



EQUITAS SMALL FINANCE BANK LIMITED

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

HOUSING LOAN AGREEMENT

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

HOUSING LOAN AGREEMENT

THIS AGREEMENT Executed in Chennai on the date mentioned in the schedule of the Agreement.

The Borrower, Guarantors(s) more particularly described and set out in the schedule hereof (herein after referred to as '**the Borrower**' and the Guarantor(s), more particularly described and set out in the schedule hereof (hereinafter referred to as "**the Guarantor(s)**") which expression's shall unless repugnant to the context or meaning thereof, be deemed to mean and each of them jointly or severally of his/her/its/their respective heirs, executors, administrators, nominees, attorneys, and legal representatives of the **ONE PART**

And

M/s. EQUITAS SMALL FINANCE BANK LIMITED, a banking bank incorporated and registered under the Companies Act, 1956, carrying on business under Banking Regulation Act, and having its Registered Office at No.769, Spencer Plaza, 4th Floor, Phase-II, Anna Salai, Chennai - 600 002, hereinafter called '**the Bank**' (which expression shall unless repugnant to the subject of context thereof includes, its successors and or assigns) of the **OTHER PART**

Whereas the Borrower(s) have requested Bank to grant him/her/them a loan for purchase/construction of residential heirs and the Bank has accepted the request made by the borrower and has agreed to grant a loan as per the Schedule on the terms and conditions stated hereunder read with the sanction letter.

NOW THEREFORE THIS AGREEMENT WITNESSETH AS FOLLOWS:

ARTICLE 1 DEFINITIONS

1.1 In this Agreement, unless the context otherwise so requires, the following terms and expressions shall have the following meanings, viz:

- a) "**Concessional rate of interest**" means the concessional rate of interest arrived at by suitably adjusting the rate of interest on the increased rate of interest as per provision to Article 2.2 as the case may be, to give effect to the interest concession the borrower is entitled to according to the rules of BANK in that behalf as in force from time to time.
- b) "**Construction**" means where a new building is put up where none existed before or with reference to a house/dwelling unit shall mean and include extension thereof.
- c) "**Equated Monthly Installment (EMI)**" means the amount of monthly payment necessary to amortize the loan with interest within such period as may be determined by BANK from time to time.
- d) "**House**" means a residential house or a dwelling unit of any size and includes a bungalow, an ownership apartment, a flat, a row house etc, but does not include a farm house or a lodging house or a semi-permanent house.
- e) "**Loan**" means the loan amount provided for in the Article 2.1 of this Agreement and the Schedule read with the original sanction letter.
- f) "**Pre Equated Monthly Installment Interest (PRE-EMI)**" means interest at the rate indicated in Article 2.2 of this agreement on the loan from the dates of disbursement to the date immediately prior to the date of commencement of EMI.
- g) "**Prepayment**" means premature repayment of the loan as per the terms and conditions laid down by BANK in that behalf and in force at the time of repayment.
- h) "**Rate of Interest**" means the rate of interest applicable to loan and as referred to in Article 2.2 of this agreement and as varied from time to time in terms of this agreement.
- i) "**Repayment**" means the repayment of principal amount of the loan and payment of interest thereon, commitment and / or any other charges, premium, fees or other dues payable in terms of this Agreement to BANK and means in particular amortization of the loan as provided for in Articles 2.7 of this Agreement.
- j) "**Schedule**" means the Schedule written after Article-12 of this agreement.
- k) "**Variable Interest Rate**" or "**VIR**" means the rate of interest which the Bank shall compute and apply on the Loan, as stated in the Schedule or as may be amended from time to time by Bank and conveyed to Borrower vide letter to that effect, which letter/s shall form an integral part of the original sanction letter and this loan agreement shall always be read in conjunction with the same..

1.2 The term "**Borrower**" wherever the context so require shall mean and be construed to include 'Borrowers' and or Guarantor(s) and the masculine gender wherever the context so requires shall mean and be construed as the feminine gender.

1.3 All other terms and expressions used but not defined herein shall have the interpretation and meaning assigned to them in the General Clauses Act 1987.

ARTICLE-2 LOAN, INTEREST ETC.,

2.1 Amount of loan

The Borrower agrees to borrow from the Bank and the Bank agrees to lend to the Borrower set out in the Schedule hereto, on the terms and conditions stated herein and/or Key Fact Statement hereof.

2.2 Interest

a) The variable rate of interest applicable to the loan as on the date of execution of this agreement is mentioned in the sanction letter. The borrower agrees to pay the interest on the principal amount of the loan outstanding at the rate as mentioned in the sanction letter, till the interest rate is varied by the Bank. Provided that in the event of the Bank varying the interest rate prior to disbursement of the full loan amount, the rate as varied shall be applicable to the loan forthwith from the

date of such variation and the borrower shall pay interest on the principal amount of the loan outstanding at such varied rate.

b) The Borrower shall reimburse or pay to the Bank such amount as may have been paid or may have become payable by the Bank to the Central or State Government on account of any tax levied on interest (and/or other charges including PRE-EMI) on the loan by the Central or State Government and such reimbursement or payment shall be made by the Borrower as and when called upon to do so by Bank.

c) The notification in the Notice Board of the bank in the bank/Branch premises and in the website of the Bank, regarding the variation of rate of interest, incidental charges, pre-payment and pre-closure charges from time to time as per direction of the bank, shall be sufficient notice to the Borrower/Guarantor(s) and the Borrower/Guarantor(s) agree to pay the same at the rate notified by the bank in the Notice Board of the bank/Branch, from time to time until all our dues are cleared. The Borrowers/Guarantor(s) hereby expressly waives any notice of any such charge.

d) Except when chosen by the customer to the contrary, in case of floating rate loans linked to External Benchmark rate (EBR), whenever interest rates are reset consequent to change in External Benchmark Rate, the endeavour would be to keep the EMI amount constant while the loan tenure and the number of EMIs can be increased or decreased depending on the change in EBR. However, where keeping EMI constant results in negative amortisation, EMI amount would be suitably revised upwards to prevent such negative amortisation.

2.3 Computation of Interest (Housing Agreement)

The Borrower hereby understands, acknowledges, confirms, assures and agrees that:

a) In calculating the EMI, interest shall be calculated on the basis of monthly rest and is rounded off to the next rupee. Interest shall be computed on the actual daily outstanding principal balance of the loan on the basis of a 360 days year and actual number of days elapsed. If the loan is disbursed in stages, the amount of EMI may vary during the tenure of the loan (PEMI), and the PEMI amount in such case may be arrived at from time to time on the basis of amount drawn on each stage, however, the Borrower shall service interest as and when debited.

b) Borrower agrees to remit broken period interest at the rate agreed upon with the lender, in case of difference in days from the date of Sanction and disbursement, disbursement in tranches, credit of subsidy etc.

c) Under circumstances stated under a & b above, either the repayment tenure or the amount of the EMI shall be subjected to such changes at the discretion of the lender. The borrower shall pay the EMI/PEMI without delay/default.

2.4 Details of Disbursement

The loan shall be disbursed in one lump sum or in suitable installments to be decided by Bank with reference to the need of the Borrower or progress of construction of the house (which decision shall be final and binding on the Borrower) The Borrower hereby acknowledges the receipt of first installment/entire amount of the loan disbursed as per the receipt herein below. The Bank may deduct from sums to be lent to the Borrower any monies then remaining due and payable by the Borrower to the Bank.

2.5 Mode of Disbursement

a) All payments to be made by Bank to the Borrower under or in terms of this Agreement shall be made by a Cheque duly crossed and marked "A/c. Payee only"/ RTGS and the collection charges, if any in respect of all such Cheque/RTGS, will have to be borne by the Borrower. The interest on the loan will begin to accrue in favour of Bank as and from the dispatch of the Cheque, irrespective of the time taken for transit/collection/realization of the cheque by the Borrower or his Bank.

b) Disbursement shall be as mentioned by the borrower under the Loan disbursement request form, as applicable.

2.6 Post Dated Cheques, NACH and Standing Instruction (Instruments)

a) The Borrower shall execute and deliver to the Bank post-dated cheques/NACH/ ECS Mandates/Standing instruction drawn in favour of Bank for the due payment of the interest, principal, EMIs, balance principal which would be payable and all applicable service, annual and other charges, payable by the Borrower to Bank. Such post-dated cheque shall be drawn on Bank acceptable to the Bank and situated in a locality in the city/town where the concerned Branch of BANK is situated. Bank shall be entitled to present the said post-dated cheque/ NACH / ECS mandate/ standing instruction on their respective due dates and the Borrower agrees and undertakes that:

(i) the Borrowers shall ensure that each of the said instrument is honoured on first presentation and

(ii) the Borrowers shall not in any event and in any circumstance instruct the Bank not to process the instrument or any of them or stop payment of any such cheque; and if notwithstanding the above the Borrower issues any such instruction, the same shall be considered as null and void. In the event of any dishonour of the instrument, without prejudice to the Bank's other rights, the Borrowers shall be liable to pay to Bank a dishonor charge, as per the rules of Bank in that behalf, in force from time to time.

b) Borrower/s had provided/undertakes to provide ECS/Standing Instructions/NACH/Security PDC, apart from the ones provided for payment of instalments, as security, which the Bank shall be entitled to present to realise the amount outstanding under the loan, anytime during the tenure of the loan or thereafter, in an event of Borrower/s committing delay and/or default in the payment of instalments under the loan agreement

2.7 Amortisation

a) Subject to Article 2.2 of this agreement, the Borrower will repay the loan as per the annexure to the Welcome Letter and the commencement of EMI shall be as mentioned under the sanction letter first day of the month succeeding the month in which the disbursement of the loan has been completed and consequently the due date of payment of first EMI shall in such case will be the last day of the said succeeding month.

b) In addition to (a) above, the Borrower shall pay to Bank PRE-EMI, if applicable.

c) Notwithstanding anything which is stated in Article 2.7 (a) above and in the sanction letter the Bank shall have the right at any time or from time to time to review and reschedule the repayment terms of the loan or of the outstanding amount thereof in such manner and to such extent, as the Bank may decide in its sole discretion. In such event/s the Borrower shall repay the loan or the outstanding amount thereof as per the revised schedule as may be determined by Bank in its sole discretion and communicated to the Borrower by the Bank in writing.

d) The Borrower shall, of his own accord, furnish to Bank a statement of his annual income, every year from the date mentioned first thereof. However, Bank shall have the right to require the Borrower to furnish such information/documents in relation to his income and/or concerning his employment, trade, business or profession at any time and the Borrower shall furnish such information/documents immediately.

2.8 Delay in payment of EMI etc.,

a) No notice, reminder or intimation will be given to the Borrower regarding his obligation to pay the EMI or PRE-EMI regularly on due date, it shall be entirely his responsibility to ensure prompt and regular payment of EMI or PRE - EMI.

b) The delay in payment of EMI or PRE-EMI shall render the Borrower liable to payment of penal charges in that behalf as per the schedule of charges as may be in force and published by the Bank in its website, from time to time for the instalment amount due but not paid, for the period of delay.

2.9 Pre-Payment and Pre-closure

BANK may its sole discretion and on such terms as pay pre-payment charges etc., as it may be prescribed, permit acceleration of EMI or prepayment either in part or full at the request of the Borrower. If the loan is pre-closed, the Borrower shall pay Pre-closure charges as per the schedule hereto of the outstanding loan liability or such higher percentage as Bank may stipulate at its sole discretion, from time to time.

2.10 Due date of payment

If the due date in respect of any EMI falls on a Saturday or a day which is a bank holiday at the place where the payment is to be made, the immediate succeeding working day shall be the due date for such payment.

2.11 Commitment charges

The Borrower shall pay to Bank a commitment charge at the rate of 1% per annum or as per the rate of the Bank in that behalf as in force from time to time on the principal amount of the loan or any part thereof, as the case may be, which shall not have been drawn and shall not have been cancelled by Bank.

2.12 Terminal Dates for Disbursement

Notwithstanding anything to the contrary contained herein, Bank may by a written notice to the Borrower suspend or cancel further disbursement of loan, if the loan shall not have been fully drawn within 12 months from the date of the sanction letter/welcome letter.

2.13 Alteration and Re-Scheduling of Monthly Installments

If the loan is not totally drawn by the Borrower within a period of 12 months from the date of the sanction letter/welcome letter the EMI may be altered and re-scheduled in such manner and to such extent as Bank may, in its sole discretion decide and the repayment will be made in accordance with the said alteration and rescheduling notwithstanding anything contained in the above stated Article 2.7 and the Schedule hereto.

ARTICLE-3 SECURITY

3.1 Security for the loan by Mortgage of property

The Borrower agrees and undertakes that the principal sum of the loan, interest, commitment and other charges and any other dues under this Agreement shall be secured by a mortgage of the property described under the schedule to the MODT/Deed of Mortgage (hereinafter referred to as “**the property**”) and charged in favour of the Bank, in a form as may be decided by the Bank and satisfactory to the Bank.

3.2 The Borrower shall:

a) Give a declaration to the effect that the Borrower has a clear and marketable title to the property offered as security which is free from all reasonable doubts and encumbrances and that the Borrower indemnifies and keeps BANK saved and harmless against any risk whatsoever.

b) Execute any such agreement/s, document/s, undertaking/s that may be required now or hereafter at any time during the pendency of this loan or any other loan or loans granted by Bank hereafter.

c) Execute a power of attorney in favour of Bank in the form prescribed by Bank.

d) Obtain such approval/permissions/consent/no-objection certificate as may be necessary for creation for the mortgage in favour of Bank, from the authorities/bodies/persons concerned.

3.3 If, at any time, during the subsistence of this Agreement, Bank is of the opinion that the Borrower should provide and furnish other and/or additional security for the loan, the Borrower shall provide and furnish to BANK, to its satisfaction such other or additional security as may be acceptable to BANK.

3.4 Perfection of title to security

The Borrower will from time to time on the request of Bank do all such acts and/or execute all such additional documents as Bank may consider necessary for perfecting the title of Bank to any security which may be created in favour of Bank and/or for securing the Bank the full benefit of all rights, powers and remedies conferred on Bank herein.

3.5 Additional Security

The borrower undertakes to create and/or cause to be created from time to time such additional security which may be made in favour of Bank as Bank may require to secure the payment of the borrower's Dues and also undertakes to execute and / or furnish the Bank such guarantee/s and other documents and writings as the Bank may require. Without prejudice to the generality of the above, the borrower agrees and undertakes to create in favour of the Bank such additional security as Bank may require in event of:

- a) The borrower's dues then outstanding being more than the market value of the security which may be made available to Bank (computed as per Bank's loans and policies): or
- b) The depreciation or destruction of or damage or fall in value of any security which may be made available to Bank as security or the title of any security which may be available to Bank being unclear, unmarketable or encumbered in the opinion of Bank.

3.6 Continuing Security:

All securities which may be furnished to BANK pursuant to this Agreement or otherwise in connection with the loan shall be and remain a continuing security to Bank binding the borrower and

- a) shall not be discharged by any intermediate payment by the borrower or any settlement of accounts between the borrower and Bank or the loan account being in credit; and
- b) shall be in addition to and not in substitution for or derogation of any other security which Bank may at time hold in respect of the borrower's Dues / obligation hereunder.
- c) Shall be available to Bank until all accounts between Bank and the borrower in respect of this agreement and/or any other agreement, in whatever capacity, and the entire loan outstanding is ultimately and finally settled.

3.7 Notwithstanding anything contrary contained either under this Agreement or any other law for the time being in force, the Bank shall have the right to proceed against all or any of the securities created in favour of or held by the Bank jointly or severally towards the enforcement of security interest created by the Bank on any or all of the securities/additional securities mortgaged under this Agreement or under any other agreement, irrespective of the capacity of the Borrower under such agreements.

ARTICLE - 4

CONDITIONS PRECEDENT TO DISBURSEMENT OF THE LOAN

4.1 a. Utilisation of Borrower's Contribution

The Borrower assure Bank that he had, prior to receiving the disbursement of the loan this day as aforesaid utilised his own contribution to the extent and in the manner indicated in the schedule hereto towards purchase price or cost of construction of the house, as the case may be.

b. Title

The Borrower assures Bank that he/she has absolute, clear and marketable title to the property to be mortgaged by him/her in favour of BANK as security for the loan and the said property is absolutely unencumbered and free from liability whatsoever.

c. The Borrower further assures Bank that all documents, deed of title, etc, relating to the property (described in the schedule) are in the possession of the Borrower and that the said documents have been duly stamped and registered in accordance with provision of the laws applicable. The Borrower further assures BANK that the documents mentioned have been lodged for registration / not been executed. The Borrower undertakes to have the said documents duly executed and registered, if necessary, in an expeditious manner and furnish satisfactory evidence of the same to Bank. The Borrower agrees to pay the proper stamp duty on all the documents relating to the said property.

4.2 Other Conditions for Disbursement:

The obligation of Bank to make any disbursement under the loan Agreement shall be subject to the Borrower performing all his/her obligation and undertakings under this Agreements and also abide subject to the conditions that:

a) Non-existence of Event of Default:

No event of default as defined in Article 7 of this agreement shall have happened and no event, which with the lapse of time, or notice and lapse of time, would become an event of default, has happened and been continuing.

b) Evidence of Utilisation of Disbursement:

Such disbursement shall, at the time of request therefore, be needed immediately by the Borrower for the purpose of purchase or construction of the house as the case may be, and the Borrower shall produce such evidence of the proposed Utilisation for the proceeds of the disbursement to the satisfaction of Bank and shall also produce an approved loan and agreement to sell.

c) Extra-Ordinary Circumstances:

No extra-ordinary or other circumstance shall have occurred, which shall make it impossible for the Borrower to fulfill his/her obligations mentioned in this Agreement.

d) Utilisation of prior Disbursement:

The Borrower shall have satisfied Bank about the Utilisation of the proceeds of any prior disbursement.

e) Pending legal Proceedings:

The Borrower shall have furnished a declaration to the effect that there is no action, suit, proceedings or investigation pending to the knowledge of the Borrower or against the Borrower before any court of Law or Government authority or any

other competent Authority which might have a material effect on the financial and other affairs of the Borrower or which might adversely affect the validity or performance of this agreement or any of its terms and conditions.

f) Creation of Security:

The Borrower shall create security as stipulated by the Bank in this Agreement or otherwise, in favour of Bank.

g) Guarantee:

The Borrower shall have procured irrevocable and unconditional personal guarantees from such persons as are acceptable to Bank for the due repayment of the loan and the payment of the loan and the payment of all interest, commitment and other charges and other monies payable by the Borrower, in the form prescribed by Bank.

h) Representation and Warranties

The representations and warranties of the borrower contained in Article 6 of this agreement shall be true (i) on and as of the date hereof, and (ii) on and as of the intended disbursement (as if made on such date) or availment of the loan

i) Non Resident Indian:

Where the borrower is a non-resident Indian for the FEMA Act, 1999 or other law in force in India relating to foreign exchange, the borrower shall have obtained all permissions, authorisation, approvals, sanction as may be required for borrowing under the loan and the implementation of the purpose to the satisfaction of BANK and all conditions prescribed therein shall have been fulfilled by the borrower.

**ARTICLE - 5
COVENANTS**

5.1 Particular Affirmative Covenants

a) Utilisation of Loan

The Borrower shall utilise the entire loan for the purchase/construction of the House as indicated by him in his loan application and for no other purpose whatsoever. If, for any reason, the Borrower is unable to utilise the loan for purchase / construction of the house or the cost of purchase/construction is less than the loan amount the Borrower shall forthwith repay the amount of the loan, or the excess amount as the case may be, to the Bank.

b) Construction

The Borrower undertakes that he/she shall complete the said construction within 24 months from the date of first disbursement and the construction shall be as per the approved plan, as may be applicable and obtain, furnish to bank a proper completion certificate when issued by the concerned competent authority in respect of the House immediately. Payment of PEMI by the borrower shall not be available to him/her beyond 24 months and the loan shall be treated as Loan against Property and interest as applicable for such loans shall be applicable subject to the norms of the bank. In such an event, the borrower shall be bound by the decision of the bank in this regard. In case of purchase of a builtup property, borrower shall ensure the availability of approved plan and furnish a copy of the same to the Bank.

c) Notify cause of delay

Borrower shall promptly notify BANK of any event or circumstances which might operate as a cause of delay in commencement or completion of construction of the House or compel the Borrower to abandon the same.

d) Maintenance of Property

The Borrower shall maintain the property, when completed in good order or condition and will make all necessary repair, addition and improvements thereof during the pendency of the loan.

e) Notify changes in employment etc.

The Borrower shall notify Bank of any change in his/her employment, business or profession within 7 days of such change.

f) Compliance with rules and payment of maintenance charges etc.

The Borrower shall duly and punctually comply with all the terms and conditions of the holding of the house and all the rules, regulation, bye-laws, etc., of the Co-operative Society/Association/Limited bank concerned or any other competent Authority and pay such maintenance and other charges for up keep of the house as also any other dues etc., as may be payable in respect of the said house or the use thereof.

g) Insurance

Notwithstanding what is herein before stated, the Borrower shall be vigilant and shall see that the house/property is constructed as per the guidelines issued under National Building code and by National Disaster Management Authority (NDMA) and is always duly and properly insured against fire and other hazards. During the pendency of the loan, the Bank shall be made the sole beneficiary under the policy/policies and the Borrower shall produce evidence thereof as required by Bank. The Borrower shall pay sums payable for the purpose of insuring the house/property and furnish evidence thereof to the Bank each year and whenever called upon to do so.

h) Loss/damage to house

The Borrower shall promptly inform BANK of any loss or damage to the house/property that may be caused to it for any reason whatsoever.

i) Life Insurance Premium

The Borrower shall also duly pay premium and other sums payable in respect of the Life Insurance Policy(ies) assigned to Bank as a security where applicable and furnish evidence thereof to the Bank whenever called upon to do so.

j) Due Payments/Repayments

The Borrower shall make all payments due under this Agreement on their respective due dates.

k) Statements and Warranties:

The Borrower shall ensure all statements, representations, warranties, information, accounts and other documents and matters which are or which may hereafter be furnished by the Borrower to Bank and/or which are contained/which may be contained in this Agreement or in any other writings executed by the Borrower or any guarantor(s) are / shall be true and correct and not misleading in letter or in spirit whether by reason of omission to state a material fact or otherwise.

5.2 Performance of Guarantor(s) obligation:

The Borrower shall ensure that all guarantor(s) duly perform and discharge all their obligations under their respective letter(s) of Guarantee and all other writings executed/rendered by them to Bank pursuant to the terms and conditions of this Agreement.

5.3 Co-operation and Assistance

The Borrower shall render to Bank all such assistance and co-operation as Bank may require for protecting the Bank's interest and/or enforcing Bank's rights under this Agreement and/otherwise in connection with the loan or any security that may be made available to the Bank.

5.4 Permissions for creation of security:

The Borrower shall ensure that all permission, intimations, notice, etc., which may be required by law or under the terms of any bye-law agreement or document for creation of any security in future in favour of Bank shall be duly granted and the conditions thereof shall be duly complied with.

5.5 Insolvency / Receiver:

The Borrower shall promptly notify BANK if the Borrower receives notice or any application / petition being filed for declaring the Borrower as insolvent or if any other legal proceeding filed or intended to be filed or initiated against the Borrower is received by the borrower or if a Custodian or Receiver is appointed on any of the Borrower's properties, business or undertaking or if any of the Borrower's properties, business or assets is/are attached.

5.6 Statement of Annual Income / Wealth:

Whenever called upon by the Bank to do so, the Borrower shall provide the Bank with Borrower(s):

1. Statement of annual income certified and audited by a practicing Chartered Accountant (with his registration number mentioned therein) along with a copy of the tax returns filed with the income tax authorities duly certified by such Chartered Accountant (with his registration number mentioned therein); and
2. Statement of total wealth and a copy of the wealth tax returns (if any) filed with the wealth tax authorities certified and audited by the practicing Chartered Accountant (with his registration number mentioned therein):

5.7 Post-dated Cheques:

1. The Borrower shall furnish post-dated cheques, NACH, Standing Instructions at the time of loan documentation
2. The Borrower shall replenish the said stock of post-dated cheques as and when the numbers of cheques are reduced to six.
3. As and when required by Bank the Borrower shall issue such additional/replacement post-dated cheques/ NACH/ ECS mandate/Standing instruction or any other form of electronic mandate.

5.8 The Borrower shall promptly inform the Bank of the happening of any events that are likely to have an adverse effect on the Borrower's financial condition or profit or business and of any material changes in the rate of production or the sales of the Borrower's business with the explanation of the reasons therefore.

5.9 Notify additions, alterations

The Borrower shall notify Bank and furnish details of any additions to or alteration which might be proposed to be made to the secured asset during the pendency of the loan.

5.10 Bank's right to inspect

The Borrower agrees that the Bank or any person authorized by it shall have free access to the house/property for the purpose of inspection/supervising and inspecting the progress of the construction and the accounts of construction to ensure proper utilization of loan and at any time of the day, during the pendency of the loan.

5.11 Negative Covenants

Unless Bank shall expressly otherwise agree:

a) Possession

The Borrower shall not let out or otherwise howsoever part with the possession of the house/property or any part thereof.

b) Alienation

The Borrower shall not sell, mortgage, settle, transfer, lease, surrender or otherwise howsoever alienate the house property or any part thereof.

c) Agreements and Arrangements

The Borrower shall not enter into any agreement with any person, institution or local or government body for the use, occupation, or disposal of the said house/property or any part thereof during the pendency to the loan/currency of this Agreement.

d) **Change of Use**

The Borrower shall not change the residential use of the house/property. If the house/property is used/allowed to be used by the Borrower for any purpose other than residential use, the Bank shall be entitled to charge, at its sole discretion, such higher rate of interest as it might fix from the circumstances of the case, in addition to any other action which Bank might take against the Borrower.

e) **Merger**

The Borrower shall not amalgamate or merge his/her house/property with any other adjacent house/property nor shall he/she create any right of way or any other easement on the house/property.

f) **Leaving India**

The Borrower shall not leave India for employment or business or long term stay abroad without fully repaying the loan then outstanding together with interest and other dues and charges including prepayment charges as per the rules of BANK then in force.

g) **Variation in Interest Rates / Computation of Interest**

The Borrower shall not dispute any variation in the interest rates in accordance with this Agreement and as intimated to the borrower from time to time and to accept the computation of interest by the Bank as final and binding on the Borrower.

5.12 Creation of Third Party Right/Interest

The Borrower agrees that as long as any amount is payable by the Borrower to Bank under this Agreement and/or in relation to any loan, the Borrower shall not be able to sell the premises, create any other encumbrance including the mortgaging the property subsequent to the creation of mortgage in favour of the bank to any other person/entity or give the premises or lease, tenancy, leave and license or other basis to any person or induct any third party in the said premises without the prior written consent of Bank and subject to such condition (including execution of tripartite agreement between Bank, the Borrower and the tenant/license etc, and other document) as specified by the Bank. Where the premises are already leased, tenanted or granted on leave and license or on such other basis to any person on the date of this agreement, the borrower shall not change the terms or allows assignment of such lease, tenancy, leave and license or other such agreement or allow change of possession thereof without the prior written consent of Bank.

5.13 Appropriation of Payments

a) The Bank shall have a right to appropriate any payment due and payable under the loan agreement and made by the Borrower or guarantor(s) towards dues in any order that the Bank deems fit, towards the following:

1. Repayment of Principal due and payable under this loan agreement.
2. Interest including Additional Interest, if any, payable in terms of this Loan Agreement.
3. Penal charges, if any, payable in terms of this loan agreement.
4. Interest on costs, charges, expenses and other monies.
5. Premium on Prepayment
6. Costs, Charges, expenses and other monies
7. towards the dues under any other loan of the borrower, in whatever capacity.

b) Notwithstanding any instruction or authorization by the borrower, it is specifically agreed between the parties hereto that if the Borrower has, besides this agreement, already entered into or in future enters into, any other agreement/s with the Bank either in his/their name or in the name of his/ their partners, relatives, nominees or representatives, either as borrower/ or as Guarantor(s)/hirer/ lessee/guarantor(s), then:

i) Any payment made by the Borrower or his/their relatives, partners, nominees, representatives under this agreement, shall be treated as only an "on account payment" and shall be appropriated by the Bank at its sole discretion to the account of any of the agreements entered into by the Borrower, his/their relatives, partners, nominees or representatives with the Bank, whether during its tenure or thereafter as the Bank deems fit even if the Borrower, his/their partners, nominees or representative issues any specific instructions to the contrary.

ii) The Bank shall be at liberty to take possession / repossess / sell the Asset mentioned in the First Schedule towards realization of the said dues payable by the Borrower or his/their relatives, partners, nominees, representatives under any other agreement entered into by them with the Bank regardless of whether all the amounts due and payable under this agreement are paid and settled and without prejudice to the Bank's other rights vested under such agreement/s.

iii) The charge created by the Borrower or the owner of the Asset as the case may be under any other agreement with the Bank shall be continuous and the Bank shall be at liberty to withhold the No Objection Certificate (NOC) even on discharged agreements and to repossess and sell the Property / assets, without intervention of courts, given to the Borrower under any other agreement towards realization of the said dues payable by the Borrower under this agreement.

iv) The Bank shall be entitled to extend the charge created under this agreement to any other agreement of the borrower, and guarantor(s), their relatives, partners, nominees, representatives etc..., and a notice of the intention to do so by the Bank to them shall be sufficient and binding on the parties concerned,

v) Without prejudice to the rights of the Bank stated hereunder the Borrower hereby agrees and consents that the security provided under this agreement shall also act as a continuing security against all the outstanding borrowings/guarantees, if any, with the Bank under any other agreement and the Bank shall have the absolute discretion to liquidate and appropriate the security provided under this loan agreement to settle all such outstanding of the Borrower under any other loan agreement notwithstanding the fact that there may not be an event of default under this agreement or any other agreement.

vi) The Borrower, and/or anyone remitting on his/her/its behalf, undertakes that in an event of his/her/its remitting the instalments in advance, for any reason whatsoever as against the due date, such instalment paid in advance shall be appropriated by the Bank on the due date of instalment as per the repayment schedule and the Borrower shall not be entitled to claim interest for such instalments remitted in advance by him/her/it.

5.14 Change in address

The Borrower's/guarantor(s) hereby undertake to intimate Bank any change in their address, and in the event of any failure on their part it will be sufficient service a notice to the borrowers/guarantor(s) any communication including recalling the dues, at the last known address as furnished by the borrower's/ guarantor(s) and take necessary recovery steps.

ARTICLE-6

WARRANTIES OF THE BORROWER

6.1 The Borrower hereby warrants and undertakes to BANK as follows:

a Confirmation of loan application

The Borrower confirms the accuracy of the information given in his/her application made to Bank and prior of subsequent information or explanation given to Bank in this behalf.

b. Disclosure of material changes

That subsequent to the said loan Application there has been no material change which would affect the purchase / construction for the grant of the loan as proposed in the loan application.

C Charge and encumbrances

That there are no mortgages, charges, liens or other encumbrances or any right of way, light or water or other easements or right of support on the whole or any part of the property of the Borrower.

d. Litigation

That the Borrower is not a party to any litigation of a material character and that the Borrower is not aware of any fact likely to give rise to such litigation or to material claims against the Borrower.

E Disclosure of defects in property

That Borrower is not aware of any documents, judgement or legal process or other charges of any latent or patent defect affecting the title of the property or of any material defect in the property of or his/her title which has remained undisclosed and/or which may affect Bank prejudicially.

f Public Schemes affecting the Borrower's property

That the Borrower's property is not included in or affected by any of the schemes of Central/State Government or of the improvement trust or any other public body or local authority or by any alignment, widening or construction of road under any scheme of the Central/State Government or of any Corporation, municipality and or Gram Panchayats etc.

g. Infringement of local laws

That no suit is pending in any Court of Law in respect of the property mortgaged / to be mortgaged with BANK nor has the Borrower been served with any Notice for infringing the provisions of the Municipal Act or any Act relating to local bodies or Gram Panchayats or Local Authorities or with any other process under any of these acts.

h. Disclosure of facts

That the Borrower has disclosed all facts relating to his/her property to Bank and has made available to them all the title deeds in his/her possession

i. Due payments of Public and other demands

That the Borrower has paid all public demands such as Property Tax and all other taxes and revenues payable to the Government of India or to the Government of any State or to any local or other authority and that at present the Borrower is not in arrears of such taxes and revenues due and outstanding.

j It shall be the Borrower's obligation to keep himself/herself acquainted with the rules of BANK referred to above in force from time to time.

6.2 Capacity to Contract:

The Borrower is a major and is of sound mind (where the Borrower is an individual)

6.3 Ownership of Security:

Save and except may have been disclosed by the Borrower to Bank in writing prior to the execution of this Agreement, the Concerned Borrower will, at the time of creation of the security as mentioned in Article 3 of this agreement, be the sole and absolute owner(s) of the premises and the Concerned Borrower will at the time of creation of such have a clear and marketable title to the premises free from all lien, lis-pendens, encumbrances, third party rights and impediments whatsoever.

6.4 Agreement not in violation of Laws, etc.,

Agreement not in violation of the provisions of any other agreement entered into by the Borrower or provisions of any Law.

6.5 All representations and Warranties of the Borrower in this Agreement shall be deemed to be repeated by the Borrower on every day from the date of this Agreement until the Borrower's Dues are paid to Bank in full: and the Borrower will forthwith inform Bank in the event of any representations or warranty being or becoming untrue or incorrect on any day of at any time.

6.6 The Borrower is aware that Bank has entered into this Agreement and has agreed to grant the loan to the Borrower's representations, warranties, statements and covenants contained in this Agreement and/or otherwise made to Bank.

6.7 The Borrower/s agrees that in an event of any details relating to the loan, repayment details or security that is/are required to be filled up later under the agreement, schedules and/or related documents, whether available or not, at the time of execution of the loan agreement and other related documents, Bank shall be entitled to fill up such details, at any time, later to the execution of the loan agreement and other related documents, which shall be binding on the Borrower/s as if filled up, known to the Borrower/s and available at the time of execution of loan documents.

ARTICLE-7 REMEDIES OF WILL

Notwithstanding anything to the contrary contained in this Agreement or any other subsisting Agreement/s or Document/s executed / entered into by and between the Borrower and Bank, if one or more of the events specified in this Article (hereinafter called "events of default") shall have happened then, the Bank may give written notice to the Borrower and demand the principal of and all accrued interest on the loan that may be payable by the Borrower under or in terms of the Agreement and/or any other Agreement/s, documents, subsisting between the Borrower and Bank as well as other charges and dues to be due and payable forthwith and upon such demand the same shall become due and payable forthwith and the security created in favour of Bank in relation to all loans shall become enforceable. Upon the occurrence of an event of default, without prejudice to Bank 's other rights, the Bank may by written notice to the Borrower also do all or any of the following.

- i) declare that the obligations of Bank to make any disbursements / further disbursements (if the disbursements are in more than one installment or if the disbursement has not yet been made) shall be cancelled, whereupon the same shall be cancelled; and/or
- ii) Exercise any or all rights and recourses conferred under or pursuant to this Agreement, any security that may be made available to Bank and all documents in relation to such security and any other facilities extended by Bank.
- iii) Proceed legally against the borrower and guarantor(s) for recovery of the amounts due including proceedings against the property and bring it to sale or otherwise dispose of and use such statutory provisions as may be available to Bank such as **SECURITISATION AND RECONSTRUCTION OF FINANCIAL ASSETS AND ENFORCEMENT SECURITY INTEREST ACT,2002** and any other recourse to law as Bank deems fit.

7.1 Events of Default

a. Payment of Dues

Default shall have occurred in payment of (a) EMI's as provided herein, (b) in payment of Pre - EMI's for in Article 2.7 above mentioned (c) and in payment of any other amounts due and payable by or on behalf of the Borrower to Bank, in terms of this Agreement and/or it terms of any other Agreement/s, document/s, that may be subsisting or that may be executed / entered into by and between the Borrower and Bank hereinafter.

b. Performance of Covenants

Default shall have occurred in the performance of any other covenants, conditions or agreements on the part of the Borrower under this Agreement or any other Agreement between the Borrower and Bank in respect of this loan and for any other loan and such default shall have continued for a period of 30 days after Notice in writing shall have been given to the Borrower by Bank.

c. Supply of Misleading information

Any information given by the Borrower in his/her loan application to Bank for financial assistance or otherwise is found to be misleading or incurrant in any material respect or any warranty given/deemed to have been given by the Borrower, as referred to in Article 6 above is found to be incorrect.

d. Inability to pay Debts

If there is reasonable apprehension that the Borrower is unable to pay his/her debts or insolvency proceedings have been commenced against the Borrower.

e. Depreciation of Security

If the property given as security for the loan depreciates in value to such an extent that in the opinion of Bank further security to the satisfaction of BANK should be given and such security is not provided by the Borrower in spite of being called upon to do so.

f. Sale or Disposal of Property

If the Borrowers property which is given as security for the loan is sold, disposed, of charged, encumbered or alienated without the prior approval of Bank.

g. Attachment or Distrain on Mortgaged Properties

If an attachment or distrain is levied on the mortgaged property or any part thereof and / or certificate proceedings are taken or commenced for recovery of any dues from the Borrower.

h. Failure to furnish information / documents

If the Borrower fails to furnish information / documents as required by Bank under the provisions of this Agreement.

i. If the borrower fails to create security as provided under Article 3.1 mentioned above.

j. Where the loan disbursement is to be in installments, the Borrower fails to fulfill the Conditions Precedent stipulated in Article 4 mentioned above prior to the date of disbursement of each of the installments (or such extended period as may be permitted by Bank); and / or

- k. Any other present or future indebtedness of the Borrower in respect of borrowed money is not discharged when due becomes due and payable prior to its stated maturity by reason of any default of the Borrower or the/any Guarantor(s); and/or
- l. There exists any circumstance which, in the opinion of Bank, prejudicially affects or may affect the Borrower's ability to pay any Borrower's Dues or any other amount payable by the Borrower to Bank and / or Any other event / material change which prejudicially affects Bank's interest and / or
- m. Where subsequent to the grant of the loan, the Borrower and/or the Guarantor(s) (when spouses) is / are divorced or proceedings are initiated in any court of law including any family court for the same and / or
- n. Where the Borrower dies and/or
- o. Where the Borrower is in breach of any other agreement, guarantee, or other writing with the Bank; and/or
- p. Where the Borrower fails to issue further PDCs/NACH/ECS mandate/Standing instruction to the Bank in accordance with the terms and conditions of the Agreement and/or

7.2 Bankruptcy or Insolvency

If the Borrower shall become bankrupt or insolvent, the principal amount or sum and all accrued interest on the loan and any other dues in respect thereof shall become due and payable forthwith.

7.3 Notice to BANK on the Happening of an Event of Default

If any event of default or any event which, after the notice, or lapse of time, or both would constitute in event of default shall have happened, the Borrower shall forthwith give written notice thereof to Bank specifying such event of default, or such event.

7.4 Expenses of Preservation of Assets of the Borrower and of Collection

All reasonable costs incurred by Bank after an event of default has occurred in connection with:

- i. Preservation of the Borrower's assets (whether now or hereafter existing) or
- ii. Collection of amounts due under this Agreement, may be charged to the Borrower and reimbursed as the Bank shall specify

7.5 Issue of Certificates

The Bank may issue any certificate as regards payment of any amounts paid by the Borrower to the Bank in terms of this Agreement only if the borrower has paid all amounts due under the Agreement to the Bank and the borrower has complied with all terms of this Agreement.

7.6 Communication with Third Party, etc.,

In the event of default, the Bank shall be entitled to communicate, in any manner it may deem fit, to or any person or persons with a view to receiving assistance of such person or persons in recovering the defaulted amounts. Also, representatives of the Bank shall be entitled to visit the property and / or any place of work of the Borrower.

7.7 Right to Publish Defaulter Information:

The Borrower does hereby unconditionally and irrevocably agree as a condition of such loans extended to the Borrower by the Bank that in case the Borrower commits default in the repayment of such loans or in the payment of interest thereon or any one of the agreed instalments of the loans on due date, the Bank will have an unqualified right to classify the borrower as non-cooperative or wilful defaulter as per the guidelines of RBI and/or disclose or publish, with or without photographs, the Borrower's name or the name of its bank / firm / unit and /or its directors / partners / proprietor as defaulter/s, in such manner and through such medium/media as the Bank or Reserve Bank of India in its absolute discretion may think fit.

7.8. Use of the Asset:

- a) The Borrowers shall ensure to use the mortgaged asset only for the lawful purpose and shall also use the same in such a manner not to offend or violate any statutory provision of Central or State legislations.
- b) The Borrowers undertakes to keep the asset covered by a valid insurance wherever necessary during the continuance of this Agreement and to use the asset only for the purpose mentioned at the time of availing the financial facility.
- c) The Borrowers undertakes not to use the Asset for any unlawful or illegal activity and the Borrowers shall be responsible for any damage or loss sustained by the bank in respect of the asset, as a result of such wrongful or unlawful use. The Borrowers undertake to use the asset only for the use indicated by the Borrowers to the Bank and as stated in this agreement, at his own cost and expenses.

**ARTICLE - 8
WAIVER**

8.1 Waiver not to impair the rights of BANK

No delay in exercising or omission to exercise any right, power or remedy accruing to BANK, upon any default under this agreement, Mortgage deed, security documents, or any other agreement or documents shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence, in respect of any other default power or remedy of BANK in respect of any other default

**ARTICLE - 9
EFFECTIVE DATE OF AGREEMENT**

9.1 Agreement to become effective from the date of execution

The Agreement shall become binding on the Borrower and the Bank on and from the date first herein above written. It shall remain in force till all the monies due and payable to the Bank under this Agreement as well as all other agreements, documents that may be subsisting / executed between the Borrower and the Bank are fully paid off and discharged to the satisfaction of the Bank.

ARTICLE - 10
MISCELLANEOUS

10.1 Place and Mode of payment by the Borrower

The address as specified herein above shall be deemed as address designed specified for the purpose of service of any notice. All monies due and payable by the Borrower to the Bank under in terms of this Agreement shall be paid at the Registered Office or the concerned Regional / Branch Office / Service Centre of the Bank by cheque or bank draft, drawn in favour of BANK on a scheduled bank in the town or city where such Registered office Regional / Branch office / Service Centre is situated or in any manner as may be approved by BANK and shall be so paid as to enable the Bank to realize the amount sought to be paid on or before the due date to which the payment relates. Credit for all payments by Cheque/Bank draft drawn will be given only realisation thereof by the Bank.

10.2 Inspection, Assignment etc,

- a) The Borrower shall permit inspection of all books of accounts and records maintained by him/her in respect of the loan to officers of the Bank. The Borrower shall also permit similar inspection by officers of such other companies, bank, institution, or bodies as the Bank may approve and intimate to the Borrower.
- b) The Bank shall have the right to create a charge over the property in favour of any bank, institution or body by way of security for any refinance facility or any loan availed of by the Bank from such bank, institution or body. The Bank shall also have the right to transfer or assign the mortgage over the property in favour of any bank, institution or body in connection with any sale or transfer of the loan by the Bank to them.
- c) The Bank shall have the authority to make available any information contained in the loan application form and / or any document or proper or statement submitted to the Bank by or on behalf of the borrower and/or pertaining or relating to the borrower and / or to the loan including as to its repayment conducted, to any rating or other agency or banks or institution or body as the Bank in its sole discretion may deem fit.
- d) The Bank shall also have the authority to seek and/or receive any information as it may deem fit in connection with the loan and/or the borrower from to any source or person or entity to whom the borrower hereby authorizes to furnish such information

10.3 Non-Resident Indian Payments / Repayments:

Where the Borrower is a non-resident Indian, all payments required to be made by the Borrower to BANK under the agreement, shall be made by the Borrower as permitted by the Reserve Bank of India in accordance with all applicable laws.

10.4 Assignment

BANK shall be entitled to sell, assign, securities or transfer BANK's right and obligation under this Agreement and any security which may be created in favour of BANK (including all guarantee/s) to any person(s) of the Bank's choice in whole or in part and in such manner and on such terms as the Bank may decide. Any such sale, assignment, securitization or transfer shall conclusively bind the Borrower and all other persons. The Borrower shall not be entitled to directly or indirectly assign the benefits or obligations of this Agreement without the prior written permission of the Bank.

10.5 Inspections

The Bank may at the risk and cost of the Borrower engage one or more person(s) to verify any fact or information furnished by, concerned or pertaining to the Borrower and / or in relation to this Agreement and may furnish to such person(s) such documents, information, facts and figures as the Bank thinks fit and may delegate to such person(s) the right and authority to person and execute all acts, deeds, matters and things connected therewith or incidental thereof as the Bank.

10.6 Fees and Costs

The Borrower shall upon demand pay to reimburse the Bank in full:

- e) The legal costs of the preparation of the Agreement and all documents relating thereto;
- f) All costs, expenses and fees relating to the title search, periodic valuation, inspection insurance and protection / preservation in any other manner of the Security, if any, that may be created in favour of BANK.
- g) All costs (including legal fees) incurred by BANK in preserving, perfecting or enforcing any of its rights under or in respect of this Agreement, the loan or any future security and other documents.

10.7 Headings

All cause headings in the Agreement have been inserted for convenience of reference only and shall not affect the interpretation of the provision of this Agreement.

10.8 Bank's right of lien, set off and appropriation:

- a) The Bank may at any time and without notice to the Borrower or Guarantor(s) combine or consolidate all or any of the loan accounts held in the Borrower's or Guarantor(s) name or jointly with any other persons or any other account of which the Borrower or the Guarantor(s) is the beneficial owner whether in its own name or in the name of commercial entity of which the Borrower or the Guarantor(s) may be involved in , with any branch or branches of BANK irrespective of the title of any such account.
- b) The borrower hereby authorises BANK in the event of non-payment of any amounts hereunder when due, to apply all sum(s) from time to time standing to the credit of any loan account in the name of the / any Borrower or jointly with any other account of which the Borrower is the beneficial owner whether in its own name or in the name of a commercial entity of which it is the sole proprietor with BANK of any of its branches wheresoever situated in or towards satisfaction of any such amount whether principal or interest or otherwise and sign all such documents as any be required to effect such application and BANK shall have a paramount right of set off on all monies which may now or hereafter be payable by BANK to the Borrower for any reason or purpose whatsoever.

- c) Bank shall be entitled to proceed against the mortgage security, in case of more than one, without having to proceed against all the mortgaged security at a time, and choose to proceed against the mortgaged security at its discretion. However, the choice exercised by the bank shall not be construed as having given up its right against the mortgaged security as it is entitled to proceed against the other securities also.
- d) The right conferred on BANK hereunder shall be in addition to and without prejudice to any securities and other recourses which BANK may now or hereafter hold and to any Lien, set off or similar right.
- e) 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 the security provided by the borrower under this facility irrespective of whether the borrower is in default under the other facility.

10.9 Indemnity

The Borrower shall indemnify the Bank against all losses, damages, costs and expenses whatsoever that may arise pursuant to this Agreement or as a result of non-fulfilment by the Borrower of any of the conditions of the Agreement.

10.10 Amendment

This agreement may be amended between the parties hereto only in writing and be signed by all the parties and no oral amended shall be valid or be deemed to this Agreement.

10.11 Others

The Borrower's liability hereunder shall not be affected, terminated or adjudicated by the death, insolvency or any incapacity of the Borrower, but such liability shall continue in full force and effect and shall be binding on the Borrower's successors/heirs/representatives.

10.12 Service of Notice

Any notice or request given to be or made hereunder shall be given in writing. Such notice or request shall be deemed to have been duly given or made when it is delivered by hand, regd. mail or telegram to the party to which it is required to be given at the said party's specified / designated address for the Bank:

Phase II,4th Floor, Spencer Plaza,

Anna Salai, Chennai -600 002

and for the borrower and the Guarantor(s) as mentioned in the schedule hereto

10.13 The borrower agrees / confirms as follows:

- a) BANK may return the documents of title to either / any of the borrowers notwithstanding any contrary advice / intimation from either / any of the borrower at a later date;
- b) To keep alive, the insurance policy / policies assigned in favour of BANK by paying on time the premium as they fall due and produce the receipts to BANK whenever required.
- c) BANK shall have the right to receive the payment and adjust any payment that it may receive in connection with any insurance policy / policies against the loan and alter amortisation schedule in any manner as it may deem fit notwithstanding anything to the contrary contained in this Agreement or any other document or paper;
- d) That he has scrutinized and is satisfied with the building plan, construction plan, relevant certificates and all the requisite permissions pertaining to the property and that the construction is as per the approved plan and of satisfactory quality.
- e) That if the borrower/s be more than one individual, each one or any of them is authorised and empowered by the other/s of them including the guarantor(s) to admit and acknowledge his/her liability to the bank by any payment into the account/s or by way of express writing in any manner or otherwise and any such admission and such acknowledgement of the liability by one or more to them including the guarantor(s) shall be construed to have been made on behalf of each of them and shall save limitation against all of them jointly and / or severally for the purpose of law of limitation.

ARTICLE 11

LIABILITIES OF GUARNATOR

- a) The guarantor(s) hereby guarantees to the bank that in the Borrowers failing to pay the installments of the due dates for their payment or discharge any of his liabilities under the agreement, the guarantor(s) assures undertakes and holds himself liable to the Bank to pay on demand any such amounts without dispute or demur. However, any failure or delay on the part of the Bank to make a demand on the occurrence of any default shall not relieve the guarantor(s) of liability under this agreement.
- b) The guarantor(s) liability hereunder shall be co-extensive with that of the Borrowers for all amounts remaining outstanding inclusive of installments interest, penal charges and other charges, fee, costs, and any other dues whatsoever payable by the Borrowers to the Bank under this agreement
- c) The guarantor(s) agrees that his/her liability shall be that of a primary obligor and not merely as a surety and the guarantee shall not be impaired or discharged by reason of any facility or time given by the Bank to the Borrowers or any indulgence or forbearance shown in payment of any dues or repayment of the said loan under this agreement or in respect of any security proposed to be created. The guarantor(s) further agrees that any such facility, time or indulgence granted or forbearance shown shall be deemed to have been given after due notice to and with the consent of the guarantor(s).

- d) The Bank's rights against the guarantor(s) shall remain in full force and effect notwithstanding any arrangement which may be reached between the Bank and other guarantor(s), if any, or notwithstanding the release of that other's liability, the Bank shall be at liberty to require the performance by the guarantor(s) of his obligations hereunder to the same extent in all respects as if the guarantor(s) had at all times been solely liable to perform the said obligations.
- e) The guarantor(s) hereby agrees that without his consent/concurrence, the Borrowers and the Bank shall be at liberty to vary, after or modify the terms and conditions of this agreement and /or of the security created and /or the security documents, executed by the Borrowers in favour of the Bank and in particular defer, postpone or revise the repayment of the loan and /or payment of interest and other monies by the Bank including any with or release all or any of the security/securities furnished or required to furnish by the Borrowers to the Bank to secure the loan.
- f) The Bank shall have full liberty to exercise, without notice to the guarantor(s) and without in any way affecting this guarantee, at any time and in any manner any power or powers reserved to the Bank under this agreement to enforce, or forbear to enforce payment of the installments or other monies due to the Bank from the Borrowers or any of the remedies/securities available to the Bank, to enter into any composition or compound with or to grant time or any other indulgence or facility to the Borrowers and the guarantor(s) shall not be released by the exercise by the Bank of its liberty in regard to the matter 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 guarantor(s) and the guarantor(s) hereby waives in favour of the Bank, so far as may be necessary, to give effect to any of the provisions of this Agreement 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 guarantor(s) might otherwise be entitled to enforce.
- g) The guarantee shall be enforceable against the guarantor(s) notwithstanding that any security or securities for the payment of the loan shall, at the time when the proceedings are taken against the guarantor(s) on this guarantee, be outstanding or unrealized or lost.
- h) The guarantor(s) agrees that copy of the statement of accounts of the Bank duly certified shall be binding on the guarantor(s) as the sums due and payable under this agreement
- i) The guarantor(s) liability hereunder shall not in any way be affected by bankruptcy or by any petition or resolution or order for Bankruptcy of the Borrowers being presented passed or made or by any change in the constitution of the Company of the Borrowers.
- j) The guarantor(s) hereby agrees and declares that the Borrowers will be free to avail or further loans or other facilities in addition to the loan and /or renew the same during the subsistence of this guarantee, in which event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain full force and effect and bind the guarantor
- k) The guarantor(s) hereby agrees and declares that the Borrowers will be free to avail or further loans or other facilities in addition to the loan and /or renew the same during the subsistence of this guarantee, in which event the guarantee herein contained will not be affected or vitiated in any way whatsoever but will remain full force and effect and bind the guarantor
- l) The guarantor(s) agrees that the Bank shall have the right to release the security and/or asset and the guarantors' obligations under this agreement shall not be discharged thereby.
- m) The guarantor(s) hereby agrees that it shall not be necessary for the Bank to exhaust its right or take any action against the Borrower(s) before requiring the guarantor to make payment under this agreement
- n) The guarantor(s) agrees to make the payments due and payable under this guarantee when demanded by the Bank notwithstanding that a dispute is pending between the Bank and the Borrowers in respect of any provision of this agreement or any other related or concerned document.
- o) This guarantee shall be continuing one and shall remain in full force and effect till such time the Borrowers repays in full the loan together with all interest, late payment charges, costs, charges and all other monies that may from time to time become due and payable and remaining unpaid to the Bank under this agreement
- p) The guarantor(s) agrees that notwithstanding any defect in invalidation of this agreement and/or incomplete documents or writings, this guarantee shall be valid and operative and the guarantor shall not be discharged from his liability hereunder except by performance of his guarantee.
- q) This guarantee shall not be wholly or partially satisfied or exhausted by any payment made to or settled with the Bank by the Borrowers and shall be valid and binding on the guarantor and the operative until repayment in full of the monies due to the Bank under this loan agreement
- r) This guarantee shall be irrevocable and shall be in full force and effect notwithstanding that the Bank may have obtained any other guarantee, corporate or personal, to secure the loan till such time all the dues of the Bank including repayment of the loan along with interest and all other expenses and dues are paid by the Borrowers.
- s) This guarantee shall be binding upon the guarantors' heirs, executors and administrators.

ARTICLE-12
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 borrower at his request such or any other sum/s under this agreement or any other agreement the guarantor(s) 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 in to 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 this agreement and guarantor agrees to the same.

12.1 Collections/Administration

The Borrower expresses, recognizes and accepts that Bank shall without prejudice to its right to perform such activities by itself or through its officers or employees be entitled to and has full power and authority to appoint one or more third parties as Bank may select and to delegate to such third party all its functions, rights and powers under this Agreement relating to administration of the Loan including the right and authority to collect and receive on behalf of the Bank from the Borrower the PRE-EMI, EMI and other amounts due by the Borrower under this Agreement and to perform and execute all lawful acts, deeds, matters and things connected therewith and incidental thereto including sending notices contacting the Borrower receiving cash/cheque/drafts/mandates from the Borrower and giving valid and effectual receipts and discharge to the Borrower. For the purpose aforesaid, the Bank shall be entitled to disclose to such third parties all necessary or relevant information pertaining to the Borrower and the Loan and Borrower hereby consents to such disclosure by the Bank.

12.2 Sharing of Information

The Borrower hereby authorizes the Bank or its subsidiaries/ affiliates and their agents to exchange share or part with all the information relating to the Borrowers loan details and repayment history information and all information pertaining to and contained in this agreement to Affiliates/subsidiaries of the Bank/Financial institutions/Credit Bureaus/Agencies/ Statutory Bodies as may be required and undertakes not to hold affiliates/Subsidiaries of Bank and their agents liable for use of the aforesaid information. The Borrower also acknowledges that the Borrower shall have no right to share/access information regarding the findings of the title search and valuation etc.

12.3 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 Arbitration by a Sole Arbitrator appointed by:

a) Madras Chamber of Commerce and Industry, currently having its office at Karumuttu Centre, I Floor, North Wing, Nandanam, Chennai - 600 035.

(or)

b) 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)

c) 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 award 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.

b) 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.

c) 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 a deemed and valid service on the parties.

d) The mail/e-mail and/or any other electronic mode of address provided by the Borrower(s)/Guarantor(s) to the lender under the loan agreement or any other executed by Borrower(s) and/or Guarantor(s) 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.

e) All communications shall be deemed to be considered as received by the Lender/ Borrower(s) and/or Guarantor(s) 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 lies no response from the Lender/ Borrower(s)/Guarantor(s) 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.

f) It shall be the responsibility of the Lender/ Borrower(s)/Guarantor(s) to maintain sufficient space in the email 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.

g) 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.

h) Notwithstanding or without Prejudice to the arbitration clause, in the event the Debt Recovery Tribunal has jurisdiction over the dispute difference and/or claim that may have arisen between /among the parties the Bank shall at its discretion invoke the jurisdiction of the debt Recovery Tribunal at Chennai shall have exclusive jurisdiction to settle such dispute Difference and /or claim.

11. Without prejudice to the right of the Bank under Article 10 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 there over the asset/s hypothecated and/or mortgaged to it under this agreement

C. 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 Borrowers and guarantor(s) 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.

12. GRIEVANCE REDRESSAL

In case of any grievance in relation to the loan facility availed by the borrower/ guarantor, the borrower/ guarantor may write to customerservice@equitasbank.com or contact 18001032977

Governing Law :

The Agreement shall be governed by the provision of Laws of India.

IN WITNESS WHEREOF the parties hereto have executed this Agreement on the day, month and year first above written.

SIGNED AND DELIVERED

by the within named

Borrower

SIGNED AND DELIVERED

by the within named

Guarantor(s)

SIGNED AND DELIVERED

by the within named

Guarantor(s)

EQUITAS SMALL FINANCE BANK LTD.,

Authorised Signatory

Borrower Guarantor 1 Guarantor 2 Guarantor 3 Guarantor 4 Guarantor 5 Guarantor 6 Guarantor 7 Guarantor 8 Guarantor 9

SCHEDULE

1. Borrower, Guarantor(s) Name:

Borrower Type	Name
Borrower	
Guarantor 1	
Guarantor 2	
Guarantor 3	
Guarantor 4	
Guarantor 5	
Guarantor 6	
Guarantor 7	
Guarantor 8	
Guarantor 9	

DETAILS OF LOAN FACILITY/FACILITIES & SECURITY

Refer Key Fact Statement

For EQUITAS SMALL FINANCE BANK LTD.,

Authorised Signatory

END USE LETTER

Dear Sir,

Sub : Application for Loan against Property

I/We.....refer to the Application No.....dated.....submitted by Me/us to EQUITAS SMALL FINANCE BANK LIMITED, referred to as "BANK" (which expression shall unless it be Repugnant to the subject or context thereof, include its successors and assigns) for availing of a Loan against Property from Bank stated in the said Application Form, the said Loan is for the purpose of.....

Loan is for the purpose of.....

- | | |
|--|---|
| <input type="checkbox"/> Working Capital | <input type="checkbox"/> Medical Expenses |
| <input type="checkbox"/> Education | <input type="checkbox"/> Crop Cultivation |
| <input type="checkbox"/> Marriage | <input type="checkbox"/> Repayment of distressed loans to non-institutional lenders |
| <input type="checkbox"/> Debt consolidation | <input type="checkbox"/> Construction of storage facilities |
| <input type="checkbox"/> Asset Acquisition | <input type="checkbox"/> Plant tissue culture and agri bio-technology |
| <input type="checkbox"/> Home construction | <input type="checkbox"/> Purchase of Agriculture implements & Machinery |
| <input type="checkbox"/> Home Extension | <input type="checkbox"/> Purchase of Cattle |
| <input type="checkbox"/> Home Renovation/improvement | <input type="checkbox"/> Soil conservation and watershed development |

I hereby represent, warrant and confirm that the aforesaid purpose is a valid purpose and is not speculative or illegal in any manner.

I further agree, confirm and undertake that the purpose of use of funds under the Loan shall not be changed in any manner during the tenure of the Loan; or that such change in purpose shall take place only with the prior written permission of BANK.

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 Loan Agreement.

Thanking you.

1. Applicant Signature :

Name of the Applicant

2. Guarantor Signature :

Name of the Guarantor

DECLARATION

Date :

Place :

From,

Borrower Name:

Borrower Mobile Number:

I am aware that Bank will be furnishing a copy of the standard terms and conditions of the loan to me. The furnishing of the standard terms and conditions by the bank to me shall be treated as having received the standard copy of the loan agreement duly executed by me.

POWER OF ATTORNEY

THIS Power of Attorney granted at CHENNAI this.....by

(I) Sri/Smt.....S/W/D/of.....aged about.....Years residing at.....

..... (I) Sri/Smt.....S/W/D/of.....aged about.....Years residing at.....

hereinafter called "the borrower" (which expression shall unless the context otherwise requires, includes his/her/their heirs, executors, administrators and permitted assigns in favour of **EQUITAS SMALL FINANCE BANK Ltd**, a banking company incorporated and registered under the Companies Act, 1956, carrying on business under Banking Regulation Act, and having its Registered Office at **No.769, Spencer Plaza, 4th Floor, Phase-II, Anna Salai, Chennai - 600 002**, hereinafter called Bank (which expression shall unless context other wise requires, include its successors and assigns.)

WHEREAS by loan agreement (hereinafter referred to as "the said agreement") made between the borrower and BANK. BANK has agreed to lend to the borrower and the borrower has agreed to borrow from BANK the loan amount as state in the schedule contained in the said agreement.

WHEREAS as per one of the conditions contained in the said agreement the borrower has agreed and undertaken that the principal sum of the loan, interest, commitment and other charges and any other dues payable there under shall be secured inter-alia by mortgage of the property described in the schedule thereto with BANK having the right to decide, in its sole discretion, the type of the mortgage and the borrower shall execute the mortgage as may be required by BANK.

WHEREAS the borrower has further agreed to execute in favour of BANK an irrevocable power of attorney authorizing BANK to execute in favour of itself or any other person as BANK in its sole discretion may decide, Legal mortgage in any form including in English form for and on behalf of the borrower in the event of the borrower failing, when required by BANK to duly execute legal mortgage in the form including in English form of the property described in the said schedule.

WHEREAS BANK has called upon the borrower to execute the power of attorney being these presents :-

NOW THEREFORE, THIS DEED WITNESSETH that in consideration of BANK having sanctioned the said loan (including any further, other or additional loan sanctioned / to be sanctioned by BANK to be borrower), the borrower, hereby irrevocably nominates, constitutes and appoints BANK to be the true and lawful attorney of the borrower in the name and for and on behalf of the Borrower to do, execute and perform the following acts, deed, things, viz.,

- 1) To sell or cause to be sold the said property including additional security mentioned in clause 3.1 of the schedule to the said agreement to any person/s either way of a public auction or by way of private treaty at such price and on such terms and conditions as the attorney may deem fit and proper and to execute any deed of conveyance or deed of assignment or deed of transfer and all other deeds, documents, writing and assurances as may be found to be necessary and expedient and to lodge the same for Registration with the Sub Register of Assurances in India and to admit execution thereof under the provisions of Indian Registration Act 1908 as BANK may desire or deem fit.

- 2) To make, sign, execute and deliver in favour of BANK, or any other person as BANK in its sole discretion may decide the mortgage in any form including in English form of the property described in the schedule contained in the said agreement with the mortgage deed containing all such covenants, conditions, provisions and stipulations as BANK may in its sole and absolute discretion deem necessary or expedient for better securing the repayment of the loan and all interest, commitment and other charges and any other dues receivable in connection with the loan.

- 3) To lodge the mortgage deed for registration and to admit executing thereof before any Registrar or Sub-registrar of Assurances.

- 4) To apply for and obtain the necessary certificate U/s 230 A or any other section of the Income Tax Act, 1961 and/or any other certificates that may be necessary for registration of the deed of mortgage and / or any deed or documents that may be required to be registered.

- 5) To appear for and on behalf of the borrower before any Income Tax authorities and if need be to pay / discharge any tax liability for and on behalf of the borrower and to recover the same from the borrower with such interest as BANK in its sole discretion may decide.

- 6) To make application to the Competent Authority under the Urban Land (Ceiling and Regulation) Act, 1976 for creation of the said mortgage and for that purpose to make and sign such applications, affidavits, declaration, titles as may be necessary.

- 7) To finalise and execute mortgage deed containing such covenants, conditions, provisions and stipulations including granting of power to the mortgage to sell the property privately and without intervention of any court of law, as BANK in its sole discretion may deem fit.

- 8) To do or cause to be done every other act, deed, matter or things which BANK by any officer may deem necessary or expedient for the purpose of or in relation to these presents.

All or any of the powers hereby granted in favour of BANK may be exercised by any officers of BANK as nominated by BANK in that behalf.

The borrower hereby ratifies and confirms and agrees to ratify and confirm all that BANK or any of its officer or officers nominated by BANK in that behalf shall do or cause to be done in or concerning the premises by virtue of these presents.

The borrower hereby declares that this power of attorney shall be irrevocable till the entire loan together with interest, costs, charges, expenses and all other monies payable in relation there to as also expend by BANK in connection there with or with these presents are fully repaid by the borrower to BANK and BANK has revoked this presents in writing.

Borrower Signature

.....

LETTER OF UNDERTAKING

To

EQUITAS SMALL FINANCE BANK LIMITED

No. 769, Spencer Plaza, 6th Floor,

Phase - II, Anna Salai, Chennai - 600 002.

Dear Sir,

I/We.....S/W/D.....aged about..... years presently residing at.....do undertake as follows :

In respect of Housing Loan/Construction Finance / Lease Finance sanctioned and disbursed to me/us in terms of agreement executed between **EQUITAS SMALL FINANCE BANK LIMITED** and myself in respect of asset for which finance is executed by you. I/We are giving the following cheques, more particularly described in the Annexure enclosed herein and which forms part of this letter of undertaking to enable you to present the same on due dates of installments/rentals falling due. I/We authorise you to present these cheques in the Bank on due dates of the installments/rentals and I/We hereby undertake to honour the cheque on presentation.

I/We hereby undertake not to intimate the bankers to stop the payment of the cheques delivered to you. I/We hereby undertake not to close the account without your permission in writing under the terms of Housing Loan. I/we hereby undertake that I/We shall never give you any notice requesting you not to present the cheques gives hereunder on due dates. I/we am/are aware that on the faith of these undertaking. You have agreed to provide the said Housing Loan to us.

I/we submit that in the event of any default in honouring the cheques, you are at liberty to take action against me / us for the dishonour of the cheque under section 138 of the Negotiable Instruments Act.

Signature

Date :

Place :

Name :

Signature

Name :

MEMORANDUM REGARDING SIGNING
DECLARATION

(To be obtained in case the executants signs in the language other than English / Illiterate)

The contents of the loan agreement and other related documents executed by:

1) _____ as Borrower.

2) _____ as Borrower.

3) _____ as Guarantor(s).

infavour of Equitas Small Finance Bank Limited for the loan facility of Rs _____ have been read over and translated into _____ and explained to Mr./Mrs. _____ the Borrowers /Guarantor(s) and he/she/they having understood the contents thereof subscribed to the Agreement and other related documents.

Dated at _____ this _____ day of _____ 20 _____)

Declarant's Name &Address:

Relationship with the Borrowers/Guarantor(s):

Signature of Declarant :

Declaration on Illustrations on certain terms used in relation to our credit / loan facility

We confirm that we have understood the below illustrations provided by you as per IRACP norms stipulated by RBI.

- a) **Dues** : Mean, the principal / interest / any charges levied on the loan accounts which are payable within the period stipulated as per the terms of sanction of the credit facility.
- b) **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.
- c) **Relevance of the Principle of 'First In First Out' (FIFO) in appropriation of payments into the loan account:**

The Principle of FIFO i.e., 'First In, First Out' accounting method is relevant to arrive at the number 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 principle instalment / 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 as 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 unpaid.

In the aforesaid illustration, if the Dues relating to 1st February 2021 remain unpaid till 01.03.2021, the age of the oldest dues is reckoned as 29 days on 02.03.2021.

Classification as Special Mention Account (SMA) and Non-Performing Assest (NPA) :

Bank will recognize the incipient stress in loan accounts, immediately on Default, by classifying them as Special Mention Accounts (SMA). The basis of classification of SMA/ NPA Category shall be as follows :

Loans other than revolving facilities		Loans in the nature of revolving facilities like cash credit / overdraft	
SMA Sub Categories	Basis for classification - Principal or interest payment or any other amount wholly of 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 30 days		

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 :

- i. interest and / or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan ;
- ii. the account remains 'out of order' as indicated below, in respect of an Overdraft/Cash Credit (OD/CC).
- iii. the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted.
- iv. the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops.
- v. The instalment of principal or interest thereon remains overdue for one crop seasons for long duration 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 I 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 Categorizations	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 not 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 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 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 hereby further confirm, that the aforesaid illustrations cannot be treated as exhaustive and that they are in the nature of covering common scenarios, and that, the IRACP norms and clarifications provided by RBI on the subject referred above, shall prevail.

Yours Sincerely,

(Borrower/s)

Date :

Place :

Income-tax Rules, 1962
FORM NO. 60
[See second proviso to rule 114B]

Form for declaration to be filed by an individual or a person (not being a company or firm) who does not have a permanent account number and who enters into any transaction specified in rule 114B

1	First Name													
	Middle Name													
	Surname													
2	Date of Birth/ Incorporation of declarant						D	D	M	M	Y	Y	Y	Y
3	Father's Name (in case of individual)													
	First Name													
	Middle Name													
	Surname													
4	Flat/ Room No.						5	Floor No.						
6	Name of premises						7	Block Name/No.						
8	Road/ Street / Lane						9	Area/ Locality						
10	Town/ City					11	District			12	State			
13	Pin code		14	Telephone Number (with STD code)				15	Mobile Number					
16	Amount of transaction (Rs.)													
17	Date of transaction						D	D	M	M	Y	Y	Y	Y
18	In case of transaction in joint names, number of persons involved in the transaction													
19	Mode of transaction: <input type="checkbox"/> Cash <input type="checkbox"/> Cheque <input type="checkbox"/> Card <input type="checkbox"/> Draft/Banker's Cheque <input type="checkbox"/> Online transfer <input type="checkbox"/> Other													
20	Aadhaar Number issued by UIDAI (if available)													
21	If applied for PAN and it is not yet generated enter date of application and acknowledgement number						D	D	M	M	Y	Y	Y	Y
22	If PAN not applied, fill estimated total income (including income of spouse, minor child etc. as per section 64 of Income-tax the above transaction is held													
	a	Agricultural income (Rs.)												
	b	Other than agricultural income (Rs.)												
23	Details of document being produced in support of identify in Column 1 (Refer Instruction overleaf)				Document code	Document identification number								
24	Details of document being produced in support of address in Columns 4 to 13 (Refer Instruction overleaf)				Document code	Document identification number								

Verification

I, _____ do hereby declare that what is stated above is true to the best of my knowledge and belief. I further declare that I do not have a Permanent Account Number and my/ our estimated total income (including income of spouse, minor child etc. as per section 64 of Income tax Act, 1961) computed in accordance with the provisions of Income tax Act, 1961 for the financial year in which the above transaction is held will be less than maximum amount not chargeable to tax. Verified today, the _____ day of _____ 20_____

Place: _____

(Signature of declarant)

The person accepting the declaration shall not accept the declaration where the amount of income of the nature referred to in item 22b exceeds the maximum amount which is not chargeable to tax, unless PAN is applied for and column 21 is duly filled.

Instruction:

(1) Documents which can be produced in support of identity and address (not required if applied for PAN and item 20 is filled):

Sl	Nature of Document	Document Code	Proof of Identity	Proof of Address
A	For Individuals and HUF			
1	AADHAR card	1	Yes	Yes
2	Bank/Post office passbook bearing photograph of the person	2	Yes	Yes
3	Elector's photo identity card	3	Yes	Yes
4	Ration/Public Distribution System card bearing photograph of the person	4	Yes	Yes
5	Driving License	5	Yes	Yes
6	Passport	6	Yes	Yes
7	Pensioner Photo card	7	Yes	Yes
8	National Rural Employment Guarantee Scheme (NREGS) Job card	8	Yes	Yes
9	Caste or Domicile certificate bearing photo of the person	9	Yes	Yes
10	Certificate of identity/address signed by a Member of Parliament or Member of Legislative Assembly or Municipal Councillor or a Gazetted Officer as per annexure A prescribed in Form 49A	10	Yes	Yes
11	Certificate from employer as per annexure B prescribed in Form 49A	11	Yes	Yes
12	Kisan passbook bearing photo	12	Yes	No
13	Arm's license	13	Yes	No
14	Central Government Health Scheme/Ex-servicemen Contributory Health Scheme card	14	Yes	No
15	Photo identity card issued by the government./Public Sector Undertaking	15	Yes	No
16	Electricity bill (Not more than 3 months old)	16	No	Yes
17	Landline Telephone bill (Not more than 3 months old)	17	No	Yes
18	Water bill (Not more than 3 months old)	18	No	Yes
19	Consumer gas card/book or piped gas bill (Not more than 3 months old)	19	No	Yes
20	Bank Account Statement (Not more than 3 months old)	20	No	Yes
21	Credit Card statement (Not more than 3 months old)	21	No	Yes
22	Depository Account Statement (Not more than 3 months old)	22	No	Yes
23	Property registration document	23	No	Yes
24	Allotment letter of accommodation from Government	24	No	Yes
25	Passport of spouse bearing name of the person	25	No	Yes
26	Property tax payment receipt (Not more than one year old)	26	No	Yes
B	For Association of persons (Trusts)			
	Copy of trust deed or copy of certificate of registration issued by Charity Commissioner	27	Yes	Yes
C	For Association of persons (other than Trusts) or Body of Individuals or Local authority or Artificial Juridical Person)			
	Copy of Agreement or copy of certificate of registration issued by Charity commissioner or Registrar of Cooperative society or any other competent authority or any other document originating from any Central or State Government Department establishing identity and address of such person.	28	Yes	Yes

(2) In case of a transaction in the name of a Minor, any of the above mentioned documents as proof of Identity and Address of any of parents/guardians of such minor shall be deemed to be the proof of identity and address for the minor declarant, and the declaration should be signed by the parent/guardian.

(3) For HUF any document in the name of Karta of HUF is required.

(4) In case the transaction is in the name of more than one person the total number of persons should be mentioned in Sl. No. 18 and the total amount of transaction is to be filled in Sl. No. 16.

In case the estimated total income in column 22b exceeds the maximum amount not chargeable to tax the person should apply for PAN, fill out item 21 and furnish proof of submission of application.