

SD-10(A)

LOAN AGREEMENT FOR TERM LOANS & DEMAND LOANS

[For demand loans & loans against immovables other than housing loans]

[Without Hypothecation]

DHANLAXMI BANK LTD,

..... Branch

IN CONSIDERATION OF DHANLAXMI BANK LIMITED, a duly incorporated Scheduled Commercial Bank, being governed by the provisions of the Banking Regulation Act, 1949, having its registered Office at Dhanalakshmi Buildings, Naickanal, Thrissur and Corporate Office at Punkunnam Thrissur, Kerala State in India and having a branch office among other places at..... (hereinafter called the “**Bank**” which expression shall wherever the context requires or admits include its successors and assigns from time to time) having advanced/agreed to grant

a loan of Rs...../-
(Rupees.....
.....only)

to

.....
(hereinafter called “**the Borrower**” which expression shall wherever the context requires or admits include his/her/their heirs, successors, legal representatives, executors and assignees from time to time) to enable the Borrower to carry out the purpose for which the loan is granted/agreed to be granted, the Borrower hereby agrees, records and confirms the terms and conditions upon which the loan is granted/agreed to be granted as under:

1. The Borrower’s application shall constitute the basis of the agreement to sanction the loan or the loan to be sanctioned by the Bank and the Borrower hereby confirms the correctness of each and every statement and particulars therein set forth.

2. The Borrower agrees that the Bank may disburse the loan to the Borrower in installments or in one lump sum as shown in the Schedule I hereto. The loan applied is for.....
.....
and the Borrower hereby undertakes that the loan amount shall be utilized only for the said purpose and not for any other purpose.

3. ¹(**Demand loans with fixed interest rate**) The Borrower/s shall repay to the Bank on demand the loan along with interest at the rate of% per annum with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due subject to revision by the Bank or at such other rates that the Bank may from time to time stipulate. The Borrower agrees to repay the loan amount together with interest along with additional interest, charges, and other expenses.

²(**Demand loans linked to MCLR**) The Borrower shall repay to the Bank on demand the loan along with interest at the rate of% at/above the Marginal Cost of Funds based Lending Rate of the Bank (hereinafter referred to as MCLR), ³subject to a minimum interest rate of % per annum with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due or at such other rates that the Bank may from time to time stipulate. The present MCLR of the Bank/ is .
..... %.

1 Strike out if not applicable
2 Strike out if not applicable
3 Strike out if minimum rate of interest is not applicable

⁴**(For Demand loans linked to Repo Rate)** The Borrower shall repay to the Bank on demand the loan along with interest at the rate of% at/above the Repo Rate of RBI. The present RBI's Repo Rate is% and accordingly, I/we shall pay interest at the rate of.....%, ⁵subject to a minimum interest rate of %, per annum with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due or at such other rates that the Bank may from time to time stipulate.

⁶**(For Demand loans linked to TBLR)** The Borrower shall repay to the Bank on demand the loan along with interest% at/above the 91 days T Bill yield published by Financial Benchmark of India Ltd (FBIL) (hereinafter referred to as TBLR). The present TBLR is.....% and accordingly I/we shall pay interest at the rate of.....% , ⁷subject to a minimum interest rate of %, per annum; with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due or at such other rates that the Bank may from time to time stipulate.

⁸ **(For term loan with fixed rate of interest)** The Borrower/s shall pay interest at the rate of% per annum with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due subject to revision by the Bank from time to time. The Borrower agrees to repay the loan amount together with interest in..... months, along with additional interest, charges, and other expenses, if any , commencing from the date of disbursal of the loan or any part thereof in monthly installments of Rs...../- each (out of which Rs...../- towards principal and Rs...../- towards interest) or such other amount that the Bank may fix from time to time. The first of such installment shall be paid to the Bank on day of20.... and the remaining installments shall be payable to the Bank on or before the same day of succeeding months more fully described in **Schedule II** of this Agreement.

⁹**(For Terms loan linked to MCLR)** The Borrower agrees to repay the loan amount together with interest at the rate of% at/above the Marginal Cost of Funds based Lending Rate of the Bank (hereinafter referred to as MCLR) as fixed by the Bank from time to time, (The MCLR of the Bank as on date is%), ¹⁰ subject to a minimum of% per annum, withrests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due subject to

4 Strike out if not applicable
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10 Strike out if minimum rate of interest is not applicable

revision by the Bank from time to time. The Borrower agrees to repay the loan amount together with interest as aforesaid in..... months, along with additional interest, charges, and other expenses, if any commencing from the date of disbursal of the loan or any part thereof in monthly installments of Rs/- each (out of which Rs...../- towards principal and Rs...../- towards interest) or such other amount that the Bank may fix from time to time . The first of such installment shall be paid to the Bank on day of20..... and the remaining installments shall be payable to the Bank on or before the same day of succeeding months, more fully described in **Schedule II** of this agreement.

¹¹**(For Terms loan linked to Repo Rate)** The Borrower agrees to repay the loan amount together with interest at the rate. percent at/above the Repo Rate of RBI. The present RBI's Repo Rate is% and accordingly I/we shall pay interest at the rate of.....% per annum; ¹²subject to a minimum interest rate of % per annum withrests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due subject to revision by the Bank from time to time or at such other rates that the Bank may from time to time stipulate. The Borrower agrees to repay the loan amount together with interest as aforesaid in..... months, along with additional interest, charges, and other expenses, if any commencing from the date of disbursal of the loan or any part thereof in monthly installments of Rs...../- each (out of which Rs...../- towards principal and Rs...../- towards interest) or such other amount that the Bank may fix from time to time . The first of such installment shall be paid to the Bank on day of.....20..... and the remaining installments shall be payable to the Bank on or before the same day of succeeding months, more fully described in **Schedule II** of this agreement.

¹³**(For Terms loan linked to TBLR)** The Borrower agrees to repay the loan amount together with interest at the rate of% at/above the 91 days T Bill yield published by Financial Benchmark of India Ltd (FBIL) (hereinafter referred to as TBLR). The present TBLR is.....% and accordingly the borrower shall pay interest at the rate of.....% per annum; ¹⁴subject to a minimum interest rate of % per annum withrests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due subject to revision by the Bank from time to time. The Borrower agrees to repay the loan amount together with interest as aforesaid in..... months, along with additional interest, charges, and other expenses if any , commencing from the date of disbursal of the

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 12 Strike out if minimum rate of interest is not applicable
 13 Strike out if not applicable
 14 Strike out if minimum rate of interest is not applicable.

loan or any part thereof in monthly instalments of Rs/- each (out of which Rs...../- towards principal and Rs...../- towards interest) or such other amount that the Bank may fix from time to time . The first of such installment shall be paid to the Bank on day of.....20..... and the remaining installments shall be payable to the Bank on or before the same day of succeeding months, more fully described in **Schedule II** of this agreement.

The Borrower hereby undertakes that the interest applied in the loan account periodically at monthly rest shall be cleared/remitted then and there along with the principal amount in the installments fixed by the Bank. The Borrower further agrees that the Bank may in its sole discretion alter or reschedule the installment and if deemed fit, stipulate a new repayment schedule, loading within the installment the interest during the defaulted period and/or overdue installments at any stage of the currency of the loan. The Borrower further agrees that even after payment of all the equated installments as stated above, if any amount is left outstanding in the loan account by way of principal or interest on account of defaulted/delayed period installments, interest accrued during the defaulted/delayed period, any other debits made in the account, the Borrower/s shall pay the said amount in lump sum and liquidate the said loan account.

4. The Borrower agrees that the Bank shall at any time or from time to time be entitled to change or vary the rate of interest in respect of the credit facility depending on the changes in the ¹⁵MCLR of the Bank/ # RBI's Repo Rate / TBLR as published by FBIL or the directives of the Reserve Bank of India from time to time or on the policy of the Bank on advances or on the Borrower's credit rating with the Bank from time to time and or Bank shall charge additional interest rate/ penal interest if the rating of the borrower is downgraded and the Borrower hereby waives the requirement of notice on the change/revision of interest and a notice in the Bank's notice board or website of the Bank or a report in the newspaper on change/revision of interest rate shall be deemed to be sufficient notice to the Borrower and such interest shall be payable whether debited to the loan account or not, and until so paid shall form part of the loan covered by these presents.

5. The Borrower agrees that if default shall be made in payment of any installment on due dates or default in observing any of the terms and conditions of the advance granted or non-submission of prescribed return, the Borrower shall pay penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.

15 Strike out whichever is not applicable

6. ¹⁶ The Borrower shall create security interest in favour of the Bank by either a registered mortgage or mortgage by deposit of title deeds of immovable property as security for the repayment of the loan, interest, expenses and costs and other usual Bank charges as directed by the Bank. The Borrower further agrees and undertakes that the immovable property offered as security would be unencumbered property with clear and marketable title and that during the currency of this loan, the borrower shall not let out or otherwise part with possession of the property except with the consent of the Bank in writing and that Borrower shall not sell, mortgage, assign, gift or alienate any part of the said property

7. The Borrower shall open and/or maintain with the Bank a savings bank account/ current account and keep sufficient funds in the account and the Borrower hereby irrevocably and unconditionally authorises and empowers the Bank to debit the same with the amount of each installment or any other sum due by way of interest, costs, expenses, fees and other usual Bank charges as and when they fall due.

8. The Borrower further agrees that the Borrower shall pay fee and other charges for processing the loan application, charges for creation of mortgage by deposit of title deeds, inspection charges, valuation charges, legal charges upfront fee and other fee and charges as stipulated by the bank from time to time at the rate published in the notice board or website of the Bank from time to time.

9. The Borrower agrees that if default be made in payment of any installment on due dates then the entire amount of the loan or the balance then remaining outstanding (inclusive of penal interest) and owing to the Bank shall at once become due and payable and on demand being made by the Bank the Borrower shall repay to the Bank all moneys or liabilities then outstanding and owing to the Bank together with interest (inclusive of penal interest) and all other charges and expenses. The Borrower further agrees that in case of such default, the Bank shall have the undisputed right to publish the photograph/s of the Borrower as a defaulter to the Bank in daily newspapers or other media as decided by the Bank, at the risk and costs of the borrower and the Borrower hereby conveys his/her/their express consent for such acts of the Bank without any further intimation to the Borrower.

10. The Borrower agrees that the credit facilities sanctioned are at the sole discretion of the Bank and that the Bank does not have an obligation to meet further requirements of the Borrower on account of growth in business or any other reasons whatsoever without proper review of the credit limits and the Bank shall have the absolute right to suspend, terminate or recall the existing credit facilities without assigning any reasons whatsoever.

11. The Borrower further agrees that during the currency of the loan and for payment of dues in the said account, the Bank shall have the authority to exercise lien and right of set off and combine accounts without notice and charge on all movable property of every description coming into their possession on account of the Borrower or any one of them or for the time being held by the Bank on behalf of the Borrower or anyone of them whether singly or jointly with others in India or elsewhere including without prejudice to the generality of the above,

any moneys, bullion, deposits, deposit receipt for moneys, promissory notes, bills of exchange, hundies, stocks, goods, merchandise, bills notes, etc and other documents evidencing title of the Borrower as creditor or member or shareholder of any corporation/association/company.

12. Notwithstanding anything contained hereinabove, upon the happening of any of the following events, the whole of the loan or entire balance thereof outstanding at the time of happening of the events shall fall due and payable by the Borrower to the Bank

- a. In default of payment of any installment as per this agreement
- b. On committing any breach of any of the terms and conditions of the sanction/this agreement.
- c. The Borrower entering into any arrangement or composition with its creditor/s or committing any act the consequences of which may lead the Borrower if an individual becoming insolvent and if a Company being ordered to be wound up.
- d. Any process being issued in execution of a decree or attachment before judgment of the properties of the Borrower resulting in the Borrower losing control of his properties or on receipt of a notice of insolvency from the appropriate court or for winding up from the Company Court, if the Borrower is a Company.
- e. A Receiver being appointed for the properties of the Borrower and the Bank believes that the Borrower's properties will be taken possession of by the receiver.
- f. The occurrence of any other event or circumstance, which would or is likely to prejudicially affect in any manner the capacity of the Borrower to repay the loan, the opinion of the bank in this regard being conclusive.
- g. Where the Borrower is a company, if a resolution is passed for the winding up of the Company or the Borrower being a partnership firm an application is filed in a court of law for dissolution of the firm.
- h. The Borrower ceasing or threatening to cease business or gives notice of the Borrower's intention to do so.
- i. If the Bank apprehends or has reason to believe that the Borrower is utilizing the amount borrowed or any part thereof for any purpose other than that for which the loan has been sanctioned.

13. The Borrower agrees that the sanction letter allowing the facility shall be read in conjunction with the provisions of this agreement and in the event of any inconsistency in this agreement with the aforesaid sanction letter, the terms and conditions mentioned in the sanction letter shall prevail for all intents and purposes.

14. The Borrower agrees to accept as conclusive proof of the correctness of any sum claimed to be due to the Bank under this agreement a statement of account made out from the books

of the Bank and signed by the duly authorized officer of the Bank or data/print out of the data in respect of the account stored in a floppy, disc, tape or any other form of electro-magnetic storage device or computer system generated printout without production of any voucher, document or paper.

15. Any delay in exercise or omission to exercise any right, power or remedy occurring to the Bank upon any default under this agreement shall not impair or prejudice any such right, power or remedy nor shall it be construed to be a waiver thereof or any acquiescence in such default nor such inaction of the Bank in respect of any default affect or impair any right, power or remedy of the bank in respect of such default.

16. The Borrower agrees that the securities created in favour of the Bank shall operate as continuing Security and shall not be considered as satisfied by any intermediate payment or satisfaction of the whole or any part of all or any monies due and payable under the loan sanctioned but shall extend to cover all or any monies that may become due and payable under or in connection with sanctioned loan.

17. The Borrower agrees that the Bank may transfer/assign the credit facilities to any other bank/financial Institution/Securitisation Company/Asset Reconstruction Company or any such organization or their agents without reference to the Borrower for the purpose of refinance/ securitisation/Asset Reconstruction or outright sale and in case of such sale the terms and conditions of the credit sanction agreed by the Borrower with the Bank shall continue to govern and in case of default in repayment by the Borrower, the buying bank/Financial Institution/Securitisation Company/Asset Reconstruction Company or any such organization or their agents shall have recourse to the Borrower and the terms and conditions of sale shall be governed by the agreement entered into by the Bank with the buying bank/Financial institution/securitisation company//Asset Reconstruction Company any such organization or their agents. The Borrower further undertakes to execute any document for doing and executing of all such acts, things, deeds, documents or assurances as the bank/ financial institution/securitization company may require for perfecting such assignment. The bank shall also be at liberty to disclose/furnish to such institution any information or data relating to Borrower for the purpose of refinance/Securitisation/Asset Reconstruction or outright sale.

18. The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct and specifically agrees that as a pre-condition for granting loans/advances/other non-fund based credit facilities, the Bank shall have an unqualified right to disclose the information or data relating to the Borrower, the information or data relating to any credit facility availed of/to be availed by the Borrower, default if any committed by the Borrower in discharge of the obligations or any other information as the Bank may deem appropriate and necessary to the Credit Information Companies or any other agency authorized by the Reserve Bank of India and such agencies may process the information and furnish the processed information for consideration to any bank/Financial Institution or other credit grantors or registered users as may be specified by the Reserve Bank of India.

19. The Borrower also agrees that the bank shall have the absolute discretion to disclose the information/data relating to the Borrower or information in respect of the borrowal account with the Bank to any recovery agent/s or agency/ies as the Bank may think fit and such recovery agent/s or agency/ies may take appropriate steps against the Borrower or against the securities offered to the Bank.

20. The Borrower undertakes to repay as per the repayment schedule fixed in Schedule II and as per the period provided for the loan. Since the bank has allocated the loan for the period agreed upon, the borrower shall be liable to pay commitment charges at such rate as the Bank may specify from time to time if the entire loan sanctioned is not availed within the stipulated period. Similarly, the Borrower understands that the terms of sanction contains an express/implicit condition to adhere to the repayment schedule stipulated therein and the Bank reserves the right to charge a penalty at such rate as the Bank may specify from time to time in the event of pre-payment of the loan or in case of a takeover of the loan by any other Bank or financial institution and the Borrower agrees to this condition.

21. The borrower understands that if the principal or interest payment or any other amount wholly or partly became overdue, the account shall be classified as special mention account (SMA) and thereafter as non-performing asset (NPA) in tune with the guidelines of the Reserve Bank of India from time to time. For example: If due date of a loan account is March 31, 2021, and full dues are not received on or before the said due date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 on April 30, 2021 i.e. upon completion of 30 days of being continuously overdue. Similarly, if the account continues to remain overdue, it shall get tagged as SMA2 on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon on June 29, 2021.

22. The Borrower further agrees that the Bank shall have an unqualified right to recover all the expenses incurred by the Bank of whatever nature in connection with the recovery actions including but not limited to the fees and expenses towards its Advocates and solicitors with regard to obtention of opinions, litigations, both Civil and criminal, initiated either by the bank or against the Bank with respect to the subject loan account and the Borrower hereby irrevocably and unconditionally authorizes and empowers the Bank to debit and recover the same from the loan account, I/we also agree that the Bank shall have an unfettered right of set off or lien towards any dues in this regard.

23. Should the Borrower be more than one individual, all shall be bound jointly and severally and if a firm, such firm and all members of the firm from time to time thereof shall be bound hereby jointly and severally notwithstanding any change whatsoever in the constitution or style thereof and whether such firm consist of or be reduced to one individual at any time and also such individual members and their respective heirs, successors, executors and administrators and that should the Borrower be a Limited company, a Corporate or Unincorporated body, Committee, firm, Partnership, Trustee or Debtors on a joint account,

the provision contained herein shall be construed and take effect where necessary as if the words importing the singular number also includes the plural number and lastly that if the Borrower be more than one individual at any time any notice served on any one of such individuals shall be deemed to be service of such notice on all such individuals.

24. If the Borrower is a company, the Borrower agrees that they shall not induct on its Board a person whose name appears in the list of Wilful Defaulters published by the Reserve Bank of India and/or any other Credit Information Companies and that in case, such a person is found to be on its Board, the Borrower would take expeditious and effective steps for removal of that person/s from their Board. If the Borrower fails to comply with the said requirement, the Bank shall be entitled to initiate all proceedings as envisaged by law against the Borrower including criminal action, foreclosure and change of ownership

25. The Borrower agrees that in case of restructuring of loans and if the Borrower is unable to come out of stress due to operational /managerial inefficiencies or for any other reasons and fails to achieve the viability milestones and/or adhere to the 'critical conditions', the Borrower hereby agree that the Bank shall have the right at its discretion to initiate change of ownership of the Borrower Company by converting the loan dues to equity shares.

26. The Borrower agrees that they shall submit necessary approvals/authorizations (including special resolution by the shareholders), as required under extant laws/regulations, to enable the Bank to exercise the above rights and the Borrower shall also co-operate with the Bank for its effective execution

27. That the Borrower hereby expressly authorize the Bank to approach Income Tax Department and/or any other Government Department/Authority/Agency to access the information (including without limitation, Balance Sheet, Profit & Loss Account, Income Statement and Returns) about the Borrower and their business or activity submitted by the Borrower to such authority or entity, for the purpose of verification of the same with the information submitted by the Borrower to the Bank in relation to the loan/credit facility/ies applied for / availed of from the Bank. This authorization shall continue to be valid and be in force until all amounts due to the Bank under the said loan/credit facility (ies) granted/to be granted by the Bank to the Borrower are fully repaid and received by the Bank

28. The Borrower agrees that any notice by way of request, demand or otherwise required to be served hereunder shall be sufficiently served if addressed and transmitted to his/its/their address registered in the Bank or in the event of no such address being registered to his/its/their last known place of residence or business and left at such address or place or forwarded to them/him/any of them by post or by courier or by any other means of transmission of documents like fax message or electronic mail service at the address or place aforesaid and if sent by post it shall be deemed to have been given at the time when it would be delivered in due course of post and it shall be sufficient to prove that the envelope containing the notice was posted and if sent by courier or fax or electronic mail then delivery confirmation slip, fax /electronic mail confirmation message, as the case may be, shall be sufficient proof of service

IN WITNESS WHEREOF the Borrower/s has/have hereto set his/her/their hands on this the.....day of.....20.....

SIGNATURE OF THE BORROWER/S

SCHEDULE I

DISBURSEMENT OF THE LOAN

1st Instalment Rs.....

2nd Instalment Rs.....

Rs..... In a lumpsum of

3rd Instalment Rs.....

SCHEDULE II

REPAYMENT SCHEDULE

Amount of installments	Due date of payment of installments	Number & frequency of installments

SIGNATURE OF THE BORROWER/S

Key Fact Statement

LOAN.....(NAME OF THE SPECIFIC LOAN PRODUCT)

1	Loan amount	
2	Loan term	
3	Interest type (fixed or floating)	
4	(a) Interest chargeable (In case of Floating Rate Loans) (b) Interest chargeable (In case of Fixed Rate Loans)	(a)% (MCLR +...../ Repo Rate+...../ TBLR +.....) (b) %
5	Date of reset of interest	
6	Mode of communication of changes in interest rates	
7	Fee payable	
a	On application (PI individually specify all type of fee)	
b	During the term of the loan (PI individually specify all type of fee)	
c	On foreclosure (PI individually specify all type of fee)	

d	Fee refundable if loan not sanctioned/disbursed	
e	Conversion charges for switching from floating to fixed interest and vice-versa	
f	Penalty for delayed payments	
8	EMI payable	
9	Details of security/collateral obtained	
10	Date on which annual outstanding balance statement will be issued	

(SIGNATURE OF THE BORROWER/S)