

LOAN AGREEMENT

This Loan Agreement made at the place and date mentioned in Schedule by and amongst ESAF Small Finance Bank Limited, a banking company under Section 22 of the Banking Regulation Act, 1949, incorporated under the provisions of the Companies Act, 2013, having its registered office at Hepzibah Complex, Post Mannuthy, Dist Thrissur, State Kerala - 680 651 represented by the officer and branch, mentioned in Schedule hereinafter referred to as the "Bank";

AND

The "Borrower", whose name is mentioned in the Schedule ;

WHEREAS

- A The Bank is engaged in the business of a small finance bank.
- B The Borrower has sought financial assistance for the amount as mentioned in Schedule ("Loan") and for the purpose more particularly described in Schedule ("Purpose").
- C The Bank agrees, based on the Borrower's request, representations, warranties, covenants and undertakings as contained herein and in the application for the Loan, and other documents executed or tendered by the Borrower in relation to the Loan, to grant a credit facility as specified in Schedule to the Borrower and the Borrower has agreed to borrow the Loan from the Bank on the terms and conditions below.
- D The relationship between the Bank and the Borrower shall commence from the date of this Loan Agreement and subsist until all monies due and payable by the Borrower (jointly and severally) to the Bank under this Loan Agreement and in all other documents pursuant hereto shall have been fully paid to and received by the Bank.

NOW THIS AGREEMENT IS AGREED BY THE PARTIES AS FOLLOWS:

1. DEFINITIONS

"Loan Agreement" means this agreement and includes amendments thereto for grant of the Loan read in conjunction with the Sanction Letter more particularly detailed in Schedule.

"Borrower" means one or more individuals whose name appears in Schedule as the Borrower and, executing this Loan Agreement as Borrower and each one being deemed to have made this Loan Agreement individually and in case of a Co-Borrower, all of them having agreed to liabilities hereunder jointly and severally and the term "Borrower" shall include her/his/their respective heirs, executors, administrators and legal representatives and permitted assigns.

"Branch" means the branch of the Bank at the place mentioned in Schedule and where the Loan is disbursed and shall include any other branch where the Loan account is maintained or transferred to any time at the sole discretion of the Bank.

"Co-Borrower(s)" means one or more individuals whose name appears in Schedule as the Co-Borrower and, executing this Loan Agreement as Co-Borrower and each one being deemed to have made this Loan Agreement individually and in case of more than one, all of them having agreed to the liabilities, coexisting with the Borrower, hereunder jointly and severally and the term "Co-Borrower(s)" shall include her/his/their respective heirs, executors, administrators and legal representatives and permitted assigns.

"Default/Penal Interest Rate" means the rate at which the Bank shall compute and apply interest on all amounts not paid when due for payment by the Borrower to the Bank, as stated in Schedule or as may be amended from time to time by the Bank.

"Event of Default" shall have the same meaning assigned to it in Clause 8.

"Installment" shall mean the amount payable every week/month/annually by the Borrower to the Bank comprising of interest, or as the case may be, principal and interest as described in Schedule and shall include any revised/ amended installments as permitted under this Loan Agreement.

"Interest Rate" means the rate at which the Bank shall compute and apply interest on the Loan, as stated in Schedule to this Loan Agreement or as may be amended from time to time by the Bank and shall include the Default/Penal Interest Rate wherever applicable.

"Loan" means the amount which is more particularly described in Schedule granted by the Bank for the Purpose and as per the terms and conditions of this Loan Agreement.

"Loan Balances" means the outstanding principal amount of the Loan, interest payments and other charges, fees, costs, commitments, expenses, stamp duty and all other sums whatsoever payable by the Borrower to the Bank in accordance with this Loan Agreement and accompanying transaction documents.

"RBI" means the Reserve Bank of India.

"Security" shall mean such security as may be created or agreed to be created by the Borrower in favour of the Bank to secure the payment of the Loan Balances by the Borrower to the Bank.

"Tax" means all taxes, levies, imposts, cesses, duties and other forms of taxation, including (but without limitation) value added tax, service tax, any other tax which are applicable or may be applicable on any future date, corresponding to the loan, or any other charges in relation to loan including any charges in relation to installments or repayments under this Loan Agreement and includes any charge on, interest (including default interest rate), surcharge, penalty or fine in connection therewith which may be payable.

1.1. In this Loan Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) the headings are inserted for convenience only and shall not affect the construction of this Loan Agreement;
- (b) references to one gender includes all genders;
- (c) words in the singular shall include the plural and vice versa;
- (d) references to Schedule are attached to this Loan Agreement or executed by the Parties separately with reference to this Loan Agreement, the Schedules shall form an integral part of this Loan Agreement;
- (e) the Bank and the Borrower are hereby individually referred to as the 'Party' and collectively referred to as the 'Parties'.
- (f) References in this Loan Agreement to statutory provisions shall be construed as references to those provisions as modified or re-enacted from time to time (whether before or after the date of this Loan Agreement) and to any subordinate legislation made under such provisions and shall include references to any repealed statutory provision which has been so re-enacted (whether with or without modification).

2. PURPOSE OF THE LOAN

The Borrower is engaged in the activity mentioned in Schedule and the Borrower agrees to utilize the Loan only for the Purpose.

3. TERMS AND CONDITIONS OF THE LOAN

3.1. Amount of the Loan: The Bank hereby agrees to lend and the Borrower agrees to borrow the sum as specified in Schedule, on the terms and conditions contained herein.

3.2. Period of the Loan: The period of the Loan shall be as specified in Schedule and same may at the sole and absolute discretion of the Bank, be renewed/extended for such further period upon such terms and conditions as may be informed by the Bank. This Loan Agreement shall hold good for any such renewal/extension.

3.3. Charges, Taxes and other Expenses:

- (a) The Bank shall disburse the Loan after deducting all the charges, fees, costs and expenses including the amount pertaining to processing, documentation, legal, insurance and other miscellaneous charges as specified in Schedule.
- (b) The Borrower also undertakes to pay to the Bank all expenses, interest and charges incurred by the Bank in relation to this Loan Agreement including stamp duties, document charges, legal fees, transfer fees, registration charges, court fees and all other expenses for enforcement of the repayment and the Borrower shall pay them forthwith on demand by the Bank along with interest thereon from the date the same are incurred by the Bank until paid by the Borrower to the Bank.
- (c) The Borrower also undertakes to pay all present and future taxes which may include any duties, stamp duties, expenses and other charges whatsoever in relation to the Loan Balances under this Loan Agreement; and
- (d) all other fees, charges, costs and expenses from time to time specified by the Bank (including all costs and expenses incurred or paid by the Bank) in relation to this Loan Agreement and/or any Security (if any) including those incurred for repossession and/or sale of any Security (if any) and/or for recovery of the Loan Balances or any part thereof. If the Bank in its discretion or in terms of any statutory requirement makes such payments, the Borrower undertakes to pay the Bank within 10 days of being informed by the Bank of the same, along with interest in respect of the Loan.

3.4. Instalments: The Loan shall be repayable in the Instalments more specifically mentioned in Schedule.

3.5. Margin: The Borrower agrees to contribute a percentage of the total estimated cost/amount required for the Purpose for which the Loan is being obtained as specified in Schedule. If there is any cost/amount escalation, the entire additional cost/amount shall be brought in by the Borrower as margin.

3.6. Joint and several liability: Where the Loan is provided to more than one Borrower (to the Borrower and the Co-Borrower(s)), the liability of each of the Borrower (including the Co-Borrower(s)) to fulfil the payment obligations and compliance of each of the terms and conditions under this Loan Agreement is joint and several. The Borrower (including the Co-Borrower(s)) shall ensure performance of this Loan Agreement in a harmonious manner such that they act in the capacity of a single borrower.

3.7. Repayment

- (a) The Borrower undertakes to pay to the Bank, the Instalments more particularly mentioned in Schedule hereunder till the entire Loan with interest, cost etc. is repaid and any other charges, premium, fees, taxes levies or other dues and damages set out in this Loan Agreement.
- (b) The Borrower shall arrange for the payment of the equated monthly/fortnightly/weekly Instalments, as stipulated in Schedule, from his/her current/savings Bank account, mentioned in Schedule and in case any amount is left outstanding in the said Loan account by way of principal or interest on account of delayed payment of Instalments, interest accrued during the holiday period, any other debits made in the account or for any other valid reasons, the Borrower shall pay the said amount in lumpsum or in such instalments stipulated by the Bank in its absolute discretion and liquidate the account. The Borrower also agrees to provide Electronic Clearing Service (ECS) mandate as and when required by the Bank.

- (c) Without prejudice to the above, the Bank will also have the right to charge and the Borrower will remain liable to pay the Default/Penal Interest Rate at such rate as may be prescribed by the Bank and/or the RBI, from time to time, in case the Borrower:
 - (i) violates any of the terms and conditions contained in this Loan Agreement
 - (ii) allows the the Loan account to become irregular/out of order/non performing asset; or
 - (iii) the credit rating of the Borrower is downgraded or on account of changes in risk weight stipulated by RBI;
 - (iv) or on any other circumstances, as the Bank may deem fit and necessary provided that the charging or payment of such Default/Penal Interest Rate shall be without prejudice to other rights and remedies of the Bank.
- (d) The Borrower shall, if so required by the Bank, execute in favour of the Bank a letter of authority, addressed to his/her employer to recover and pay to the Bank the equated monthly Installment from the salary of the Borrower every month. The Borrower shall also furnish to the Bank salary deduction undertaking from the employer of the Borrower, if so required by the Bank.

3.8. Interest

- (a) The Borrower agrees to pay interest at the Interest Rate on the rests specified under Schedule of this Loan Agreement.
- (b) Notwithstanding the above, the Borrower agrees that the Interest Rate may increase/decrease on account of the directives of the Bank/RBI and in that case the Borrower agrees to pay such revised Interest Rate. The Bank will have absolute liberty and discretion to refix the amount of Installment and in that event the Borrower shall be liable to repay the Loan with the revised Interest Rate at such revised Installment or the Bank may at its sole and absolute discretion extend the period of repayment mentioned hereinabove. In the event of any amendment/alteration to the amount of Installment and/or the number of Installments on account of the above reasons, then the same shall be deemed to have been substituted here in this Loan Agreement.
- (c) Interest Rate will be computed from the respective date of drawal, which is either in lumpsum or in stages, on the daily debit balance of such Loan account and shall become payable upon the footing of compound interest with monthly rests or such other rests as may be prescribed by the Bank from time to time. The interest will start accruing from the date of disbursement of the Loan or the date of disbursement of the first installment where such Loan is disbursed in stages.
- (d) Interest on the outstanding amounts under the facilities/discount or other charges when debited to the relevant account by the Bank, shall be calculated on the daily debit balance of such account. In the event of remittance being made into the account after the normal business hours, but within the extended business hours, the Bank will have the discretion to value date such remittance on the next succeeding business day for the purpose of calculation of interest.
- (e) The Bank shall at any time by publication in its notice board of the concerned Branch of the Bank/website be entitled to charge the Interest Rate at such higher effective rate or rests than the rate and rest mentioned in this Loan Agreement, on account of revision of Bank's MCLR (Marginal Cost of funds based Lending Rate) and in accordance with the rate and/or rest revised or varied by the Bank. The Borrower specifically waives notice of variation of any change in the Interest Rate/rest and notice published in Bank's notice board/website of the Bank or entry regarding debit of interest in the statement of account shall be deemed to be sufficient notice of variation in Interest Rate/rest to the Borrower. Further, the Bank will be entitled to effect changes in the 'spread' from time to time.
- (f) If the Borrower commits, default or delay in payment/repayment of any Installment, the Loan, interest or any other amount, the unpaid amounts shall carry interest at the Default/Penal Interest Rate and shall be computed from the respective due dates for payment and shall become payable upon the footing of compound interest with monthly rests. The Borrower shall also be liable to pay collection charges fixed by the Bank from time to time. In case, the Borrower commits default in observance and performance of the terms and conditions contained in this Loan Agreement, then the Bank reserves a right to reset the Interest Rate.

3.9. Prepayment of Instalment

Pre payment may be allowed by the Bank at its discretion subject to conditions prescribed in this Agreement contained in any of the Schedules appended hereto. All such payment or foreclosure shall be made from the same savings/current account from which the standing instructions for EMI payments have been issued. In such event the Borrower shall also be liable to pay additional prepayment charges at the rate specified in Schedule ..

3.10. Recall of the Loan by the Bank

The Borrower agrees that the Bank shall be entitled to, at any time, in its discretion, recall the Loan by giving to the Borrower 30 days notice in writing. It is specified that the repayment mentioned in the Schedule set out herein is without prejudice to the Bank's right to recall the entire Loan and to demand payment of the Loan Balance.

- 3.11. The Borrower agrees and confirms the amounts payable by her/him in terms of the Loan Agreement under various heads towards diverse costs and charges and s/he is/are aware that all amounts so paid by her/him shall be treated by the Bank as conclusive payments by the Borrower towards those respective costs and charges. The Borrower agrees that if at any time it is discovered that there are any amounts due to the Bank for which credit was erroneously passed by the Bank, then notwithstanding any no objection certificate etc. that may have been issued by the Bank, the Bank shall be entitled to claim such amounts from the Borrower and the Borrower shall make such payment on a demand by the Bank to that effect.

- 3.12. After execution of the Loan Agreement for availing the Loan, if the Borrower denies (either directly or indirectly) for the disbursement of the Loan under any reason whatsoever which results into cancellation of the Loan or the Borrower not complying the requirement of the Bank for the purpose of disbursement of the Loan which results into cancellation of the Loan by the Bank, then the Borrower shall pay to the Bank the processing fees and other charges as mentioned in the Schedule .

- 3.13. The Borrower confirms having understood and agreed to the Bank method of calculating the Instalments and also its division into principal and interest.

4. REPRESENTATIONS, WARRANTIES AND UNDERTAKINGS BY THE BORROWER

4.1. The Borrower hereby declares, covenants, undertakes, represents and warrants that:

- (a) The Borrower is aware that the Bank is granting the Loan on the basis of the loan application made by him/ it and on the basis of the representations made by him/ it and on the belief that the same is true and accurate.
- (b) The Borrower is not prohibited by any law from availing of the Loan;
- (c) That all the necessary approvals that may be required to be obtained by the Borrower for availing the Loan have been obtained and that Borrower shall keep the approvals valid and subsisting until the repayment of the Loan Balances.
- (d) The loan application has been duly executed by the Borrower or for him/ it through his/ their authorized representatives and/or constituted attorneys;
- (e) Any agreement, document or schedule that may be executed by the Borrower and the Bank after the execution of this Loan Agreement and in connection with this Loan Agreement shall be deemed to be a part of this Loan Agreement and shall be valid and binding on the Parties.
- (f) The undertakings, authority and agreements herein contained shall be irrevocable so long as the Borrower continues to be liable to the Bank in the said Loan account.
- (g) The Borrower has not been a declared willful defaulter and is not insolvent.
- (h) As of the date of this Loan Agreement, there is no litigation, proceedings or disputes pending or threatened against her/him, the adverse determination of which might affect the Borrower's ability to repay the Loan Balances or have a material adverse effect on his/ it financial condition:
 - (i) The execution, delivery and performance of the Loan Agreement does not:
 - (i) contravene any applicable law, statute or regulation of judgment or decree to which s/he are subject.
 - (ii) conflict or result in any breach of any covenants, conditions and stipulation under any existing agreement, to which s/he are party;
 - (iii) conflict or contravene any provision of the memorandum of association and articles of association of the Borrower.
- (j) The Borrower has paid and will pay when due, all public demands such as income tax, property taxes and all other taxes and revenues payable to the government authority.
- (k) No event has occurred which shall prejudicially effect the interest of the Bank or effect the financial conditions of Borrower or affect her/his liability to perform all or any of her/his obligations under this Loan Agreement;
- (l) The Borrower declares that he/she has understood all the terms and conditions for the sanction of this Loan and agrees to abide by the same and also by the rules and regulations which may be issued by the Bank in future from time to time and in the event of Borrower's failing to do so, the Bank will have a right to recall the Loan without prejudice to the Bank's right to take such appropriate action as the Bank may deem fit and proper.
- (m) The Borrower agrees to accept as conclusive proof of the correctness of any sum claimed to be due from her/him to the Bank under this Agreement, a statement of account/extract from the computer or otherwise without the production of any voucher/document/register.
- (n) The Borrower undertakes to utilize the Loan only for the Purpose.
- (o) The Borrower declares and confirms that the amount of the Loan or the balance then outstanding shall become payable at once in case of Borrower's death or Co-Borrower. In case of death, the Bank, may at its discretion, continue the Loan, provided sufficient collateral is furnished by the legal heirs of deceased Borrower or some satisfactory arrangement for repayment acceptable to the Bank has been made by legal heirs of deceased Borrower.
- (p) The Borrower declares and confirms that on the retirement of the Borrower or Co-Borrower the Bank may in its absolute discretion recall the entire outstanding amount of the Loan sanctioned to the Borrower at once. The Bank may, at its discretion, continue the Loan provided satisfactory arrangement for repayment, acceptable to the Bank has been made by the Borrower.
- (q) In the event of cessation of Borrower's business/service with his/her/their present employers by way of resignation of the Borrower/Co-Borrower or otherwise (except as a result of death or retirement), the Borrower undertakes to repay to the Bank forthwith on demand the amount then outstanding in the Loan account.
- (r) The Borrower shall abide by the terms and conditions of the sanction of the Loan to the Borrower as mentioned in the Schedule which forms part of this Agreement and also to the rules for such loans, which are now in force and also those which may be altered, revised, amended, added from time to time by the Bank/RBI/Central Government/State Government.

The Bank is at liberty to alter the terms and conditions of the Sanction Letter, withdraw the credit limit partially or fully or recall the advance at any time without any notice and without assigning any reason.

- 4.2.** The Borrower agrees that it is a condition of the grant of the Loan that if any statement made with reference to the above is found to be false at any time the Bank shall be at liberty and entitled to revoke the Loan in a manner specified in this Loan Agreement.

5. INDEMNITY

The Borrower undertakes to indemnify and keep the Bank and its officers and employees fully indemnified and harmless from and against all forms of losses caused to the Bank, including but not limited to all costs, expenses, taxes and other costs incurred by the Bank as a result of any acts or omission of the Borrower, including as a result of third party claims or claims from regulators or other authorities. The Borrower undertakes immediately upon the occurrence of the loss caused to the Bank to pay to the Bank any amount on this account without any demur, reservation, contest, protest, whatsoever.

6. DISBURSEMENT

- 6.1. The disbursement of the amount of the Loan shall be at Bank's absolute discretion and Bank shall not be obliged to disburse the Loan unless the Borrower has complied with such other conditions as the Bank may impose in this Agreement or any Schedule appended to this Agreement.
- 6.2. The Borrower shall avail of the Loan in single or multiple tranche on the same day of this Loan Agreement or within 30 days from the date of this Loan Agreement failing which the Bank shall be under no obligation to grant/disburse the Loan to the Borrower.
- 6.3. The Borrower agrees that the Bank shall release the Loan only after the proportionate margin amount is invested by the Borrower/ remitted to the Bank, as stipulated in Schedule.

7. SECURITY

- 7.1. The repayment by the Borrower to the Bank of the Loan Balances this Loan Agreement shall be protected by the Security, as provided in Schedule
- 7.2. **Security covenants**
 - (a) The Loan together with all interest, all fees, commitment charges, costs, charges, expenses and other monies whatsoever stipulated in or payable under this Agreement and the other transaction documents shall be secured by the assets over which the Security has been created as specified in Schedule ("Secured Assets").
 - (b) The Security will be created in favour of the Bank, as required by the Bank, in a form and manner acceptable to the Bank.
 - (c) The Borrower agrees that this Loan Agreement, and any Security hereby created or created subsequently, for and on account of the Loan, shall operate as a continuing security for all the obligations of the Borrower in respect of the Loan, notwithstanding any partial payments or fluctuation of accounts.
 - (d) In the event of failure to observe any of the conditions set out in the Loan/Security documents, the Bank can exercise their right on the Security and may seize the Secured Assets with or without notice to the Borrower.
 - (e) The Bank may in exercise of the powers cause the Secured Assets to be sold by public auction or otherwise after seizure with or without notice to the Borrower. In order to facilitate sale of the Secured Assets the Borrower agrees to execute and deliver to the Bank undated transfer/sale letter.
 - (f) The Borrower shall not, without the written consent of the Bank, create in any manner any charge, lien or other encumbrance on the Security given to the Bank in respect of such advance or create any interest in such Security in favour of any other party or person.
 - (g) Where the Secured Assets is a motor vehicle, the interest of the Bank over such Secured Asset is only in the nature of a 'security interest' where the Bank may choose to seize/ auction such Secured Asset in the manner set out in this Loan Agreement. The Borrower shall remain the owner of such Secured Asset for the purpose of observing and complying with statutory rules and regulations in relation to motor vehicles, etc.
 - (h) On demand, the Borrower agrees to deliver to the Bank post-dated cheques for the payment of EMIs and the Borrower warrants that the cheque will be honoured on first presentation. Any non- presentation of a cheque due to any reason will not affect the liability of the Borrower to pay the equated monthly installments or any other sum. The Borrower agrees to forthwith replace the cheque/issue fresh cheques if required by the Bank. The Borrower shall not be entitled to call upon the Bank to refrain from presenting any cheque for payment and if the Borrower does so, the Bank shall nevertheless be entitled to present the cheque for payment and in the event of dishonour the provisions under Chapter XVII of the Negotiable Instruments Act, 1881 shall apply.
- 7.3. **Bank's right of general lien and set off**
 - (a) In the event of Borrower ceasing to be in business/service of her/his employer whether by retirement, resignation, death or by operation of law or for any other reason or cause whatsoever and howsoever Bank shall be entitled at its discretion, to write to her/his employers to appropriate and set off (i) any amount which may then be payable by her/his employers to the Borrower whether by way of salary, allowances, bonus, other remuneration or any payment (whether ex-gratia or otherwise) whatsoever and (ii) any amount that may be standing to the credit of any account which the Borrower may have with her/his employers or with the Bank, either singly or jointly towards repayment of the balance that may be then remaining due and payable by the Borrower in the said Loan account of the Borrower together with interest thereon at the applicable rates upto the date of such repayment. Any such appropriation made by the Bank or by her/his employers shall be conclusive and binding on the Bank and her/his estate both in and out of court. In the event of Borrower's liability to make repayment of the entire dues immediately shall remain valid till the entire amount with applicable interest as up to the date of payment has been realised by the Bank whether by way of recovery from Borrower's employer or otherwise.

The Borrower agrees that in the event of any default in payment of the installments on her/his part, the Bank may at its discretion in exercise of its rights of set off appropriate any deposits standing to the credit of the Borrower in any branch

of the Bank. The Borrower further agrees and declares that the Bank shall have a right of general lien and set off other accounts of the Borrower and/or securities including gold/silver ornaments, share certificates including demat securities, LIC Policies, National Saving Certificates etc. in custody of the Bank either as securities for any other loan/advance availed by the Borrower from the Bank or kept in safe custody and that the Bank may at its discretion in case of breach of terms of this Loan Agreement may sell/dispose of such securities and appropriate the proceeds in satisfaction of the Bank's dues.

- (b) The Bank shall have the right of set-off/net off on the deposits of any kind and nature (including fixed deposits) held/balances lying in any accounts of the Borrower and on any monies, securities, bonds and all other assets, documents, deeds and properties held by/under the control of the Bank /her/his trustees or agents (whether by way of security or otherwise pursuant to any contract entered/to be entered into by the Borrower in any capacity) to the extent of all outstanding dues, whatsoever, arising as a result of any of the Bank's services extended to and/or used by the Borrower and/or as a result of any other facilities that may be granted by the Bank to the Borrower. The Borrower also notes the banker's lien available to the Bank on the aforesaid assets.
- (c) In addition to the above mentioned right or any other right which the Bank may at any time be entitled whether by operation of law, contract or otherwise, the Borrower authorizes the Bank:
 - (i) to combine or consolidate at any time all or any of the accounts and liabilities of the Borrower with or to any branch of the Bank;
 - (ii) to sell or dispose off any of the Borrower's securities or properties held by the Bank by way of public or private sale or assignment or in any other manner whatsoever without having to institute any judicial proceeding whatsoever and retain/appropriate from the proceeds derived there from the total amounts outstanding to the Bank from the Borrower, including costs and expenses in connection with such sale /disposal /transfer /assignment
 - (iii) The Borrower also authorizes the Bank to enforce this Agreement through arbitration without (unless so required by law) the intervention of the Court, as and when the Bank may in its absolute discretion, deem fit and to apply the net proceeds of such sale in satisfaction so far as the same will extend towards liquidation of the liability in relation to the Loan.

7.4. Insurance

- (a) The Borrower shall ensure to the satisfaction of the Bank and keep the Secured Assets comprehensively insured, against fire and all other risks for a sum equivalent to its full market value with an insurance company in the name and sole benefit of the Bank or in the name of the Borrower with the sole benefit of the Bank, as may be stipulated by the Bank, for such amount as the Bank may consider necessary and that the insurance policies shall be delivered to the Bank.
- (b) If the Borrower fails to effect such insurance, the Bank may, without being obliged to do so, insure the Secured Assets comprehensively in the name of the Bank or in the name of the Borrower with the sole benefit of the Bank, as may be decided by the Bank at its absolute discretion and debit the premium and such other charges to any account of the Borrower opened or to be opened.
- (c) The Borrower agrees that debiting of insurance premium for a particular year will not cast any obligation on the Bank to take out insurance policies of the Secured Assets in subsequent years.
- (d) The Borrower agrees that in the event of loss or damage of the Secured Assets, the Borrower shall submit the insurance claim to the insurance company under intimation to the Bank and in the event of receipt of claim amount directly from the insurance company the Borrower undertakes to remit the same to the Bank.
- (e) The Borrower further expressly agrees that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute arising under or in connection with any insurance and such adjustment, settlement, compromise and any award made on such arbitration shall be valid and binding on the Borrower and also to receive all monies payable under any such insurance or under any claim made thereunder and to give a valid receipt therefor, and that the amount so received shall be credited to the Borrower's account and the Borrower shall not raise question that a larger sum might or ought to have been received or be entitled to dispute its liability for the balance remaining due on any account or accounts after such credit.

Provided that the Bank may at its sole, absolute and unqualified discretion waive all or any of these requirements.

- (f) The Borrower shall also agree to execute a letter addressed to the insurance company to pay the proceeds directly to the Bank in the event of arising of any claim in respect of the Secured Assets and deliver the letter to the Bank.

8. EVENTS OF DEFAULT AND REMEDIES

The Borrower agrees that the payment of all the amounts due to the Bank under this Loan Agreement can always be enforced against the Borrower's estate and assets and this Loan Agreement shall be binding upon "her/his heirs, executors, legal representatives and administrators".

- (a) Event of Default: Each of the following events is an "Event of Default"
 - (i) If the Borrower fails to pay any sum payable under this Loan Agreement;
 - (ii) If any instrument for payment of margin money/monies is /are dishonoured, where applicable;
 - (iii) If the Borrower violates any provision of this Loan Agreement;
 - (iv) If any representation, warranty or statement on the part of the Borrower or any credit information is or is found to be incorrect or misleading (whether by reason of omission to state a material fact or otherwise)
 - (v) If the Borrower has voluntarily or compulsorily become the subject of any proceedings under any bankruptcy or insolvency law.
 - (vi) The death, lunacy or other disability of the Borrower;

- (vii) In case of retirement/resignation of service from the present employment by the Borrower (or any one of the Co-Borrower (if any)) or cessation/stoppage of business/profession as specified in this Agreement.
- (viii) If the Bank receives any notice of insolvency against the Borrower (or any one of the Co-Borrower).
- (ix) If Borrower fails to furnish the papers or documents required by the Bank or fails to furnish the information called for by the Bank from time to time.
- (x) If there is reasonable apprehension that the Borrower is unable to pay its debts or has admitted its inability to pay its debts, as they become payable;
- (xi) If the Borrower suffers any adverse material change in its financial position;
- (xii) If the Borrower (or any one of the Co-Borrower) is convicted under any criminal law in force;
- (xiii) If any of the representations, undertakings and/or declarations made in this Loan Agreement and/or loan application are found to be false or incorrect or not complied with.
- (xiv) Non creation of security by the Borrower in favor of the Bank within the manner / time stipulated/specified in the Schedule.
- (xv) If the Secured Assets are seized or made subject to any distress, execution, attachment, injunction or order or proceeding or is detained or taken into custody for any reason;
- (xvi) If the Bank's right to the Secured Assets or the value of any Security is prejudiced;
- (xvii) If the Secured Assets are destroyed beyond repair for any reason whatsoever;
- (xviii) If at any time the Secured Assets or Security is used for any illegal or unlawful purpose;
- (xix) Default under any other agreement, arrangement or facility with the Bank is made by the Borrower.
- (xx) If any litigation or arbitration, conciliation, legal, quasi-legal, revenue or other proceedings are initiated against or orders or decrees are passed against or notices are received by the Borrower;
- (xxi) any default by the Borrower under any other agreement or arrangement or guarantee or security or other indebtedness of the Borrower with the Bank or its subsidiaries/affiliates shall constitute an event of default under this Agreement and vice-versa

The said amounts shall be deemed to constitute Loan Balance under this Agreement secured by the Secured Assets.

- (xxii) There exists any other circumstance, which in the sole opinion of the Bank, is prejudicial to the interests of the Bank; or
- (xxiii) Any of the Events of Default as specified in Schedules hereto.

(b) Notice

If any Event of Default or any event which after a lapse of time is capable of becoming an Event of Default takes place, the Bank may give notice of up to 30 days to the Borrower in writing specifying the nature of such Event of Default or of such event. If the Event of Default is capable of being cured or remedied the Borrower shall cure or remedy the default or such event before the expiry of the notice period to the satisfaction of the Bank failing which, on the expiry of the period of notice the Loan Balances, together with the prepayment interest and all other sums due and/or to become due hereunder for the full term of this Loan Agreement, shall immediately stand payable/repayable by the Borrower to the Bank. Notwithstanding the recall or any cancellation or termination of the Loan/the Loan Balance, all the provisions of this Loan Agreement shall continue in full force and effect as herein specifically provided till such time as the Loan Balance is repaid to the Bank in full.

(c) Remedies

- (i) The Borrower hereby authorizes the Bank to enforce the Loan Agreement through arbitration under Clause 9 without (unless so required by law) the intervention of the Court, as and when the Bank may, in its absolute discretion, deem fit and to apply the net proceeds of such sale in satisfaction so far as the same will extend towards liquidation of the Loan Balance.
- (ii) The Borrower agrees that the Bank is entitled to enforce any of the negotiable instruments submitted by her/him in an Event of Default during the tenure of the Loan.

9. REVIVAL OF CONTRACT

The Borrower may request the Bank by a supplementary letter to revive this Loan Agreement and such request may be entertained by the Bank at its discretion and upon such terms and conditions as it may think fit and proper in the circumstances and only after collecting the Installment in full including default Interest, travel, legal and other costs, repossession expenses and the like. Any decision taken by the Bank not to revive this Loan Agreement shall be final and binding on the Borrower, and the Borrower shall not challenge the same in any court of law.

10. ADDITIONAL TERMS AND CONDITIONS

IN THE CASE OF LOANS GIVEN FOR PURCHASE OF VEHICLE / MACHINERY / OTHER ASSETS

- 10.1. The Borrower hereby confirms that the asset/machinery/vehicle has been booked with the dealer/will be purchased from the seller and requests that the proceeds of the Loan along with the margin money to be directly disbursed to the said dealer/seller by way of demand draft or any other such mode and the same will be construed as the Loan being disbursed to the Borrower.
- 10.2. The Borrower further confirms that the Bank will have no responsibility or obligation whatsoever with respect to, and the Borrower shall be responsible to repay the Loan in full in accordance with the terms regardless of, any non-delivery of

the asset/machinery/vehicle; and defect, damage or other problems with the quality of such asset/machinery/vehicle; or any matter whatsoever arising out of or relating to such asset/machinery/vehicle or the use or application of the proceeds of the Loan. Further, in case of any cancellation of the purchase of the above asset/machinery/vehicle, the Borrower further authorizes and instructs the dealer/seller to refund the booking money to the Bank.

The Borrower undertakes to inform the Bank as soon as he/they take delivery of the asset/machinery/vehicle.

10.3 Hypothecation of Vehicle(s)

- a. The vehicle(s) described in Schedule [•] of the Loan Agreement of which the Borrower(s) is the rightful owner shall be security to the Bank until the said advance is completely repaid.
- b. The Borrower(s) shall, within [15] days from the date of sanction letter or delivery/ possession of the vehicle, whichever is later, shall register the vehicle with the appropriate registration authority, as required by law, and submit a certified copy of the registration certificate with the Bank.
- c. As security for the repayment of the loan by the Borrower(s) to the Bank, the Borrower(s) hereby hypothecates the vehicle described in the Schedule [•] hereunder, by way of first charge in favour of the Bank. While registering the vehicle with the appropriate registration authority the Borrower(s) shall ensure that the registration certificate includes the fact that the vehicle is hypothecated/ charged to the Bank.
- d. In the event of any vehicle(s) becoming not usable/damaged, the Borrower(s) shall cause further security to be provided to the Bank.
- e. This Loan Agreement and the security by way of hypothecation created hereby shall operate as a continuing security for the ultimate balance due hereunder to the Bank and the security shall continue in operation till this agreement is expressly cancelled either by the Bank or by mutual consent of the parties, such cancellation by the Bank not to affect the obligations already incurred.
- f. In the event of failure to observe any of the conditions set out in the loan/security documents, the Bank can exercise their right on the security and may or can seize said vehicle(s) with or without notice to the Borrower(s).
- g. The Bank may in exercise of the powers cause the said vehicle(s) to be sold by public auction or otherwise after seizure with or without notice to the Borrower(s). In order to facilitate sale of vehicle the Borrower(s) agree/s to execute and deliver to the Bank undated transfer/sale letter.
- h. The Borrower(s) shall not, without the written consent of the Bank, sell, assign, transfer, hire, lease, let out or otherwise part with possession of the vehicle/ security or create in any manner any charge, lien or other encumbrance on the vehicle/ security given to the Bank in respect of such advance or create any interest in such vehicle/ security in favour of any other party or person.
- i. For all purposes the Bank's interest in the vehicle(s) shall be to the extent to 'security to the Bank' and the Borrower(s) shall remain owner/s for purposes of observing the regulations of the motor vehicles, etc.

The Loan amount, net of all charges and fees will be disbursed to the account of the dealer/seller or the account of the Borrower as specified in the loan application and as accepted

IN CASE OF HOUSING LOANS / LOAN AGAINST PROPERTY

- 10.3. The disbursement of the amount of the Loan shall be co-related to the actual progress in the construction of the house/flat and/or for additions/modifications/renovations. Such disbursement shall be made by means of savings bank account credit/banker's cheques/demand draft drawn in favour of parties to whom the Borrower may desire and instruct Bank to make payment for the Purpose of availing the Loan. The Bank may at its discretion and at the request of the Borrower credit a part of the Loan to Borrower's current/ savings bank account (maintained in single or joint names) as specified in Schedule to enable the Borrower to make payments to suppliers of goods and services for the Purpose.
- 10.3.1. The Borrower shall submit to the Bank within a reasonable time, satisfactory proof of the proper utilization of the amount of the Loan, such as engineer's certificate, certifying the value of work carried out, contractor's bills, stamped receipts, sale agreement for house/flat. If considered necessary by the Bank, the Borrower shall produce, at Borrower's own cost, photographs showing the progress of construction work carried out by the Borrower, which photographs besides showing portion of the neighbouring properties, shall be certified by persons whose certificates are acceptable to the Bank. The Borrower further understands that the Bank may be entitled not to disburse the Loan or part thereof until such certificates or documents have been produced by the Borrower and unless the Borrower complies with the requirements relating to creation of the Security.
- 10.4. In case of taking over the facility from any other bank/financial institution by way of balance transfer of the outstanding liability, the Borrower hereby authorizes the Bank to make direct payment to the bank/financial institution where the Borrower is presently maintaining the loan account, receive acknowledgment, and to receive the documents of title and other related documents from the existing lender on behalf of the Borrower and undertakes to create security in favour of the Bank in a form and manner acceptable to the Bank.
- 10.5. In the case of loan against property, the disbursement shall be done through any mode as below:
 - (a) Transfer/credit the Loan to savings/current account of the Borrower (maintained in single or joint names) to enable the Borrower to make payments to suppliers of goods and services.
 - (b) Bankers cheques/demand draft drawn in favour of parties to whom the Borrower may desire and instruct Bank to make payment for fulfilment of the purpose mentioned herein. The Borrower shall submit to the Bank within a reasonable time, satisfactory proof of the proper utilization of the amount of the Loan. The Borrower further understands that the Bank may be entitled not to disburse the Loan or part thereof until such certificates, proof or documents have been produced by the Borrower and unless the Borrower complies with the requirements relating to creation of security.
- 10.6. Pre Requisites for Disbursement

- (a) The Borrower agrees that there is no obligation on the part of the Bank to disburse the Loan unless and until all the requirements are duly complied with by the Borrower and a title clearance certificate has been obtained from the advocate of the Bank, search report/encumbrance certificate from the Sub Registrar's Office, other revenue records as stipulated by the Bank etc. and other internal procedures of the Bank are duly completed within reasonable time. Accordingly the Borrower agrees that on the date of execution of the Loan Agreement and other loan/security documents in favour of the Bank and actual date of disbursement may vary.
- (b) The Borrower shall obtain at his/its cost and produce for the satisfaction of the Bank a certificate from the advocate/solicitors approved by the Bank certifying that he/it will have clear marketable title to the land/flat/house proposed to be purchased by the Borrower and agrees that the Bank shall be entitled not to disburse any amount of the Loan until such certificate has been produced by the Borrower.
- (c) In case the Purpose for which the Loan is granted to the Borrower is to finance the construction of a house by the Borrower on a plot of land already owned by the Borrower, the Borrower shall:
 - (i) submit a copy of the sanctioned plan of the property in the name of the Borrower by the competent authority to the Bank and confirm in writing that the said sanction plan has been approved;
 - (ii) submit an affidavit-cum-undertaking stating that (a) the Borrower shall not violate the sanctioned plan, (b) construction shall be strictly as per the sanctioned plan, (c) the Borrower will be solely responsible to obtain the completion certificate within 3 (three) months of completion of construction, failing which the Bank shall have the power and the authority to recall the entire Loan with interest, costs and other usual bank charges;
 - (iii) pay any fees charges or costs in relation to the appointment of a architect to certify at various stages of construction that the construction is being carried out as per the sanctioned plan and who shall also be required to certify that the completion certificate of the building to be issued by the competent authority has been obtained.
- (d) In case the Purpose for which the Loan is granted to the Borrower is to finance the purchase of a built up house/ flat, the Borrower shall declare by way of an affidavit cum-undertaking that the built up property has been constructed as per the sanctioned plan and/or building bye-laws and as far as possible that a completion certificate has been obtained. An architect appointed by the Bank must also certify before disbursement of the Loan that the built up property is strictly as per sanctioned plan and/or building bye-laws.
- (e) In case the Purpose for which the Loan is granted to the Borrower is to finance the purchase of a plot, the Borrower shall provide a declaration that he intends to construct a house on the said plot, with the help of bank finance or otherwise, within such period as may be laid down by the banks themselves.

11. ADDITIONAL REPRESENTATIONS WARRANTIES AND UNDERTAKINGS BY THE BORROWER

11.1. The Borrower hereby further declares, covenants, represents and warrants that:

- (a) The Borrower undertakes to construct the house/flat/apartment strictly as per the plan approved by local authority.
- (b) The Borrower shall maintain the flat/house/security in good tenantable repair and condition at his/its cost at all times so long as the Borrower is indebted to the Bank and that the Borrower shall ensure that the Bank's security is not in any way jeopardized. The Borrower shall duly and punctually pay the charges, if any, payable to the co-operative society and also all the municipal taxes, charges, rates, cess etc. from time to time payable by the Borrower in respect of the flat/house/land. In the event the Borrower fails to pay the aforesaid taxes, charges, rates, cess etc. and where the requirement to pay the same falls upon the Bank, the Bank will be entitled to recover the same from the Borrower, which shall be deemed to constitute the Loan Balance.
- (c) The Bank shall be at liberty to inspect the flat/house/land at any reasonable hours of the day and the Borrower shall furnish all such information/particulars whatsoever as and when called upon to do so by the Bank.
- (d) The Borrower shall notify and furnish details of any additions and/or alterations in the house/security, which might be proposed to be made during the currency of the Loan. The Borrower declares that the house/security is/will be constructed as per the developmental control rules and regulations that may be applicable from time to time. The Borrower further undertakes to produce the completion/occupation certificate issued by the Local Planning Authority or any other appropriate authority.
- (e) The Borrower hereby declare that he/it is not involved as a party to any litigation of a material character in relation to subject land and/or house and he/it is not aware of any litigation/judgment or legal process affecting or challenging the title of the property or any material defect which can affect the Bank prejudicially. If in future any litigation arises or any acquisition proceedings are taken out by a Government or any local body or any other person then he/it will try to defend it on merits at his/its costs and consequences and shall inform the Bank the developments about the same from time to time.

12. PREPAYMENT AND OTHER CHARGES

12.1. Conditions in relation to Prepayment

- (a) Prepayment or foreclosure for loans against property is permitted after a minimum of 12 (twelve) months following the Loan disbursal. The Borrower shall send a written request to the Bank mentioning the clear construction for reducing the tenure or equated monthly instalments in case of pre payment of the Loan. The Borrower/s /Co-Borrower(s) undertake to submit at least 30 days prior written intimation for foreclosure.
- (b) If the Loan is availed by senior citizen above the age of 60 years, no premature closure charges will be levied by the Bank, provided the Loan is closed after 1 (one) year from the date of disbursement.

12.2. Payment of Other Charges/Fees

The Borrower also agree to reimburse to the Bank all charges for legal scrutiny of title deeds, expenses incurred for valuation of property/assets offered as Security to the Bank, inspection of the Secured Assets, visit of the Secured Assets, the obtaining of search reports /encumbrance certificate from Registrar of Assurances, etc.

13. EVENTS OF DEFAULT AND REMEDIES

13.1. The following events shall also be considered to be an 'Event of Default' in relation to the Loan Agreement:

- (a) If the Bank apprehends that the subject land and/or house is in imminent danger of destruction on account of improper maintenance or any other natural causes, and/or the security of the land and/or house is in jeopardy in the opinion of the Bank.
- (b) If the Bank apprehends that the subject land and/or house/flat is liable to be attached by a civil/revenue court/tax authorities etc.

14. SECURITY FOR THE LOAN AND OTHER TERMS

14.1. Security

- (a) The Borrower shall not assign, mortgage, charge or in any way encumber or alienate the said flat/house/land or any part thereof or any Secured Asset furnished to the Bank as Security, so long as the Borrower is indebted to the Bank in the said Loan account. The Borrower agrees that he/it will not let out the house/flat/apartment purchased out of the proceeds of the Loan availed from the Bank.
- (b) The Borrower/Co-Borrower shall obtain at his/her cost and produce for the satisfaction of the Bank a certificate from the advocate/solicitors approved by the Bank certifying that he/she will have clear marketable title to the land/flat/house proposed to be purchased by the Borrower/Co-Borrower and agree that Bank shall be entitled not to disburse any amount of the Loan until such certificate has been produced by the Borrower/Co-Borrower.

14.2. Mortgage of Property

14.2.1. The Borrower shall create equitable mortgage of land/house/flat purchased by the Borrower out of the amount of the said Loan in favour of the Bank or owned by the Borrower in which the construction/ modification/ addition/ renovation is undertaken and shall execute/cause to be executed such documents as may be required by the Bank. Where creation of equitable mortgage is not possible the Borrower shall create a registered legal mortgage by execution of proper 'Deed of Mortgage', of all rights, title and interest in the flat/house/land purchased by the Borrower in such form as may be approved by Bank.

14.2.2. In case of balance transfer, the Borrower hereby authorizes the Bank to receive the documents of title and other related documents from the existing lender on behalf of the Borrower and the Borrower undertakes to create Security in favor of the Bank in a form and manner acceptable to the Bank.

14.3. Insurance

14.3.1. The Borrower shall at his/its cost insure with an insurance company suggested by the Bank and keep insured in the joint names of Borrower and the Bank the house/flat at all times against fire, flood, cyclone, typhoon, lighting, explosion, riot, strike, earthquake, risks and other acts of God for such other risks for the full market value as desired by the Bank from time to time and shall endeavour to get the building in which the Borrower's house/flat is situated insured against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake, risks and other acts of God at all times by the Co-operative Society/apartment owner/association or any other body under whose control the building is vested. The Borrower shall deliver copies of the insurance policies, cover notes, premium receipts etc. to the Bank. If the Borrower fails to effect such insurance the Bank will be at liberty, but not obliged, to insure the said house/flat against fire, flood, cyclone, typhoon, lightning, explosion, riot, strike, earthquake risks and other acts of God and debit the premium and other charges to any of Borrower's Loan account or any other accounts with the Bank. The Borrower agree that debiting of insurance premium for a particular year will not cast any obligation on the Bank to take out insurance policies of the house/flat or the Secured Assets in subsequent years. The Borrower expressly agrees and declares that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute between the insurance company and the insured arising from or under or in connection with any such policy or policies of insurance and such adjustment, settlement, compromise or any award made on such reference to arbitration shall be valid and binding on the Borrower. The Borrower further agrees that the Bank shall have a right to receive all moneys payable under any such policy or under any claim made there under and to give a valid receipt therefore and that the amount so received shall be credited to Borrower's Loan account and the Borrower will not be entitled to raise any question that a larger sum might or ought to have been received or to dispute Borrower's liability for the balance remaining due on such account after such credit.

15. REPOSSESSION

(a) Notice period before taking possession :

In the event of default by the Borrower, a notice would be issued for recovery of the outstanding dues on the Loan account in accordance with the provisions of applicable laws for debt recovery in India. The notice will be sent to the mortgaged property address and other addresses provided by the Borrower.

(b) Circumstances under which the notice period can be waived:

The Bank shall be entitled to recall the entire outstanding of the Loan disbursed at any time at its own discretion without assigning any reason and without prejudice to any other rights, if it has reason to believe that the Loan was procured by improper declaration/information or the property offered is inadequate or affected in any way due to non-payment of dues, improper maintenance of the property, breach of any internal policies of the Bank, or for any other reason of whatsoever nature.

(c) The procedure for taking possession of the property:

The Bank would follow the procedures laid down under the debt recovery laws including but not limited to ;The Securitisation And Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002' (SARFAESI), Debt Recovery Tribunal Act, Civil Procedure Code etc. (Debt Recovery Laws) or laid down under any statute/regulation for taking possession of the property and attaching and selling the property.

(d) Final Notice Before Sale/Auction:

A provision regarding final chance to be given to the Borrower for repayment of Loan before the sale/auction of the property The Bank/competent authority appointed under the extant applicable laws shall issue a notice to the Borrower as prescribed hereunder and/or under the applicable laws giving the Borrower an opportunity to repay the Loan before the sale/auction of the property

(e) The procedure for giving repossession to the Borrower:

In the event the outstanding dues are paid in full prior to the sale of the property under the recovery proceedings, the Bank shall handover possession of the property back to the Borrower. The property documents will be released to the Borrower within 30 days of receipt of the outstanding dues.

(f) The procedure for sale/auction of the property:

The Bank/appropriate authority would follow the due procedure as prescribed under the various Debt Recovery Laws for the sale and auction of the property which has been repossessed by the Bank

16. GENERAL

16.1. Arbitration

16.1.1. In the event of disputes, controversies, differences, claims and questions between the Parties hereto arising out of this Loan Agreement or in any way relating hereto or any term, condition or provision herein mentioned or the construction or interpretation thereof or otherwise in relation hereto shall be referred to arbitration by a sole arbitrator to be appointed by the Bank.

16.1.2. The award of the arbitrator shall be final and conclusive and binding upon the Parties, and the Parties shall be entitled (but not obliged) to enter judgment thereon in anyone or more of the highest courts having jurisdiction.

16.1.3. The Borrower shall bear the expenses/costs incurred for the arbitration proceedings. The arbitration shall be held in accordance with the Arbitration and Conciliation Act, 1996 as amended from time to time and shall be held in Thrissur and the language of the arbitration proceedings shall be English

16.2. Jurisdiction

Any suit, revision, reference or other filing permitted or required to be made pursuant to the Arbitration and Conciliation Act, 1996 in respect of matters arising out of this Loan Agreement shall be instituted only in competent courts at Thrissur and parties specifically agree to exclude the jurisdiction of any other courts in India.

16.3. Law

This Loan Agreement shall be subject to, governed by, and construed in accordance with, Indian laws.

16.4. Severability.

If any provision of this Loan Agreement is held to be invalid, illegal or unenforceable under present or future laws, such provision shall be struck from the Loan Agreement; however such invalidity or enforceability shall not affect the remaining provisions or conditions of this Loan Agreement. The parties shall remain legally bound by the remaining terms of this Loan Agreement and shall strive to reform the Loan Agreement in a manner consistent with the original intent of the parties.

16.5. Amendment

No amendment, change, variation, addition of any term or provision hereof shall be effective unless made in writing and signed by both parties hereto.

16.6. Assignment of Contract

- (a) The Borrower shall not be entitled to transfer or assign any of its rights or obligations under this Loan Agreement to any person directly or indirectly without the prior written consent of the Bank.
- (b) The Bank shall be entitled to grant/transfer/assign any or all of its rights, benefits, obligations, duties and liabilities under this Loan Agreement including the right to receive the Installments and Loan Balance by way of sale, assignment, transfer, securitization, charge or as a security or otherwise to any person or entity and in such event the Borrower shall perform its obligations under this Loan Agreement to such assignee, transferee, grantee or other concerned person.
- (c) The Borrower expressly recognizes and accept that the Bank shall be absolutely entitled and have full power and authority to sell, assign or transfer in any manner in whole or in part, all its rights and interest in or under this Loan Agreement and any Security (if any) in such manner and on such terms as the Bank may decide, including reserving a right to the Bank to retain its power hereunder to proceed against the Borrower on behalf of the purchaser, assignee or transferee, to any third party of the Bank's choice, without reference to or without written intimation to the Borrower.

16.7. Securitization

- (a) The Bank reserves the right to assign/sell/securitize the Loan with or without security. If any, in any manner by transferring and/or assigning or otherwise all its right, title and interest which the Bank deems appropriate and the Borrower hereby expressly agrees that in that event, Bank is not required to obtain any permission or put the Borrower to any notice.
- (b) The Borrower shall be bound to accept any such securitization and any such sale, assignment or transfer and the Borrower shall accept such other party as creditors exclusively or as a joint creditor with in the Bank, or as creditor exclusively with the right of Bank to continue to exercise all powers hereunder on behalf of any such other party.
- (c) Any cost in this behalf, whether on account of such sale, assignment or transfer or enforcement of rights and recovery of outstanding dues shall be to the account of the Borrower. The Borrower undertakes to pay to third parties the difference between the Loan outstanding and the amount received by the Bank in the event of transfer of the portfolio to a third party.

16.8. Force Majeure

Notwithstanding any this to the contrary herein contained, the Borrower hereby confirms the Bank shall not be liable or responsible for failure or delay in the performance of its obligations hereunder, if it is prevented from discharging its obligations hereunder due to any cause arising out of or related to any act of God or act of state, disruption of services due to technological failure beyond Bank's control, any system failures, cyber-crimes including but not limited to hacking, tampering with computer source documents, disruption caused in systems and/or software's by virus, network failures, war, riots, civil commotion, terrorism, strikes, lockouts or any order of any governmental, semi-governmental or local authority or any similar cause.

17. MISCELLANEOUS PROVISIONS

- 17.1. The application form submitted by the Borrower for grant of the Loan is an integral part of this Loan Agreement and shall be considered to be part of the credit information.
- 17.2. The Borrower agrees that the Bank is not responsible or liable in any way whatsoever for the non-performance of the Secured Assets or failure of any guarantees and warranties in respect of the Secured Assets. It is expressly agreed and declared that any dealer/seller in the Secured Assets by or through whom this transaction may have been introduced, negotiated or conducted is not an agent of the Bank.
- 17.3. The Borrower irrevocably agrees and consents to the Bank at any time and in any manner disclosing and/or making available to any agencies, bureaus (including credit bureaus specified by the RBI, which presently includes the Credit Information Bureau (India) Limited), affiliates or subsidiaries of the Bank associations and other persons whosoever any information (including personal and financial information) and documents of or relating to the Borrower in such cases where the Bank considers appropriate including where such disclosure is permitted or required by or under law, circular or guideline or where the Bank is of the view that the interests of the Bank require such disclosure of for furnishing such information and documents for preparation, publication and distribution of credit reports and credit opinion relating to the Borrower to other persons including banks and financial institutions. The provisions of this clause shall survive even after the term/termination of this Loan Agreement and the repayment of all dues of the Borrower.
- 17.4. In addition to the provisions above stated, the Borrower agrees that if s/he commit any breach of this Loan Agreement or any default or delay in the payment/repayment of the Loan Balance, the Bank shall have the unqualified right to disclose or publish, in such manner as the Bank may deem fit, the Borrower's name and particulars, the fact that s/he has defaulted, particulars of her/his accounts, default and breach as also the names of her/his directors, partners, proprietors, trustees, karta and members, if any.
- 17.5. No delay in exercising or omission to exercise any right, power or remedy accruing to the Bank under this Loan Agreement shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of the Bank in respect of such default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default.
- 17.6. Any notice or request to be given or made in this Loan Agreement to a Party shall be in writing and shall be deemed to be given and made (i) if required to be given or made to the Bank, when delivered to its branch office mentioned in Loan Agreement schedule (or such other address as is subsequently notified by the Bank by notice to any of the other Parties) and (ii) if required to be given or made to the Borrower, if delivered at such Party's address mentioned above (or such other address as subsequently notified by the concerned Party to the Bank in writing). Such notice or request may be made through ordinary post, registered post or courier and shall be deemed to have been delivered on the expiry of three days after the posting or delivery to the courier company, as the case may be.
- 17.7. At the request of the Borrower, the Bank may at its own discretion also finance the insurance premium of an insurance policy insuring the Borrower against the risks of personal accident, accidental hospitalization, death outstanding amount of loan to the Bank and or critical illness provided that such insurance policy has been taken out by the Bank on behalf of the Borrower from an insurance company approved by the Bank with a specific instruction and authority by the Borrower to such insurance company that in case of any loss reported under the section of balance amount of loan to the Bank, the loss will be paid to the Bank by such insurance company. Such insurance premium paid by the Bank on behalf of the Borrower shall be added as the principal amount to the loan granted herein and shall form part of the Loan. The Borrower shall pay to the Bank the amounts towards insurance premium as mentioned above which may be loaded

to the Installments. The insurance premium being apart of loan may be disbursed by the Bank directly to such an insurance company approved by the Bank and such disbursement shall be deemed to be disbursement to the Borrower. Wherever the Borrower agrees for the insurance coverage, all expenses, charges, fees, service tax and other taxes etc as applicable shall be incurred and paid by the Borrower, In the even the said charges are paid by the Bank on Borrower behalf, the Borrower shall reimburse the same to the Bank within 30 days of the Bank's demand.

17.8. This Loan Agreement shall be read in conjunction with the Schedule(s) appended and executed by the Borrower and the Bank with this Loan Agreement. The Borrower hereby agrees that he/it shall be bound by such additional terms and conditions as set out in the Schedule(s) as if the same has been made part of this Loan Agreement.

17.9. The contents of this Loan Agreement have been read out, explained and interpreted to the Borrower in the language as desired by the Borrower and the same is understood by the Borrower.

IN WITNESS WHEREOF the Parties hereto have set and subscribed their respective hands the day and year first herein above written.

(Signature of the Borrower(s))

Witness

1.

2.

For ESAF Small Finance Bank Ltd.

(Authorized Signatory)

Witness

1.

2.