

**CAPITAL SMALL FINANCE BANK LIMITED**  
H.O.: MIDAS Corporate Park, 3<sup>rd</sup> Floor, 37-G.T Road, JALANDHAR CITY

**GOLD LOAN AGREEMENT**

This agreement is made at \_\_\_\_\_ on  
this \_\_\_\_\_ day of \_\_\_\_\_ 20 \_\_\_\_\_

**BETWEEN**

\_\_\_\_\_ hereinafter called 'The Borrower(s)' (which expression shall include wherever to the context so admits, its/their heirs, executors, administrators, successors and assigns) of the ONE PART and **CAPITAL SMALL FINANCE BANK LIMITED**, a Banking Company established under the Indian Companies Act, 1956 having its Head Office at **Midas Corporate Park, 3rd Floor, 37,G.T.Road, Jalandhar** and one of its branch(s) a \_\_\_\_\_ hereinafter called the 'Bank' (which expression shall wherever the context so admits be deemed to include its successors and assigns) of the OTHER PART.

WHEREAS the Borrower vide loan application dated \_\_\_\_\_ has requested the Bank to grant credit facility/loan of Rs. \_\_\_\_\_, for the purpose of \_\_\_\_\_ (the "said purpose") on the terms and conditions mentioned herein below.

**WHEREAS:**

- a) The Borrower/Borrowers is/are the owner/joint owners and is/are in possession of certain gold jewelery/ornaments more fully described and detailed in valuation report-cum-receipt and as such is/are absolutely and fully competent to sell/create a security interest on or over or dispose of the same;
- b) The Borrower/Borrowers has/have approached the Bank for the grant of loan against the gold ornament(s) described and detailed in valuation report.
- c) At the request of the Borrower/Borrowers, the Bank has agreed to make available to the Borrower/Borrowers credit facilities being term Loan of amount as mentioned here above written on the terms and conditions herein mentioned.

**WITNESSETH THAT:**

1. The Borrower/Borrowers agrees/agree to borrow from the Bank and the Bank agrees to make available to the Borrowers at its sole discretion credit facilities comprising of term loan of a maximum amount mentioned here above written, equivalent to the value of the gold jewelery / ornaments more fully described and detailed in the valuation report -cum -receipt, less the margin. Such value shall be based on the amount of gold jewelery/ornaments more fully describe and detailed in the valuation report-cum-receipt supplied by the Borrwer.s and the market price offered for the said gold jewelery/ornaments. The Borrower/s shall be entitled to draw loan for the period within the terms of this Agreement.
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.

2A. 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 \_\_\_\_\_ and/or by way of bullet payment. 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.

3. The borrower shall repay the loan amount together with interest thereon in installments in the manner set out herein 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 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 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(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.

7. The Borrower shall repay all amounts due and payable under the loan in accordance with the provisions of this Agreement. It is hereby agreed that in the event of two or more Borrower the liability of each of the Borrowers to the Bank under this Agreement shall be joint and several and the Bank shall at all times be entitled to proceed jointly and / or severally against any or both of the Borrowers with respect to such liability. It is further agreed that the Bank shall be entitled to require the Borrowers to jointly and/or severally execute such additional documentation as the Bank may require in this regard or in order to give effect to any provision of this Agreement and the Borrowers do hereby jointly and severally undertake to execute all such documentation as and when required by the Bank. The Bank may in its discretion make disbursement of the Loan in cash and the Borrower by executing this Agreement hereby confirms the receipt of the said Loan.

8. The Borrower/Borrowers shall secure to the satisfaction of the Bank the entire amount of loan availed of under the Loan facility together with all interest, liquidated damages, costs, charges and expenses and

all other moneys whatsoever due and payable by the Borrower/Borrowers to the Bank ('the said Dues') under this Agreement by creating such security as acceptable to the Bank in favour of the Bank (hereinafter collectively referred to as 'The said Security').

9. It is hereby clarified that the said Security shall secure the complete Loan Facilities and all the said Dues in relation thereof including without limitation any and all amounts due and payable to the Bank as interest penal interest, liquidated damages, fees, costs and charges including inter alia any charges incurred by the Bank in (a) defending the Borrower/Borrowers right title and interest in the said Security and/or possession of the said Security by the Bank and/or the security agent or trustee, if any, that may be appointed by the Bank, at its sole discretion, with respect to the said Security against any third parties whosoever; and/or (b) producing where required the said Security before any Court of law; and/or (c) selling the said Security and/or for the preservation of the said Security; and/or (d) obtaining such insurance as the Bank may deem necessary at their sole discretion for the said Security; (e) making payment to security agent or trustee, if any, that may be appointed by the Bank at its sole discretion, with respect to the said Security; and/or (f) storage of the said Security; and/or (g) transportation, if any of the said Security; and/or (h) such other charges as may be applicable at the sole discretion of the Bank.

10. The Borrower hereby represents and warrants as under/The Borrowers hereby jointly and severally warrant as under:

**a)** That it has/they have all legal right and full power to enter into this Agreement and to create a security interest in the said Security in favour of the Bank and no other person or entity is or is actually or conditionally entitled to possession, use or control of the said Security.

**b)** That in the event that the Borrower is a member/the Borrowers are members of a Hindu Undivided Family or HUF, the said Security forms part of the personal assets of the Borrower/Borrowers and does not form part of the assets jointly held and/or owned by the said HUF.

**c)** This Agreement and all other documents executed by the Borrower/Borrowers in pursuance hereof constitute separate legal valid and binding obligations of the Borrower/Borrowers enforceable against the Borrower/each of the Borrowers in accordance with their respective terms.

**d)** That there is no action, suit or proceedings against the Borrower/Borrowers pending before any court of law or before any other tribunal, judicial, quasi judicial or administrative authority, which might affect the Borrower/Borrowers ability to perform its/their obligation hereunder.

**e)** The value of the said Security as determined by the Banks approved valuer at the time of Inspection is acceptable and final and binding on the Borrower/Borrowers. The Borrower/Borrowers confirm that they have understood the method of valuation which would be used by the valuer in arriving at the value of the Security. The Borrower acknowledges that the Borrower is aware that the value of the Security, if the said Security is any gold jewellery shall be determined by valuer as follows:

"Value" shall mean the value of the said Security as determined by the valuer through the use of following formula: **(V)=(A) x (B)**

**Where:**

(A) shall be the value assigned at the date of valuation by the Bank at its sole discretion for the different gold purity of the Gold Security. It is clarified that the Bank shall not be bound or required to use the prevailing market rates for different purities of gold. It is further clarified that when computing the value of the gold jewellery/ornaments in question, the value of any semiprecious, precious and other stones, metals, alloys contained in the gold jewellery/ornaments in question as well as the wastage, workmanship, sentimental, historic and/or antique value to and of the gold jewellery/ornaments in question shall be excluded by the valuer.

(B) shall be the weight of the gold content of the gold jewellery/ornaments in question as measured by the valuer at the time of Valuation. It is further clarified that when determining the weight of any Gold Security, the valuer shall exclude the Weight of any semi-precious, precious and other stones, metals, alloys contained in the Gold Security in question as well as any wastage.

(V) shall be the Value of the gold jewellery/ornaments in question reached by a multiplication of the amounts contained in (A) and (B). The said sale or disposal shall be appropriated by the Bank to the amounts outstanding and owed by the Borrower/Borrowers to the Bank at the time of such sale or disposal. In the event of any shortfall in the amounts realized from such sale or disposal and the amounts outstanding and owed by the Borrower/Borrowers to the Bank, the Borrower/Borrowers shall furnish to the Bank such additional security as may be required by the Bank at its sole discretion to cover the said shortfall.

**f)** All costs and expenses that may be incurred by the Bank and arising out of or the creation of the said Security shall be borne by the Borrower/Borrowers and the Borrower hereby agrees/the Borrowers do hereby jointly and severally agree to reimburse the Bank the same forthwith on receipt of a notice of demand in this regard. All the said amounts shall be deemed to be part of the said Dues.

11. The Borrower/Borrowers will execute necessary promissory notes and such further documents forms and papers including draw down requests for availing of the Loan as the Bank may in its discretion from time to time require at the Borrower/Borrowers sale cost and expense.

12. The Borrower/Borrowers further covenants to furnish to the Bank all such information statements particulars, estimates and reports etc., as the Bank may require from time to time at its sole discretion for and with respect to the Loan facility and shall also submit the same to the Bank in form and detail satisfactory to the Bank.

13. The Borrower/Borrowers hereby agrees that the benefit of all representations, warranties and covenants given herein by the Borrower to the Bank shall also be available to any security agent and/or trustee appointed by the Bank with respect to the said Security.

14. The Borrower shall furnish upon demand any other security in such form and values as may be required by the Bank from time to time in amounts and values sufficient at all time in the opinion of the Bank to secure the payment of the said Dues. In the event of two or more Borrowers, all the Borrowers shall be liable to jointly and/or severally furnish upon demand any other security in such form and value as may be required by the Bank from time to time in amounts and values sufficient at all time in the opinion of the Bank to secure the payment of the said Dues.

15. In the event the Borrower or in the event of two or more Borrowers any one or all of the Borrowers fail to pay when due any sum which it/they may owe to the Bank and the Bank shall commence legal proceedings to recover such sum, the Borrower/Borrowers will further jointly and/or severally pay the Bank all advances, charges, cost and expenses, including legal fees, incurred or paid by the Bank in exercising any right power or remedy conferred by this arrangement. The Bank may deem the same to be part of the said Dues.

16. The Bank may in its own discretion without assigning any reason and upon written notice mailed or sent to the Borrower/Borrowers cancel in full or in part the loan and demand repayment thereof Delivery of such

notification by the Bank shall constitute sufficient notice of such cancellation and thereupon the said loan all interest due and payable thereon and all liabilities and other obligations of the Borrower/Borrowers thereunder to the Bank including interest and other charges shall become forthwith due and payable by the Borrower/Borrowers immediately to the Bank.

17. At the option of the Bank and without necessity of any demand upon or notice to the Borrower or in the event of two or more Borrowers to any of the Borrower all of which are hereby expressly waived by the Borrower/the Borrowers and notwithstanding any thing contained herein or in any security documents executed by/ to be executed by the Borrower/Borrowers in the Bank's favour, the said Dues and all of the obligations of the Borrower/Borrowers to the Bank hereunder, shall immediately become due and payable irrespective of any agreed maturity and the Bank shall be entitled to enforce the said Security upon the happening of any of the following events:

- a)** If any representations or statements or particulars made in the Borrower/Borrowers proposals/application are found to be incorrect or the Borrower or in the event of two or more Borrowers any of the Borrowers 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 Bank and the Borrowers in respect of this Loan;
- b)** If the Borrower or in the event of two or more Borrowers any of the Borrowers commits any default in the payment of principal or interest or any of the said Dues or of any obligations of the Borrower/Borrowers to the Bank when due and payable;
- c)** If there is any deterioration or impairment of the said Security or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated) which causes the said Security in the judgment of the Bank to become unsatisfactory as to character or value;
- d)** If the Borrower or in the event of two or more Borrowers, any one or all of the Borrowers shall be in default of any of the provisions of this Agreement or any other agreement arrangement or other writings entered into by one Borrower/Borrowers with regard to the Loan;
- e)** If any attachment, distress, execution or other process against the Borrower, or in the event of two Borrowers against any one or all of the Borrowers or any of the said Security is enforced or levied upon;
- f)** The death, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if the Borrower or in the event of two or more Borrowers, any one or all of the Borrowers suspends payments to any creditors or threatens to do so, filing of any petition in bankruptcy of by or against the Borrower or in the event of two or more Borrowers, any one or all of the Borrowers;
- g)** If the Borrower or any one or all of the Borrowers without prior written consent of the Bank, attempt or purport to create any Charge, mortgage.
- h)** The Borrower/Borrowers understand and agree that the Bank shall not be liable for any destruction, loss or damage of and to the said Security or any part thereof caused during any inspection process conducted by the valuer in determining the aforesaid value.
- i)** All the Borrower/Borrowers do hereby agree that the said Security shall be kept at the risk of the Borrower/Borrowers with the Bank only exercising the ordinary care of safe custody of the said security.
- j)** The Bank shall also not be responsible for any loss caused to the said security by reason of an event of force measure. For the purpose of this Agreement an event of force measure shall mean any event beyond the reasonable control of the Bank, including without limitation fire, flood, cyclone, earthquakes, Acts of God, strike, labour disruption, theft, robbery, dacoity, burglary, war (whether declared or undeclared) riots, insurgency, terrorist attacks or any other event beyond the reasonable control of the Bank.

**k)** It is further clarified and agreed that the liability of the Bank shall arise only if a destruction loss or damage has been directly caused to the said Security by the willful act or omission on the part of the Bank or its duly authorized officers and employees.

**l)** Without prejudice to the above, it is further understood and agreed by the Borrower/Borrowers that in the event of any part of the said Security forming gold jewellery at no time shall the Bank's liability to the Borrower/Borrowers for any destruction, loss or damage of and to the said gold jewellery be in excess of or exceed the value (determined by the valuer as mentioned above) regardless of the value of any semi-precious, precious and other stones, metals, alloys contained in the said security as well as the workmanship, sentimental, historic and/or antique value to and of the said Security. The Borrower/Borrowers hereby agree that at no time shall the Borrower/Borrowers raise any claim or make any demand on the Bank for any amounts in excess of the said value.

18. The Borrower/Borrowers hereby declare that the Borrower/Borrowers has/have a clear and marketable title clear and transferable interest over the said Security and further assures the Bank that the same is free from any prior charge lien or encumbrance of whatsoever nature. In the event that the Borrower is a member the/Borrowers are members of Hindu Undivided Family or HUF the Borrower does hereby declare/the Borrowers do hereby jointly and severally declare that the said Security forms part of the personal assets of the Borrower/both the Borrowers or any one of the Borrowers and does not form part of the assets of the HUF and that no other member or co-parcener of the HUF has any right or claim or title to and over the said security.

19. Each of the representations warranties covenants and undertakings of the Borrower/the Borrowers shall be deemed to have been repeated on each day on which a drawal is sought to be made and on each date which the loan and the said Dues are outstanding. Further, the Borrowers shall be deemed to make all representations, warranties, covenants and undertakings jointly and severally n each such occasion.

20. The Borrower/Borrowers hereby undertakes to the Bank that;

**a)** In the event any part of the said Security is required to be deposited with the Bank then at the time of deposit of any part of the said Security with the Bank, the Bank shall furnish to the Borrower an appropriate receipt indicating deposit of the relevant part of the said Security ("Receipt") to the Borrowers jointly a single receipt indicating deposit of the relevant part of the said Security ("Receipt"). At no time shall the Bank release or be liable to release the said Security or any part thereof to the Borrower/Borrowers without the production of the said original Receipt. The Bank shall further only release the said Security or any part thereof to the Borrower or in the event of two or more Borrowers to the Borrower whose name shall appear first in the Receipt and to no other third party and shall be entitled to refuse to release the said Security or any part thereof into the custody of any other person save and except in accordance with the manner indicated above and the Bank shall not be liable to the Borrower/Borrowers or any other third party whatsoever due to such refusal by the Bank to release the said Security or any part thereof apart from in the aforesaid manner. In the event that one Borrower shall require the Bank to issue a duplicate Receipt due to loss or destruction of the original Receipt, the Bank shall only issue such duplicate Receipt to the Borrower upon the Borrower furnishing such indemnities and executing such other documentation as may be required by the Bank for this purpose. In the event of two or more Borrowers, the Bank shall only issue a duplicate Receipt upon the Borrowers jointly furnishing such indemnities and executing such other documentation as may be required by the Bank for this purpose.

**b)** In the event of the value of the said Security falling lower than the required margin of the Bank as applicable from time to time, then in such an event the Borrower/Borrowers shall immediately and in case within seven days of a notice from the Bank in this regard, either at the Bank's sole discretion. (1) deposit with the Bank such additional security as may be necessary to remove such deficiency which shall be similar in type to the said Security; or (2) shall deposit with the Bank such additional security in the form of cash or such other securities which may be acceptable to the Bank to remove the aforesaid deficiency.

**c)** The Bank shall have the right at any time during the period in which the said Security is held with the Bank, to sell or otherwise dispose of the said Security if in the opinion of the Bank the value of the Security shall be or is being adversely affected. The Borrower/Borrowers hereby authorize the Bank to sell or otherwise dispose off the said Security in such an instance without any prior consultation and without notice to the Borrower/Borrowers and the Borrower/Borrowers agree that it/they shall not thereafter seek any remedy against the Bank for such sale, or disposal. The monies realized from pledge, hypothecation, lien or other encumbrance over the said Security or any part thereof or on any other property belonging to the Borrower, or in the event of two or more Borrowers, belonging to all or any one of the Borrowers, which shall have been given as security by the Borrower/Borrowers to the Bank for the performance of its/their obligation under this Agreement or any other financing agreement entered into between the Parties for the repayment of the said Dues;

**d)** If any circumstance or event occurs which is prejudicial to or impairs or imperils or jeopardize or is likely to prejudice, impair, imperil, depreciate or jeopardize the said security given by the Borrower/Borrowers or any part thereof;

**e)** If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of the Borrower or in the event of two or more of Borrowers any one or all of the Borrowers, to repay the Loan on a revolving basis or any part thereof;

**f)** If the Loan Facility is utilized for any purpose other than the purpose for which it is applied by the Borrower and sanctioned by the Bank;

**g)** In the event the Borrower commits a default/breach of the provisions of any other agreement, document or writing executed by the Borrower, whether relating to the Loan or any other facility availed or guarantee or credit support provided to the Borrower by the Bank;

**h)** Upon the happening of any event which the Bank considers prejudicial to its interest, 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/Borrowers shall forthwith give the Bank notice thereof in writing specifying such event of default or such event. The Borrower/Borrowers shall also promptly inform the Bank if and when any statutory notice of winding-up under the provisions of the Companies Act 2013, if applicable or any other law or of any suits or legal process intended to be filled initiated against the Borrower or any one or all of the Borrowers, is received by the Borrower/s any one or all of the Borrowers. On the question whether any of the above events/circumstances has occurred happened, the decision of the Bank shall be final, conclusive and binding on the Borrower/Borrowers.

21. In the event that the Bank shall become entitled to enforce the said Security in accordance with the



provisions of Clause 17,18 above, the Borrower/each of the Borrowers do hereby unconditionally authorize and empower the Bank and its respective officers and employees to sell, transfer, assign and/or absolutely to dispose off the said Security or any part thereof by public or private sale or in such other manner as they may see that their sole discretion after giving 7 (seven) days prior written notice of the same to the Borrower/Borrowers of such sale, transfer, assignment and/or disposal and to adjust the proceeds of such sale, transfer, assignment and/or disposal against any amounts due and payable by the Borrower/Borrowers to the Bank as the said Dues.

22.The Borrower/Borrowers shall not without the prior written consent of the Bank transfer or create/allow to be created in any manner any charge, lien, hypothecation, mortgage, pledge or other encumbrance whatsoever on any of the properties, assets, actionable claims etc of the Borrower or any one or all of the Borrowers which constitute either the said Security or any other security(ies) given by the Borrower or any one or all of the Borrowers jointly and/or severally to the Bank for any Drawal or create or allow to be created any interest in any such securities in favor of anyone other than the Bank.

23.The rights, powers and remedies given to the Bank by this Agreement shall be in addition to all rights powers and remedies given to the Bank by virtue of any other security, statute, or rule of law or under any provision of law. The Bank may exercise a banker's lien or right of set-off with respect to any obligation of the Borrower or any one or all of the Borrowers to the Bank 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 Bank's possession or custody. Any forbearance or failure or delay by the Bank 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 the Bank 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.

24.If the Borrower/Borrowers makes default in payment of the said Dues or any part thereof in addition and without derogation to any other provision of this Agreement in the event that any of the security comprising or forming part of the said security shall not be in the possession of the Bank would be a 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 any of the properties of the borrower/Borrowers held/be held by the Bank as security pursuant to this Agreement.

25.Notwithstanding any thing to the contrary contained in this Agreement or any other agreement arrangement, document or other writings entered into by the Borrower/Borrowers (either jointly or singly) with the Bank, the Borrower/the Borrowers do/does further authorize the Bank to, notwithstanding the repayment by the Borrower/Borrowers of any amounts that may be due and payable under this Agreement or otherwise as the Dues hold and retain and dispose off the said Security as security for any other debt or liability swing by the Borrower/Borrowers to the Bank on any account whatsoever whether solely or jointly with others and whether as principal debtor or surely and to sell the said Security and appropriate or apply the sale proceeds after deducting the charges, expenses commission, etc., towards such debts or liabilities. The Borrower/Borrowers does/do hereby authorize and empower the Bank to create any additional security interest by any means whatsoever on or over the said Security as security for any other debts or liabilities as aforesaid.

26.The Borrower/Borrowers shall pay 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 created.

27.The Bank shall have a lien and right of set-off on all moneys belonging to the Borrower standing in its credit in any account whatsoever with the Bank. In the event of two or more Borrowers, the Bank shall have a lien and right to set-off on all moneys belonging to any or all of the Borrowers standing to their credit in any account whatsoever with the Bank whether such account shall have been held jointly by all of the Borrowers or singly by any one of the Borrowers with the Bank. If upon demand by the Bank the balance outstanding in the Loan Account is not repaid within the prescribed time, such credit balance in any account may be adjusted towards dues the Loan Account. In case of any deficit amount may be recovered by the bank from the Borrower or in the case of two or more Borrowers, from any one or all of the Borrowers at the sole discretion of the Bank.

28.In case of breach of the terms or in case of any of the events happening as stated herein before the Bank would have the full rights to sell, dispose off or realize the said Security on such terms and for such price that the Bank thinks fit, and apply the net proceeds towards the satisfaction of the balance outstanding in the Loan Account including charges, expenses etc.

29.Nothing contained in these presents shall be deemed to limit or affect prejudicially the rights and powers of the Bank under the security documents or letters of guarantee or any of them or under any law.

30.No delay in exercising or omission to exercise any right power or remedy accruing/available to the Bank 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.

31.Any notice or correspondence shall be in writing and in case of the Borrowers to be addressed at the above mentioned address of the Borrower. In the case of two or more Borrowers to any one or all of the Borrowers, at the discretion of the Bank at the addresses and in case of the Bank to be given at the address of the branch of the Bank situated at the address and shall be deemed to have been sufficiently served if delivered by hand or addressed by Registered A.D. Post at the addresses mentioned herein above 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<sup>th</sup> day of such posting. It is clarified that in the event there shall be two or more Borrowers, the service of any notice or correspondence or to anyone of the Borrowers by the Bank shall be sufficient service on all the Borrowers and at no time shall any Borrower be able to raise or claim any defense on the grounds that it shall not have received any notice or be sent any correspondence due to the Bank having only served such notice or sent such correspondence to any of the other Borrowers.

32.The Borrower/Borrowers agrees/agree to accept the statement of account sent by the Bank or by any other authorized representative of the Bank as conclusive proof of the correctness of any sum claimed to be due from him/them.

33.The Borrower/Borrowers shall execute in favour of the Bank or any nominee of the Bank any further/additional/fresh deeds/documents etc., whenever required by the Bank to do so.

34. The Borrower/Borrowers hereby admits/admit that the Borrower has understood the method in which the Bank would compute interest and agrees to be bound by the same.

35. The Borrower/Borrowers understand that as a pre-condition relating to the grant of the Loan to it/them, the Bank requires its/their consent for the disclosure by the Bank of information and data relating to the Borrower/Borrowers, the Loan on a revolving basis availed of/to be availed by the Borrower/Borrowers, its/their obligations assumed/to be assumed by the Borrower/Borrowers in relation thereto and default, if any committed by the Borrower or any or all of the Borrowers in discharge thereof.

36. 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.

b) The Borrower declares that the information and data furnished by the Borrower to the Bank are true and correct.

c) 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.

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.

### **37. ARBITRATION**

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, pendente lite 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) has/have subscribed his/their signature(s) hereunto on this \_\_\_\_\_ day of \_\_\_\_\_ 20

\_\_\_\_\_  
Signature of Borrower(s)

\_\_\_\_\_  
Bank

Place  
Date: