sanctioned only upon issuance of the Sanction Intimation Letter or Disbursement (whichever is earlier) by the Bank.
- 1.26 **"Schedule"** shall mean the Schedule-cum-Key Fact Statement annexed to this Agreement (whether numbered or otherwise) and such other Schedules, in the format(s) specified by the Bank from time to time, to be executed by the Parties in favour of the Bank from time to time in connection with the Facility and/or any Secured Asset, and includes all amendments, restatements, supplements of the same, which Schedule(s) shall be deemed to form an integral part of this Agreement.

1.27 "Secured Asset(s)" shall mean shares, debt instruments, bonds, term deposits, policies, units of mutual funds, derivative instruments and such other securities as may be approved by the RBI from time to time (including those which are issued or created subsequent to a Disbursement) of such nature, description, form and value as may be acceptable to the Bank, over which a pledge, charge, lien or such other security interest as may be acceptable to the Bank, is or is agreed to be created by the Borrower and/or the Security Provider from time to time to secure the entire Outstanding Balance by the Borrower to the Bank, and which are accepted by the Bank as security for the purpose of this Agreement. In case of Secured Asset(s) which are issued or created subsequent to a Disbursement, the pledge, charge, lien or other security interest shall attach immediately upon the security being issued or created without the need for any further act, deed or writing.

1.28 "Security Documents" means agreements, memoranda, letters and other writings, by whosoever executed, by which a security is created or recorded in favour of the Bank pursuant to the Facility.

1.29 "Security Provider" means and includes any party or parties (including the Borrower) providing Secured Asset. Where the Borrower is also a Security Provider, the Borrower shall be required to execute this Agreement only once, which execution shall be deemed to be both as a Borrower and a Security Provider, and thereupon the Borrower shall be bound also by the obligations of the Security Provider as contained herein.

1.30 "Special Mention Account (SMA)" and "Non-Performing Asset (NPA)" means classification of Borrower/s account as Special Mention Account (SMA 1&2) and Non-Performing Asset as defined clause 5.3 in this Agreement as per applicable RBI Circular and any amendment/modification from time to time thereto.

## 2. THE FACILITY:

2.1 The Bank hereby agrees to advance and the Borrower hereby agrees to avail from the Bank, a secured overdraft facility (the "Facility") upto the Maximum Overdraft Limit as specified in the Schedule hereto/ Facility Letter for the Purpose and the tenor ("Tenor") as mentioned in the Schedule hereto and subject to the terms and conditions as specified in the Facility Letter issued by the Bank to the Borrower in connection therewith on the date as mentioned in the Schedule hereto, the application form and as contained herein under. A copy of the Facility Letter is annexed hereto as "Annexure I".

2.2 Under and pursuant to the Facility, the Borrower hereby agrees to avail the Facility as more particularly described in the Schedule hereto, on and subject to the terms and conditions contained in this Agreement, the Facility Documents, the Security Documents. Wherever the Facility or part thereof is sanctioned by the Bank for the purpose covered in the Product Schedule hereto, then the Product Schedule hereof shall apply to the Facility to that extent in addition to the terms and conditions mentioned in the main Agreement and other Schedules.

2.3 The Borrower may borrow amounts under the Facility from time to time by way of withdrawals from the Account, provided that the sum total of all the withdrawals under the Facility shall at no point of time exceed the Maximum Overdraft Limit. Provided that the obligation of the Bank to allow the Borrower to utilize or continue to utilize the Facility under this Agreement and the grant of the Facility and utilisations thereunder each time shall be subject to fulfillment all of the following conditions:

- a. the Borrower has not committed breach of any provision of this Agreement and no Event of Default, or event which after a lapse of time is capable of becoming an Event of Default, shall have taken place
  - b. The Borrower continues to meet the Bank's requirement of creditworthiness for which the Bank may make such enquires as it deems fit;
  - c. The Bank should be satisfied that the proposed utilization and all prior utilization of the Facility is only towards the stated Purpose;
  - d. The Borrower shall have provided, duly executed and delivered/ obtained such Security Documents, other documents, writings as required by the Bank and handed over to the Bank such payment instruments including cheques/inchoate cheques as may be required by the Bank;
  - e. Where the Borrower is a Non Resident Indian or a Person of Indian Origin as per the provisions of the Foreign Exchange Management Act, 1999 or other law in force in India relating to foreign exchange, the Borrower shall have obtained all permissions, authorizations, approvals, consents, sanctions and fulfilled all conditions prescribed under the applicable law, as may be required for the entry into, execution and delivery of this Agreement including for borrowing and creation of security hereunder;
  - f. the security is, in the Bank's opinion, adequate and adequate Margin is being maintained in a manner satisfactory to the Bank,
  - g. the Borrower /Security Provider has delivered to the Bank, the Security Documents, Facility Documents and such other writings as may be required by the Bank from time to time; and
  - h. the Borrower has fulfilled all other conditions as may be specified by the Bank from time to time. The Borrower hereby irrevocably agrees and confirms that the decision of the Bank in regard to the fulfillment by the Borrower of the aforesaid conditions shall be final and binding on the Borrower.
  - i. The account is not treated as 'out of order'
- 2.4 The Bank may maintain the Account until the Final Settlement Date.
- 2.5 The Borrower shall utilize the Facility solely for the Purpose and not for any other purpose or for investment in capital market/shares/debentures/mutual funds/purchase of gold in any form, including primary gold, gold bullion, gold jewellery, gold coins, units of gold exchange traded funds (ETF) and units of gold mutual funds or any illegal /speculative activity. Without being obligated to do so, the Bank shall be entitled to monitor the use/end use of the Facility including through any auditor(s) or consultant(s) including examining books of the Borrower, with necessary certification from them, as appointed by the Bank at its sole discretion and at the cost of the Borrower.
- 2.6 The Borrower shall at all times confine the drawings to the Drawing Power and in no case shall exceed such limit and/or the Maximum Overdraft Limit (as the case may be). The Borrower shall ensure at all times until the Final Settlement Date that the Outstanding Balance (at any point of time) is within

its Drawing Power (whether by payment/repayment or providing additional security as may be acceptable to the Bank). The Bank may however, at its own discretion, allow drawings beyond the Drawing Power, for such time as may be considered necessary and shall at any time without notice call upon the Borrower to repay such excess drawings. All rights of the Bank and the obligations of the Borrower respectively hereunder and under any Facility Letter or other documents shall extend to such drawings notwithstanding the specific limit stipulated. Such drawings shall become a part of the Outstanding Balance, however for clarity such excess drawings shall attract penal charges (as defined hereinafter). All the rights created hereunder in favour of the Bank and the obligations of the Borrower thereunder will extend to cover the Borrower's liability to the Bank under any account whatsoever of the Borrower with the Bank, notwithstanding that such account may not relate to a particular Disbursement agreed to be granted by the Bank to the Borrower.

- 2.7** Nothing in this Agreement shall make the Bank liable to lend to the Borrower beyond the Maximum Overdraft Limit, honour any cheques, allow any cash withdrawals (other than withdrawal in respect of the Facility subject to the terms of this Agreement) or meet any further requirements of the Borrower on account of growth in business or otherwise.
- 2.8** Interest:
- 2.8.1** Interest shall be charged at the Interest Rate as applicable from time to time and as more specifically stipulated in the Facility Letter. The interest shall be charged and payable on the outstanding amounts drawn from the Facility and any other Outstanding Balance which is due for payment. The interest shall be payable monthly or at such other intervals and on such Due Dates as specified in the Facility Letter or as may be stipulated by the Bank from time to time. The Interest Rate, including the spread, applicable as on the date of this Agreement is specified in the Facility Letter and shall be subject to change at the discretion of the Bank whether or not by reason of changes under applicable law and/or mandate of RBI including on account of change base rate/MCLR rate/external bench mark rate or spread as the case may be. In case of any period for which the Interest Rate is on floating basis, if any, as per the Facility Letter, the same shall stand reset and be in effect forthwith every time there is a change in the base rate/ MCLR rate/external bench mark rate of the Bank as the case may be. The change in the Interest Rate shall become effective from the date of notification of such change by the Bank either in its official website and/or publication in a daily newspaper and/or displayed in any or all the branches of the Bank. The Borrower shall keep itself informed of such change in Interest Rate from time to time.
- 2.8.2** The Borrower hereby confirms and acknowledges that he/it has fully understood the mode and manner of computation of the Interest Rate.
- 2.8.3** The Interest Rate excludes interest tax, and any other present and future taxes and levies, if any, and other statutory dues which would also be payable by the Borrower additionally.
- 2.8.4** Interest and any other charges shall be computed on the basis of a year of three hundred and sixty- five days or such other basis as may be deemed fit by the Bank. The Bank may in its discretion modify the basis of the year and the periodicity of the interest.
- 2.8.5** Without prejudice to the right of the Bank to demand immediate repayment of the amounts drawn under the Facility, if any interest remains unpaid on the date it is due and payable, then the unpaid interest will be compounded monthly or in such other manner as may be permitted by the RBI.
- 2.8.6** Notwithstanding anything to the contrary stated anywhere in this Agreement or any other documents, the Bank may vary the Interest Rate, including the spread, charges for non-compliance / (including Penal Charges and/ or modify the Due Date(s) including increase/ reduce the amount/ number of installment from time to time at its discretion and/or as per the guidelines/ directions/rules/ regulations/ law issued by the RBI and/or any other statutory or regulatory authority or as per any other law in force including but not limited to, any tax law, and the Borrower shall be bound to pay the interest at such varied Interest Rate and/or repay the installment(s) accordingly. In any case the Borrower shall keep itself informed about such revisions and/or variations and/or adjustments in the Interest Rate/ Due Date(s) and payment obligations pursuant thereto including amount and frequency of installments and variations thereto
- 2.8.7** No disputes, whether actual, contingent or otherwise and whether between the Borrower and the Bank or the Borrower and any third party shall entitle the Borrower, under any circumstance to withhold the payment of any Outstanding Balance including interest/ fees/ amounts/charges/dues payable under this Agreement and timely payments by the Borrower being the essence of this Agreement.
- 2.8.8** If required by the Bank at any time until the Final Settlement Date, the Borrower shall be required to provide to the Bank such payment instruments modes including undated/ post-dated cheques, standing instructions, electronic clearing service mandates as the case may be required by the Bank.
- 2.8.9** If any payment under this Agreement is required to be made on or before a day which is not a Business Day or within a period which ends on a day which is not a Business Day then the Borrower shall be required to make the payment on the immediately preceding business day. Provided however, that the Borrower shall pay interest at the Interest Rate calculated on end of the day balances of the Account and charged on monthly basis up to the date when payment is due or payment was actually due.
- 2.8.10** The Borrower acknowledges and understands that if there is any credit balance in the Account at any point of time, no interest or any other similar benefit shall accrue thereon to the Borrower.
- 2.9** Repayment:
- 2.9.1** The Borrower(s) shall, if not demanded earlier by the Bank, repay the Facility together with other Outstanding Balances at the end of the Tenor of the Facility as may be specified in the Facility Letter, without any demur, protest or default and without claiming any set-off or counterclaim or withholding or deduction (save as required by law in which case the amount payable by the Borrower to the Bank shall be increased to the amount which after making such deduction or withholding equals the original due amount as if no withholding or deduction were required).
- 2.9.2** Notwithstanding anything to the contrary, the Bank shall in its absolute discretion or as per the guidelines/ directions/rules/ regulations/ law issued/ notified by RBI and/or any other statutory or regulatory authority and any other law in force including but not limited to, any tax law modify the repayment tenure.

2.9.3 The Borrower shall keep itself informed of the Due Date(s) and payment obligations pursuant thereto including amount and frequency of installments and variations thereto

2.9.4 If required by the Bank at any time until the Final Settlement Date, the Borrower shall be required to provide to the Bank such payment instruments modes including undated/ post-dated cheques, standing instructions, electronic clearing service mandates as the case may be.

**2.10 Other Dues:**

2.10.1 The Borrower(s) shall pay to Bank, the charges including charges for non-compliance, fees, commissions, etc. as specified in the Schedule hereto/Facility Letter/MITC or as specified by the Bank from time to time, within such time or upon occurrence of such events as specified and if not specified then forthwith upon demanded by the Bank without any demur, protest or default and without claiming any set-off or counterclaim or withholding or deduction (save as required by law in which case the amount payable by the Borrower to the Bank shall be increased to the amount which after making such deduction or withholding equals the original due amount as if no withholding or deduction were required). All other present and future costs and expenses, taxes (as applicable from time to time), any related levy, stamp duty, registration charges, if any, in all jurisdictions, entry loads, exit loads and other loads (by whatever name called), all document charges, legal fees, holding costs, charges for opening and operating a depository account, charges of dematerialization and rematerialization, court fees in relation to the Facility, Secured Asset, this Agreement/ Facility Documents, Security Documents, other documents/any transaction pursuant thereto, irrespective of who the beneficiary is, shall be borne and payable solely by the Borrower, including for investigation of the title of the Secured Asset(s) and for the creation, preparation, preservation, performance, enforcement of the Secured Asset(s), realization and recovery of Facility, initiating/defending/pursuing any actions/notices/legal proceedings by Bank. In case of any such sums if paid or incurred by the Bank, the Borrower shall be liable to reimburse the same to the Bank in full forthwith.

2.10.2 If the Borrower is required to make a tax deduction, it shall make that tax deduction and any payment required in connection with that tax deduction within the time allowed and in the minimum amount required by law.

2.10.3 Forthwith or within such Business Days as may be prescribed by the Bank from time to time of making either a tax deduction or any payment required in connection with that tax deduction, the Borrower shall deliver to the Bank evidence reasonably satisfactory to the Bank that the tax deduction or (as applicable) any appropriate payment to the relevant taxing authority has been made. Without prejudice to the foregoing, if the Bank is required to make any payment of or on account of tax or in relation to this Agreement/ Facility Documents/ Security Documents or if any liability in respect of any such payment is asserted, imposed, levied or assessed against the Bank, the Borrower shall forthwith or within such number of Business Days as may be stipulated by the Bank, promptly indemnify the Bank against such payment or liability, together with any interest, costs and expenses payable or incurred in connection therewith.

**2.11 Penal Charges**

Without prejudice to the Bank's rights and remedies under contract and/or law: in case of any breach by the Borrower of any of the terms and conditions contained herein, including non-payment of Outstanding Balance and/or principal/interest/dues/ charges/ fees payable under this Agreement when due; the Borrower shall be liable to pay penal charges ("Penal Charges") at the rate specified in the Facility Letter/Facility Agreement/sanction letter/MITC or such other rate which the Bank may fix from time to time ("Penal Charges"), over and above the applicable Interest Rate, on the entire Outstanding Balance, from the date of default of payment till the date of actual payment in full or cure of default to the satisfaction of the Bank, as the case maybe. The penal charges shall, unless otherwise specified in the Schedule(s) and/or the Facility Letter, be charged on monthly basis or such other basis as may be deemed fit by the Bank. Also it is hereby clarified that the obligation to pay penal charges shall not entitle the Borrower to claim a defense that no Event of Default as mentioned hereunder has occurred. If the amount drawn by the Borrower is beyond the Maximum Overdraft Limit and/or the Drawing Power (as the case may be), then penal charges shall also be applicable on such excess drawings and amounts overdrawn.

**2.12 Charges for Non-Compliance:**

The Borrower shall pay the charges for non-compliance along with the applicable taxes, if any, as per the sanction letter or the schedule of charges of the Bank or if otherwise communicated by the Bank from time to time during the tenor of the Facility.

**2.13 Costs and Expenses:**

The Borrower shall be liable to pay all the costs and expenses that the Bank has incurred or may incur in relation to the Facilities granted to the Borrower and the Borrower shall be liable to pay the same whether or not demanded by the Bank. The Bank shall however have the right to charge interest as applicable to the Facility granted to the Borrower, on the actual costs and expenses incurred but not paid by the Borrower until payment thereof by the Borrower.

**2.14 Payment Mode and/or Instruments**

2.14.1 The payment of the Outstanding Balance due by the Borrower shall be made on or before the respective Due Dates, at such place as the Bank may require, without any set-off or counterclaim or withholding or deduction (save as required by law in which case the amount payable by the Borrower to the Bank shall be increased to the amount which after making such deduction or withholding equals the original due amount as if no withholding or deduction were required), by way of one or more modes and instruments including post-dated cheques(PDCs)/ other mode/instrument, as acceptable to the Bank from time to time.

2.14.2 In case of cheques/other instrument, the payment shall be deemed to have been made by the Borrower only at the point of time the sum is credited and realized fully in Bank's account irrespective of the date of instrument or time of receipt or presentation of instrument. Only on realization of the Outstanding Balance by any mode as above in the account of the Bank, the Bank shall credit the Account of the Borrower.

2.14.3 The Borrower hereby irrevocably and unconditionally authorizes the Bank to debit the Account and appropriate any amounts therefrom, without any notice to or consent from the Borrower, for payment/repayment by the Borrower to the Bank of the Outstanding Balance as and when any part of it becomes due.

2.14.4 The Borrower shall, if so required by the Bank, deliver post-dated cheques to the Bank for the due repayment / payment of the Facility and interest thereon. Such cheques shall be deemed to have been given for adequate consideration already received by the Borrower and shall not absolve the Borrower from his liability to pay the said sums hereunder until the cheque is duly realized. The Borrower shall maintain adequate balance for realization of the cheques on their Due Date. The Borrower shall at no time close the bank accounts on which the said cheques have been issued or issue any communication to the Bank for stopping or postponing the presentation of the said cheques, and the Bank shall not be bound to take notice of any such communication which, if issued, will be regarded as a dishonour of the concerned cheques. The Borrower agrees that if any amounts are outstanding for payment by the Borrower to the Bank for any reason other than the Facility or interest thereon, the Bank shall be entitled to present the said cheques for recovery of such outstanding amounts notwithstanding that the said cheques have been deposited for repayment of the Facility and interest thereon, and in such case the Borrower shall continue to be indebted to the Bank for the Facility and/ or interest, as the case may be.

**2.15 Appropriation of Payments and Security:**

2.15.1 In case of any amount received/ realized/ recovered from the Borrower in relation to the Facility, the same shall be adjusted/ appropriated by the Bank in following order without any prior intimation to the Borrower: (a) taxes, costs, expenses, charges including charges for non-compliance, fees, incidental charges including prepayment charges and other monies that may have been expended by the Bank in connection with this Agreement, (b) towards any charges, commissions, fees, taxes, levies (wherever applicable); (c) penal charges, (d) installment(s) (e) Interest payable under this Agreement, (g) Principal amount of the Facility under this Agreement, (h) Other Indebtedness to the Bank. The Bank may however change the aforesaid sequence/ order in its sole discretion.

2.15.2 Notwithstanding anything to the contrary in this Agreement or any other document, the net proceeds of enforcement, sale, realization, recovery under or pursuant to any provisions hereof or otherwise relating to the Secured Asset, and/or any other recovery, on receipt by the Bank shall be applied at its absolute discretion in the manner it thinks fit. The Borrower shall continue to be liable for any deficiency in the amount due to the Bank by the Borrower(s) after adjustment of the net proceeds of sale, realization, recovery as above.

2.15.3 Nothing herein contained shall negate, qualify or otherwise prejudicially affect the right of the Bank to recover the Outstanding Balance from the Borrower notwithstanding that all or any of the Secured Assets may not/ have been sold, disposed or realized.

2.15.4 The Borrower shall not question the terms on which and the consideration for which the Secured Assets may have been sold, disposed off or realized by the Bank

2.15.5 The Bank may, in its absolute discretion, and notwithstanding any direction by the Borrower to the contrary, (i) appropriate any payments made by the Borrower towards repayment of any part of the Outstanding Balance or otherwise in connection with the Facility or this Agreement towards any amounts payable by the Borrower under the Facility and/or this Agreement as the Bank in its discretion thinks fit; and (ii) appropriate any payments made by the Borrower under this Agreement and its Schedule(s) towards any Indebtedness of the Borrower, and such appropriation shall be final and binding upon the Borrower who shall continue to remain indebted to the Bank for payment of the dues under this Agreement in respect of which such sum of money were paid by the Borrower.

2.15.6 Further, notwithstanding the payment of a part of the Facility, the Bank shall have the power to sell, transfer or otherwise dispose of any Secured Asset, after giving 3 Business Days' notice or such other period as may be deemed fit by the Bank, which the Borrower accepts as an adequate, sufficient and reasonable notice, in respect of the Outstanding Balance or any part thereof, and appropriate the same towards satisfaction of amounts due to the Bank on account of the Outstanding Balance or any part thereof or otherwise payable by the Borrower under this Agreement or in respect of any Indebtedness of the Borrower. The provisions of this Agreement and any Security Documents shall apply mutatis mutandis to the manner of disposal of Secured Asset and appropriation under this Article.

**2.16 Recall by the Bank:**

Notwithstanding anything to the contrary contained in this Agreement or any other document:

- I. the Outstanding Balances at any time under this Agreement are recallable on demand at the exclusive discretion of the Bank and shall be payable in full by the Borrower to the Bank forthwith and in any event within 3 Business Days or such other time period as may be stipulated by the Bank upon a demand in this regard by the Bank;
- II. The Bank may at any time, without the grant of any prior notice to the Borrower, terminate or cancel the Facility terminating forthwith any further utilization under the Facility, which decision shall be binding on, and shall not be questioned by the Borrower or the Security Provider, and the Borrower shall forthwith and in any case within 3 Business Days or such other time period as may be stipulated by the Bank ensure that sufficient funds are made available in the Account to ensure that all the Outstanding Balances are duly paid and satisfied to the Bank. The Borrower understands and confirms that the Bank shall not be liable for any damages or other consequences, to the Borrower or any other person by reason thereof. The entire Outstanding Balance as at the end of the Tenor shall, if not demanded/recalled earlier by the Bank, be repayable/payable by the Borrower on the last business day of the Tenor. The Borrower further agrees and undertakes that in case the amount due is not repaid on demand, the Borrower shall also be bound to reimburse to the Bank any loss that it may sustain by reason thereof.

Upon expiry of the period of notice, the entire Outstanding Balance shall immediately stand repayable by the Borrower to the Bank and the security shall immediately become enforceable without the Bank being required to give any further notice, the notice recalling the Outstanding Balance or part thereof, as the case may be, being deemed to also be notice for enforcement of security.

**2.17 General:**

The Borrower acknowledges that the Interest Rate and penal charges are reasonable and the penal charges represent pre-estimates of loss expected to be incurred by the Bank due to the non-payment of dues by the Borrower. The Borrower acknowledges that the Facility is a commercial transaction and specifically waives any defense under usury or other laws relating to or restricting interest.

### **3 SECURITY AND MARGIN.**

#### **3.1 Security**

The Borrower shall secure all its obligations to the Bank including payment/ repayment on respective Due Date(s) of the entire Outstanding Balance, by creating and/or furnishing such security in favour of the Bank, of such value, in such form and manner, and within such time, as may be acceptable and considered appropriate by the Bank ("Security"). Without prejudice to the generality of the aforesaid clause, in order to secure the due payment and repayment of the Outstanding Balance by the Borrower to the Bank under this Agreement and the performance by the Borrower of its obligations under this Agreement, the Borrower and/or the Security Provider have pledged or created security of such form, nature and value as acceptable to the Bank and/or shall hereafter pledge or create other security acceptable to the Bank, in favour of the Bank, over Secured Asset(s) acceptable to the Bank, which Secured Asset(s) shall be described in the Schedule(s) hereunder and/or the Facility Letter or in such other documents as the Bank may specify and /or Security Documents executed / to be from time to time executed in this behalf by the Borrower and/or the Security Provider, and by doing such acts and executing such documents as may be required under the provisions of the Indian Contract Act, 1872 or the Depositories Act, 1996 and regulations made thereunder and other rules, regulations and bye-laws of the concerned depository, as may be amended, restated, substituted from time to time for creating a pledge on the Secured Asset(s) in favour of the Bank.

The Borrower agrees and acknowledges that the Bank is entitled to periodically review the Secured Assets and based on Bank's assessment any of the Secured Assets provided to the Bank may become unacceptable to the Bank during the course of the Facility (Disapproved Secured Assets). The Borrower undertakes to substitute such Secured Assets with those which are acceptable to the Bank in accordance with the approved list of Secured Assets reviewed by the Bank from time to time.

#### **3.2 Margin of Security**

The Borrower shall maintain, or cause to be maintained at all times with the Bank, such Margin in such form and in such manner as may be stipulated by the Bank from time to time.

#### **3.3. Additional Security**

If the Market Value of the Secured Asset(s) decreases, or in the sole opinion of the Bank (which opinion shall be final and binding on the Borrower and the Security Provider) the Market Value of the security is likely to decrease, such that the required Margin is not, or may not be, maintained, or under such other circumstances as the Bank deems fit, the Bank shall serve upon the Borrower a written notice demanding additional security by way of delivery of further securities acceptable to the Bank, and the Borrower undertakes that within 3 days after notice from the Bank or such shorter time as may be specified by the Bank in the Bank's discretion considering the circumstances prevailing at that time (which shorter time shall be final and binding on the Borrower and the Security Provider), the Borrower shall either (A) create such security or cause such security to be created and shall execute such documents in connection therewith as may be specified by the Bank or (B) shall pay cash to the Bank to reduce the Outstanding Balance to nil or to such sum, if any, as the Bank may specify for withdrawing its demand for additional security, failing which the Bank may sell or otherwise realize / liquidate either in full or any portion of the Secured Asset(s) and apply the amount realized towards liquidation of such portion of the Outstanding Balance so as to maintain the Margin referred hereof or reduce the Outstanding Balance to nil or to such sum, if any, as the Bank may consider appropriate for withdrawing its demand for additional security.

For avoidance of doubt it is hereby clarified that the value of Disapproved Securities will not be considered to compute Margin and accordingly the Borrower will be required to maintain Margin in the event of shortfall in terms of this Agreement.

#### **3.4 Terms of Additional / Further Security & Accretions, and Income from Security**

**3.4.1** All further or other securities which may be pledged or otherwise created in favour of the Bank to secure payment/ repayment of the Outstanding Balance by the Borrower as well as all accretions, entitlements and benefits in respect of the Secured Asset(s) which the Bank is entitled to, including without limitation all bonus shares, rights shares, dividend, interest and preferential entitlements (collectively, "Accretions"), shall be deemed to be exclusively pledged in favour of the Bank pursuant to, and on the terms and conditions contained in this Agreement and considered as forming part of the security. As regards Accretions, the same shall be deemed to be pledged without any further act, instrument, deed or writing.

**3.4.2** The Bank shall have the authority to collect and receive, either in the name of the Security Provider/ Borrower or in the Bank's own name, all dividends, interest, monies payable on redemption or cancellation of any security and other monetary benefits and privileges arising out of the Secured Asset(s) ("Income from the Security"). The Bank shall be entitled to appropriate and apply the Income from the security towards repayment of the Outstanding Balance, any other amounts owed to the Bank by the Borrower hereunder or any indebtedness.

**3.4.3** The Borrower and the Security Provider undertake to issue or cause to be issued to the companies and mutual funds whose securities / units are comprised in the security, or to the concerned depository, depository participants and registrars and transfer agents mandates and such other instructions as may be required to cause pay all Accretions to be issued, and all Income from Secured Assets to be paid, to the Bank or to its order.

**3.4.4** The Bank may open, or require the Security Provider to open, a bank account as specified by the Bank in the name of the Security Provider or jointly in the name of the Security Provider and the Bank, to enable the Bank to receive all Income from the Secured Assets and monies payable on sale of Secured Asset(s).

**3.4.5** The Bank shall have a lien on all Income from the Secured Assets and all amounts that may be deposited in the bank account/s opened pursuant to Article 3.4.4.

#### **3.5 Right of immediate sale**

a) that upon the security under this Agreement becoming enforceable whether or not pursuant to the occurrence of an Event of Default, the Bank shall, without prejudice to its other rights and remedies, be entitled to and shall have absolute power and authority to use its discretion to sell and dispose

- of the Secured Asset(s) or any part of the same by public auction or by private treaty, without (as far as may be) the intervention of the Court, as and when the Bank may, in its absolute discretion, deem fit and to apply the net proceeds of such sale in satisfaction so far as the same will extend towards liquidation of the amounts due to the Bank under the this Agreement. The Bank shall have the power to transfer/ sell the Secured Asset(s), after giving 3 working days' notice or notice of such shorter period as may be deemed fit by the Bank, which the Borrower/Security Provider accepts as an adequate and sufficient and fully reasonable notice including for the purposes of Section 176 of the Indian Contract Act, 1872. The Borrower and Security Provider hereby agree and undertake not to raise any dispute as to the value at which the Secured Asset(s) are transferred by the Bank and the decision made by the Bank shall be final and binding on the Borrower and the Security Provider. The Bank shall not be liable for any loss arising due to the sale or transfer of the Secured Asset(s);
- b) that, the Borrower and Security Provider have agreed that so long as there exists any Outstanding Balance and until the Final Settlement Date from the Borrower to the Bank, the Security Provider shall maintain with the Bank at all times a Margin as defined in this Agreement, the Security Provider covenants that notwithstanding a fall in the Market Price of the Secured Asset(s) deposited with the Bank and a notice sent to the Borrower for making up the Margin, if the value of the Margin falls below limit as defined in this Agreement, the Bank may without reference to the Borrower or Security Provider, dispose of the Secured Asset(s) or part thereof by sale or otherwise and forthwith transfer the proceeds to the Bank. In the event that the Bank is unable to dispose of the Secured Asset(s) by sale on the stock exchange or by repurchase by the Mutual Fund (as the case may be) for any reason, the Bank may dispose of the Secured Asset(s) by way of an "off-market transaction" (disposal through a private sale);
- c) In case the Borrower avails Facility against security of an insurance policy issued by a life insurance company:
- i) The Borrower and/or the Security Provider shall be responsible for the payment of the premium within the Dues Dates and ensure that the insurance policy is "in-force" at all times
  - ii) In the event, the policy which has been assigned in favour of the Bank, is "Lapsed" for any reason including non-payment of the premium, the Borrower and/or the Security Provider shall be solely responsible for all outstanding premium and dues payable thereon along with completion of other formalities and requirements, so as to enable the insurance company to revive the policy. The Bank reserves the right to surrender a lapsed policy to the insurance company, without giving any notice to the Borrower and/or the Security Provider.
  - iii) If any survival benefit is due on the policy or the policy is matured, the Borrower and/or the Security Provider hereby authorizes the Bank to submit the original policy to the insurance company, and collect the survival benefit amount or the maturity amount and credit the proceeds to the Account after deducting the expenses incurred by the Bank in collecting the proceeds. The Bank is not liable to give any notice to the Borrower and/or the Security Provider before submitting the original policy to the insurance company for collecting the survival benefit amount or maturity amount nor shall the Bank be responsible for any delay in collecting the maturity amount.
  - iv) In case of happening of an Event of Default, the Bank may with or without notice to the Borrower and/or the Security Provider surrender the policy assigned in favour of the Bank to the insurance company and to receive the surrender value for crediting the proceeds to the Account after deducting the expenses incurred by the Bank in collecting the surrender value.
- d) In the case Borrower avails the Facility against the security of Government of India Relief Bonds issued by the RBI or any other Banks / Institutions or against the security of any other bond/ term deposits / debt instruments (herein after referred to as "Debt Instruments")
- i) The Borrower and/or the Security Provider hereby authorises the Bank to submit the original Debt Instrument which is transferred in the name of the Bank, to the institution from where the Debt Instrument is issued and collect the maturity proceeds. The Bank is not liable to give any notice to the Borrower and/or the Security Provider before submitting the Debt Instruments for collecting the maturity amount nor shall the Bank be responsible for any delay in collecting the maturity amount.
  - ii) In the case of non-cumulative Debt Instruments the monthly /quarterly/ half-yearly/ yearly interest will be credited to the Account of the Borrower. The Bank shall not be responsible for any delay in collecting the interest warrants from the issuing banks/ institutions.
  - iii) In case of happening of an Event of Default, the Bank may with or without notice to the Borrower and/or the Security Provider, surrender/ prematurely close / apply for cancellation of the Debt Instruments charged/ lien marked / transferred in favour of the Bank to the issuing banks / institutions and to receive the proceeds arising out of such surrender/ premature closure / cancellation for crediting the said proceeds to the Account after deducting the expenses incurred by the Bank in collecting such proceeds.
- e) It shall not be necessary for the Bank to sell and transfer any Secured Asset(s) deposited by the Borrower or by any other Security Provider(s) before enforcing its security interest against the Secured Asset(s). Further, the Bank shall be under no obligation to enforce its security equally and/ or proportionately against the securities deposited by the Security Provider(s) and shall be free to enforce its security against any securities deposited with it;
- f) Security Provider hereby agrees that without its consent / concurrence, the Borrower and the Bank shall be at liberty to vary, alter, or modify the terms and conditions of the Facility and /or Facility Documents and /or Security Documents and/or this Agreement.
- 3.6 Other provisions relating to Security**
- 3.6.1** If by error or otherwise any of the Secured Asset(s) or any Accretions in respect thereof come to the possession of the Borrower and/or the Security Provider without the authority of the Bank, then the Borrower and/or Security Provider, as the case may be, shall forthwith deliver such Secured Asset(s) or Accretions to the Bank and, until the Borrower or Security Provider so delivers such Secured Asset(s) to the Bank, the Borrower or Security Provider shall hold the same in trust and for the benefit of the Bank.
- 3.6.2** Security may be created, either by the Borrower or with the permission of the Bank, by the Security Provider for the repayment of the Outstanding Balance.
- 3.6.3** The Security Provider shall, at the time of delivery of Secured Asset(s) and thereafter when required by the Bank, execute such Security Documents as the Bank may prescribe and deposit the documents in original (wherever required), in relation to the Secured Asset in respect of which he is creating the pledge, with the Bank.

- 3.6.4 The Bank may from time to time assent to the replacement/substitution of all or any portion of the Secured Asset(s) with new asset(s).
- 3.6.5 The Bank may, at its discretion and at any time, and whether or not an Event of Default has occurred, hold the Secured Asset or any part thereof in its own name and account or in the name and account of the Security Provider and the Security Provider shall, whenever required by the Bank, transfer the Secured Asset(s) to the Bank's name and account; and the Borrower and the Security Provider agree and undertake not to oppose or object to the same.
- 3.6.6 All voting rights in respect of the Secured Asset(s) shall be exercisable solely and exclusively by the Bank as the Bank deems fit, subject to directions, if any, of the RBI.
- 3.6.7 The Borrower and / or Security Provider agrees and undertakes that he / they shall not apply for or obtain duplicates of the certificates/ documents of title of the Secured Asset(s) nor shall the Borrower / Security Provider stop the transfer of the Secured Asset(s) to the name of the Bank or its nominee or to any person whom the Secured Asset(s) may be sold by the Bank in enforcement of the pledge and shall not sell and/or Encumber, mortgage, charge, create any lien, right, title or interest in or on the Secured Asset(s) underlying the security or any part thereof in any manner whatsoever or do or omit anything which may prejudice the security or the Bank's rights in respect thereof. The Bank may in its sole discretion release and/or permit withdrawal of any of the Secured Asset(s) from pledges or other Encumbrance and deliver the same to the Borrower or the Security Provider on such terms and condition as the Bank may think fit to impose.
- 3.6.8 The Bank shall have the right to convert the dematerialized shares into physical shares and vice-versa and the Borrower and the Security Provider shall take all such steps as may be required by the Bank in that regard.
- 3.6.9 In addition to the security, if the Bank so requires, the Borrower shall cause the Outstanding balance to be secured by one or more guarantees of person(s) acceptable to the Bank.
- 3.6.10 This Agreement and the security shall be enforceable against the Borrower and the Security Provider, and the Bank shall be entitled to recover the Outstanding Balance from the Borrower, notwithstanding that any negotiable instrument and/or security may be outstanding or available.

#### 4 COVENANTS AND WARRANTIES

##### 4.1 Representations and Warranties

- 4.1.1 Each of the Obligors hereby represents and warrants as on the date hereof, which representations and warranties shall be true, correct, complete and accurate and deemed to have been repeated by the Obligors (1) as on the respective date of each Disbursement, (2) on every day from the date of this Agreement until the Final Settlement Date, (3) on the date of, and on the date prior to each application for, and grant and utilization of the Facility, that.
- (a) That the Obligor(s) (i) is a major, of sound mind, solvent and competent to contract (where the Obligor(s) is an individual); (ii) is a trust/society/company/partnership firm/Hindu Undivided Family/LLP/other body corporate duly constituted, incorporated or registered and validly existing and licensed to do business under the applicable laws;
- (b) The person(s) executing this Agreement and all other incidental/ ancillary documents on behalf of the Obligor(s) has/have been duly authorised in that regard and are entitled to for and on behalf of the Obligor(s) to, sign, deliver, execute this Agreement and do all such acts/ deeds/ things as may be required by the Bank pursuant hereto;
- (c) neither the execution, delivery of this Agreement and/or any of the Facility Documents, Security Documents nor any actions/ acts/transactions pursuant thereto, conflict with/breach/ or cause a default under Obligor's constitutional documents, any applicable law or other legal restriction (including, any judgment, order, injunction, decree or ruling of any court, tribunal, judicial, quasi-judicial, regulatory, statutory or any other authority) or rules, regulations, guidelines including those by the RBI, Securities and Exchange Board of India or any stock exchange or any instrument, any other agreement by which the Obligor(s) or any of its property is/ will be bound
- (d) That the information furnished by the Obligor(s) for availing of the Facility is, and shall be, true, complete and correct and there has been no concealment by the Obligor(s) of any such information in any manner whatsoever;
- (e) No limit on the Borrower's and/or Security Provider's powers will be exceeded as a result of the borrowing, grant of security or giving of guarantees or indemnities contemplated by this Agreement;
- (f) The Borrower (and where the security is provided by a Security Provider, on behalf of the Security Provider undertakes) is the legal and beneficial owner and has good, clear and marketable title to the Secured Assets and the Secured Assets are free from all forms and types of Encumbrances
- (g) That this Agreement along with all other Facility Documents; Security Documents executed in favour of the Bank shall be valid and binding for all present and future credit facilities, granted or continued/renewed or that may be granted hereunder or continued/renewed and/or all re-structuring/change/addition/enhancement/reduction/ of limits within the Maximum Overdraft Limit and shall subsist and be valid and binding, notwithstanding the renewal/re- structuring/change/addition/enhancement/reduction of Maximum Overdraft Limit, the granting of totally new limits, facilities or account/s coming into credit, or inter-changeability of limits, cancellation of certain limits, etc. within the Maximum Overdraft Limit.
- (h) All thenecessaryapprovalsandresolutionsincludingresolutionsnecessaryundertheCompaniesAct,2013,certificates, writings, consents, authorizations, approvals, no-objections, permits, no-objections whether under law or under contract, from statutory, regulatory, local and other authorities/body or any other person(whenever applicable), for entry into, execution and performance of this Agreement, have been duly passed, filed, obtained and are and shall continue to be in full force and effect;
- (i) The Obligors are not listed as Willful Defaulters or are not barred by the RBI or the Bank or any statutory or judicial body from accessing funds from Banks and other financial institutions.

- (j) That neither any action, suit or proceedings (including winding up, bankruptcy proceeding, proceedings under the Income Tax Act, 1961) is pending before any Court of Law, tribunal, any quasi-judicial tribunal, statutory/ regulatory or other body/authority or arbitration, against the Obligor(s) and/or its assets nor any adverse claims/ show cause notice for enquiry, acquisition, requisition, notification, attachment or order of any governmental authority or any other authority has been issued or received by the Obligor(s) which could affect the ability of the Obligor(s) to create the security and/or prejudice the rights of the Bank under this Agreement or which could impair the Obligor's tangible net worth;
- (k) That the Obligor(s) has from time to time always duly paid and will pay to the authorities, when due, all maintenance and other charges including all demands such as public demand tax, income tax, property taxes and all other taxes and revenue, and all levies (wherever applicable) required to hold the Secured Assets under the security;
- (l) The Obligor(s) including its directors, officers, agents or employees has complied and shall continue to comply with all laws, regulations, guidelines, notifications, orders etc. including those pertaining to pollution control and/or environment that may be in force or issued by the authorities concerned from time to time
- (m) Neither the Obligor(s) nor any of its directors, officers, agents or employees are
  - i) in default or have committed a breach of any agreement with any person who has provided loans or deposits or advances or guarantees or other financial facilities to the Obligor(s) or at the Obligor's instance.
  - ii) included in any list of defaulters by any regulatory/statutory or any other authority and/or banks and/or financial institutions and/or non-banking financial companies etc.
- (n) The Obligor(s) declares and assures that all the Secured Assets are the absolute properties of the Borrower/Security Provider, and free from any Encumbrances, save and except, as may be specified herein.
- (o) all accounts and financial statements furnished by the Borrower to the Bank have been prepared in accordance with accounting standards and practices in force in India consistently applied during the periods involved (except as stated in the published financial statements) and present truly and fairly the financial position and results of operations of the Borrower; and, save as mentioned above, the Borrower has no liabilities or obligations of any nature (absolute, accrued, contingent or otherwise) which are not fully reflected or reserved against in the balance sheet included in such financial statements other than those arising after the date of the balance sheet in the ordinary course of the Borrower's business and consistent with past practice;
- (p) The execution by the Borrower and / or Security Provider of this Agreement and the Security Documents constitute acts done and performed for private and commercial purposes and the Borrower will not be entitled to claim immunity for itself or any of its assets from suit, execution, attachment or legal process in any proceedings in relation to this Agreement or the Security Documents.
- (q) All the calls and amounts in respect of the Secured Assets have been fully paid by the Obligors and there are no amounts outstanding, which may affect the enforcement of security interest.

The Facilities are meant for genuine purposes, and not for collusive action by a large group of individuals belonging to the same corporate or their inter-connected entities to take multiple loans in order to support particular scrip or stock-broking activities of the connected firms or to enable the Borrower to acquire or retain a controlling interest in the company / companies or to facilitate or retain inter-corporate investments.

#### 4.2 Covenants

##### 4.2.1 Affirmative Covenants: The Obligor(s) hereby covenants with the Bank that:

- i. The Obligor(s) shall forthwith inform the Bank in the event of,
  - a) any representation or warranty being or becoming untrue or incorrect on any day or at any time, and/or;
  - b) happening of any Event of Default and/or ;
  - c) any change in the terms or place of employment, business or profession of the Borrower;
  - d) receiving a notice of application/petition being filed / intended to be filed/ (including for the insolvency / winding up) against the Obligor(s) or any of their properties or if a custodian or receiver is appointed for any of the Obligor's properties, business or undertaking and/or security ;
  - e) if any part of the Obligor's properties, business or undertakings and/or security is / are attached or incurs any damage/ additions/ alterations;
  - f) if any other circumstance which may have an adverse impact on the security and/or the repayment of the Facility by the Borrower;
- ii. where the Borrower is a Sole Proprietorship), it confirms that the Account opened in the name of the Borrower i.e. the sole proprietorship firm shall only be operated by the sole proprietor/ proprietress mentioned in the Schedule hereto and such person shall be responsible for all liabilities arising thereof. Further, the Borrower shall inform the Bank of any change in its constitution, in which case the sole proprietor/ proprietress mentioned in the Schedule hereto shall be liable and continue to be liable to the Bank for any obligations of the Borrower to the Bank and until the Final Settlement Date;
- iii. The Obligor(s) shall allow the representatives and/or nominees of the Bank to visit, inspect, supervise, collect information from time to time in relation to the affairs of the Obligor(s) pursuant to the Facility including in relation to the security;
- iv. Whenever required by the Bank, the Obligor(s) shall furnish to the Bank all such information, statements, particulars, estimates and reports including audited quarterly income statements, financial statements, annual income statements, tax returns and/or such other documents in form and detail satisfactory to the Bank;
- v. The Borrower shall accept the statement of accounts and computation of interest by the Bank as final and binding on himself/ itself;

- vi. The Borrower agrees to accept the statement of account sent by the Bank or by any other authorized representative of the Bank as conclusive proof of the correctness of any sum claimed to be due from him;
- vii. The Borrower shall keep the Security Provider informed of, and each Security Provider shall keep himself informed of, the provisions of this Agreement and the Schedule(s) as executed or amended from time to time;
- viii. The obligor(s) shall maintain a positive net worth at all times; (ix) promptly inform the Bank by a written notice of any dispute which has arisen or might arise between the Borrower and the Security Provider and/or the Borrower/ Security Provider and any Person or any governmental body or authority;
- ix. register the security created in favour of the Bank with appropriate authorities including the depositories, stock exchanges, Securities and Exchange Board of India wherever required under applicable law within the time frame stipulated therein;
- x. ensure that it has the right and is duly qualified to conduct its business, to own its assets and to perform its obligations under this Agreement and the obligations shall always remain unconditional and un-subordinated and shall at all times rank pari passu with its other unsecured and un-subordinated obligations (except for such obligations as are mandatorily applicable under law);
- xii. As a pre-condition to the said Facilities given / granted / to be granted hereunder, each of the Borrowers authorises, consents and agrees that the Bank shall have the right to not return the Application, the photographs, information and documents submitted. The Borrower(s), including the directors, partners, proprietors, owners, promoters, employees, officers (wherever applicable) further acknowledges and confirms that the Bank shall, without notice to or without any consent of the Borrower(s) (and even for consideration) be absolutely entitled and have full right, power and authority to make disclosure/submission of any information relating to Borrower(s) including personal information, financial information, details in relation to documents, Facilities, defaults, Security, obligations of Borrower(s), to the Credit Information Bureau of India (CIBIL) and/or to any Information Utility (IU) as defined in section 3(21) of the Insolvency and Bankruptcy Code 2016 and/or any other governmental/regulatory/statutory or private agency/entity, credit bureau, RBI, the Bank's other branches/ subsidiaries/ affiliates/ rating agencies, service providers, other banks / financial institutions, any third parties, any assignees/potential assignees or transferees, who may need the information and may process the information, publish in such manner and through such medium as may be deemed necessary by the publisher/ Bank/ RBI, including publishing the name as part of willful defaulter's list from time to time, and/or publishing or broadcasting in any news channel as also use for KYC information verification, credit risk analysis, or for other related purposes. The Borrower(s) waives the privilege of privacy and privacy of contract in this regard. The Bank shall have the right, without notice to or without any consent of the Borrower(s), to approach, make enquiries, obtain information, from any person including other banks/finance entities/credit bureaus, Borrowers' employer/family members/ officers/ directors/ partners/ promoters/ proprietors/ owners, any other person related to the Borrower(s), for assessing track record of Borrower(s), credit risk, or for establishing contact with the Borrower(s) or for the purpose of recovery of dues from the Borrower(s) or any other legitimate purpose in the opinion of the Bank. Each of the Borrower(s) further agrees to promptly authenticate the information including financial information which was disclosed/ submitted by the Bank to the IU as and when requested by the IU/Bank.
- xiii. The Bank shall have absolute right to disclose/submit/report any information from time to time pertaining to the Facilities and/or of the Borrower(s) as may be required under any laws for the time being in force or rules made thereunder or as may be required under any guidelines/ directions/rules/regulations/ law issued/ notified by RBI or such other regulators or body from time to time.

#### 4.2.2

**Negative Covenants:** Unless otherwise approved by the Bank in the form of prior written consent, the Obligor(s) shall: (a) neither enter into any scheme of merger, amalgamation, compromise or reconstruction, dissolution nor permit any change in the capital structure, ownership, management or control of the Borrower including any event whereby the effective beneficial ownership, management or control of the Obligor(s) shall change; (b) neither make any amendments in the Obligors Memorandum and Articles nor change the composition/ constitution of the Obligor; (c) neither create, assume or incur any further indebtedness of a long term nature (including borrowing, standing as surety or issuing guarantees) whether for borrowed money or otherwise, nor declare any dividend until the Outstanding Balances hereunder have been paid in full; (d) not induct into its Board of Directors a person whose name appears in the willful defaulters list of RBI or CIBIL and take expeditious and effective steps for the removal of such a person, where he/she is already a member of the Board of Directors; (e) not transfer, sell, lease, encumber, charge, grant on license or create or permit to create any third party interest or security interest or Encumbrance over any of the Secured Asset(s) under the security or any part thereof.; (f) not change the nature of the current business, employment, profession, trade without fully repaying the Outstanding Balances; (g) not utilize the Facility for any other purposes, other than the Purpose. The Bank's decision in respect of the above shall be final and the Borrower shall abide by such decision. The Bank's decision in respect of the above shall be final and the Borrower shall abide by such decision;

## 5 EVENTS OF DEFAULT

### 5.1 Events of Default:

#### 5.1.1 Happening or occurrence of any of the following events shall constitute an "Event of Default":

- a) Failure and/ or breach on Obligor's part to perform any of the obligations or terms or conditions applicable under this Agreement/ Facility Documents/ Security Documents/ other documents/ any other agreement with any other person including non-payment in full of any part of the Outstanding Balance when due or when demanded by Bank;
- b) any misrepresentations or misstatement by the Obligor(s) under this Agreement/ Facility Documents/ Security Documents/ other document;
- c) If there is any deterioration or impairment of the security or any part thereof which causes the security in the judgment of the Bank to become unsatisfactory as to character, including depreciation in the value or Market Price of the Secured Asset(s) thereunder (whether actual or reasonably anticipated);
- d) where the Borrower fails to, maintain the Margin as stipulated by the Bank at any time or substitute the Secured Asset(s) when required in terms of this Agreement;

- e) where a receiver is appointed or any attachment, distress, execution or other legal process is threatened, enforced or levied upon against the Obligor/its assets/ or any of the security;
- f) where the Borrower fails or intentionally omits to get the charge created by way of the security registered in accordance with the provisions of applicable law;
- g) the event of death, winding up, failure in business, insolvency, bankruptcy or initiations of any proceedings/ actions/ notices for any of them, change or termination of employment/profession/business for any reason whatsoever (where the Obligor is an Individual) or change in the constitution, management or existing ownership or control of the Obligor including by reason of liquidation, amalgamation, merger, reconstruction (where the Obligor is a Company);
- h) If it is certified by an independent Chartered Accountant or valuer (appointed by the Bank in its sole discretion), that the liabilities of the Borrower exceed the Borrower's assets or that the Borrower is carrying on business at a loss;
- i) if any circumstance or event occurs which is or is likely to prejudice, impair, depreciate or jeopardize the security and/or the capacity of the Borrower to repay the Facility or any part thereof including where the Borrower and/or the Security Provider ceases to enjoy the confidence of the Bank;
- j) if the Borrower becomes lunatic or if subsequent to the grant of the Facility the Borrower (in case of an individual) is/are divorced or is a party to any proceeding in any family court/ settlement/ dispute;
- k) If the Obligor is convicted under any criminal law in force or is subjected to any enquiry, investigation, regulatory notices or proceedings;
- l) if, in the opinion of the Bank, the Borrower or the Security Provider or any of its / their affiliates suffers any adverse material change in his/hers/its financial position or commits breach of any other agreement with the Bank.
- m) if the title of the Security Provider to the security is in jeopardy or if there is an attachment or lien against the security or if the security is otherwise in jeopardy;
- n) if an Event of Default has occurred under, or the Borrower or its affiliate or Security Provider or its affiliate has committed breach of, or default under, any other agreement entered into by it or them or any of them with the Bank
- o) there exists any other circumstance which, in the sole opinion of the Bank, is prejudicial to the interest of the Bank;
- p) At any time, it is or becomes unlawful for the Borrower to perform or comply with any or all of their respective obligations under this Agreement, or any of the Secured Asset(s) ceases to be effective or enforceable;
- q) The Borrower and/or the Security Provider commits any default or delay in submission of statements, information etc. as may be required by the Bank from time to time;
- r) any event which after a lapse of time or the giving of notice is capable of becoming an Event of Default under sub-clauses (a) to (t) above.
- s) The account is treated as 'out of order' ie non-performing.

5.1.2 If any Event of Default or any event which, after the notice or lapse of time or both would constitute an Event of Default shall have happened, the Borrower and/or the Security Provider shall forthwith give the Bank notice thereof in writing specifying such Event of Default, or such event.

5.1.3 On the question whether any of the above events/circumstances has occurred/ happened, the decision of the Bank shall be final, conclusive and binding on the Borrower.

#### 5.2 Notice:

If any Event of Default or any event which after a lapse of time is capable of becoming an Event of Default takes place, the Bank may, without prejudice to its other rights, give notice of 3 days or such other period as may be deemed fit by the Bank to the Borrower (or to the relevant Security Provider, in case the Bank contemplates sale of Secured Asset(s) provided by the Security Provider) specifying such Event of Default or of such event, Provided that

- i. If the Event of Default arises on account of insufficiency of Margin, notice as specified under Article 3.2 may be given and no notice further to the said notice shall be required to be given to the Borrower under this Article 5.2.
- ii. If the Event of Default is the reference or application made by the Borrower or the Security Provider for being declared a sick or similar undertaking/ company under any legislation relating to financially weak companies including (without limitation) the Sick Industrial Companies (Special Provisions) Act, 1985 or the Bombay Relief Undertaking (Special Provisions) Act, 1958, no notice shall be required under this Article and the Outstanding Balance shall be deemed to have become payable to the Bank immediately before the making of the reference or application and the security shall be deemed to have become simultaneously enforceable.

Upon the expiry of the period of notice or, if no notice is required to be given, upon three days of the notice as specified under Article 3.3 or the Event of Default mentioned in in this Agreement occurring, unless the Bank gives further time or other accommodation, the Outstanding Balance shall immediately stand repayable by the Borrower to the Bank and the security shall immediately become enforceable.

#### 5.3 CLASSIFICATION OF ACCOUNT UPON DEFAULT:

- a) The Borrower / Guarantor agree and understand that as per present applicable circular issued by RBI on " Prudential Framework for Resolution of Stressed Assets" the Bank are required to recognize incipient stress in Borrower/Guarantor's accounts, immediately on default, by classifying them as Special Mention Account (SMA 1&2) and non-performing asset (NPA) or as may be applicable from time to time or any other RBI directions replacing it.

- b) A non-performing asset (NPA) is a loan or an advance where; interest applied at specified rates remain overdue for a period of more than 90 days in respect of a term loan; instalment of principal remain overdue for a period of more than 90 days in respect of a term loan. Further, an account is considered as NPA, if the demands raised in the account is not serviced within 90 days or if the outstanding in such account is beyond sanctioned limits / drawing power beyond a period of 90 days. For E.g.: Mr. A has obtained term loan of 5 lakhs from the bank on 1st January 2021. Equated Monthly Statement (EMI) of the loan is 10000, of which the Principal is 8000 and the interest is 2000. Due date of repayment of EMI by Mr. A is 5th February of every month.
- c) **Scenario 1** - If Mr. A. fails to pay interest component of the loan, i.e. 2000 or any such amount arrived at by the bank on or before the due date and only the interest component applied at specified rests (i.e. whether daily or monthly or yearly) remains overdue for a period more than 90 days, the account would be classified as NPA.
- d) **Scenario 2** - If Mr. A. fails to pay principal component of the loan, i.e. 8000 on or before the due date and only the principal amount remains overdue for a period more than 90 days, the account would be classified as NPA.
- e) **Scenario 3** - If Mr. A. fails to pay principal and interest component of the loan (EMI), i.e. 10000 or any such amount arrived at by the bank on or before the due date and the entire EMI remains overdue for a period more than 90 days, the account would be classified as NPA.
- The date of SMA/NPA shall reflect the asset classification status of an account at the day-end of that calendar date. For E.g.: Example: If due date of a loan account is March 31, 2021, and full dues are not received before the bank runs the day-end process for this date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 upon running day-end process on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Accordingly, the date of SMA-1 classification for that account shall be April 30, 2021. Similarly, if the account continues to remain overdue, it shall get tagged as SMA-2 upon running day-end process on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon running day-end process on June 29, 2021.

## 6 CONSEQUENCES OF DEFAULT

Upon happening/occurrence of any Event of Default, without prejudice to Bank's rights and remedies under contract or law, and without necessity of any demand upon or notice to the Borrower and/or the Security Provider, all of which are hereby expressly waived by the Borrower and the Security Provider, and notwithstanding anything to the contrary contained herein or in any of the Facility Documents, Security Documents, the Bank may at its absolute discretion, pursue any or all of the following, and whether simultaneously or independently or otherwise:

- (i) recall the Facility and/ or declare the entire Outstanding Balance together with accrued interest and all other amounts payable and all of the obligations of the Borrower to the Bank hereunder, to have become due and payable by the Borrower to Bank forthwith thereupon, in which event the Borrower and/or the Security Provider shall be liable to forthwith pay to the Bank the entire Outstanding Balance;
- (ii) to refuse the grant of the said Facility or any part thereof which may remain to be disbursed;
- (iii) to enforce the security or any part thereof, including by appointment of a receiver in respect of the Secured Assets underlying the security, selling, transferring or disposing off the security or any part thereof either by means of private treaty or public auction or otherwise, with or without the intervention of any Court/tribunal;
- (iv) to exercise, initiate and pursue any action, rights, notices, remedies, any proceedings (including litigation), whether civil, criminal or otherwise in nature, and including for recovery of Outstanding Balance.

## 7 GENERAL

### 7.1 Transfer / Assignment

The Bank shall at any time, without any consent of or notice to the Borrower(s)/ Security Provider(s) be entitled to securitise, sell, assign, discount or transfer all or any part of the Bank's rights and obligations under the Facility, this Agreement, security, Facility Documents, security or any other document, including the right to receive the Outstanding Balance or any part thereof and rights in respect of the Secured Asset(s) and, in particular, may grant / transfer such rights by way of a sale or as a charge or other security or for obtaining risk or financial participation in the Facility to any person(s) and in such manner and on such terms as the Bank may decide. Any such sale, assignment, securitization or transfer shall conclusively bind the Borrower, Security Provider and all other persons. Any person to whom such rights are granted, transferred or assigned shall be entitled to the full benefit of such rights and all the terms, conditions, representations, warranties and covenants contained herein on the part of the Borrower/ Security Provider shall be valid, binding and in full force and effect in favour of such transferees, assignees, purchasers or participants in the Facility. The Obligor(s) shall not be entitled to directly or indirectly assign or in any manner transfer, whether in whole or part, any rights, the benefit or obligation under the Facility, this Agreement, security, Security Documents, Facility Documents, other document or any part thereof.

### 7.2 No Waiver:

The rights, powers and remedies given to the Bank by this agreement shall be in addition to all rights powers and remedies given to the Bank by virtue of any other security, statute, or rule of law. Any forbearance or failure/ omission or delay by the Bank in exercising any right, power or remedy hereunder whether pursuant to an Event of Default or otherwise shall not be deemed to be waiver of such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence therein, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof and every right and remedy of the Bank shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by the Bank.

Without prejudice to the rights available to the Bank under this Agreement or Facility Document or Security Documents or other documents in connection with this Agreement, the Bank shall be entitled to take such other action and institute such other proceedings against the Borrower and/or Security Provider as may be applicable under law, to recover the Outstanding Balance or any part thereof which are payable to the Bank under this Agreement by the Borrower.

### 7.3 Notices:

- (a) Notice and/or other communication provided for in this Agreement shall be in writing and shall be transmitted (a) by postage prepaid, registered airmail or by internationally recognized courier service or (b) telex, cable, or facsimile transmission, or (c) e-mail transmission or (d) personal delivery to the Parties as follows, as elected by the party giving such notice.
- i. In the case of notice or payments to the Bank, to the Bank's Branch Address as per the Schedule hereto;
  - ii. In the case of notice to the Borrower(s), to the Borrower(s) address as per the Schedule hereto or as mentioned in the records of the Bank.
- (b) All notices and/or other communications shall be deemed to have been validly given on (a) the expiry of 3 (three) days after posting if transmitted by airmail, courier, post or the date of receipt if earlier (b) the date of transmission with confirmed answer back or transmitted by cable, telex or facsimile transmission, (c) in the case of communication by e-mail on successful dispatch of the same, (d) immediately upon delivery in case of personal delivery; whichever shall first occur.

### 7.4

Notwithstanding anything to the contrary in this Agreement, Facility Documents, Security Documents or any other document/arrangement: (i) in respect of all and any of Obligor's, its affiliates', group entities', parent entities', associate entities', subsidiaries' (collectively "Group Entities"), present and future liabilities to the Bank whether under this document or under any other obligation/loan/facilities/borrowings/ document, whether such liabilities are/be crystallised, actual or contingent, primary or collateral or several or jointly with others, whether in same currency or different currencies, whether as principal debtor and/or as guarantor and/or otherwise howsoever (collectively "Liabilities"), of the Bank shall in addition to any general lien or similar right (to which any of them as bankers or financial institutions may be entitled by law, practice, custom or otherwise), have a specific and special lien on all the Obligor's and/or Group Entities' present and future stocks, shares, securities, property, book debts; all moneys in all accounts whether current, savings, overdraft, fixed or other deposits, loan accounts, held with or in custody, legal or constructive, with the Bank, now or in future, whether in same or different capacity of the Obligor/any of Group Entities, and whether severally or jointly with others, whether for any banking relationship, safe custody, collection, or otherwise, whether in same currency or different currencies; and (ii) the Bank shall have the specific and express right, without notice to and without consent of the Obligors or any of the Group Entities, to set-off, transfer, sell, realize, adjust, appropriate all such amounts in all such accounts and deposits (whether prematurely or upon maturity as per the Bank's discretion), securities, amounts and property as aforesaid, for the purpose of realizing or against any of dues in respect of any of the Liabilities whether ear-marked for any particular Liability or not, to combine or consolidate all or any of accounts of any of the Obligors and Group Entities and set-off any monies, whether of same type or nature or not and whether held in same capacity or not including upon happening of any of the events of default mentioned in any of the documents pertaining to the respective Liabilities or upon any default in payment of any part of any of the Liabilities. (iii) The Bank shall be deemed to have and hold and continue to have first charge on any assets including any deposit on which security has been/will be created in respect of the Facility, as security also for any of the other Liabilities; and all the rights and powers vested in the Bank in terms of any security or charge created for the Facility shall be available to the Bank in respect of such other Liabilities, irrespective of the fact whether the Facility is at any time outstanding, repaid or satisfied or not and even after the Facility has been repaid. Without prejudice to the aforesaid, the Borrower undertakes to submit to the Bank irrevocable letters of consent from the Borrower's respective Group Entities granting the said rights including of lien and set off.

Without prejudice to the aforesaid, the Borrower undertakes to submit to the Bank irrevocable letters of consent from the Borrower's respective Group Entities granting the said rights including of lien and set off.

### 7.5

Notwithstanding anything contained herein, if the Bank becomes aware of any other agreement or transaction entered into by the Borrower or by any Affiliate – of, or any person or entity related to, the Borrower, with the Bank may use any security or assets that may be deposited with or available to the Bank in relation to such other agreement/ transaction towards fulfillment of the Margin requirement under, or as security under, this Agreement, and vice versa as regards the security hereunder i.e. any securities created by the Borrower or the Security Provider in favour of the Bank under or pursuant to this Agreement or any Security Document may not, in the Bank's discretion, be returned to the Borrower or the Security Provider and may be appropriated by the Bank towards fulfillment of the Margin requirement or other obligation of the Borrower or an Affiliate of the Borrower in connection with such other agreement or transaction.

### 7.6

If one or more provisions of this Agreement is invalid or unenforceable, then the remainder of the Agreement shall continue to be enforceable and, to the extent permitted by law, the Party's intentions, as reflected in any such provision that is invalid or unenforceable, shall be given effect to.

### 7.7

#### Disclosure of information:

7.7.1 The Borrower declares, assures and states that, except as mentioned in Annexure II, none of its director(s)/partner(s) (if the Borrower is a company/partnership firm) is a director or [near specified] relative of a director and/ or Senior Officer of the Bank; The term "Senior Officer" means an officer of the Bank who is in equivalent scale as an officer in senior management level in Grade IV and above in a nationalized bank.

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

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

7.7.2 As a pre-condition to the Facility given/granted/to be granted to the Borrower(s), the Obligor(s) authorises, consents and agrees that the Bank shall have the right to not return the Application, the photographs, information and documents submitted. The Obligor(s), including the directors, partners, proprietors, owners, promoters, employees, officers (wherever applicable) further acknowledges and confirms that the Bank shall, without notice to or without any consent of the Borrower and/or Security Provider, (and even for consideration) be absolutely entitled and have full right, power and authority to make disclosure of any information relating to Obligor(s) including personal information, details in relation to documents, Facility, defaults,

security, obligations of Borrower/ Security Provider, to the Credit Information Bureau of India (CIBIL) and/or any other governmental/regulatory/ statutory or private agency/entity, credit bureau, RBI, the Bank's other branches/subsidiaries/affiliates/rating agencies, service providers, other banks/ financial institutions, any third parties, any assignees/potential assignees or transferees, who may need the information and may process the information, publish in such manner and through such medium as may be deemed necessary by the publisher/ Bank/ RBI, including publishing the name as part of willful defaulter's list from time to time, as also use for KYC information verification, credit risk analysis, or for other related purposes. The Obligor(s) waives the privilege of privacy and privity of contract in this regard. The Bank shall have the right, without notice to or without any consent of the Obligor(s), to approach, make enquiries, obtain information, from any person including other banks/finance entities/credit bureaus, Borrower's employer/family members/officers/ directors/ partners/ promoters/ proprietors/ owners, any other person related to the Obligor(s), to obtain any information for assessing track record, credit risk, or for establishing contact with the Obligor(s) or for the purpose of recovery of dues from the Obligor(s) or any other legitimate purpose in the opinion of the Bank.

#### 7.8 Continuing Agreement

7.8.1 This Agreement, the Secured Assets, the Facility Documents and all other security to which the Bank may be entitled shall be continuing securities to the Bank for the due payment of the entire Outstanding Balance owing and payable, whether or not due, by the Borrower to the Bank, the intention being that this Agreement, the Secured Assets, the Facility Documents and all such other security shall be applicable to the entire Outstanding Balance that may become due and payable by the Borrower to the Bank.

7.8.2 The Borrower agrees that the powers of attorney, transfer deeds and other documents and writings executed and/or to be executed by the Borrower/Security Provider shall be irrevocable and shall not be revoked by the death/dissolution/ insolvency/ winding up of the Borrower or such Security Provider and the Bank may, notwithstanding the death/ dissolution/insolvency/winding up of the Borrower/ Security Provider, sell the security created by the Borrower/ Security Provider in favour of the Bank and/or cause the security to be transferred and/or otherwise act pursuant to the said power of attorney, guarantees, transfer deeds and the other documents and writings executed by the Borrower/ Security Provider.

7.8.3 In the event of the Borrower's and/or a Security Provider's death, dissolution and/or winding-up during the continuance of this Agreement, (i) the Borrower's and the Security Providers' estate, effects, heirs, executors, administrators and legal representatives will continue to be bound by this Agreement, (ii) the Borrower's estate, effects, heirs, executors, administrators and legal representatives will continue to be liable for the entire Outstanding Balance payable whether or not due hereunder by the Borrower and (iii) the Bank shall have the right to terminate the Facility and/or cancel any further withdrawals and/or utilizations under the Facility and/or recall the entire Outstanding Balance.

7.9 In case of any inconsistency between this Agreement and any Schedules, the Schedules shall prevail. In case of inconsistency between Schedules, the provisions of each Schedule shall, to the extent possible be applied and to the extent it is not so possible, a subsequent Schedule will prevail over a prior Schedule.

#### 7.10 Variation of terms and conditions of the Facility:

The Borrower agrees that Bank may in its sole and absolute discretion from time to time either on its own accord or as may be required by statutory, regulatory, judicial, quasi-judicial or any other authorities including RBI including on reasons of change in the money market conditions and without assigning any reason shall be entitled to alter / vary /modify any of the terms and conditions of this Agreement including cancellation of the Facility, changing the Interest Rate, increasing or decreasing the Maximum Overdraft Limit, requiring the Borrower to furnish additional security acceptable to the Bank, specifying the Secured Asset(s) acceptable to it, declaring as unacceptable the Secured Asset(s) previously accepted by it, changing the requirements of scrip composition, criteria, maximum/minimum number of scrips, Margin, and/or requiring the Borrower to reduce the Outstanding Balance to a limit acceptable to the Bank and send a notice in writing to the Borrower in this regard and the Borrower specifically agrees that any such change/ alteration/ variation by the Bank shall be final and binding on the Borrower and the Borrower shall not dispute the same under any pretext or be taken as a defense in any litigation . All such changes/variations shall come into effect forthwith and the Borrower shall keep himself informed of the said changes. The Borrower however understands and acknowledges that the Secured Asset(s) declared by the Bank to be unacceptable shall nevertheless continue to be pledged to the Bank unless and until they are released by the Bank.

7.11 **Out of Order:** The account would be treated as 'out of order' i.e non -performing, if the outstanding balance remains continuously in excess of the sanctioned limit for more than 90 days. Further, in cases where the outstanding balance in the OD account is less than the sanctioned limit, and there are no credits, continuously for 90 days, at the end of every quarter, or credits are not enough to cover the interest debited during the same period, these accounts should (shall) be treated as 'out of order' ie non performing.

#### 7.12 Indemnity:

(a) Each of the Obligors hereby agrees to indemnify the Bank and that it shall indemnify the Bank and keep indemnified the Bank and save harmless, on demand in respect of any actions, suits, proceedings and all claims, notices, costs, charges, damages, demands, expenses (including legal charges and expenses), losses, damages, and liabilities made against, suffered or incurred by the Bank arising directly or indirectly from or in connection with:

1. any failure by the Borrower(s) and/or the Security Provider(s) to comply with the provisions of this Agreement and / or
2. any claims, losses, demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of the representations and warranties given by the Borrower(s) and/or the Security Provider(s) being false or untrue and/or
3. any claims, losses, demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of the Secured Asset(s) not being free from encumbrance and / or any previous charge and/or any third party claiming any right, title or interest in respect of the security any claims, demands, actions, costs, expenses and liabilities incurred or suffered by the Bank by reason of non-payment or insufficient payment of stamp duty by the Borrower and/or the Security Provider(s) on this Agreement, Facility Documents, Security Documents and any other writings or documents which may be executed pursuant to and/or in relation to this Agreement. The Borrower(s) shall keep the Bank informed of all developments

regarding such actions, claims, costs, damages, demands, expenses, losses and liabilities and shall not dispute, compromise or otherwise deal with the same subject to the consent given by the Bank. The Bank shall however be under no obligation and / or liability to the Obligor(s) to provide any assistance in connection with any such claim that the Obligor(s) may require.

(b) The Borrower hereby agrees and acknowledges that the Bank shall be entitled at its discretion to engage/ avail of, at the risk and cost of the Borrower, services of any person/third party service provider/agent/agency, for anything required to be done for/ in relation to/ pursuant to the Facility, including collections, recovery of dues, enforcement of security, getting or verifying any information of the Borrower/ assets, and any necessary or incidental lawful acts/ deeds/ matters and things connected thereto, as the Bank may deem fit and all such incidental costs and expenses shall borne by the Borrower.

(c) The Tenor / Interest Rate and frequency of payment/ other terms and conditions of the Facility are subject to change as a consequence to any change in the money market conditions or on account of any other statutory or regulatory requirements or at the Bank's discretion. The Bank reserves the right to review and amend the terms of the Facility in such manner and to such extent as it may deem fit.

(d) The Borrower agrees that, with reference to the instruments and documents lodged with the Bank and/or outstanding in Bank's books and/or to be lodged with Bank from time to time by the Borrower/ Security Provider for collection, discount, receiving accommodation against such instruments/documents etc., the Borrower/ Security Provider will not hold the Bank liable or responsible if such instruments/documents happen to be destroyed, lost or delayed in transit or otherwise due to oversight on the part of the Bank, dislocation of communication and transport or any other circumstances.

### 7.13 JURISDICTION

7.13.1 This Agreement shall be construed and governed in accordance with and governed by the laws of India. The Parties hereto expressly agree that all disputes arising out of and /or relating to this Agreement, Facility Documents, Security Documents including any related documents shall be subject to the exclusive jurisdiction of the Courts/Tribunals of the place/ governing the place having territorial jurisdiction over the place in which the Branch Office is situated. Provided this clause shall not restrict the Bank and the Bank shall be entitled to initiate/take proceedings relating to a dispute in any Courts/Tribunals of any other place which has jurisdiction.

7.13.2 Provided further that if any dispute arising under this Agreement/ Facility Documents/ Security Documents is below the pecuniary jurisdiction limit of the Debts Recovery Tribunals established under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, then such dispute shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, to be conducted by a sole arbitrator, appointed by the Bank. In the event of death, refusal, neglect, inability or incapability of a person so appointed to act as an arbitrator, the Bank may appoint a new arbitrator. The arbitration proceedings shall be conducted in English language. The award passed by the arbitrator shall be final and binding on the Parties. The cost of such arbitration shall be borne by the losing Party or otherwise as determined in the arbitration award. The venue of arbitration shall be the city in which the Branch Office is situated or such other place as may be determined by the Bank. If a Party is required to enforce an arbitral award by legal action of any kind, the Party against whom such legal action is taken shall pay all reasonable costs and expenses and attorney's fees, including any cost of additional litigation or arbitration taken by the Party seeking to enforce the award.

7.13.3 Nothing in this Agreement shall be construed as limiting, restricting, making void or otherwise negating any right of set off in favour of the Bank existing or arising in common law, by statute or otherwise howsoever.

7.14 **Interpretation:** In this Agreement, unless the context otherwise requires: (i) words denoting the singular number shall include the plural and vice versa; (ii) the pronouns "he", "she", "it" and their cognate variations are used as inter changeable and should be interpreted in accordance with the context; (iii) headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation; and (iv) references to the word "include" or "including" shall be construed without limitation; (v) Encumbrance also includes a mortgage, charge, lien, pledge, hypothecation or security interest of any description whatsoever and also "negative lien" and "non-disposal" undertakings, if any, given by the Borrower or the Security Provider in favour of the Bank; (vii) Schedules and the Annexures to this Agreement shall form an integral part hereof; (viii) Consent, permission, approval or no-objection (by whatever name be called) of the Bank shall mean prior written consent of the Bank unless specifically agreed to otherwise by the Bank and so communicated to the Borrower/ Security Provider; (ix) In case of there being more than one Borrowers or Security Providers (i.e. there being co-borrowers or joint security providers), the reference to the term "Borrower" or "Security Provider" shall be deemed to be as if it were plural and this Agreement shall be read accordingly as if made and liabilities undertaken by each of them jointly and severally and wherever the context so requires the word Borrower or Security Provider shall be construed as all borrowers or security providers and the grammar and construction of every concerned shall be deemed to be appropriately amended so as to indicate more than one Borrower or Security Provider; (x) A regulation includes any regulation, rule, official directive, request or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, agency, department or regulatory, self-regulatory or other authority or organization;

IN WITNESS WHEREOF THE PARTIES HERETO HAVE SIGNED THE DAY, MONTH AND YEAR FIRST ABOVE WRITTEN.

IN PARTICULAR, THE BORROWER/CO-BORROWER(S)/SECURITY PROVIDER, HEREBY CONFIRMS THAT BY AFFIXING HIS/HER/ITS/THEIR SIGNATURE HEREINBELOW, HE/SHE/IT HAS/HAVE READ, UNDERSTOOD AND CONFIRMED THE TERMS AND CONDITIONS APPEARING IN PAGE NUMBERS [1] TO [29], PRECEDING THIS SIGNATURE PAGE AND PAGE NUMBERS [30] TO [41] BEING THE SCHEDULES HERETO, OCCURRING IMMEDIATELY AFTER THIS SIGNATURE SHEET. THE BORROWER/SECURITY PROVIDER FURTHER CONFIRMS AND DECLARES HE/SHE/IT/THEY HAS/HAVE BY AFFIXING HIS/HER/ITS SIGNATURE HEREINBELOW, ALSO EXECUTED EACH OF THE AFORESAID PAGES AS A PART OF THIS AGREEMENT, SO AS TO FULLY BOUND BY THE SAME.

Name of the Borrowers

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Signature of the Borrowers

SR. NO	NAME OF THE SECURITY PROVIDER(S)	SIGNATURE

Signed and Delivered by the within named : )

Kotak Mahindra Bank Limited by the hand of )

Mr. \_\_\_\_\_, )

its authorized signatory. )

**IN CASE OF A COMPLAINT:**

IN WITNESS WHEREOF THE BORROWER/SECURITY PROVIDER HAS/HAVE SIGNED AND DELIVERED THESE PRESENTS AS UNDER: SIGNED AND DELIVERED BY/ FOR AND ON BEHALF OF THE BORROWER & CO-BORROWER(S)/SECURITY PROVIDER IN TOKEN OF AND IN WITNESS CONFIRMING THAT BY AFFIXING HIS/HER/ITS/ THEIR SIGNATURE HEREINBELOW, HE/SHE/IT/THEY HAS/HAVE READ, UNDERSTOOD AND CONFIRMED THE TERMS AND CONDITIONS APPEARING IN PAGE NUMBERS [1] TO [29], PRECEDING THIS SIGNATURE PAGE AND PAGE NUMBERS [30] TO [41] BEING THE SCHEDULES HERETO, OCCURRING IMMEDIATELY AFTER THIS SIGNATURE SHEET. THE BORROWER FURTHER CONFIRMS AND DECLARES HE/SHE/IT HAS/HAVE BY AFFIXING HIS/HER/ITS SIGNATURE HEREINBELOW, ALSO EXECUTED EACH OF THE AFORESAID PAGES AS A PART OF THIS AGREEMENT, SO AS TO FULLY BOUND BY THE SAME.

SR. NO	*BORROWER/POA/AUTHORISED SIGNATORY	NAME OF THE	DESIGNATION	SIGNATURE

The Common Seal of \_\_\_\_\_ Ltd )  
 has been affixed pursuant to the Resolution of Board of Directors )  
 passed on \_\_\_\_\_ in the presence of: \_\_\_\_\_ )  
 \_\_\_\_\_ )

(In case of a Company)

SR. NO	NAME OF THE SECURITY PROVIDER(S)	DESIGNATION	SIGNATURE

The Common Seal of \_\_\_\_\_ Ltd )  
 has been affixed pursuant to the Resolution of Board of Directors )  
 passed on \_\_\_\_\_ in the presence of: \_\_\_\_\_ )  
 \_\_\_\_\_ )

Signed and Delivered by the within named Kotak Mahindra Bank )  
 Limited by the hand of Mr. \_\_\_\_\_ )  
 \_\_\_\_\_ )  
 its authorized signatory.

**SCHEDULE-CUM-KEY FACT STATEMENT**

Date of the Agreement:	Place of execution of the Agreement:
Branch Office Details	
Details of the Borrower /s	Name of the Borrower: Address : Constitution of the Borrower
Details of the Security Provider/s	Name of the Borrower: Address : Constitution of the Security Provider/s
Maximum Overdraft Limit	Purpose
Tenor	Account details
Interest Type	Interest Rate
Date of reset of Interest	Mode of communication of changes in Interest Rate.
Penal Charges Rate 8% p.a. plus applicable taxes on the overdrawn amount	Margin
Date on which annual outstanding balance statement will be issued	Details of security/collateral obtained: Secured Asset(s) as may be specified by the Bank- As per Sanction Letter
Prepayment charges	Nil

**Other Charges:**

- (a) Other Charges: As may be specified by the Bank from time to time;  
(b) All the aforesaid charges shall be non-refundable unless expressly mentioned above.  
(c) All other charges, commissions and fees shall be applicable at the rate mentioned in the application form or as may be stipulated by the Bank from time to time and are exclusive of statutory levies as applicable.

Following shall be the place of arbitration, in the matters/claims/disputes pertaining to the Accounts maintained / Disbursements made, at the Branch Office of the Bank located at following states/regions: (Please note that the Bank may at its sole and absolute discretion change any of the venues listed below)

<b>PLACE OF ARBITRATION</b>	<b>BRANCH OFFICE LOCATION</b>
Delhi	Delhi, Haryana, NCR, Uttar Pradesh, Uttarkhand
Kolkata	West Bengal, Orissa , Bihar, Jharkhand
Chennai	Tamil Nadu
Bangalore	Karnataka
Kochi	Kerala
Mumbai	Maharashtra, Goa
Ahemdabad	Gujarat
Jaipur	Rajasthan
Chandigarh	Punjab, Himachal Pradesh, Jammu & Kashmir
Hyderabad	Andhra Pradesh/ Telengana (including any state/region formed upon bifurcation)
Indore	Madhya Pradesh, Chattisgarh

\* Borrower / Security Provider undertakes / declares / confirms that the above Secured Assets are free of any charge, lock in or Encumbrances.

\*\* Parties further agrees that all the Secured Asset(s) against which a pledge/lien marking is done in favour of the Bank from time to time, in various forms, irrespective of whether the same is mentioned in the Schedule or not, shall be treated as a continuing security for the Indebtedness caused by such drawings from time to time and shall be binding on the Borrower / Security Provider jointly and severally, even if the account runs into credit, is reduced or extinguished at any time or from time or time.

Take Delivery Letter

Kotak Mahindra Bank Limited,  
\_\_\_\_\_ Branch

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

Dear Sirs,

**Reg: Overdraft against securities.** \_\_\_\_\_

As you are aware I/we have entered into Agreement for Overdraft against securities dated \_\_\_\_\_ (“agreement”) with you and in relation thereto, we place the list mentioned “securities” and request you to please take delivery of and continue to hold the under mentioned securities as security against advances granted or to be granted to me/us from time to time.

The securities lodged or that may be lodged from time to time are to be treated as a continuing security for the entire indebtedness of the Borrower towards the Bank and will be binding on me/us jointly and severally, even if the account runs into credit, is reduced or extinguished at any time or from time or time.

This letter shall form integral part of the agreement and shall be read in conjunction with the said agreement.

List of Secured Asset(s)

Sr. No.	Demat account No./ Policy No./ Folio No.	Name (s) of the shareholder/life policy/ mutual fund unit Holder	Scrip/ scheme / scheme	Mutual Fund Policy	No. of shares/ Mutual fund units
1.					
2.					

Yours truly,

**Borrower**

**Security Provider**

## ANNEXURE

A/c No.:

**Declaration:**

I/We have availed loan against securities (loan against shares or equity based mutual fund units) facility from other bank.

Please tick appropriate box

Yes	No

if yes, please fill below table.

Details of facility availed from other banks

Sr. No.	Name of Facility	Shares/ Mutual Fund units	Lending Bank Name	Name of borrower/ co-borrowers	Amount of Loan Sanction	Amount of Operating Limit

1st Borrowers  
Name:

Signature

2nd Borrowers  
Name:

Signature

3rd Borrowers  
Name:

Signature

**DIRECT DEBIT MANDATE FORM**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Date:

[Name & Address of Account Holder/Borrower(s)]

To,  
Kotak Mahindra Bank Ltd,  
6th Floor, Infinity Tower,  
Off Eastern Express Highway,  
Malad (E), Mumbai - 400097

Ref: My LAS Account No. \_\_\_\_\_  
Sub: Deduction of amount from my saving account no \_\_\_\_\_ towards payment  
of interest, fees & charges.

I have availed a Loan from your (Kotak Mahindra Bank Limited) and have executed the requisite  
facility documents in your favor.

For the purposes of paying the monthly interest, fees & charges due and payable by me under Loan Account No.  
\_\_\_\_\_ I hereby request & authorize you/the concerned department to debit my  
\_\_\_\_\_ account number maintained with \_\_\_\_\_  
the payment of the monthly interest, fees & charges for such amount as may be due and payable  
by me and to credit the said amount in my Loan Account No. \_\_\_\_\_.

Please take cognizance of the above and give effect to the same.

Thanking You,

Yours Truly,

\_\_\_\_\_

Signature & Name of customer

**END USE LETTER OF LAS OVERDRAFT ACCOUNT**

TO,  
KOTAK MAHINDRA BANK LTD  
MUMBAI

Date:

**Subject: End Use Letter of LAS Overdraft Account**

Sir/Madam,

I/We/M/s \_\_\_\_\_ hereby state that I/We have taken a Loan against Securities (LAS) Overdraft (OD) facility from KOTAK MAHINDRA BANK LTD (Account number: \_\_\_\_\_)

I/We hereby confirm that I/We will be using the funds from my LAS OD Account for any or several of the following purposes: (Please tick)

- Personal expenses
- Travel Expenses
- Wedding Expenses
- Education Fee/Expenses
- Renovation/Refurbishment of Home
- Purchase of Appliances/Equipment
- Purchase of Property
- Re-payment of other loans
- Working Capital Requirement
- Others: \_\_\_\_\_

I/we hereby confirm that I/we shall utilize the OD facility solely for the above specified purposes and not for any other purpose or for investment in capital market/shares/debentures/mutual funds/purchase of gold in any form, including primary gold, gold bullion, gold jewellery, gold coins, units of gold exchange traded funds (ETF) and units of gold mutual funds, Purchase of Land, Further lending to others or any illegal /speculative activity.

With Regards

\_\_\_\_\_  
(Applicant 1 name and Signature)

\_\_\_\_\_  
(Applicant 2 name and Signature)

\_\_\_\_\_  
(Applicant 3 name and Signature)



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