

**GENERAL TERMS AND CONDITIONS  
APPLICABLE FOR CREDIT FACILITY  
AVAILABLE FROM EQUITAS SMALL FINANCE  
BANK LIMITED-MSE VERTICAL**

(Version 1.0)  
09<sup>th</sup> May 2020

## GENERAL TERMS AND CONDITIONS FOR AVAILING CREDIT FACILITY

The GENERAL TERMS AND CONDITIONS for availing Credit Facility from Equitas Small Finance Bank Limited is applicable from the date of accepting the same.

### 1. Definitions

- (i) Application Form means the form submitted by the Borrower for availing the credit facility from the ESFBL.
- (ii) Borrower means and includes Borrower and / or Co-Borrower, jointly and severally, who have been sanctioned credit facility by the ESFBL and which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her/their/its successors, legal heirs and permitted assigns).
- (iii) Due Date means the date(s) on which the any amounts in respect of the Borrower(s) dues including the Principal amount of the facility / loan, interest and / or any other monies, fall due as specified in the Application Form and / or the Loan terms and Loan Documents.
- (iv) ESFBL means Equitas Small Finance Bank Limited, a Banking company incorporated under the companies Act, 1956 and carrying on the Banking business under the Banking Regulation Act, 1949 and having its registered office at 4th Floor, Phase-II, Spencer Plaza, 769, Anna Salai, Chennai- 600002 and which expression shall, unless repugnant to the context or meaning thereof, be deemed to mean and include his/her/their/its successors, legal heirs and permitted assigns).
- (v) Facility means the loan granted/sanctioned to the Borrower by the ESFBL pursuant to the submission of request in the Application Form for availing the credit facility and subject to the acceptance of the General Terms and Conditions.
- (vi) Guarantor shall mean the legal persons who agree and ensure full, complete and due performance by the Borrower(s) of all the provisions, conditions, warranties, covenants and agreements contained herein and in the absence of which, shall perform all the obligations of the Borrower himself/itself to repay the facility sanctioned by ESFBL in its entirety.
- (vii) Loan Documents means the Application Form, General terms and Conditions, Sanction Letter, Demand Promissory Note, Agreements, Hypothecation Deeds, Memorandum of submission of title documents, and include all writings and other documents executed or entered or to be executed or entered into, by the Borrower or as the case may be, in relation to or pertaining to the Facility / Loan and such loan documents as amended and / or stipulated by ESFBL from time to time.
- (viii) Sanction Letter shall mean and include all the terms and conditions on the basis of which the credit facility is sanctioned to the Borrower and the Borrower has agreed to comply with all the conditions of the same during the entire tenure of the credit facility.

### 2. Interpretations: In these General Terms and Conditions, unless the context otherwise requires:

- (i) Words of any gender are deemed to include the other gender;
- (ii) Words using the singular or plural number also include the plural or singular number, respectively;
- (iii) The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words refer to this entire General Terms and Conditions;
- (iv) Heading, sub-heading and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;
- (v) Reference to any legislation or law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision;
- (vi) Any term or expression used but not defined herein shall have the same meaning attributable to it under Applicable Law;
- (vii) References to the word "include" or "including" shall be construed without limitation;
- (viii) Each of the representations, warranties and undertakings contained in the General Terms and Conditions hereof shall be separate and independent and shall not be limited by reference to any other section or by anything in this General Terms and Conditions.

### 3. Amount of Facility

The ESFBL, at the request of the Borrower, agrees to lend to the Borrower and the Borrower agrees to borrow from the ESFBL, an amount requested by the Borrower in the Application Form, on the basis of, and subject to the conditions, terms and covenants herein set forth.

### 4. Security:

- (i) The due payment, repayment and discharge of all the Borrower's obligations in relation to the Credit Facility shall be secured by the following security created in favour of the ESFBL:
  - (a) Exclusive first Hypothecation charge or such other charge on the entire current assets including book debts, inventories and all other current assets, both present and future of the Borrower in favour of the ESFBL at its sole discretion which ESFBL may deem fit.
  - (b) Exclusive first Hypothecation charge or such other charge on the entire movable fixed assets, both present and future of the Borrower in favour of the ESFBL at its sole discretion which ESFBL may deem fit.

- (c) Creation of a first and exclusive mortgage or such other type of mortgage over the Property by way of valid legal mortgage at its sole discretion which ESFBL may deem fit;
  - (d) An unconditional and irrevocable guarantee extended by the Guarantor; and
  - (e) Such further security as may be required to be created by the ESFBL from time to time.
- (ii) Continuing Security: All Security furnished/ to be furnished for securing the Credit Facility shall remain a continuing Security and:
- (a) shall not be discharged by intermediate payment by the Borrower or any settlement of accounts by the Borrower so far as any part of the Outstanding Balance remains outstanding;
  - (b) shall not be affected by a waiver or reservation of exercise of any rights which are vested in the ESFBL;
  - (c) shall be in addition to and not in derogation of any other Security which the ESFBL may at any time hold in respect of the dues of Borrower; and
  - (d) shall be available to the Bank until the Secured Assets are required to be released by the ESFBL under the General terms and Conditions.

#### **5. Disbursement:**

- i. The ESFBL shall, unless otherwise agreed between the Borrower and the ESFBL, disburse the Loan in lump sum or in suitable installments to be decided by the ESFBL, in the name of the Borrower(s) or in the name of the previous financier towards the repayment of the previous loan to be taken over by utilizing this Loan or as per any other authorization given by the Borrower/s. The disbursement so made shall be at the request of the borrower.
- ii. The ESFBL has absolute right to settle any indebtedness whatsoever owed by the Borrower to the Bank under this Document or under any other document/agreement, by adjusting, setting-off any deposit(s) and /or transferring monies lying to the balance of any account(s) held by the Borrower and/or the guarantors with the ESFBL without giving prior notice to the Borrower. However, ESFBL will intimate the Borrower and/or the guarantors of such exercise of rights under this clause. The ESFBL's rights hereunder shall not be affected by the Borrower's or the guarantor's bankruptcy, death or winding-up. It shall be the Borrower's and the guarantor's sole responsibility and liability to settle all disputes/objections with any such joint account holder.
- iii. The ESFBL may not, having disbursed any amount, disburse any further amount under the Facility unless the following conditions are complied with in the sole discretion of the ESFBL before such further disbursement:
  - i) No event of default shall have occurred;
  - ii) The Borrower shall have produced all or any other documents or writings as required by the ESFBL in its sole discretion, which shall be binding on the Borrower.

#### **6. Interest and Other Charges**

- i. The Borrower(s) shall be liable to pay interest on the Facility Amount at the rate of interest as applicable to the Borrower from time to time which shall be determined after complete due diligence by the ESFBL. The Interest shall be calculated at monthly rests on the daily balance of the Facility / loan amount. The Borrower(s) agrees to pay the same on the due date.
- ii. The Borrower(s) is aware and confirms that the ESFBL shall at any time and from time to time be entitled to revise the rate of interest depending on the various market conditions including but not limited to the advisory / guidelines issued by Reserve Bank of India from time to time and such revised rate of interest shall always be construed as agreed to be paid by the Borrower(s) and hereby secured. Borrower(s) shall be deemed to have notice of change in the rate of interest whenever the change in the Interest Rate are displayed/notified at/ by the branch and/or in the website of the ESFBL as per the Scheme of the Bank.
- iii. Interest on the Facility Amount / Loan shall begin to accrue from the date of debit to the Loan account simultaneously with the ESFBL's disbursement of the Loan by issuing disbursement Payment Order/Demand Draft or otherwise without the ESFBL concerning itself with the receipt of such disbursement by the beneficiary/recipient and also with the realization of such Payment Order/Demand Draft or the time taken in such realization.
- iv. Interest on the Loan shall be computed and debited to the Loan Account-
  - a. On the due date(s)
  - b. Taking the basis of 365 days a year
  - c. At interest rate as may be prescribed by the ESFBL from time to time and
  - d. On the actual amount outstanding on the last day of the preceding period of the interval.
  - e. Interest from the date of debit to the Loan account shall be payable every month.
- v. Interest Tax, Service Tax and other taxes / levies as may be applicable from time to time on the Loan shall be borne solely by the Borrower(s).
- vi. The ESFBL shall be entitled to debit all other amounts due and payable by the Borrower(s) under this Agreement (including but not limited to interest tax, service tax, fees, stamp duty, processing fee, login fees, costs, service and other charges, claims and expenses including expenses which may be incurred by the ESFBL in the enforcement or attempted enforcement of security created in favour of the ESFBL to the Borrower(s)' Loan account, unless separately reimbursed to the ESFBL by the Borrower(s). Such amounts shall form part of the Loan.

- vii. All amounts in default for payment (i.e. not paid by the Borrower(s) when due to the ESFBL) including costs, charges and expenses debited to the Loan account shall attract penal interest /charges without there being any need to assign a reason for such revision and interest and penal charges shall thereafter accrue at revised rate(s).
- viii. Interest on the Loan shall be payable every month separately.
- ix. The Borrower hereby agrees, undertakes and confirms that it shall deliver to the ESFBL Post Dated Cheques/NACH/ECS/ACH towards the payment of the Interests, Installments and / or Outstanding Amounts with the ESFBL named as the payee therein ("**Negotiable Instruments**"). The Borrower has agreed to issue the Negotiable Instruments voluntarily in discharge of debt owed to the ESFBL and shall maintain at all times sufficient funds in his bank account(s) to ensure that the cheques or post-dated cheques, if any, issued by the Borrower are not dishonoured and the interest payment or repayment are received/realised by ESFBL on the applicable due date. The Borrower hereby undertakes to honour all the Negotiable Instruments when presented for payment by ESFBL and not to take any steps, which in any way, affect or are likely to affect the payment there under to ESFBL including, without limitation, any stop payment instructions.
- x. The Borrower agrees, acknowledges and confirms that the Negotiable Instruments are intended to be used by ESFBL to recover the debts/legal liability of the Borrower towards ESFBL under various disbursements made by ESFBL under the loan documents at any time as ESFBL may consider fit and proper and hereby unconditionally and irrevocably authorizes ESFBL to use the Negotiable Instruments for payment of interests, repayment of the Facility and / or payment of Outstanding Amounts. The Borrower hereby confirms that it is aware of the fact that any dishonor of any Negotiable Instruments so issued by the Borrower and presented by ESFBL for payment would constitute an offence under Section 138 read with Section 141 of The Negotiable Instrument Act, 1881/Section 25 of Payment & Settlement Act, 2007 and ESFBL may take such action against the Borrower as may be advised.
- xi. The Borrower further agrees that it shall not close the relevant bank account or change the Authorised Signatories in the said bank whose Cheques/ post-dated cheques/ NACH has been issued by the Borrower in favour of ESFBL. However the prior written consent of ESFBL shall be required by the Borrower for closing the bank account or changing the Authorised Signatories for the relevant bank account(s) of the Borrower. In the event of the Borrower changing the Authorised Signatories for its relevant bank account(s), the Borrower shall either give unconditional and irrevocable instructions to the bank on whom the Negotiable Instruments have been drawn to clear and honour all such Negotiable Instruments (details of which shall be provided to ESFBL) bearing the signatures of the Authorised Signatories before the change or, in the alternative, the Borrower shall issue fresh PDCs/NACH to ESFBL, duly signed by the new Authorised Signatories of the Borrower, entirely at the Borrower's risk and cost. If the Borrower cancels the Negotiable Instruments given to the Lender or closes the relevant bank account(s) or changes the authorized signatory for the relevant bank account(s) (or attempts to cancel the Negotiable Instruments or close the relevant bank account(s) or change the authorized signatories) without the prior written consent of ESFBL, such acts of the Borrower shall be deemed to have been committed with a criminal intent to cause wrongful loss to ESFBL and would be construed as an Event of Default and ESFBL shall be entitled to initiate appropriate legal proceedings including criminal proceedings against the Borrower, without prejudice to ESFBL's other rights and remedies under applicable Law(s) and under the loan documents..

## 7. **Repayment:**

The principal amount of the Credit Facility shall, if not demanded earlier by the ESFBL, be repaid by the Borrower to the ESFBL on the due date as stipulated in the sanction, provided however that the ESFBL shall be entitled to demand immediate repayment of the Credit Facility amount, if any, instalment of interest / Credit Facility instalment remains unpaid on the due date for payment thereof. It is understood by the Borrower that the liability for the repayment of the Credit Facility shall, in cases where there are more than one Borrower, be joint, several and co-extensive and notice to one Borrower shall be treated as Notice to all the Borrowers.

## 8. **Other Special Conditions:**

- (i) The Borrower may be allowed to overdraw the account at the discretion of the ESFBL, overdrawing may be approved by the ESFBL upon request of the borrower.
- (ii) In such an event of the ESFBL granting excess drawing to the extent as specified in (i) above, the total number of days of such excess drawing allowed under this scheme shall not exceed 90 days in a year (ie. from the date of sanction to the day the account falls due for renewal), unless otherwise specifically permitted by the ESFBL.
- (iii) The Borrower undertakes and confirms that all the security documents executed for the sanctioned limit shall automatically stand extended to the excess drawing permitted by the ESFBL.
- (iv) Subject to clauses (i) to (iii) above, the Borrower undertakes to operate and monitor the said credit Facility in a manner so that the outstanding in the account do not exceed the sanctioned limit or the drawing power, whichever is lower. In the event of any exceeding or overdrawings, the Borrower shall immediately regularize the position and shall also be liable to pay penal interest on the overdue amount on the entire outstandings, at the discretion of the ESFBL.
- (v) The Borrower agrees that the ESFBL at its discretion will charge and recover a Commitment fee at a rate which may be stipulated by it on the unutilized portion of the said credit Facility, for the period, utilization of the credit limit remains below the sanctioned limit.
- (vi) The Borrower shall submit to the ESFBL a duly signed statement of stocks, receivables, other assets charged to the ESFBL

as security for the said credit Facility, at monthly or any other periodical interval specified by the ESFBL, in a form acceptable to the ESFBL.

- (vii) The Borrower shall furnish the ESFBL with all such information as the ESFBL may reasonably require for satisfaction as to due compliance with terms of the said credit Facility and all such periodical reports and information, at such intervals, in such form and containing such particulars as you may call for the purpose of ascertaining the results of the utilisation of the said advance.
- (viii) \*(Applicable to partnership firms and multiple Borrowers) The Borrower expressly agrees that any notice addressed to any one of the Borrowers regarding revision in the rate of interest or/and any other terms of sanction governing the said credit Facility, shall be deemed to be notice given to all and such notice shall be sufficient and binding on all of the Borrowers and each of them expressly authorises the others severally to receive such notice on each other's behalf.
- (ix) The Borrower shall not invest or lend money except in the normal course of business or act as surety or Guarantor without getting the written consent of the ESFBL.
- (x) Borrower shall not lease out or dispose of the immovable property/current assets/other assets or part thereof mortgaged/hypothecated to the ESFBL without the prior written consent of the ESFBL, nor shift the assets to any place without the prior written consent of the ESFBL.
- (xi) In the event of the closure of the Unit/Shop or stoppage of work due to strike, lock-out, mechanical breakdown, want of raw materials, non- movement of finished goods, power shortage or/and for any other reason, intimation will be sent to the ESFBL by Borrower within 3 days of the occurrence of closure or stoppage of work.
- (xii) The Borrower shall maintain a margin of 25% on Stocks and 40% on receivables unless otherwise stipulated in the sanction.
- (xiii) The Borrower understands and undertakes to repay the entire Facility Amount along with the interest, accrued interest, expenses, if any, on the repayment date. However, ESFBL may, on the request of the Borrower, at its sole discretion extend the repayment date depending upon the circumstances made available to the ESFBL by the Borrower. However this extension of repayment date by ESFBL shall not reduce or extinguish the liability of all the Borrower to repay the entire outstanding Facility Amount and ESFBL reserves all its rights to demand the facility amount at any point of time as it may deem fit. The Borrower shall continue to make the payment of interest as per agreed terms and conditions during the extension of time period.

#### **9. Apportionment of money received**

- (i) The Borrower agrees, that notwithstanding any specific instructions issued to the contrary by ESFBL, ESFBL shall have absolute discretion to appropriate any moneys received from the Borrower in the following order viz:
  - 1. Interest on costs, charges and other expenses;
  - 2. Costs, charges and other expenses;
  - 3. Interest on arrears of Facility;
  - 4. Repayment of Facility;
  - 5. The balance, if any, towards the dues owed by the Borrower under any other agreement entered into with ESFBL.
- (ii) Any surplus moneys received from the Borrower following payment of all the above mentioned obligations and remaining after the payment in full of the entire Outstanding Amounts and of the amounts otherwise due from the Borrower to ESFBL shall be paid to the Borrower or any other persons entitled thereto.

#### **10. Premature Payment and other charges**

- (i) The Borrower shall have no right to prepay the outstanding financial assistance in full or in part at any time except as specified hereto. In case the Borrower wants to prematurely repay the outstanding financial assistance, the same shall however, be entirely at the sole discretion of the ESFBL and the acceptance of the said request shall be subject to such terms and conditions including prepayment charge, as may be stipulated by the ESFBL in this behalf.
- (ii) The Borrower agrees that the ESFBL may, in its own discretion without assigning any reason and upon written notice mailed or delivered to the Borrower cancel the Credit Facility herein granted and demand repayment thereof. Delivery of such notification by the ESFBL shall constitute sufficient notice of such cancellation, and thereupon the said Credit Facility, all interest due and payable thereon and all liabilities and other obligations of the Borrower thereunder to the ESFBL including interest, and other charges shall become due and payable by the Borrower immediately to the ESFBL.
- (iii) The Borrower understands and agrees that the credit facilities are subject to certain charges which may be revised by the ESFBL from time to time at its sole discretion and agrees to bear the same. The Borrower agrees that he has read and understood the terms and conditions applicable on the credit facilities along with the schedule of charges as detailed out on the website of the ESFBL (<https://www.equitasbank.com/loan-finance-msme-loan.php>) and are acceptable to him/it.

#### **11. Limit Cancellation Clause**

- (i) Notwithstanding anything contained in the sanction letter, the Borrower agrees that the ESFBL in its sole discretion may cancel, reduce or otherwise vary the limits, margins or other conditions or types of credit facilities so sanctioned. The ESFBL is also

at liberty to disburse the sanctioned credit facility either in one lump sum or in instalments or stages as it may deem fit.

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

## **12. Email ID**

All communications to the Borrower shall be made by the ESFBL to the registered E-mail Id of the Borrower and any change thereof would be communicated by the Borrower to ESFBL in writing and all such communications for changing the email ID from time to time shall be deemed to form the part and parcel of the General Terms and Conditions.

## **13. Cross Collateral and Cross Default Clause**

Any security / property provided by the Borrower or any of the group companies/LLPs/ directors/partners of the group company of the Borrower in any loan facility taken / to be taken from or under any arrangement whatsoever with the ESFBL or any of its group /affiliated companies shall be treated as security in this facility sanctioned to the Borrower as well.

Any event of default committed by the Borrower/Guarantor or its associated group entities/individuals under any credit facility availed by them from the ESFBL/other lender/Financial Institution would be deemed to be a default committed by the Borrower / Guarantor under the present facility sanctioned herein.

## **14. Representations and Warranties**

The Borrower hereby represents and warrants as under:

- (i) That it has obtained the requisite License and does not suffer from any statutory or legal infirmities affecting the pursuit or running of its business/undertaking.
- (ii) That it shall comply with all the terms and conditions of the Sanction Letter during the currency of the Facility till the time the facility is repaid by the Borrower, in full, until the complete satisfaction of the ESFBL.
- (iii) \*(If a Company) That it has taken all necessary corporate and other actions for execution of this Agreement and availing of the Credit Facility from ESFBL;
- (iv) The execution hereof of these presents and related documents by the Borrower, constitutes legal, valid and binding obligations of the Borrower.
- (v) The Borrower and/or guarantor hereby declares that the Borrower and/or Guarantor has a clear and marketable title/clear and transferable interest over the property(ies) to be secured in favour of ESFBL and further assures ESFBL that the same is free from any prior charge, lien or encumbrance other than those specifically advised by the ESFBL.
- (vi) The Borrower shall at all times during the currency of the Credit Facility, at its own cost, keep the said property constituting the ESFBL's security fully insured against such risks and for such amounts and for such period and forms as the ESFBL may require, in the name of ESFBL with the usual ESFBL mortgage clause, with such insurance company or companies of repute to be approved by the ESFBL in writing and shall deposit the insurance policies and all cover notes premia receipts etc. with ESFBL. The Borrower shall make punctual payment of all premia and shall not do or suffer to be done any act which may invalidate such insurance and will on receipt of any moneys under the said policies, pay the same to ESFBL which shall, at the option of ESFBL, be applied either in reinstating or replacing the security or in repayment of the said Dues.
- (vii) The Borrower has not taken any action nor have any other steps been taken or legal proceedings been started or threatened against Borrower for his bankruptcy (or proceedings analogous to it) or for the appointment of a resolution professional, receiver, administrator, administrative receiver, bankruptcy trustee or similar officer of it or any of its assets or revenues in any jurisdiction(s) to which the Borrower or any of the Borrower's assets are or may be subject to including under the Insolvency and Bankruptcy Code, 2016. The Borrower further warrants and represents that it is able to pay his debts and is not insolvent or bankrupt.

## **15. Other Covenants**

The Borrower further covenants as under:

- (i) to furnish to ESFBL all such information, statements, particulars, estimates and reports etc. as ESFBL may require from time to time as to the compliance with the terms of the Credit Facility;
- (ii) not to permit any change in the ownership or control of the Borrower whereby the effective beneficial ownership or control of the Borrower shall change, without the prior written consent of ESFBL;
- (iii) not to effect any material change in the management of the business of the Borrower, without the prior written consent of the ESFBL;
- (iv) to ensure that no retirement or resignation of any one or more partners happen without the prior approval of ESFBL and in the event the partnership is dissolved or reconstituted as a result of such retirement or resignation, without the approval of ESFBL, the subject partner(s) who has/have retired or resigned shall not be relieved of their liability under this Credit Facility (If the Borrower is a partnership firm);

- (v) not to make any amendments in the Borrower's Memorandum and Articles without the prior written consent of ESFBL (in case the Borrower is a Company registered under the Companies Act);
- (vi) The Borrower shall furnish upon demand any other security in such form and value as may be required by ESFBL from time to time in amounts and values sufficient at all time in the opinion of ESFBL to secure the payment of the Credit Facility provided here and any other obligations of the Borrower to ESFBL
- (vii) The Borrower confirms that the Borrower shall utilize the said Credit Facility only for the purposes of its Business as set forth in its application for Credit Facility.
- (viii) The Borrower hereby agrees and undertake that no such person whose name is appearing in the list of Willful defaulters shall be inducted on its board and that in case, such a person is found to be on its Board, it would take expeditions and effective steps for removal of such person from its Board.
- (ix) The Borrower hereby acknowledge and agree that ESFBL has a right to award a separate mandate to our Auditor or any independent Auditor, as ESFBL may deem fit with a view to obtain a specific certificate regarding diversion/siphoning of fund by the Borrower. The Borrower agrees and undertake to co-operate with such Auditors and provide the necessary information and/or documents as may be required by such Auditors. The Borrower also agree and undertake to bear all the expenditure in respect of obtaining the said Certificate and agrees to indemnify and keep ESFBL indemnified in this regard.
- (x) The Borrower shall not be entitled to directly or indirectly assign his/their rights or obligations under this Agreement in part or in whole to any person.
- (xi) Interest on the Credit Facility shall be computed and debited to the Loan Account taking the basis of 365 days a year.
- (xii) The Borrower also agrees, undertakes and confirms as under:
- a. The Borrower understands that as a precondition relating to the grant of and/or continuing the grant of credit facility to them, Equitas Small Finance Bank Limited required the Borrower(s) consent for the disclosure by the Bank of, information and data relating to the Borrower(s), of the Credit Facility availed of /to be availed by them, in discharge thereof.
  - b. Accordingly, the Borrower hereby agrees and gives consent for the disclosure by Equitas Small Finance Bank Limited of all or any such:
    - Information and data relating to us;
    - The information of date relating to its Credit Facility availed of /to be availed by us and
    - Default, if any, committed by us, in discharge of my/our /the Company's such obligation; as Equitas Small Finance Bank Limited may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau and any other agency authorised in this behalf by Reserve Bank of India ["RBI"].
    - The Borrower declare that the information and data furnished by the borrower to Equitas Small Finance Bank Limited are true and correct.
  - c. The Borrower also undertakes that:
    - Credit Information Bureau and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
    - Credit Information Bureau and any other agency so authorised may furnish for consideration, the processed information and data disclosed or products thereof prepared by them, to Bank(s) /Financial Institution(s) and other Credit Grantors or Registered Users, as may be specified by the RBI in this behalf.
  - d. The Borrower agree, undertake and authorize ESFBL to exchange, share or part with all the information, data or documents or other information as mentioned above and also the information relating to the conduct of the Borrower's accounts, credit history or to the Borrower, whether under consortium or multiple banking or sole banking arrangement and repayment record, with other banks/financial institutions involved in the financing arrangement also with the banks/financial institutions intending to finance the Borrower. as the Bank may deem necessary or appropriate as may be required for use or processing of the said information/ data by such banks/financial institutions or furnishing of the processed information/data to other banks/financial institutions/ credit providers and the Borrower shall not hold ESFBL liable in any manner for use of such information.
  - e. The Borrower agrees that in case the Borrower commits a default in payment or repayment of any amounts in respect of the facilities, ESFBL and /or RBI will have an unqualified right to disclose or publish the details of the default and the name of the Borrower, its directors, partners, as case may be, as defaulters, in such manner and through such medium as ESFBL or RBI in their absolute discretion may think fit.
- (xiii) In the event the Borrower fails to pay when due any sum which it may owe to ESFBL and ESFBL shall commence legal proceedings to recover such sum, the Borrower will further pay ESFBL all advances, charges, cost and expenses, including reasonable legal fees, incurred or paid by ESFBL in exercising any right, power or remedy conferred by this agreement, (or in the enforcement thereof shall become a part of the indebtedness secured hereunder and shall be paid to ESFBL by the Borrower immediately and without demand).

## 16. Event of Default

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

- (i) If any representations or statements or particulars made in the Borrower's proposal/application are found to be incorrect or the Borrower commits any breach or default in performance or observance of these presents or failure to keep or perform any of the terms or provisions of any other agreement between the ESFBL and Borrower in respect of this Credit Facility;
- (ii) If the Borrower commits any default in the payment of principal or interest or any obligation of the Borrower to the ESFBL or to any other Bank or Credit Grantor when due and payable;
- (iii) If there is any deterioration or impairment of the securities/ the said property or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which causes the securities in the judgement of the ESFBL to become unsatisfactory as to character or value;
- (iv) Cross Default: any event of default committed by the Borrower/Guarantor or its associated group entities/individuals under any credit facility availed by them from the Lender/other lender/Financial Institution would be deemed to be a default committed by the Borrower / Guarantor under the present facility.
- (v) Non compliance / non observance of any of the terms and conditions of the Sanction Letter issued by the ESFBL and duly acknowledged by the Borrower.
- (vi) If any attachment, distress, execution or other process against the Borrower, or any of the securities is enforced or levied upon;
- (vii) The death, insolvency, failure in business, commission of an act of Bankruptcy, general assignment for the benefit of creditors, if the Borrower suspends payments to any creditors or threatens to do so, filing of any petition in Bankruptcy by or against the Borrower or filing up of any petition for winding up of the Borrower or by the Borrower.
- (viii) If the Borrower (being a Company) goes into liquidation for the purpose of amalgamation or reconstruction, except with prior written approval of the ESFBL;
- (ix) If Borrower (being a partnership firm) without the prior approval of the ESFBL is dissolved or reconstituted as a result of the retirement or resignation of any partner;
- (x) If a receiver is appointed in respect of the whole or any part of the property/assets of the Borrower;
- (xi) If the Borrower, without prior written consent of the ESFBL, creates or attempt or purport to create in favour of anyone else, any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the Borrower's property or any part thereof, which is or shall be the security for the repayment of the said Dues except for securing any other obligations of the Borrower to the ESFBL;
- (xii) If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardise or is likely to prejudice, impair, imperil, depreciate or jeopardise any security given by the Borrower or any part thereof;
- (xiii) If the Credit Facility or any part thereof is utilized for any purpose other than the purpose for which it is applied by the Borrower and sanctioned by the ESFBL;
- (xiv) If any circumstance or event occurs which in the sole opinion of the ESFBL may jeopardise or likely to impact the ability of the Borrower to service the said Facility herein granted in terms of prompt repayment of principal and interest on due dates;
- (xv) If the Borrower fails to conduct the account in a normal and proper manner including things such as not submitting stock statements periodically as mandated by the ESFBL or insuring and keeping insured all the current assets as well as immovable properties secured to the ESFBL for the purpose of this Facility or not permitting the ESFBL or its officials or its auditors or authorized representatives access to the books of accounts of the Borrower or to its business premises or its godown or warehouse etc.

## **17. Consequences of Default**

- (i) If any event of default or any event which, after the notice or lapse of time or both would constitute an event of default shall have happened, the Borrower shall forthwith give ESFBL notice thereof in writing specifying such event of default, or such event. The Borrower shall also promptly inform ESFBL if and when any statutory notice of winding-up under the provisions of the Companies Act, 1956 or any other law or of any suit or legal process intended to be filed/initiated against the Borrower, is received by the Borrower.
- (ii) If the Borrower makes default in payment of the said Dues or any part thereof, the ESFBL would be at liberty (but not bound to do so) to appoint its nominee as Receiver without having resort to a Court of Law and/or to a proceeding in Court, to take possession of the properties of the Borrower held /to be held by ESFBL as security for the Credit Facility hereunder or under any other security document(s) executed / to be executed by the Borrower and/or the Guarantor/s in favour of ESFBL and ESFBL shall also be entitled to resort to any or all the legal remedies as provided hereunder.
- (iii) ESFBL shall have a lien and right of set-off on all moneys belonging to the Borrower standing to their credit in any account whatsoever with ESFBL. If upon demand by ESFBL the balance outstanding in the Credit Facility account is not repaid within the prescribed time, such credit balance in any account may be adjusted towards dues under the Credit Facility account. In



case of any deficit, the deficit amount may be recovered by ESFBL from the Borrower.

- (iv) On the question whether any of the above events/circumstances has occurred/happened, the decision of ESFBL shall be final, conclusive and binding on the Borrower.
- (v) In case of breach of the terms or in case of any of the events happening as stated hereinbefore, ESFBL would have the full rights to sell, dispose off or realise the said securities on such terms and for such price that ESFBL thinks fit, and apply the net proceeds towards the satisfaction of the balance outstanding in the Credit Facility account including charges, expenses, etc.
- (vi) The Borrower hereby agrees as a pre-condition of the said credit Facility/ies being granted to it that in case the Borrower commit default in the repayment of the Credit Facility/ies or in the repayment of interest thereon or any of the agreed installment of the Credit Facility/ies on due date/s, ESFBL and /or Reserve Bank of India will have an unqualified right to disclose or publish its name or the name of its directors/partners/proprietors as defaulter in such manner and through such medium as ESFBL or Reserve Bank of India in their absolute discretion may think fit.
- (vii) The Borrower confirms unconditionally and irrevocably that it shall have no objection in case ESFBL decides to assign/sell a part of the entire Credit Facility/credit Facility along with securities of the said machinery/goods/assets/properties etc. to another Bank/institution/limited company/Government body or department (assignee/buyer). In such case the Borrower shall become the primary Borrower of such assignee /buyer and shall at no point of time raise any objection, legal or otherwise regarding assignment, transfer and sale of the securities by ESFBL in favour of the assignee / buyer.

#### **18. Other Conditions**

- (i) The Borrower shall restrict its dealing to Equitas Small Finance Bank Limited and shall not open an account with any other Bank(s). The Borrower may with the prior written approval of Equitas Small Finance Bank Limited, open such accounts as may be permitted with other Bank(s) however, in case the Borrower is permitted to deal with other Bank(s) a statement of the account shall be submitted to Equitas Small Finance Bank Limited on a monthly basis.
- (ii) The rights, powers and remedies given to ESFBL herein shall be in addition to all rights powers and remedies given to the ESFBL by virtue of any other security, statute, or rule of law. ESFBL may exercise a Banker's lien or right of set-off with respect to any obligation of the Borrower to ESFBL in the same manner as if the obligation were unsecured and shall have a lien on all property or securities of the undersigned in the ESFBL's possession or custody whether for safe-keeping or otherwise. Any forbearance or failure or delay by ESFBL in exercising any right, power or remedy hereunder shall not be deemed to be waiver of such right, power or remedy, and any single or partial exercise of any right, power or remedy hereunder shall not preclude the further exercise thereof and every right and remedy of ESFBL shall continue in full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by the Bank.
- (iii) The Borrower shall reimburse and pay to ESFBL all costs, charges and expenses, including stamp duty and legal costs on actual basis and other charges & expenses which may be incurred in preparation of these presents and related to and/or incidental documents as also for the enforcement or attempted enforcement of the security hereby created.
- (iv) Nothing contained in these presents shall be deemed to limit or affect prejudicially the rights and powers of ESFBL under the security documents or letters of guarantee or any of them or under any law.
- (v) No delay in exercising or omission to exercise any right, power or remedy accruing / available to ESFBL upon any default or otherwise hereunder or any other security documents/letters of guarantee shall impair or prejudice any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence therein.
- (vi) The Borrower shall indemnify and keep indemnified ESFBL against all actions, suits, proceedings and all costs, charges, expenses, losses or damages which may be incurred or suffered by the Bank by reason of any false or misleading information given by the Borrower to ESFBL hereunder or any breach/default/contravention/non-observance/non-performance by the Borrower of any terms, conditions, agreements and provisions hereunder. ESFBL shall be entitled to include any amount payable by the Borrower under this clause in the said Dues being the subject matter of this Agreement.
- (vii) The Borrower agrees to accept the statement of account sent by ESFBL or by any other authorised representative of ESFBL as conclusive proof of the correctness of any sum claimed to be due from him.
- (viii) The Borrower shall execute in favour of ESFBL or any nominee/agent of ESFBL any DP Note/further/additional/fresh deeds/documents etc. whenever required by the Bank to do so.  
(\*These clauses are applicable in the case of Company and / or partnership firms only)
- (ix) The claims of ESFBL shall have precedence over the claim of the partners/Directors by way of remuneration, interest, etc.
- (x) If the Borrower is found to be entitled to any refinancing scheme or any other scheme launched by Reserve Bank of India or any other Statutory or Regulatory Body set up under any law or statute or any other governmental body, the Borrower agrees that the benefit under the said scheme shall be allowed to him/it only after proper evaluation of the profile of the Borrower and on such terms and conditions as the ESFBL may deem fit.
- (xi) If the Borrower has availed the benefits under any refinancing schemes or any other scheme launched by Reserve Bank of India or any other Statutory or Regulatory Body set up under any law or statute or any other governmental body and subsequently it is found that the Borrower is no longer entitled to the benefits under such scheme for whatsoever reason, then the Borrower agrees to surrender the benefits availed by him as per the commercial terms agreed by him under the terms and conditions of the executed loan documents along with applicable taxes and costs.

**19. Right to Assign**

ESFBL may assign or otherwise transfer the facility or the portion thereof to any third party and pursuant to which ESFBL shall be entitled to assign the Security created herein with all or any rights without the prior written consent of the Borrower.

**20. Service of Notice**

Any notice or correspondence shall be in writing and to be addressed at the registered address of the Borrower and shall be deemed to have been sufficiently served if delivered by hand or addressed by Registered A.D. Post or reputed courier services, at the registered address or is sent by Email to the registered Email ID of the Borrower or such other Email IDs as may be advised by the Borrower to ESFBL from time to time; and such service shall be deemed to have been effected in case of delivery by hand on the date on which it is delivered and in case of delivery by Registered A.D. Post on the expiry of 5 days of such posting and in case of delivery by Courier, on the expiry of 3 days of such posting and in case of Email, on the day the Email has been sent.

**21. Arbitration, Debt Recovery Tribunal and Sarfaesi**

- (i) All disputes, differences and/or claims arising under this agreement whether during its subsistence or thereafter shall be settled by arbitration in accordance with the provisions of the arbitration and conciliation Act, 1996 or any statutory amendments thereof and shall be referred to the arbitration of a sole arbitrator nominated by ESFBL. In case the appointment of the sole arbitrator by the ESFBL is objected to by the Borrower, then the Borrower may choose to appoint another sole arbitrator for the purpose of Arbitration; however the Borrower shall choose the new sole arbitrator only from the list available with the ESFBL and shared with the Borrower. The award given by such arbitrator shall be final and binding on all parties. In the event of an appointed arbitrator dying or being unable or unwilling to act as arbitrator for any reason, ESFBL, on such death of the arbitrator or his inability or unwillingness to act as arbitrator, shall appoint another person to act as arbitrator. Such person shall be entitled to proceed with the reference from the stage left by his predecessor. The venue of arbitration proceedings shall be at Chennai or such other place/ location/ city which ESFBL at its discretion may decide from time to time.
- (ii) 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, ESFBL shall, at its discretion invoke the jurisdiction of the Debt Recovery Tribunal of the place mentioned in the place under Clause XVI below shall have exclusive jurisdiction to settle such dispute, difference and/or claim.
- (iii) Without prejudice to the rights of ESFBL under above Clauses, ESFBL shall have the right to invoke the provisions of The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and its statutory amendments thereof over the asset/s hypothecated and/or mortgaged to it.

**22. Governing Law & Jurisdiction**

All the terms and conditions hereunder along with the terms and conditions of the loan documents and other documents shall be governed by, and construed in accordance with, the laws of India. The Borrower agrees that the courts and tribunals at Chennai, Tamil Nadu, shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the General terms and Conditions and / or any other document and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection herewith may be brought in such courts or the tribunals and the Borrower irrevocably submits to and accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of those courts or tribunals.

**23. Acceptance**

I/We have read the entire General Terms and Conditions and shall be bound by all the conditions as set out herein. All the terms and conditions have been read by me / us in their entirety and have understood the meaning of all the clauses entirely. All the terms and conditions mentioned herein are accepted by me / us and shall be legally binding on me / us. I/We am/are giving my/our free consent to the above without any coercion or undue influence.

**BORROWER**

4.

**\*IN CASE OF AN INDIVIDUAL**

5.

1.

**\*IN CASE OF A COMPANY**

2.

3.

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

The Common Seal of .....Ltd. has been affixed hereunto pursuant to the

Resolution of the Board of Directors )

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

1. )

2. )

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

thereof, subscribed their signature hereto. )

**\*IN CASE OF PARTNERSHIP FIRM**

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

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

)

(Partners)

In case of Limited Liability Partnership firm

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

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

(Designated Partners)

**\*IN CASE OF PROPRIETARY CONCERN**

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

For \_\_\_\_\_

Proprietor

**\*In case of HUF**

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

For \_\_\_\_\_

**\*In case of Trust/Society**

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

For \_\_\_\_\_

\_\_\_\_\_  
(Authorised Signatory)

(\*PLEASE DELETE WHICH IS NOTAPPLICABLE)

