



EQUITAS SMALL FINANCE BANK LIMITED

No. 769, Spencer Plaza, 4th Floor, Phase II,
Annasalai, Chennai - 600 002

FACILITY AGREEMENT

BRANCH	
APPLICATION NO.	
CUSTOMER NAME	
CUSTOMER ID	
PROPOSAL NO.	
AGREEMENT NO.	

DEMAND PROMISSORY NOTE

Rs. _____

ON DEMAND, I/We _____,
promise to pay Equitas Small Finance Bank Limited or order, the sum of
Rupees _____ along with such other
amounts as may be availed by us in addition to the above amount together with interest from the
date hereof, at _____% above Equitas Small Finance Bank
Limited MCLR / External Benchmark Rate (the present MCLR / External Benchmark Rate being
_____ % p.a.) i.e. presently at _____ percent per annum or such other
rate the Bank may fix from time to time, in relation to the Bank's MCLR/EBMR, compounding
and payable with monthly rests, for value received.

The Borrower to the Note waive presentment, notice of non-payment, protest, notice of protest
and agree to remain fully bound notwithstanding the release of any party, extension or
modification of terms or discharge of any collateral/mortgage for this Note.

Borrower

Place: _____

Guarantor

Date: _____

JOINT AND SEVERAL DEMAND PROMISSORY NOTE

Rs. _____

On Demand We,

1) _____

2) _____

3) _____

4) _____

authorised signatories of M/s _____ jointly and severally promise to pay Equitas Small Finance Bank Limited or order the sum of Rupees _____ along with such other amounts as may be availed by us in addition to the above amount for value received alongwith interest at the rate of _____% above Equitas Small Finance Bank Limited MCLR (the present MCLR being _____% p.a./External Bench Mark Rate i.e. presently at _____ percent p.a) or such other rate as the Bank may fix from time to time, in relation to the Bank's MCLR/External Bench Mark rate, compounding and payable with monthly rests, for value received.

The signatories to the Note waive presentment, notice of non-payment, protest, notice of protest and agree to remain fully bound notwithstanding the release of any party, extension or modification of terms or discharge of any collateral/mortgage for this Note.

Borrower (with partnership firm's seal)

Personal Signature of the Partners in full without Revenue Stamp in full :

Place: _____

Borrower(s)

Date: _____

Guarantor

DEMAND PROMISSORY NOTE

Rs. _____

ON DEMAND, I/We _____ promise to pay Equitas Small Finance Bank Limited or order, the sum of Rupees _____ along with such other amounts as may be availed by us in addition to the above amount together with interest from the date hereof, at _____% above Equitas Small Finance Bank Limited MCLR / External Benchmark Rate (the present MCLR / External Benchmark Rate being _____% p.a.) i.e. presently at _____percent per annum or such other rate the Bank may fix from time to time, in relation to the Bank's MCLR/EBMR, compounding and payable with monthly rests, for value received.

The Borrower to the Note waive presentment, notice of non-payment, protest, notice of protest and agree to remain fully bound notwithstanding the release of any party, extension or modification of terms or discharge of any collateral/mortgage for this Note.

Borrower

Place: _____

Date: _____

Guarantor

IN WITNESS WHEREOF the Common Seal of _____
_____ having its registered
office at _____
_____ has been hereunto
affixed on the day and year first hereinabove mentioned
pursuant to the Resolution of the Board of Directors dated
_____ in the presence of :

Mr. _____

Mr. _____

the Director/Authorised Signatory/company secretary, who have in token thereof, subscribed their signature hereto.

D.P.NOTE DELIVERY CUM WAIVER LETTER

Equitas Small Finance Bank Limited

4th Floor. Phase II, Spencer Plaza,

769, Anna Salai, Chennai- 600002.

Dear Sir,

Please take delivery of the accompanying Demand Promissory Note dated _____ for Rs. _____ (Rupees _____) along with such other amounts as may be availed by us in addition to the above amount for value received alongwith interest at the rate of _____% above Equitas Small Finance Bank Limited's MCLR (the present MCLR being _____% p.a.) i.e. presently at _____ percent per annum/EBMR or such other rate as the Bank may fix from time to time, in relation to the Bank's MCLR/EBMR, compounding and payable with monthly rests, for value received made by me /us in favour of Equitas Small Finance Bank Limited.

I/We do hereby also waive my/our rights of the presentment of the aforesaid Demand Promissory Note. We further request you to note that we dispense with a notice of dishonor in terms of Section 98(a) of the Negotiable Instruments Act, 1881, and that in the event of payment not being made on demand by us, Equitas Small Finance Bank Limited. is at liberty to give time for payment to us without discharging us from liability.

The said Demand Promissory Note shall operate as a continuing security to you to be enforceable for the repayment of the ultimate balance or all sums remaining unpaid under the Credit facility granted now or hereafter; and I/We are to remain liable on the said Demand Promissory Note notwithstanding the fact that by payment made into the Loan account from time to time, the Credit facility may from time to time be reduced or extinguished or even that the balance of the said account(s) may be at credit.

Borrower

Place: _____

Guarantor

Date : _____

FACILITY AGREEMENT

THIS AGREEMENT executed at the place and date as specified herein below by the person(s) described in the Schedule herein below (hereinafter collectively and severally referred to as "The Borrower of the FIRST PART

AND

Equitas Small Finance Bank Limited., a Banking company incorporated under the companies Act, 1956 and carrying on the Banking business under the Banking Regulation Act, 1949 and having its registered office at 4th Floor, Phase-II, Spencer Plaza, 769, Anna Salai, Chennai- 600002, hereinafter called "the Bank" which term unless the context otherwise requires includes its successors and assigns from time to time of the SECOND PART.

The expression "the Borrower" shall include its respective heirs, executors, administrators, surviving partners, successors, Co-parceners, members, all trustees, as the case may be.

WHEREAS:

a. The Borrower is in the business as specified in the Schedule herein below.

b. The Bank at the request of the Borrower is agreeable to grant such Credit Facility upto the limit(s) as specified in the Schedule herein below with full power to the Bank from time to time to renew or reduce or enhance the limit or altogether withdraw the Facility on the terms and conditions appearing herein (hereinafter collectively and individually referred to as "the said Credit Facility"), read with the sanction letter details of which are specified in the Schedule herein below.

NOW THIS AGREEMENT WITNESETH:

I. AMOUNT AND PURPOSE OF THE CREDIT FACILITY:

The Borrower has borrowed/continues to borrow from the Bank and the Bank has granted /continue to grant to the Borrower a Credit Facility as specified in the Schedule herein below.

II. SPECIAL CONDITIONS:

[A] In case of the Borrower availing this Facility in the form of Term Loan:

1) INTEREST AND OTHER CHARGES:

1.1 The Borrower(s) agrees to pay interest on the loan as per the Schedule to this Agreement and which shall be fixed at all times in relation to and linked to the MCLR / External Benchmark Rate of the Bank and the Interest rate at monthly rest calculated on the daily balance of the loan amount. The Borrower(s) is aware that the above said rate i.e. MCLR/External Bench Mark Rate, is as defined hereinabove in this Agreement and declared from time to time by the Bank.

1.2 The Borrower(s) is aware and confirms that the Bank shall at any time and from time to time be entitled to change the rate of interest depending on the changes in the MCLR/External Bench Mark Rate, and such revised rate of interest shall always be construed as agreed to be paid by the Borrower(s) and hereby secured. Borrower(s) shall be deemed to have notice of change in the rate of interest whenever the change in the Interest Rate are displayed/notified at/ by the branch and/or in the website of the Bank as per the Scheme of the Bank.

1.3 Interest on the Loan shall begin to accrue from the date of debit to the Loan account simultaneously with the Bank's disbursement of the Loan by issuing disbursement Payment Order/Demand Draft or otherwise without the Bank concerning itself with the receipt of such disbursement by the beneficiary/recipient and also with the realization of such Payment Order/Demand Draft or the time taken in such realisation.

1.4 Interest on the Loan shall be computed and debited to the Loan Account-

i) at the intervals as stated in the Schedule

ii) Taking the basis of 365 days a year

iii) At interest rate more particularly described in the Schedule herein or as may be prescribed by the Bank from time to time and

iv) On the actual amount outstanding on the last day of the preceding period of the interval as stated in the Schedule.

v) Interest from the date of debit to the Loan account shall be payable every month.

1.5 Interest Tax, Service Tax and other taxes/levies as may be applicable from time to time on

the Loan shall be borne solely by the Borrower(s).

1.6 The Bank shall be entitled to debit all other amounts due and payable by the Borrower(s) under this Agreement (including but not limited to interest tax, service tax, fees, stamp duty, processing fee, login fees, costs, service and other charges, claims and expenses including expenses which may be incurred by the Bank in the enforcement or attempted enforcement of security created in favour of the Bank) to the Borrower(s)' Loan account, unless separately reimbursed to the Bank by the Borrower(s). Such amounts shall form part of the Loan.

1.7 All amounts in default for payment (i.e. not paid by the Borrower(s) when due to the Bank) including costs, charges and expenses debited to the Loan account shall attract penal interest /charges without there being any need to assign a reason for such revision and interest and penal charges shall thereafter accrue at such revised rate(s) as per the schedule.

1.8 Interest on the Loan shall be payable every month separately.

1.9 Equitas Small Finance Bank Limited will monthly/Quarterly/Half yearly/Yearly reset all disbursed loans on predefined date. The reset dates and frequency shall be displayed at the Equitas Small Finance Bank Limited website or at the branch.

For Equitas Small Finance Bank Ltd.

Authorised Signatory

1.10 The MCLR/External Bench Mark Rate prevailing on the day the facility is opened and the credit limit is set up by the Bank for utilization will be applicable till the next reset date, irrespective of the changes in the MCLR/External Bench Mark Rate during the interim period.

2) (a) REPAYMENT:

The principal amount of the Credit Facility shall, if not demanded earlier by the Bank as mentioned herein, be repaid by the Borrower to the Bank as per repayment stipulated in the sanction, provided however that the Bank will be entitled to demand immediate repayment of the Credit Facility amount if any installment of interest/Credit Facility installment remains unpaid on the due date for payment thereof.

(b) PREMATURE PAYMENT:

i. The Borrower shall have no right to repay the outstanding financial assistance in full or in part at any time except as specified hereto. In case the Borrower wants to prematurely repay the outstanding financial assistance, the same shall however, be entirely at the sole discretion of the Bank and the acceptance of the said request shall be subject to such terms and conditions including prepayment charge, as may be stipulated by the Bank in this behalf.

ii. The Borrower agrees that the Bank may, in its own discretion without assigning any reason and upon written notice mailed or delivered to the Borrower cancel the Credit Facility herein granted and demand repayment thereof. Delivery of such notification by the Bank shall constitute sufficient notice of such cancellation, and thereupon the said Credit Facility, all interest due and payable thereon and all liabilities and other obligations of the Borrower thereunder to the Bank including interest, and other charges shall become due and payable by the Borrower immediately to the Bank.

[B] In case of the Borrower availing this Facility in the form of Cash Credit:

a) The Borrower may be allowed to overdraw the account at the discretion of the Bank, overdrawing may be approved by the bank upon request of the borrower.

b) In such an event of the Bank granting excess drawing to the extent as specified in (a) above, the total number of days of such excess drawing allowed under this scheme shall not exceed 90 days in a year (ie. from the date of sanction to the day the account falls due for renewal), unless otherwise specifically permitted by the Bank.

c) The Borrower undertakes and confirms that all the security documents executed for the sanctioned limit shall automatically stand extended to the excess drawing permitted by the Bank.

d) Subject to clauses (a) to (c) above, the Borrower undertake to operate and monitor the said credit Facility in a manner so that the outstanding in the account do not exceed the sanctioned limit or the drawing power, whichever is lower. In the event of any exceeding or overdrawings, the Borrower shall immediately regularize the position and shall also be liable to pay penal interest on the overdue amount on the entire outstandings, at the discretion of the Bank.

e) The Borrower agrees that the Bank at its discretion will charge and recover a Commitment fee at a rate which may be stipulated by it, and as specified in the Schedule herein below on the unutilized portion of the said credit Facility, for the period, utilization of the credit limit remains below the sanctioned limit.

f) The Borrower shall submit to the Bank a duly signed statement of stocks, receivables, other assets charged to the Bank as security for the said credit Facility, at monthly or any other periodical interval specified by the Bank, in a form acceptable to the Bank.

g) The Borrower shall furnish the Bank with all such information as the Bank may reasonably require for satisfaction as to due compliance with terms of the said credit Facility and all such periodical reports and information, at such intervals, in such form and containing such particulars as you may call for the purpose of ascertaining the results of the utilisation of the said advance.

h) * (Applicable to partnership firms and multiple Borrowers) The Borrower expressly agrees that any notice addressed to any one of the Borrowers regarding revision in the rate of interest or/and any other terms of sanction governing the said credit Facility, shall be deemed to be notice given to all and such notice shall be sufficient and binding on all of us and each one of us expressly authorises the others severally to receive such notice on each one's behalf.

i) The Borrower shall not invest or lend money except in the normal course of business or act as surety or Guarantor without getting the written consent of the Bank.

j) Borrower shall not lease out or dispose of the immovable property/current assets/other assets or part thereof mortgaged/hypothecated to the Bank without the prior written consent of the Bank, nor shift the assets to any place without the prior written consent of the Bank. The details of the security are morefully described under the Schedule to this agreement.

k) In the event of the closure of the Unit/Shop or stoppage of work due to strike, lock-out, mechanical breakdown, want of raw materials, non-movement of finished goods, power shortage or/and for any other reason, intimation will be sent to the Bank by Borrower within 3 days of the occurrence of closure or stoppage of work.

l) The Borrower shall maintain a margin of 25% on Stocks and 40% on receivables unless otherwise stipulated in the sanction.

[C] In case of Card Power Overdraft facility

The Bank agrees to sanction the Overdraft Facility as specified in Schedule to this Agreement and as varied, from month to month, on review against the hypothecation of charge slips/receivables submitted by the Borrower relating to all Debit/Credit issued by any Bank in India and includes Master Card, Visa Card, Rupay and includes any such services provided by any institution or Body Corporate who presently discount the credit and debit card sale at the Borrower's Establishments, including any new or subsequent entity (hereinafter collectively referred to as "Card Banks") with whom the Borrower may tie up with prior intimation to Equitas Small Finance Bank Limited.

“Receivables” shall mean and include all amounts of daily collection/receipts, including credit/debit/prepaid card/Payment gateway Receivables, arising out of the sales of any goods dealt by the Borrower and/or anything in lieu of goods by the various outlets both existing /proposed to be set up by the Borrower in future and shall include all amounts set aside as specific percentage of such receivables in the Zero Limit overdraft account.

“Zero Limit Overdraft Account” shall mean an account where a part of card receivable shall be parked as per the terms of sanction from where the overdue amount shall be recovered.

“Flexi Fixed Deposit” shall mean fixed deposit created for a maximum tenor of 6 months from the “Zero Limit Overdraft Account” once the balance in the account exceeds Rs.10000/-. The Flexi Fixed Deposit shall be used to adjust the overdue in the card power plus overdraft account. The Flexi Fixed deposit so created if not adjusted against the overdue within a period of 6 months shall continue to be renewed automatically for a further maximum period of 6 months.

[D] In case of Overdraft facility

a. The Bank shall, unless otherwise agreed between the Borrower(s) and the Bank, disburse the Loan in lump sum by issuing a Banker's Payment Order or a Demand Draft crossed as “A/c Payee only” in the name of the Borrower(s) or in the name of the previous financier towards the repayment of the previous loan to be taken over by utilizing this Loan or through RTGS as the case may be upon request of the borrower. In case the funds remitted through RTGS towards takeover, the borrower undertakes not to utilize the funds so remitted towards takeover.

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

c. The Bank may not disburse at any time, any amount under the Loan unless the following conditions are complied with in the sole discretion of the Bank:

- i) The Loan Agreement is duly executed and delivered to the Bank by the Borrower(s);
- ii) The Borrower(s) satisfies the Bank of its clear and marketable title to the Property;
- iii) The Borrower(s)' submission to the Bank of post dated cheques towards repayment; and
- iv) Any other document or writing as the Bank may require in its sole discretion.
- v) Submission of all the necessary approvals and permission from the appropriate authorities including but not limited to approvals and certificates from corporations.

d. The Bank may not, having disbursed any amount, disburse any further amount under the Loan unless the following conditions are complied with in the sole discretion of the Bank before such further disbursement:

- i) No event of default shall have occurred;
- ii) The Borrower(s) shall have produced evidence of the use of prior disbursements;
- iii) The Borrower(s) shall have assigned in favour of the Bank, the insurance policy (ies) as required by the Bank;
- iv) The Borrower(s) shall have produced his periodic financial statements; and
- v) The Borrower(s) shall have produced all or any other documents or writings as required by the Bank in its sole discretion, which shall be binding on the Borrower(s).

e. The Borrower(s) shall repay to the Bank the amount on demand and in accordance with the Schedule.

III. Disbursement

1. The Bank shall, unless otherwise agreed between the Borrower and the Bank, disburse the Loan in lump sum or in suitable installments to be decided by the Bank, in the name of the Borrower(s) or in the name of the previous financier towards the repayment of the previous loan to be taken over by utilizing this Loan or as per any other authorization given by the Borrower/s. The disbursement so made shall be at the request of the borrower.

2. The Bank has absolute right to settle any indebtedness whatsoever owed by the Borrower to the Bank under this Document or under any other document/agreement, by adjusting, setting-off any deposit(s) and /or transferring monies lying to the balance of any account(s) held by the Borrower and/or the guarantors with the Bank without giving prior notice to the Borrower. However, Bank will intimate the Borrower and/or the guarantors of such exercise of rights under this clause. The Bank's rights hereunder shall not be affected by the Borrower's or the guarantor's bankruptcy, death or winding-up. It shall be the Borrower's and the guarantor's sole responsibility and liability to settle all disputes/objections with any such joint account holder.

3. The Bank may not, having disbursed any amount, disburse any further amount under the Loan unless the following conditions are complied with in the sole discretion of the Bank before such further disbursement:

- i) No event of default shall have occurred;
- ii) The Borrower shall have produced all or any other documents or writings as required by the Bank in its sole discretion, which shall be binding on the Borrower.

IV Limit Cancellation Clause

i) Notwithstanding anything contained in the sanction letter, The Borrower agree that the Bank in its discretion may reduce or otherwise vary the limits, margins or other conditions or types of credit facilities so sanctioned. The Bank is also at liberty to disburse the sanctioned credit facility either in one lump sum or in instalments or stages as it may deem fit.

ii) Further, the Bank shall have an unconditional right to cancel the undrawn/unavailed/unused portion of the Loan/Facility at any time during the subsistence of the Loan/Facility, without any prior notice to the borrower, for any reason whatsoever, notwithstanding the payment of the commitment charges by the Borrower on the undrawn/unavailed/unused portion of the Loan/Facility. In the event of any such cancellation, all the provisions of this Agreement and all other related documents shall continue to be effective and valid and the Borrower shall repay the outstanding dues under the loan duly and punctually as provided herein.

V GENERAL CONDITIONS

This agreement shall be read with the General Conditions contained in the Annexure hereto which shall form an integral part of this agreement and be deemed incorporated herein by reference and the parties hereto agree to accept and be bound by the provisions thereof.

VI Email ID

All communications to the borrower could be made by the Bank to the e-mail Id

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and any change thereof would be communicated by the borrower to the Bank in writing and all such communications for changing the e-mail ID from time to time shall deemed to form part and parcel of this agreement.

GENERAL CONDITIONS

General conditions cum Warranties:

The Borrower herby represents and warrants as under:

- That it has obtained the requisite License and does not suffer from any statutory or legal infirmities affecting the pursuit or running of its business/undertaking.
- * (If a Company) That it has taken all necessary corporate and other actions for execution of this Agreement and availing of the Credit Facility from the Bank;
- The execution hereof of these presents and related documents by the Borrower, constitutes legal, valid and binding obligations of the Borrower.
- The Borrower and/or guarantor hereby declares that the Borrower and/or Guarantor has a clear and marketable title/clear and transferable interest over the property(ies) to be secured in favour of the Bank and further assures the Bank that the same is free from any prior charge, lieu or encumbrance other than those specifically advised to the Bank.
- The Borrower shall at all times during the currency of the Credit Facility, at its own cost, keep the said property constituting the Bank's security fully insured against such risks and for such amounts and for such period and forms as the Bank may require, in the name of the Bank with the usual Bank mortgage clause, with such insurance company or companies of repute to be approved by the Bank in writing and shall deposit the insurance policies and all cover notes premia receipts etc. with the Bank. The Borrower shall make punctual payment of all premia and shall not do or suffer to be done any act which may invalidate such insurance and will on receipt of any moneys under the said policies, pay the same to the Bank which shall, at the option of the Bank, be applied either in reinstating or replacing the security or in repayment of the said Dues.
- Borrower consents that the security provided under this agreement and / or any other loan agreement shall stand cross collateralized and Bank shall be entitled to combine all securities provided by the borrower under the loan facilities availed by him or the Bank shall be entitled to proceed against any other security provided under any other facility availed by the borrower notwithstanding and / or without prejudice to the right over thesecurity provide by the borrower under this facility irrespective of whether the borrower is in default under the other facility.

I) OTHER COVENANTS:

The Borrower further covenants as under:

- to furnish to the Bank all such information, statements, particulars, estimates and reports etc. as the Bank may require from time to time as to the compliance with the terms of the Credit Facility;
- not to permit any change in the ownership or control of the Borrower whereby the effective beneficial ownership or control of the Borrower shall change, without the prior written consent of the Bank;
- not to effect any material change in the management of the business of the Borrower, without the prior written consent of the Bank;
- (If Borrower is a partnership firm) to ensure that not retirement or resignation of any one or more partners happen without the prior approval of the Bank and in the event the partnership is dissolved or reconstituted as a result of such retirement or resignation, without the approval of the Bank, the subject partner(s) who has/have retired or resigned shall not be relieved of their liability under this Credit Facility;
- not to make any amendments in the Borrower's Memorandum and Articles without the prior written consent of the Bank (in case of the Borrower being a company);
- The Borrower shall furnish upon demand any other security in such form and value as may be required by the Bank from time to time in amounts and values sufficient at all time in the opinion of the Bank to secure the payment of the Credit Facility provided here and any other obligations of the Borrower to the Bank.
- The Borrower confirms that the Borrower shall utilize the said Credit Facility only for the purposes of its Business as set forth in its application for Credit Facility.
- The Borrower hereby agree and undertake that no such person whose name is appearing in the list of Willful defaulters shall be inducted on its board and that in case, such a person is found to be on its Board, it would take expeditions and effective steps for removal of such person from its Board.

- ix. The Borrower hereby acknowledge and agree that the Bank has a right to award a separate mandate to our Auditor or any independent Auditor, as the Bank may deem fit with a view to obtain a specific certificate regarding diversion/siphoning of fund by the Borrower. The Borrower agrees and undertake to co-operate with such Auditors and provide the necessary information and/or documents as may be required by such Auditors. The Borrower also agree and undertake to bear all the expenditure in respect of obtaining the said Certificate and agrees to indemnify and keep the Bank indemnified in this regard.
- x. The Borrower shall not be entitled to directly or indirectly assign his/their rights or obligations under this Agreement in part or in whole to any person.
- xi. Interest on the Credit Facility shall be computed and debited to the Loan Account taking the basis of 365 days a year
- xii. The Borrower also agree, undertake and confirm as under:
 - 1. The Borrower understand that as a precondition relating to the grant of and/or continuing the grant of credit facility to us, Equitas Small Finance Bank Limited required the borrowers consent for the disclosure by the Bank of, information and data relating to us, of the Credit Facility availed of /to be availed by us, in discharge thereof.
 - 2. Accordingly, the Borrower hereby agree and give consent for the disclosure by Equitas Small Finance Bank Limited of all or any such:
 - Information and data relating to us;
 - The information of date relating to its credit Facility availed of /to be availed by us and
 - Default, if any, committed by us, in discharge of my/our /the Company's such obligation; as Equitas Small Finance Bank Limited may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau and any other agency authorised in this behalf by Reserve Bank of India ["RBI"].
 - The Borrower declare that the information and data furnished by the borrower to Equitas Small Finance Bank Limited are true and correct.

The Borrower also undertake that:

- Credit Information Bureau and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
 - Credit Information Bureau and any other agency so authorised may furnish for consideration, the processed information and data disclosed or products thereof prepared by them, to Bank(s) /Financial Institution(s) and other Credit Grantors or Registered Users, as may be specified by the RBI in this behalf.
- 3) The Borrower agree, undertake and authorize the Bank to exchange, share or part with all the information, data or documents or other information as mentioned above and also the information relating to the conduct of the Borrower's accounts, credit history or to the Borrower, whether under consortium or multiple banking or sole banking arrangement and repayment record, with other banks/financial institutions involved in the financing arrangement also with the banks/financial institutions intending to finance the Borrower. as the Bank may deem necessary or appropriate as may be required for use or processing of the said information/ data by such banks/financial institutions or furnishing of the processed information/data to other banks/financial institutions/ credit providers and the Borrower shall not hold the Bank liable in any manner for use of such information.
- 4) The Borrower agree that in case the Borrower commits a default in payment or repayment of any amounts in respect of the facilities, the Bank and /or RBI will have an unqualified right to disclose or publish the details of the default and then name of the Borrower, its directors, partners, as case may be, as defaulters, in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.
- xiii. In the event the Borrower fails to pay when due any sum which it may owe to the Bank and the Bank shall commence legal proceedings to recover such sum, the Borrower will further pay the Bank all advances, charges, cost and expenses, including reasonable legal fees, incurred or paid by the Bank in exercising any right, power or remedy conferred by this agreement, (or in the enforcement thereof shall become a part of the indebtedness secured hereunder and shall be paid to the Bank by the Borrower immediately and without demand).

III. EVENT OF DEFAULT:

At the option of the Bank, and without necessity of any demand upon or notice to the Borrower, all of which are hereby expressly waived by the Borrower, and notwithstanding anything contained herein or in any security documents executed by/to be executed by the Borrower in the Bank's favour. the said Dues and all of the obligations of the Borrower to the Bank hereunder, shall immediately become due and payable irrespective of any agreed maturity, and the Bank shall be entitled to enforce its security, upon the happening of any of the events stipulated in the sanction, including the following:

- a) If any representations or statements or particulars made in the Borrower's proposal/application are found to be incorrect or the Borrower commits any breach or default in performance or observance of these present or failure to keep or perform any of the terms or provisions of any other agreement between the Bank and Borrower in respect of this Credit Facility.

- b) If the Borrower commits any default in the payment of principal or interest or any obligation of the Borrower to the Bank or to any other Bank or Credit Grantor when due and payable;
- c) If there is any deterioration or impairment of the securities/ the said property or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which causes the securities in the judgement of the Bank to become unsatisfactory as to character or value;
- d) If any attachment, distress, execution or other process against the Borrower, or any of the securities is enforced or levied upon;
- e) The death, insolvency, failure in business, commission of an act of Bankruptcy, general assignment for the benefit of creditors, if the Borrower suspends payments to any creditors or threatens to do so, filing of any petition in Bankruptcy of by, or against the Borrower or filing up of any petition for winding up of the Borrower.
- f) If the Borrower (being a Company) goes into liquidation for the purpose of amalgamation or reconstruction, except with prior written approval of the Bank;
- g) If Borrower (being a partnership firm) without the prior approval of the Bank is dissolved or reconstituted as a result of the retirement or resignation of any partner;
- h) If a receiver is appointed in respect of the whole or any part of the property/assets of the Borrower;
- i) If the Borrower, without prior written consent of the Bank, creates or attempt or purport to create in favour of anyone else, any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the Borrower's property or any part thereof, which is or shall be the security for the repayment of the said Dues except for securing any other obligations of the Borrower to the Bank;
- j) If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardise or is likely to prejudice, impair, imperil, depreciate or jeopardise any security given by the Borrower or any part thereof;
- k) If the Credit Facility or any part thereof is utilized for any purpose other than the purpose for which it is applied by the Borrower and sanctioned by the Bank;
- l) If any circumstance or event occurs which in the sole opinion of the Bank may jeopardise or likely to impact the ability of the Borrower to service the said Facility herein granted in terms of prompt repayment of principal and interest on due dates
- m) if the Borrower fails to conduct the account in a normal and proper manner including things such as not submitting stock statements periodically as mandated by the Bank or insuring and keeping insured all the current assets as well as immovable properties secured to the Bank for the purpose of this Facility or not permitting the Bank or its officials or its auditors or authorized representatives access to the books of accounts of the Borrower or to its business premises or its godown or warehouse etc.

IV. CONSEQUENCES OF DEFAULT:

- i. 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 shall forthwith give the Bank notice thereof in writing specifying such event of default, or such event. The Borrower shall also promptly inform the Bank if and when any statutory notice of winding-up under the provisions of the Companies Act, 1956 or any other law or of any suit or legal process intended to be filed/initiated against the Borrower, is received by the Borrower.
- ii. If the Borrower makes default in payment of the said Dues or any part thereof, the bank would be at liberty (but not bound to do so) to appoint its nominee as Receiver without having resort to a Court of Law and/or to a proceeding in Court, to take possession of the properties of the Borrower held /to be held by the Bank as security for the Credit Facility hereunder or under any other security document(s) executed / to be executed by the Borrower and/or the Guarantor/s in favour of the Bank and the Bank shall also be entitled to resort to any or all the legal remedies as provided under Article VIII below.
- iii. The Bank shall have a lien and right of set-off on all moneys belonging to the Borrower standing to their credit in any account whatsoever with the Bank. If upon demand by the Bank the balance outstanding in the Credit Facility account is not repaid within the prescribed time, such credit balance in any account may be adjusted towards dues under the Credit Facility account. In case of any deficit, the deficit amount may be recovered by the Bank from the Borrower.
- iv. 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.
- v. In case of breach of the terms or in case of any of the events happening as stated hereinbefore, the Bank would have the full rights to sell, dispose off or realise the said securities on such terms and for such price that the Bank thinks fit, and apply the net proceeds towards the satisfaction of the balance outstanding in the Credit Facility account including charges, expenses, etc.
- vi. The Borrower hereby agrees as a pre-condition of the said credit Facility/ies being granted to it that in case the Borrower commit default in the repayment of the Credit Facility/ies or in the repayment of interest thereon or any of the agreed installment of the Credit Facility/ies on due date/s the Bank and /or Reserve Bank of India will have an unqualified right to disclose or publish its name or the name of its directors/partners/proprietors as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
- vii. The Borrower confirms unconditionally and irrevocably that it shall have no objection in case the Bank decides to assign/sell a part of the entire Credit Facility/credit Facility alongwith securities of the said machinery/goods/assets/properties etc. to another Bank/institution/limited

company/Government body or department. (assignee/buyer). In such case the Borrower shall become the primary Borrower of such assignee /buyer and shall at no point of time raise any objection, legal or otherwise regarding assignment, transfer and sale of the securities by the Bank in favour of the assignee / buyer.

V. OTHER CONDITIONS:

i) The Borrower shall restrict his dealing to Equitas Small Finance Bank Limited and shall not open an account with any other Bank(s). The Borrower may with the prior written approval of Equitas Small Finance Bank Limited, open such accounts as may be permitted with other Bank(s) however, in case the Borrower is permitted to deal with other Bank(s) a statement of the account shall be submitted to Equitas Small Finance Bank Limited on a monthly basis.

ii) 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. The Bank may exercise a Banker's lien or right of set-off with respect to any obligation of the Borrower to the Bank in the same manner as if the obligation were unsecured and shall have a lien on all property or securities of the undersigned in the Bank's possession or custody whether for safe-keeping or otherwise. Any forbearance or failure or delay by the Bank in exercising any right, power or remedy hereunder shall not be deemed to be waiver of such right, power or remedy, 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.

iii) The Borrower shall reimburse and pay to the Bank all costs, charges and expenses, including stamp duty and legal costs on actual basis and other charges & expenses which may be incurred in preparation of these presents and related to and/or incidental documents as also for the enforcement or attempted enforcement of the security hereby created.

iv) Nothing contained in these presents shall be deemed to limit or affect prejudicially the rights and powers of the Bank under the security documents or letters of guarantee or any of them or under any law.

v) No delay in exercising or omission to exercise any right, power or remedy accruing / available to the Bank upon any default or otherwise hereunder or any other security documents/letters of guarantee shall impair or prejudice any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence therein.

vi) The Borrower shall indemnify and keep indemnified the Bank against all actions, suits, proceedings and all costs, charges, expenses, losses or damages which may be incurred or suffered by the Bank by reason of any false or misleading information given by the Borrower to the Bank hereunder or any breach/default/contravention/non-observance/non-performance by the Borrower of any terms, conditions, agreements and provisions hereunder. The Bank shall be entitled to include any amount payable by the Borrower under this clause in the said Dues being the subject matter of this Agreement.

vii) The Borrower agrees to accept the statement of account sent by the Bank or by any other authorised representative of the Bank as conclusive proof of the correctness of any sum claimed to be due from him.

viii) The Borrower shall execute in favour of the Bank or any nominee/agent of the Bank any DP Note/further/additional/fresh deeds/documents etc. whenever required by the Bank to do so.

(*These clauses are applicable in the case of Company and / or partnership firms only)

xi) The claims of the Bank shall have precedence over the claim of the partners/Directors by way of remuneration, interest, etc.

VI. RIGHT TO ASSIGN:

The Lenders (or any of them) may assign or otherwise transfer the facility (or the portion thereof respectively advanced by them) to any third party and pursuant to which the Lenders (or any of them) shall be entitled to assign the Security created herein with all or any rights under this Agreement without the prior written consent of the Borrower.

VII. SERVICE OF NOTICE:

Any notice or correspondence shall be in writing and to be addressed at the above mentioned address of the Borrower and shall be deemed to have been sufficiently served if delivered by hand or addressed by Registered A.D. Post reputed courier services, at the address mentioned herein above or is sent by mail to the mail i.d of the borrower herein mentioned or such other mail i.d as may be advised by the borrower to the Bank from time to time; and such service shall be deemed to have been effected in case of delivery by hand on the date on which it is delivered and in case of delivery by Registered A.D.Post on the expiry of 5th day of such posting and in case of delivery by Courier, on the expiry of 3rd day of such posting and in case of mails, on the day the mail has been sent.

VIII. ARBITRATION, DEBT RECOVERY TRIBUNAL, SARFAESI, GOVERNING LAW AND JURISDICTION :

A. This Agreement shall be governed by, and construed in accordance with the laws of India.

B. ARBITRATION :

1. Any and all dispute(s), difference(s) and/or claim(s) arising out of or touching upon this Agreement or in relation to this agreement, whether during its subsistence or thereafter, shall be referred by the Lender to e4Arbitration by a Sole Arbitrator appointed by:

a) NaniPalkhivala Arbitration Centre, currently having its office at New No.22, Karpagambal Nagar, Mylapore, Chennai 600 004.

(or)

b) Madras Chamber of Commerce and Industry, currently having its office at Karumuttu Centre, I Floor, North Wing, Nandanam, Chennai – 600 0035.

(or)

- c) Council for National and International Commercial Arbitration (CNICA), currently having its office at Unit No: 208, 2nd Floor, Beta Wing, Raheja Towers, No: 113-134, Anna Salai, Chennai – 600 002.

(or)

- d) Madras Arbitration Solutions (MAS), currently having its office at Vignesh Apartment, 23/9, Jothiramalingam Street, West Mambalam, Chennai -600 033.

Hereinafter referred to as 'institution'), in accordance with the provisions of the Arbitration and Conciliation Act, 1996 or any statutory amendments thereof from time to time. The entire arbitral proceedings shall be conducted by the Sole Arbitrator in the manner he/she considers appropriate and the award rendered by the Sole Arbitrator shall be final and binding on all the parties to this agreement.

2. The institution shall provide administrative assistance to the Sole Arbitrator to facilitate the conduct of the arbitral proceedings, if he/she chooses to avail of such assistance from the institution.
3. The said arbitral proceedings shall be based on documents executed between the parties and the Sole Arbitrator shall be entitled to, solely at his/her discretion, conduct the proceeding through exchange of mail, e-mail and/or any other mode of electronic communication including Video Conference (VC), online, virtual hearing etc., using an external application or platform, if necessary. The parties to the arbitration proceeding shall be bound by the decision of the arbitrator in this regard.
4. The Parties hereby consent to have the arbitral proceeding conducted by a written pleading, documents, written submissions and/or any other electronic mode of communication-based arbitration as may be determined by the arbitrator.
5. The Parties herein agree not to insist on in-person and/or oral hearings except in certain exceptional circumstances as the Sole Arbitrator may deem fit.
6. The Parties herein agree that the venue and seat of the arbitration proceeding shall be at Chennai.
7. The language of arbitral proceedings shall be English.
8. The parties herein agree that in the event of such an arbitrator to whom the matter has been originally referred to dying or being unable to act as arbitrator for any reason specified in the Act, the institution, shall appoint another person as it may deem fit to act as arbitrator, who shall proceed with the reference from the stage, at which it was left by his/her predecessor.
9. The Arbitrator so appointed shall also have the power to pass an award on the hypothecated asset or any other security interest created between the parties and also to pass interim orders/directions as may be appropriate to protect the interest of the parties pending adjudication of the claim and/or resolution of the dispute.
10. Parties also consent to the following:
 - a) to send a copy of the awards so passed by him/her and duly certified by him/her through post/courier or a scanned image of such an award to the parties through e-mail or any other electronic mode through such institution, as he/she deems fit, which shall be considered as a signed copy for the purposes of the Act.
11. If the award is not made or could not be made within 12 months from the date of completion of pleadings by the arbitrator, for any reason whatsoever, the parties hereby consent for an extension of time for another six months.
12. In respect of the arbitral proceeding, all notices, processes and communications in that regard to all the parties shall be through mail/e-mail or any other electronic mode of communication, as may be determined by the arbitrator and if resorted to, shall be a valid service of notices, processes and communications on the parties. Any notice, processes and communications issued to the counsel representing the parties to the arbitration proceeding shall be deemed a valid service on the parties.
13. The mail/e-mail and/or any other electronic mode of address provided by the Borrower(s)/ Co-Borrower(s)/Guarantor to the lender under the loan agreement or any other executed by Borrower(s)/ Co-Borrower(s) and/or Guarantor with the lender shall be deemed to be an active mail/e-mail and/or any other electronic mode of address and any change or other discrepancies in the mail/e-mail and/or any other electronic mode of address provided above, shall be informed to the Lender promptly.
14. All communications shall be deemed to be considered as received by the Lender/ Borrower(s)/ Co-Borrower(s) and/or Guarantor as the case maybe, within five days from the time of initiating the communication. In case, if after the expiry of five days from the date of communication, there is no response from the Lender/ Borrower(s)/ Co-Borrower(s)/Guarantor as the case maybe, it shall be the discretion of the Sole Arbitrator to proceed further with the arbitration proceeding and/or render the award as the case maybe in their absence.
15. It shall be the responsibility of the Lender/ Borrower(s)/ Co-Borrower(s)/Guarantor to maintain sufficient space in the e-mail account and or in any other mode of electronic account(s) and also to have supporting applications/software in their computer/mobile/any other electronic device or accessories and infrastructure required to access the electronic documents sent to them and also to enable the arbitrator to conduct the arbitration proceeding through VC, online, virtual hearing etc.
16. Unless otherwise directed by the Sole Arbitrator, the existence or subsistence of a dispute or the commencement of arbitral proceedings under this clause shall not in any manner prevent or postpone the performance of any obligations of any Party which do not form part of

the dispute.

17. The parties to the agreement agree to submit to the exclusive jurisdiction of courts in Chennai.

- c) Notwithstanding or without prejudice to the arbitration clause, in the event the Debt Recovery Tribunal, Chennai has jurisdiction over the dispute, difference and/or claim that may have arisen between/among the parties, the Lender shall, at its discretion invoke the jurisdiction of the Debt Recovery Tribunal, Chennai, which shall have exclusive jurisdiction to settle such dispute, difference and/or claim.
- d) Without prejudice to the rights of the Lender under Article 30 (a) and (b) above, the Bank shall have the right to invoke the provisions of THE SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT OF SECURITY INTEREST ACT, 2002 and its statutory amendments thereof over the asset/s hypothecated and/or mortgaged to it under this agreement.
- e) Notwithstanding the initiation and pendency of the arbitration proceeding, the Bank shall have the right to enforce its right against the mortgaged security by invoking the provisions of SARFAESI.

IX. JURISDICTION:

This agreement has been accepted and executed by the bank at Chennai and all covenants, terms and conditions hereof including, payments, shall be observed and performed at Chennai and the Borrower specifically agree, subject to the arbitration clause contained herein, that courts in Chennai alone shall have exclusive jurisdiction over any matter arising out of or concerning this agreement.

IN WITNESS WHEREOF THE PARTIES HEREIN SIGNED THIS AGREEMENT ON THE DAY, MONTH AND YEAR, AS STIPULATED IN THE SCHEDULE IN THE PRESENCE OF THE FOLLOWING WITNESSES.

BORROWER

***IN CASE OF AN INDIVIDUAL**

1.

2.

3.

4.

5.

0

***IN CASE OF A COMPANY**

The common seal of the company has been hereunto affixed at the place and date first hereinabove mentioned at.....

The Common Seal ofLtd. has been affixed) hereunto pursuant to the

Resolution of the Board of)

Directors dated..... in the presence of:)

1.)

2.)

the Director/s and/or the, who have in token)
thereof, subscribed their signature hereto.)

***IN CASE OF PARTNERSHIP FIRM**

The Partners of the Firm have executed the Deed at the place and date herein above mentioned.

For..... (Name of the Partnership Firm))
)
(Partners))

In case of Limited Liability Partnership firm

IN WITNESS WHEREOF the designated Partners of the Firm have set and subscribed their respective hands hereto, the day and year first herein above mentioned

For..... (Name of the Limited Partnership Firm)

(Designated Partners)

***IN CASE OF PROPRIETARY CONCERN**

The said Proprietor has executed the Deed at the place and date herein above mentioned.

For _____

Proprietor

***In case of HUF**

The coparceners and all the members of Hindu Undivided Family have executed the Deed at the place and date herein above mentioned.

For _____

***In case of Trust/Society**

The authorised signatory has executed the Deed at the place and date herein above mentioned.

For _____

(Authorised Signatory)

(*PLEASE DELETE WHICH IS NOT APPLICABLE)

WITNESS :

1.

SCHEDULE

Date :

Sr.No.	Title	Details	
A)	Borrower's Name		
B)	Business		
C)	Constitution of Borrower		
D)	Registered/Office/		
E)	Business/Address		
F)	Bank Branch Handling		
G)	Sanction letter no.and date		
H)	Penal Interest		
J)	Processing Charges		
	Security	Details of Primary Security :	
		Product Type	Security Details
		Details of Collateral Security :	
		Product Type	Security Details
		Personal / Corporate Guarantee of :-	

Sr.No.	Title (For Cash Credit)	Details	
A)	Facility Type		
B)	Amount		
C)	Tenure of Loan		
D)	Rate of Interest (Interst rates are linked to MCLT/ External Bench Mark Rate. Current MCLR / EBMR of Bank is _____)		
E)	Reset Frequency	Quarterly	

Sr.No.	Title (For Overdraft)	Details	
A)	Facility Type		
B)	Amount		
C)	Tenure of Loan		
D)	Rate of Interest (Interst rates are linked to MCLT/ External Bench Mark Rate. Current MCLR / EBMR of Bank is _____)		
E)	In case of Dropline limit i) Drop line amount ii) Drop line Tenure		
F)	Reset Frequency	Quarterly	

Sr.No.	Title (For Term Loan)	Details		
A)	Facility Type			
B)	Amount			
C)	Tenure of Loan			
D)	Reate of Interest			
	(Interest rates are linked to			
	MCLR / External Bench Mark Rate			
	Current MCLR of bank is			
E)	Repayment Scedule : Interest to be paid separately as and when applied	Facility number (In case of multiple	No.of Month	Repayment Amount
Repayment Schedule : Interest to be paid separately as and when applied		Facility number (In case of multiple	No.of Month	Repayment Amount
Reset Frequency		Yearly		

DEED OF GUARANTEE

THIS DEED OF GUARANTEE executed at _____ on _____ by

1. M/r/Mrs. _____ aged about _____ years wife/son/daughter of.....having his/her address at
.....

// OR//

2. M/s....., a company incorporated and registered under the Companies Act, 1956 or 2013 and having its Registered Office at _____ through its authorized signatory _____//OR//

3. M/s....., a partnership firm, carrying on its partnership business under the Partnership Act, 1932 and having its office at _____ ||OR||

4. Shri. _____, a Sole Proprietor of _____, a Proprietorship Concern having its office at _____ ||OR||

5. _____ a Joint and Hindu Undivided Family, represented by its KarthaMr.....

(hereinafter referred to as the "Guarantors" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns and all persons deriving/claiming title there under)

IN FAVOUR OF

Equitas Small Finance Bank Limited., a company incorporated under the Companies Act, 1956 and having its registered Office at 4th Floor, Phase II, Spencer Plaza, 769, Anna Salai, Chennai – 600002, and among other places a branch at _____ (hereinafter referred to as the "Bank" which expression shall, unless it be repugnant to the subject or context thereof, include its successors and assigns)

WHEREAS

a) _____ (name of the Borrower) having his/her/its office at _____ (herein referred as the "Borrower") has requested the Bank to lend and advance Credit Facilities aggregating to Rs. _____ (Rupees _____) (hereinafter referred to as "Credit Facility")

b) The Bank has granted /agreed to grant /continue to grant the advance to the Borrower the said Credit Facility on the terms and conditions contained in the sanction letter ref.no. _____ dated _____ (hereinafter referred to as the "Sanction Letter") and the various documents obtained/to be obtained entered into between the Borrower and the Bank. (hereinafter referred to as the "Facility Documentation")

c) One of the terms on which the said Credit Facility was agreed to be granted by the Bank to the Borrower was that the said Credit Facility would, inter alia, be secured by an unconditional and irrevocable guarantee of the Guarantors, being these presents.

d) The Guarantors, at the request of the Borrower and in consideration of the Bank having extended/agreed to extend/continue to extend the said credit facility to the Borrower on the representation of the Borrower, have agreed to execute this Guarantee in favour of the Bank on the terms and in the manner hereinafter appearing.

NOW THIS DEED WITNESSETH AS FOLLOWS:-

In consideration of the Bank extending the Credit Facility to the Borrower, the Guarantors hereby unconditionally, absolutely and irrevocably guarantees to and agrees with the Bank as follows:

1. The Bank shall have the sole discretion (i) to make disbursement(s) and/or interim disbursement(s) out of the Credit Facility; and/or (ii) to lend and advance to the Borrower, the said Credit Facility at such time, on such conditions and in such manner as the Bank may decide.

2. The Guarantors shall ensure that the Borrower shall duly and punctually repay the said Credit Facility together with all interest, liquidated damages, premium on prepayment or on redemption, costs, expenses, charges and other monies in accordance with Facility Documentation and perform and comply with all the other terms, conditions and covenants contained in the said Facility Documentation.

3. In the event of any default on the part of the Borrower in payment/repayment or any of the monies referred to above, or in the event of any default on the part of the Borrower to comply with or perform any of the terms, conditions and covenants contained in the Facility Documentation, the Guarantors hereby unconditionally and irrevocably undertake/s to pay the Bank forthwith on demand without protest or demur and without proof or condition all the amounts payable by the Borrower under the Facility Documentation together with interest etc.
4. The Guarantors shall also indemnify and keep the Bank indemnified against all losses, damages, costs, claims and expenses whatsoever which the Bank may suffer, pay or incur by reason of or in connection with any such default on the part of the Borrower including legal proceedings taken against the Borrower and / or the Guarantors for recovery of the monies due under the Facility Documentation.
5. The Guarantors agrees that without the concurrence of the Guarantors, the Bank shall be at liberty to vary, alter or modify the terms and conditions of the Facility Documentation and of the security documents executed by the Borrower in favour of the Bank and in particular to defer, postpone or revise the repayment of the Credit Facility and/or payment of interest and other monies payable by the Borrower to the Bank on the such terms and conditions as may be considered necessary by the Bank including any change in the rate of interest. The Bank shall also be at liberty to absolutely dispense with or release all or any of the security/securities furnished or required to be furnished by the Borrower to the Bank to secure the said Credit Facility. The Guarantors agrees that the liability under this Guarantee shall in no manner be affected by any such variations, alterations, modifications, waiver, dispensation with or release of security, and that no further consent of the Guarantor is required for giving effect to any such variation, alteration, modification, waiver, dispensation with, or release of security.
6. The Bank shall have full liberty, without notice to the Guarantors and without in any way affecting this Guarantee, to exercise at any time and in any manner any power or powers reserved to the Bank under the Facility Documentation to enforce or forbear to enforce payment of the Credit Facility or any part thereof or interest or other monies due to the Bank from the Borrower or any of the remedies or securities available to the Bank, to enter into any composition compound with or to grant time or any other indulgence or facility to the Borrower AND the Guarantors shall not be released by the exercise by the Bank of their liberty in regard to the matters referred to above or by any act or omission on the part of the Bank or by any other matter or thing whatsoever which under the law relating to sureties would but for this provision have the effect of so releasing the Guarantors AND the Guarantors waives in favour of the Bank so far as may be necessary to give effect to any of the provisions of this Guarantee, all the suretyship and other rights which the Guarantors might otherwise be entitled to enforce.
7. This Guarantee shall be enforceable against the Guarantors jointly and severally notwithstanding that any security or securities comprised in any instrument(s) executed or to be executed by the Borrower in favour of the Bank shall, at the time when the proceedings are taken against the Guarantors under the Guarantee be outstanding or unrealised or lost.
8. The Guarantors agrees and gives consent to the sale, mortgage on prior, pari-passu or first charge basis, release etc., of any of the assets by the Borrower from time to time as may be approved by the Bank or the transfer of any of the assets of the Borrower from one unit to the other or to the release or lease out by the Bank any or whole of the assets charged to the Bank on such terms and conditions as the Bank may deem fit and this may be treated as a standing and continuing consent for each and every individual act of transfer, mortgage, release or lease of any of the assets of the Borrower. The Guarantors declares and agrees that no separate consent for each such transfer, mortgage, release or lease of any of such assets would be necessary in future.
9. The Guarantors agrees and declares that the Borrower will be free to avail of further loan or other facilities from the Bank or any other financial institution or Bank in addition to the Credit Facility and/or to secure the same during the subsistence of the Guarantee and in that event the Guarantee herein contained will not be affected or vitiated in any manner whatsoever but will remain in full force and effect and binding on the Guarantors.
10. The rights of the Bank against the Guarantors shall remain in full force and effect notwithstanding any arrangement which may be reached between the Bank and the other Guarantors/Borrower from liability and notwithstanding that any time hereafter the other Guarantors may cease for any reason whatsoever to be liable to the Bank, the Bank shall be at liberty to require the performance by the Guarantors of their obligations hereunder to the same extent in all respects as if the Guarantors has at all times been solely liable to perform the said obligations.
11. To give effect to this Guarantee, the Bank may act as though the Guarantors were the principal Borrower to the Bank for all payments guaranteed by him as aforesaid to the Bank.

12. The Guarantors declares and agrees that they have not received and shall not, without the prior consent in writing of the Bank receive any security or commission from the Borrower for giving this Guarantee so long as monies remain due and payable by the Borrower to the Bank under the Facility Documentation.
13. The Guarantors agrees and confirms that the Bank shall be entitled to adjust appropriate or set-off all monies held by the Bank to the credit of or for the benefit of the Guarantors on any account or otherwise howsoever towards the discharge and satisfaction of the liability of the Guarantors under these presents.
14. The Guarantors shall not in the event of the insolvency of the Borrower prove in competition with the Bank in the insolvency proceedings.
15. A certificate in writing signed by a duly authorised official of the Bank shall be conclusive evidence against the Guarantors of the amount for the time being due to the Bank from the Borrower in any action or proceeding brought under this Guarantee against the Guarantors.
16. This Guarantee shall not be wholly or partially satisfied or exhausted by any payments made to or settled with the Bank by the Borrower and shall be valid and binding on the Guarantors and operative until repayment in full of all monies due to the Bank under the Facility Documentation and the Bank issues a certificate in this regard.
17. This Guarantee shall be irrevocable and the obligations of the Guarantors hereunder shall not be conditional on the receipt of any prior notice by the Guarantors or by the Borrower and the demand or notice by the Bank as provided in this Guarantee hereof shall be sufficient notice to or demand on the Guarantors.
18. The liability of the Guarantors under this Guarantee shall not be affected by:-
 - i) any change in the status of the Borrower by reason if he being declared insolvent; or
 - ii) any change in the constitution of the Bank/Guarantors.
19. This Guarantee shall be a continuing one and shall remain in full force and effect till such time the Borrower repays in full, the said Credit Facility together with all interest, premium on prepayment or on redemption, costs, expenses and other monies that may from time to time become due and payable and remain unpaid to the Bank under the Facility Documentation.
20. The liability of the Guarantors hereunder shall be to the extent of Rs. _____ (Rupees _____) plus all interest, premium on prepayment or on redemption, costs, expenses and other monies payable by the Borrower to the Bank under the Facility Documentation or any other letter or deed. Should there be any excess drawings of the said Credit Facility by the Borrower over and above the initial limit sanctioned to the Borrower, for any reason whatsoever, the Guarantors shall be liable for the entire amount outstanding and the Guarantors expressly waive notice of such excess drawal.
21. Any demand for payment or notice under this Guarantee shall be sufficiently given if sent by post to or left at the last known address of the Guarantors or their heirs or executors or administrators as the case may be, and such demand or notice so made or given, and shall be assumed to have reached the addresses in the case of post, if given by post, and no period of limitation shall commence to run in favour of the Guarantors until after demand for payment in writing shall have been made or given as aforesaid and in proving such notice when sent by post it shall be sufficiently proved that the envelope containing the notice was posted and a certificate by any of the responsible officer of the Bank that to the best of his knowledge and belief, the envelope containing the said notice was so posted, shall be conclusive as against the Guarantors, even though it was returned unserved on account of refusal of the Guarantors or otherwise. In case such notice is served by e-mail, the notice shall be deemed to have been served on the date on which such e-mail has been sent and in case the notice is hand-delivered to the Guarantors, the date of such hand delivery shall be deemed to be the date of delivery of the notice.
22. The liability of the Guarantors hereunder shall not be affected by any dispute between the Borrower and the Bank raised or pending before the Court, Authority, Tribunal or Arbitrator(s) and the Guarantors shall remain liable under these presents notwithstanding any orders passed therein.
23. The Guarantors shall not be entitled to the right conferred on sureties notwithstanding anything contained in sections 133, 134, 135, 139 and 141 of the Indian Contract Act, 1872.
24. The Guarantors agrees and declares that the rights and powers conferred on the Bank by these presents may be exercised against him/her/them jointly and / or severally at the discretion of the Bank.

25. The Guarantors shall not be discharged at any time till such time the Bank issues its discharge in writing.
26. For the purpose of this Deed, unless the context otherwise requires, singular shall include plural.
27. Assignment and Transfer
- The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) whole or part of the Credit Facility and outstanding amounts under the Credit Facility or any other rights and obligations of the Bank under this Deed or any other document pursuant hereto to any person/entity in a manner or under or under such terms and conditions as the Bank may decide in its sole discretion without reference to or intimation to the Guarantors. The Guarantors expressly agrees, in the event of sale or transfer as aforesaid, to accept such person to whom the Credit Facility is sold or transferred as his lender and make the repayment of the Credit Facility to such person as may be directed by the Bank. The Guarantors shall not be entitled to directly assign his rights or obligations under this Deed in part or in whole to any person.
28. The Guarantors agrees that any admission or acknowledgement in writing by the Borrower of the amount of indebtedness of the Borrower or otherwise as in relation to the subject matter of the guarantee, shall be binding on the Guarantors and Guarantors accepts the correctness of any statement of account served on the Borrower which is duly certified by the Bank and the same shall be binding and conclusive as against the Guarantors and Guarantors further agrees that in making an acknowledgement or making a payment the Borrower shall be treated as the authorized agent of the Guarantors for the purpose of Limitation Act, 1963.
29. The Guarantors agrees that the Bank shall not be bound to enquire into the powers of the Borrower and the Bank has power against the Guarantors notwithstanding any security given or being given to the Bank may be void or defective.
30. The Guarantor hereby agrees that, the Guarantor is liable to be treated as a Willful defaulter in terms of the applicable RBI guidelines, in the event, the Bank makes a claim on the Guarantor on account of the default made by the Borrower, and the Guarantor refuses to comply with the demand made by the Bank, despite having sufficient means to make payment of the dues and the Bank shall have the unqualified right to disclose or publish its name or the name of its directors/partners/proprietors as defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
31. Interest on the Credit Facility shall be computed and debited to the Loan Account taking the basis of 365 days a year.
32. The Guarantor hereby agree as a pre-condition of the grant of said credit facility/ies to the Borrower by the Bank, that in case the Borrower commits default in the repayment of the credit facility /ies or in the repayment of interest thereon or any of the agreed installment of the credit facility/ies on due date/s and on the Guarantor's refusal to comply with the demand from the Bank under this guarantee, pursuant to such default of the Borrower, the Bank or Reserve Bank of India will have an unqualified right to declare, disclose and/or publish the name or the names of the Guarantor and its directors/partners as willful defaulter in such manner and through such medium as the Bank or Reserve Bank of India in their absolute discretion may think fit.
33. Credit Bureau disclosure clause :
- a) The Guarantors understands that as a pre-condition, relating to grant of the loans/advances/other non-fund based Credit Facility to the Borrower and furnishing of guarantee in relation thereto, the Bank requires consent of the Guarantors of the Credit Facility granted /to be granted by the Bank for the disclosure by the Bank of information relating to the Guarantors ,, obligations as assumed by the Guarantors/s in relation to the Credit Facility availed by the Borrower and default, if any, committed in discharge thereof.
- b) Accordingly, the Guarantors agree and gives consent for the disclosure by the Bank of all or any such:
34. Information and data relating to Guarantors.
1. The information or data relating to Guarantor's/obligations in any credit facility granted / to be granted by the Bank and guaranteed by the Guarantors and
2. Default, if any committed by the Guarantors in discharge of Guarantor's obligations as the Bank may deem appropriate and necessary to disclose and furnish to any or all Credit Bureaus and any other agency authorized in this behalf by RBI.
- 3) The Guarantors declare that the information and data furnished by the Guarantors to the Bank are true and correct.
35. The Guarantors undertake that-
1. The Credit Bureau and/or any other agency so authorized may use, process the said information and date disclosed by the Bank in the manner as deemed fit by them and

1. The Credit Bureau and/or other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to Banks/Financial Institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

36. The Guarantors confirm that they are aware of the terms and conditions of the facility agreement executed by the Borrower and they shall be bound by the said terms and conditions including but not limited to Article VIII AND IX OF THE facility agreement relating to Arbitration, Debt Recovery Tribunal, SARFAESI and Jurisdiction.

37. CONTINUING GUARANTEE :

The guarantor specifically agrees that the guarantee shall be a continuing guarantee. In consideration of the Bank, at the request of the borrower, having provided the credit facility as mentioned in the Schedule to the facility agreement executed by the Borrower and also in consideration of the Bank agreeing to provide the borrower, at his request, such or any other sum/s under the said facility agreement or any other agreement, the guarantor doth hereby guarantee the prompt and punctual payment of all the sums due and payable by the borrower under this and/or all other agreements entered into by the borrower with the Bank and the guarantee shall remain in force until all the amounts under this agreement and/or all other agreements are fully discharged by the borrower. The guarantor admits and acknowledges that the Guarantee extended by the guarantor under this agreement shall stand extended to all the loan agreement/s entered into by the borrower with the Bank apart from the facility agreement and the guarantor agrees to the same.

IN WITNESS WHEREOF THE GUARANTORS HEREIN HAVE HEREUNTO SET THEIR HANDS ON THE DATE, MONTH AND THE YEAR HEREIN ABOVE WRITTEN.

***IN CASE OF AN INDIVIDUAL**

- 1.
- 2.
- 3.
- 4.
- 5.

***IN CASE OF A COMPANY**

The common seal of the company has been hereunto affixed at the place and date first hereinabove mentioned at.....

The Common Seal ofLtd. has been affixed) hereunto pursuant to the

Resolution of the Board of)

Directors dated..... in the presence of:)

1.)

2.)

the Director/s and/or the, who have in token)

thereof, subscribed their signature hereto.)

***IN CASE OF PARTNERSHIP FIRM**

The Partners of the Firm have executed the Deed at the place and date herein above mentioned.

For..... (Name of the Partnership Firm))
)
(Partners))

In case of Limited Liability Partnership firm

IN WITNESS WHEREOF the designated Partners of the Firm have set and subscribed their respective hands hereto, the day and year first herein above mentioned

For..... (Name of the Limited Partnership Firm)

(Designated Partners)

***IN CASE OF PROPRIETARY CONCERN**

The said Proprietor has executed the Deed at the place and date herein above mentioned.

For _____

Proprietor

***In case of HUF**

The coparceners and all the members of Hindu Undivided Family have executed the Deed at the place and date herein above mentioned.

For _____

***In case of Trust/Society**

The authorised signatory has executed the Deed at the place and date herein above mentioned.

For _____

(Authorised Signatory)

(*PLEASE DELETE WHICH IS NOT APPLICABLE)

End use Declaration

(Date)

Dear Sir,

Sub : Application for Credit Sanction Facility.

I/We, _____ refer to the Application No. _____ dated _____ submitted by me to Equitas Small Finance Bank Limited for availing of an _____ Facility from Equitas Small Finance Bank Limited.

Facility	Purpose
Overdraft	For General Business purpose/Working Capital <input type="checkbox"/>
Cash Credit	For General Business purpose/Working Capital <input type="checkbox"/>
Card power	For General Business purpose/Working Capital <input type="checkbox"/>
Secured Term Loan	For Purchase of property <input type="checkbox"/>
	or Purchase of Machinery <input type="checkbox"/>
	For Business Purpose <input type="checkbox"/>
In case of any other Facility Facility Type:	<input type="checkbox"/>

I hereby represent, warrant and confirm that the aforesaid purpose is a valid purpose and also agree and undertake to utilize the facility only for the above mentioned purpose and that the facility shall not be used for the purpose other than the purpose for which it is availed of and further the said facility shall not be used for :

- Purchase of gold in any form including primary gold, gold bullion, gold jewellery, gold coins, Units of Gold Exchange Traded Funds (GETF), Units of Gold Mutual Funds.
 - In speculative, anti-social and illegal activities.
 - Acquisition of/investing in Small Savings Instruments including Kisan Vikas Patra and for the purchase of your bank's shares and securities and/or also to increase my stake as promoter in any company that I may be associated with.
 - Acquisition of small savings instruments (including KVP & NSC)
 - Subscribing to Indian Depository Receipts.
- Any other nefarious activities

I further agree, confirm and undertake that the purpose of use of funds under the facility shall not be changed in any manner during the tenor of the facility or that such change in purpose shall take place only with the prior written permission of Equitas Small Finance Bank Limited. There shall not be any diversion or siphoning of funds provided under the facility by the Borrower. I agree that any breach or default in complying with all or any of the aforesaid undertaking(s) will constitute an event of default under the Facility Agreement executed with the bank and accordingly the bank will have the right to initiate appropriate recovery proceedings for recovering the outstanding dues in the loan account and also to declare us as willful defaulter.

Thanking you

Yours Sincerely,

DISBURSAL ADVICE

Date:

To,

Equitas Small Finance Bank Limited,
4th Floor, Phase-II, Spencer Plaza,
769, Anna Salai,
Chennai 600002.

Dear Sir/Madam,

Subject - Request for disbursement of Credit facility sanctioned to us.

You are requested to disburse an amount of Rs. _____ by way of:

Transfer:

To my account number: _____

DD:

DD favouring _____

Payable at _____

NEFT/RTGS:

Beneficiary Name _____

IFSC Code _____

Account Number _____

Bank Name _____

Bank Branch _____

I/We hereby agree and confirm that the subsequent withdrawal shall be done in the said facility account post receipt of cheque book.

Thanking you,

Yours Truly

For (Name of Firm/Individual)

Signature(s) /Authorised Signatories

(Authorised Signatory stamp to be affixed in case of the Firm/ Company)

STANDING INSTRUCTION

Date : _____

From:

(Borrower/s Name & Address)

To,

Equitas Small Finance Bank Limited

4th Floor, Phase-II, Spencer Plaza,

769, Anna Salai,

Chennai 600002.

Ref: Debit Authorisation for recovery of monthly Interest and/or principal and/or charges under Account

No _____ in the name of _____

Dear Sir,

This is with reference to above mentioned Overdraft facility of Rs. _____

(Rupees _____) sanctioned and disbursed to me / us by Equitas Small Finance Bank Limited., at my/our request.

I/We are aware that we need to service monthly interest in the account, which is levied on the utilization of the funds.

I/We authorize you to debit the monthly Interest amount, due in my facility account every month on _____ or thereafter, from my current account no. _____ with your Bank.

This instruction is irrevocable till the continuation of the facility.

Thanking you,

Yours truly

Borrower Name

(Signature and Seal of the borrower/s)

Authority letter for execution of loan documents in case of a partnership

Date:

No Objection Certificate from all Partners

(to be typed on the letterhead of the partnership firm)

Dear Sir,

We, the partners of M/s. _____ having our office at _____ declare that we are aware that our Firm M/s _____ / partner/Mr/Mrs/Ms _____ is desirous of taking a Overdraft of Rs. _____ for the purpose of meeting working capital requirements.

We do hereby authorize our partner/s Mr./Mrs./Ms _____ and Mr./Mrs./Ms _____ jointly /severally (whose specimen signature/s is/are set out further below herein) to execute all necessary documents in connection with the said facility .We have read and understood all the terms and conditions of your financing scheme as stated in the Facility documents and the same are known and acceptable to us and all acts done and any documents executed by any of the authorised partner/s in connection with obtaining the said facility shall be binding on the firm and each of the partners as if done /executed by us. In the event of dissolution of our firm, we shall be jointly and severally liable.

We further confirm to Equitas Small Finance Bank Limited that we are the only partners of the firm and the firm is unregistered /duly registered under the Indian Partnership Act, 1932. We shall advice Equitas Small Finance Bank Limited in writing of any changes, which may take place in the partnership.

Specimen Signature(s) of the aforesaidauthorised partner/s of the firm:

Signature of Mr./Mrs./Ms: _____

Signature of Mr./Mrs./Ms: _____

Thanking you,

Yours faithfully,

For _____

(to be signed by all the partners)

Sr.No.	Name of the partner	Signature
1		
2		
3		

PARTNERSHIP LETTER

To,
Equitas Small Finance Bank Limited
4th Floor, Phase-II, Spencer Plaza,
769, Anna Salai,
Chennai 600002.

Dear Sirs,

We the undersigned-

1

2

3

4

request you to take notice that we are carrying on trade as a partnership firm under the name and style of M/s. _____, having its office/place of business at _____, that our firm has been established under the provisions of the Indian Partnership Act and further request that all transactions entered into with you by all or any one or more of us and all obligations incurred by all or any one or more of us whether under the signature of the firm or subscribed by the individual signature of the persons entering upon the transaction or incurring the obligation, with or without co-obligants may be regarded by you as entered into and incurred for and on behalf of all of us jointly and severally and also on behalf of all of us jointly or severally and also the assets of the firm shall be liable for the amount due to the Bank. We also request you to take notice that every one of us is authorized to draw, execute, endorse/accept and negotiate cheques, promissory notes, hundies, bills and other negotiable instruments on behalf of all of us and our firm and we also request you to take notice that our liability to you as aforesaid shall not in any way be affected even if any third party joins in the transaction as co-obligant. We further hereby intimate to you that as per an agreement between the Equitas Small Finance Bank Limited on the one part and ourselves on the other part, person of each and every one of us is liable to you in respect of all or any of the aforesaid transactions or obligations. The retiring partner shall be liable to issue notice to you regarding retirement in the manner required under Section 32 of the Partnership Act and such retiring partner/s shall be liable and continue to be liable to you for any act done by the firm or any of the partners until public notice is given of the retirement as aforesaid.

Further in the matter of making payment towards the liability arising in the account or acknowledging the liability of any part therefore as and when called upon by the bank to do so for the specific purpose of saving limitation, we declare that the payments or acknowledgement /s make or given by any one or more of us shall be binding on all of us jointly and or severally and that the said payment/s and acknowledgement/s so made given by one or more of us shall save limitation against all of us jointly and or several for the purpose of Law of Limitation, as such acknowledgement/s of debt and or payment/s shall be taken as given and made as agent/s of the other or other partners.

We also confirm that the partnership deed/reconstituted partnership deed executed on _____ (Latest date of partnership deed) is valid and that there are no subsequent modifications to the above mentioned deed.

This letter shall operate and be effective notwithstanding any provision in our deed of partnership, which may be in conflict or inconsistent with any of the other terms herein.

Yours faithfully,

I)

II)

III)

(Signature of the Partners)

* Seal of the partnership seal not be affixed

Place:

Date:

EQUITAS SMALL FINANCE BANK LIMITED

SIGNATURE CARD

Solid ID _____

I Certify that the following persons are the Authorised Signatories including Addition /Deletion of signatures in Account No: _____

I confirm that the Signature of the following Authorised Signatories are obtained in my presence.

Name of the Customer/Company/LOA Holder _____

ACCOUNT NO.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Mode of Operations

For Credit Facility

- | | | |
|---|--|--|
| <input type="checkbox"/> Self | <input type="checkbox"/> Any one Partner | <input type="checkbox"/> Others |
| <input type="checkbox"/> Either or Survivor | <input type="checkbox"/> Any one Trustee | <input type="checkbox"/> Prop. /Auth. Sig. |
| <input type="checkbox"/> Jointly by all | <input type="checkbox"/> Any Two Jointly | <input type="checkbox"/> As per Resolution |

EQUITAS SMALL FINANCE BANK LIMITED

SIGNATURE CARD

Name of the Branch _____

Solid ID _____

I Certify that the following persons are the Authorised Signatories including Addition /Deletion of signatures in Account No: _____

I confirm that the Signature of the following Authorised Signatories are obtained in my presence.

Name of the Customer/Company/LOA Holder _____

ACCOUNT NO.

--	--	--	--	--	--	--	--	--	--	--	--	--	--

(1) CIF ID

(2) CIF ID

Name of the Authorised Signatory (in block ink)

Name of the Authorised Signatory (in block ink)

Relation Type

Relation Type

(Signature of Authorised Signatory)

(Signature of Authorised Signatory)

(3) CIF ID

(4) CIF ID

Name of the Authorised Signatory (in block ink)

Name of the Authorised Signatory (in block ink)

Relation Type

Relation Type

(Signature of Authorised Signatory)

(Signature of Authorised Signatory)

FOR OFFICE USE

Signature Number.....Signature of AUTHORISED OFFICER WITH SEAL

Date: _____ Seal _____

- Note :** 1) Use of this Signature Format with Black Ink is Mandatory.
 2) Pls. refer below mentioned options for selections of Relation Type

Relation Type

- | | | | |
|------------------|------------------|-------------------------|-------------------------|
| A - Authorised | G - Guarantor | L - Letter of Authority | P - Power of Authority |
| C - Co applicant | H - Legal Heir | M - Main | S - portfolio Statement |
| D - DSA | J - Joint Holder | O - Others | |

3) Pls refer below mentioned option if Mode of Operation is selected as Others.

Mode of Operation		
FORMER OR SURVIVOR	LEFT THUMB IMPRESSION	REFER SIGNATURE CARD
JOINTLY OR SURVIVORS	PARDANASHIN	SELF/AUTH.LETTER HOLDER
ANYONE SINGLE OR SURVIVOR	MINOR > 13 YEARS	ANY TWO PARTNERS JOINTLY
ANY TWO JOINTLY	MINOR OPERATED BY GUARDIAN	ANY ONE DIRECTOR
ANY THREE JOINTLY	MINOR&GUR;OPER BY GUARDIAN	ANY TWO DIRECTORS JOINTLY
ALL JOINTLY	LATTER OR SURVIVOR	KARTA
FIRST ONLY FIRST TWO JOINTLY	POWER OF ATTORNEY HOLDER	ANY ONE AUTHORISED SIGNATORY
	AS AUTH.BY BOARD RESOLUTION	KARTHA OR CO-PARCENER.
FIRST THREE JOINTLY AUTH SIGNAT ONE OR ALL	IST 4 SINGLY REST JOINTLY	NON-OPERATIVE, COLLECTION ACCOUNT
FORMER OR ANY TWO	JOINTLY OR SEVERALLY	BY MANAGING PARTNER ONLY
JOINTLY	ANYONE OF FIRST TWO	BY MANAGING TRUSTEE ONLY
AUTH SIGN.FIRST & ANY ONE	BOTH OR SURVIVOR	KARTHA OR CO-PARCENER
AUTH SIGNATORY ANY TWO	KARTHA OF HUF	

Annexure to IRAC norms

From :
Mr/Ms/M/s.....
(Name and address of the borrowers)

To :
The Branch Head,
(Name of the lending Institution and address)

Dear Sir,

With reference to the Credit facilities sanctioned to me/us vide sanction Letter Ref. No. dated, and being availed by us today. I/we confirm having understood the following concepts and illustrative examples related to due dates, classification of our borrowal accounts as SMNNPA In the course of the conduct of the accounts.

Concepts / clarifications / Illustrative examples on Due dates and specification of SMA / NPA classification dates

Dues :

mean the principal / interest / any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

Overdue :

mean the principal / interest / any charges levied on the loan account which are payable but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

Relevance of the Principle of 'First In First Out' (FIFO) in appropriation of payments into the borrowal account :

The Principle of FIFO i.e., 'First In, First Out' accounting method is relevant to arrive at the No of days of overdue for determining the SMA / NPA status. The FIFO principle assumes that the oldest outstanding dues in the loan account needs to be cleared first. The FIFO method thus requires that what is due first must be paid by the borrower first. For example.

if in any loan account as on 01.02.2021 there are no overdues and an amount of Rs. X is due for payment towards principal installment/interest/charges, any payment being credited on or after 01.02.2021 in the loan account will be used to pay off the dues outstanding on 01.02.2021.

Assuming that nothing is paid / or there is partial payment (Rs. Y) of dues during the month of February, the overdue as on 01.03.2021 will be Rs X-Y.

Additionally an amount of Rs. Z becomes due as on 01.03.2021, Now any payment / partial payment into the account on or after 01.03.2021 will be first utilized to pay off the partial due of 01.02.2021 (Rs. X - Rs. Y) If there is more recovery than the Rs. X - Rs. Y then after recovering dues of 01.02.2021, the remaining amount will be treated as recovery towards due of 01.03.2021 Age of oldest Dues.

The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain

Loans in the nature of Term Loans		Loans in the nature of cash credit / overdraft	
SMA Sub-categories	Basis for classification - Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of
SMA-0	Upto 30days		
SMA-1	More than 30 days and upto 60 days	SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days	SMA-2	More than 60 days and upto 90 days

Non-performing Asset :

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

1. interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a term loan.
2. the account remains 'out of order' as indicated below in respect of an Overdraft / Cash Credit (OD/CC),
3. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
4. the installment of principal or interest thereon remains overdue for two crop seasons for shortduration crops.
5. the installment of principal or interest thereon remains overdue for one crop season for longduration crops.

'Out of Order' Status :

An account shall be treated as 'out of order' if.

- i. the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days or

- ii. the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Illustrative movement of an account to SMA category to NPA category based on delay / nonpayment of dues and subsequent upgradation to Standard category at day end process :

Due date of payment	Payment Date	Payment covers	Age of oldest dues in days	SMA / NPA Categorization	SMA since Date / SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA
01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01.02.2022 and 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022 / 03.03.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not fully Paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No Payment of dues of 01.02.2022, 01.03.2022 and amount due on 01.04.2022 at EOD 01.04.2022	60	SMA-1	01.02.2022 / 03.03.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA-2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA-2	01.02.2022 / 02.04.2022	NA	NA

		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NPA	02.05.2022
01.06.2022	01.06.2022	Fully Paid dues of 01.02.2022 at EOD 01.06.2022	93	NPA	NA	NPA	02.05.2022
01.07.2022	01.07.2022	paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.2022	01.08.2022	paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.2022	01.09.2022	paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.2022	01.10.2022	paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Overdues	NA	NA	STD from 01.10.2022

I/we also understand that the aforesaid few examples are illustrative and not exhaustive in nature covering common scenarios, and that the IRACP norms and clarifications provided by RBI on the subjects referred above will prevail.

Yours Sincerely,

(Borrower/s)

Date :

Place :