

TERM LOAN AGAINST PROPERTY AGREEMENT

This loan agreement is made on this _____ day of _____ 20_____

between (*) Mr/Ms _____

S/o D/o W/o _____

r/o _____ (herein after called the borrower(s) which term shall include their and each of their legal heir(s), representative(s), executor(s), administrator(s), successor(s) and assign(s) of the ONE PART and Capital Small Finance Bank Limited a body corporate having its Head Office at MIDAS Corporate Park, 3rd Floor, 37. G. T. Road, Jalandhar (herein after called the Bank which expression shall include its successors and assigns) of the OTHER PART.

WHEREAS the borrower(s) have approached the Bank for a term loan of ₹ _____ for (*) _____

WHEREAS the Bank has agreed to advance a sum of ₹ _____ by way of term loan for the above purpose inter alia on the terms and conditions mentioned below and upon security of the mortgage of the property more fully described in the schedule hereunder :

WHEREAS the Bank has agreed to advance a sum of ` _____ by way of term loan for the above purpose inter alia on the terms and conditions mentioned below and upon security of the mortgage of the property fully described in the schedule I hereunder :

NOW THE AGREEMENT WITNESSETH AS UNDER :

1. The Bank shall lend to the borrower a term loan of ` _____ (Rupees _____). The bank Is authorized to disburse the loan in stages as per its discretion.
2. The Borrower agrees to pay interest at _____ % Spread over the prevailing Base Rate/MCLR (presently being _____ %) of the Bank (hereinafter referred to as the "Reference Rate"), i.e @ _____ % (the "Applicable Interest Rate") per annum with monthly rests, whether debited or not in the account, plus applicable interest tax, if any, including the manner of computation of the same by the Bank. Further –
 - i. The Base Rate/MCLR/the Spread/periodicity of rests are subject to any change made by the Bank/RBI from time to time and the revised Applicable Interest Rate shall accordingly be charged in the account;
 - ii. In the event of there not being any Reference Rate and/or Spread, the Borrower agrees to pay the interest at such rate as prescribed by the Bank from time to time; and
 - iii. The interest shall be calculated on the daily balance basis due to the Bank in the account and shall be charged in the account on the last working day of the month so long as the debt herein is not paid by the Borrower in its entirety and will form part of the principal and carry further interest at the Applicable Rate of Interest.

3. The borrower shall repay the loan amount together with interest thereon in installments in the manner set out in Schedule-II hereto Provided that on occurrence of certain event, which in the opinion of the Bank is sufficient, the Bank in its absolute discretion, may reschedule the repayment under intimation to the Borrower and same will be binding on the Borrower and shall be deemed to have been originally incorporated in this agreement and shall form part of this agreement and the Borrower agrees that any such rescheduling will not in any way, absolve any of the Borrower(s) from liability under the Loan in any manner whatsoever and the nature and the extend of the Borrower(s) liability and of the security offered shall subsist and continue.
4. (i) The Borrower irrevocably authorizes the Bank to recover the amount of EMI and other charges from his SF/CA/OD/CC accounts no. _____ maintained at the Bank's BO: _____ until the Loan is fully repaid and adjusted. The Borrower further undertakes to keep sufficient balance in his said account for recovery of the EMI by the Bank.
- (ii) The Borrower hereby deposits post-dated cheques to facilitate the due payment of the EMIs of the Loan.
- (iii) The Borrower is willing to make the payment of EMIs of the Loan, through participation in Electronic Clearing Service (ECS) of National Clearing Cell of RBI and authorizes the Bank to raise the debits against the EMIs from his SF/CA/OD/cc account No. _____ maintained at BO: _____ of _____ Bank (Give name and address of the Bank) through ECS for repayment of the Loan and understands that in the event of the Bank not realizing payment from ECS for any reason whatsoever, the Borrower shall pay the EMI to the Bank by cash or cheque along with the interest for the delayed period.

The Borrower has given the necessary mandate/will comply with the procedural requirements for participation in ECS and also bear any service charges/fees as prescribed by Bank/RBI from time to time.

5. (A) The Borrower agrees to pay additional interest @ _____ % p.a. with agreed rests-
- a) In case of default in payment of interest or installments on the due date, on the amount in default, from the date of default;
- b) In case of default in complying with the terms & conditions of the sanction letter or of this agreement or the Loan account become irregular or for non-compliance of any other terms of sanction and the Bank's general guidelines, on the amount outstanding from the date the account becomes irregular/from the day of non-compliance of any condition; and
- c) In case the Loan is recalled, on the amount outstanding from the date of demand/recall.
- (B) Charging of additional interest shall be without prejudice to any other right available to the Bank.
6. The Borrower agrees to pay and bear the -
- a. Incidental charges at the rates fixed by the Bank from time to time at its discretion and shall be debited to the account for every half year or part thereof;
- b. The borrower agrees to pay the pre payment/pre-closure charges as per bank norms prescribed from time to time.
- c. Any other charges leviable from time to time as per the guidelines of the Bank.

7. The Borrower, before availing of the loan or any part of it, if so required by the Bank, shall secure the loan by providing an acceptable security.
8. A) The Bank shall be entitled at its option to recall the entire outstanding together with interest and other charges in the following cases: -
 - a) In case the Borrower defaults in payment of any installment or interest;
 - b) In case the Borrower fails to create the security as undertaken within the period prescribed or such extended period as the Bank may allow;
 - c) In case the Borrower contravenes any of the terms and conditions of the scheme under which financed, agreement and/or of the sanction letter;
 - d) In such other cases/circumstances as the Bank may deem fit and proper.B) In event of the Bank exercising its power to recall as aforesaid, the Borrower undertakes that irrespective of the period for which the Loan/Limit is made, the Borrower shall pay to the Bank immediately, after demand whereby the recall is made, the balance then outstanding in the Loan account together with interest and all other charges due there under. In case the borrower fails to pay the Loan/Limit amount, the Bank would also be at its sole discretion be entitled to without assigning any reason whatsoever and shall initiate the legal proceeding against the borrower for recovery of the entire outstanding amount. The bank is also authorised to take action under the SARFAESI Act 2002 or any other law for the time being in force.
9. Interest shall be calculated on the daily balance due to the Bank in the said account and shall be charged in the account on the last working day of the month so long as the debt herein incurred is not paid by the borrower(s) in its entirety and will form part of the principal and carry interest at the above mentioned rate.
10. (i) The Borrower agrees that the amount of the Loan together with interest will be paid by him regularly in _____ number of Equated Monthly Installments (the "EMI") of ` _____ (Rupees _____) comprising of principal and interest and the first EMI shall become due for payment commencing on _____.

The amount of EMI shall be subject to change in accordance with the change/revision in the Applicable Interest Rate to be charged in the Loan account, in which event, the borrower shall exercise one of the following options for repayment of the Loan :

- a) To pay increased amount of EMI.
 - b) To continue to pay the existing amounts of EMI with the condition that the balance outstanding in the Loan account would be paid in one go with last EMI of the originally applicable repayment tenor.
 - c) To prolong the repayment period.
- (ii) In case no option is exercised by the borrower on account of change in the Applicable Interest Rate affecting the EMI, the option as given at (c) above will be deemed to have been exercised by the borrower

11. In the event of bank exercising its power to recall as aforesaid the borrower undertake that irrespective of the period for which the loan is made to the borrower shall pay to the bank immediately after demand whereby recall is made the balance outstanding in the said account together with interest and all other charges due there under.
12. The borrower(s) hereby agree and undertake to create mortgage in favour of the bank within _____ months after the date of this agreement or such further period as the bank may allow its discretion in the form and manner as may be required by the bank of the property described in Schedule hereto to secure the outstanding under the said term loan beside interest costs and other charges thereon.
13. The borrower(s) shall not execute any documents such as agreement to sell, power attorney or an other similar documents or deed etc to alienate, create lien, charges ,mortgage or encumbrances of any kind whatsoever on/of the property described in Schedule hereof in favour of any person other than bank without the consent of the bank in writing.
14. That the borrower(s) agree that their liability to the bank for their dues on the said account shall be joint and several with authority and right to the said bank to compromise and/ or give indulgence to any of them preserving its rights and remedied against all or any of them.
15. That the borrower(s) hereby agree to hold themselves liable as aforesaid on all the confirmation letter signed by any one of them and on all the accounts stated to any one of them. The borrower(s) agree that each one of them is an agent for the other(s) and I/we authorised to acknowledge and admit liability outstanding in the account from time to time extending limitation against all of us.
16. The borrower(s) agree to keep fully insured for the full market value of property or assets to be mortgaged in the name of the borrower(s) and the bank with the bank clause against risk of damage loss destructions by fire and such other risk as may be prescribed by the bank and keep up such insurances until the amount due under the term loan is paid in full to the bank. In case the borrower(s) fail at any time to insure and pay necessary premium the bank may without being bound to do so get the said property/assets insured and debit the amount of premium to the borrower(s) account. The premium so paid will carry interest at the same rate as if the amount advanced and become a part of the principal amount. In case of default in furnishing Insurance policy by the borrower, the same shall be deemed as breach of this agreement.
17. The bank shall be entitled to file claim and also pursue legally against insurance company for recovery of the loss. All sums received under any such insurances as aforesaid shall be received by the bank and applied in or towards the liquidation of the balance due to the bank. It is expressly agreed that the bank shall not incur any liability to the borrower(s) if it fails to lodge any claim under any policy with the insurance company within the time prescribed under such policy or for any reasons whatsoever. The bank shall not incur any liability to the borrower(s) for not bringing any suit for recovery of insurance money of allowing such suits to be barred by time.
18. It is agreed that the bank shall have the absolute right to adjust/settle compromise or refer to arbitration without references to or consent of the borrower(s) any dispute in connection with or arising under any policy of insurance and any of the assured and such act of the bank shall be valid and binding on the borrower(s) but shall not impair the right of the bank to recover its dues from the borrower(s).

19. Notwithstanding anything herein contained it is the absolute responsibility of the borrower(s) to insure the property to be mortgaged to file claim or intimate legal action to follow up further with the insurance company in case of occurrence of risk insured and remit to the bank the proceeds received/realized from insurance company.
20. The borrower(s) shall continue to pay all the rates and taxes accruing in respect of the property/asset to be mortgaged and perform all the terms and conditions of the document of the title on which the borrower(s) hold the property.
21. The borrower(s) declared that the property is vacant/ self occupied.
22. The borrower(s) agree that subsequent to availment of the loan if the property is proposed to be let out by the borrower(s) bank's permission would be required. The bank would accord this permission only where the proposed lease is in favour of an institution of repute and lease rental/monthly rent will be assigned to the bank.
23. The bank shall always be at liberty to stop making advances at any time without previous notice and without assigning any reason even though the term loan limit has not been fully availed.
24. The borrower shall permit the bank , its agents and servants from time to time and at all times to enter into and upon the premises/property which are mortgaged/charged in favour of the bank to view/inspect and value the same and make inventories of the assets.
25. The bank from time to time be at liberty to have the property/ assets as aforesaid valued by an appraiser appointed by the bank and the fees and the expenses on such appraisal shall be paid by the borrower.
26. The borrower undertake to render to the bank and its servants all the facilities as may be required for any of the purpose aforesaid.
27. In case the borrower shall be a firm or a member of a firm no change whatsoever in the constitution of such firm during continuance of this agreement shall impair or discharge the liability of the borrower or any one or more of them hereunder or in any way effect and remedies of the bank under the agreement.
28. That the amount due to the bank on this account shall be payable by the borrowers at _____ office of the bank where the account is maintained or at the Head Office of the Bank.
29. Those incidental charges at the rate fixed by the bank from time to time at its discretion shall be debited to the said account for the half year thereof and will form part of principal and carry interest at the same rate as of the amount advanced.
30. The borrower agree and hereby give to the bank during the currency and for payment of the said term loan account a general lien and right to set off and combine accounts without notice and charges on all movable property for every description coming into the possession on account of the borrower for the time being held by the bank on behalf of the borrower whether singly or jointly with others in INDIA or elsewhere including without prejudice to the generality any monies bullion, deposits, deposit receipts, promissory notes, bill of exchange, cheques, railway receipts, Govt. Bills and other documents of every description.

31. Any demand herein may be made on the borrower by any officer of the bank or any notice in writing under the hands of any such officer either served personally on the borrower or left at or sent by post to them at their addresses registered/available with the bank. Notice served on any of the borrower(s) shall be deemed to have been served on all of them.
- 32 (a) The Borrower hereby agrees as a pre-condition of the Loan/Facility given to the Borrower by the Bank that in case the Borrower commits default in the repayment of the Loan/Facility or in the repayment of interest thereon or any of the agreed installment of the Loan on due dates, the Bank and/or the Reserve bank of India will have an unqualified right to disclose or publish the Borrower's name or the name of the Borrower's company/firm/unit and its director/partners/proprietors as default in such manner and through such medium as the Bank or of in their absolute discretion may think fit.
- b) The borrower understands that as a pre-condition, relating to grant of the Loan/Facility to the Borrower, the Bank, requires the Borrower's consent for the disclosure by the Bank of information and data relating to the Borrower, of the Loan/Facility availed of/to be availed, by the Borrower, obligations assumed/to be assumed, by the Borrower, in relation thereto and default, if any, committed by the Borrower, in discharge thereof.
- c) Accordingly, the Borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such
- (i) Information and data relating to the Borrower;
 - (ii) Information or data relating to any loan / credit facility availed of/to be availed, by the Borrower, and
 - (iii) Default, if any, committed by the Borrower, in discharge of the Borrower's such obligation, as the Bank may deem appropriate and necessary, to disclose and furnish to the Credit Information Bureau (India) Ltd. and/or any other agency authorized in this behalf by RBI.
- d) The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct.
- e) The Borrower agrees that –
- (i) The Credit Information Bureau (India) Ltd. and / or any other agency so authorized may use/ process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
 - (ii) The Credit Information Bureau (India) Ltd. and/or any other agency so authorized may furnish for consideration, the processed information and data or products thereof prepared by them, to banks/financial institutions and other credit grantors or registered users, as may be specified by the Reserve Bank of India in this behalf.

I/We hereby agree that mortgage property be sold to enforce payment of money due under this contract, secured against such mortgage or otherwise charged upon immovable property under mortgage, by the Bank, to which I/We shall not object before any forum or court or arbitral proceedings.

In case the legal proceedings are initiated by the Bank on account of default by the borrower, all dues together with cost, charges and expenses incurred on the same, shall be debited to the loan account of the borrower(s) and shall be recoverable/payable as a part of the principal amount.

33. In case of any dispute between the bank and all or any one or more of the parties, guarantor or and such other person(s) connected with the agreement, regarding the interpretation or meaning of any of the terms of this agreement, or any nature of differences, disputes, rights, claims, recovery and obligation or their enforcement or performance or to enforce payment of money secured by a mortgage or otherwise charged upon immovable property covered by this agreement or touching this agreement directly or indirectly, however, remotely it may be, including the disputes or breach, violating, contravening any condition or term of this agreement, assessment of damages, compensation, interest, additional interest prior to reference, pendentelite and future interest, for such breach violation or contravention, termination, determination of the agreement/contract, also covering disputes or matter(s) relating to section 13(10), 17 to 18, 18B to 19 in chapter III of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act 2002, as amended by the Enforcement of Security Interest and Recovery of Debts Laws(Amendment) Act 2012 (1 of 2013) read with the corresponding Rules under the Security Interest (Enforcement) Rules, 2002 as amended from time to time, and all other matter(s) shall be referred by either party to this agreement, promissory note, agreements and guarantee deed to the sole Arbitration, by any one of the arbitrators on the named Panel of Arbitrators herein below at the option of the party raising the dispute or difference referred to above. In the event of appointed Arbitrator's inability, incapacity, death or refusal to act, the vacancy shall be filled from amongst the remaining Arbitrators named in the Panel of the Arbitrators at the option of the party raising the matter in difference. The reference shall not be determined by the death of the borrower(s)/guarantor(s) or on the winding up of the Bank and this shall be deemed to be agreement of arbitration between the Legal Representatives, heirs liquidators, administrators & the like.

PANEL OF ARBITRATORS

- 1. _____
- 2. _____
- 3. _____
- 4. _____

The jurisdiction of Courts, Consumer Forums, Rent Controllers under the EPURR Act, Rent Authorities under the Punjab Rent Act 1995, as amended by 2014 Act, Tribunals(Including Debt Recovery Tribunals) and their appellate authorities, other than the jurisdiction exclusively and specifically exercisable by the concerned, authorized officer of the creditor or Chief Metropolitan Magistrate or District magistrate, under section 13(1) to 13(9) & 13(11) to 13(13) to section 16 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act,2002 as amended by the Enforcement of Security Interest and Recovery of Debts Laws(Amendment) Act 2012(1 of 2013) read with the corresponding Rules under The Security Interest(Enforcement) Rules, 2002 as amended from time to time, are ousted in the light of the above arbitration clause.

It is clarified that all matter(s) coming within the ambit of section 13(1) to 13(9) & 13(11) to 13(13) to section 16 in chapter III of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 as amended by the Enforcement of Security Interest and Recovery of Debts laws (Amendment) Act 2012 (1 of 2013) read with the corresponding Rules under the Security Interest (Enforcement) Rules, 2002 as amended from time to time, exclusively and specifically exercisable by the concerned, authorized officer of the creditor or Chief Metropolitan Magistrate or District Magistrate, as the case may be, are not covered by the above arbitration clause and cannot be referred to arbitration.

The party raising dispute shall give 15 days notice of their intention to make the reference to the other party or parties addressed to his/her/their usual place of business or residence or at his/her/their last notified address and the notice by post or courier or e-mail/SMS etc shall be deemed to have been served when sent on such address(s). On the expiry of said period of 15 days, the party giving the notice shall also be entitled to make a reference to arbitrator and it will not be necessary to make a joint submission of reference to arbitration, which reference shall not be objected to by other party as being unilateral, Arbitrator's decision by way of award and can also make award of selling the mortgage property to enforce payment of money secured against such mortgage or otherwise charged upon immovable property under mortgage , shall be final and binding and shall not be challenged in any court of law. The proceeding before the Arbitrator and all arbitral matters shall be followed as per the existing and then prevailing arbitration law or its substituted arbitration law as amended from time to time, with place of Arbitration at Jalandhar City.

IN WITNESS WHEREOF the Borrower(s) have executed these present the day, month and year herein above written.

Signed sealed and Delivered by

Name of Borrower(s) :

Signature of borrower(s)

Place :

Bank

THE FIRST SCHEDULE ABOVE REFERRED TO
(Description of the charged Securities)

Sr.No.	Description of Securities

THE SECOND SCHEDULE (REPAYMENT PROGRAMME)

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Borrower(s) Signature

Bank