



ਪੰਜਾਬ ਗ੍ਰਾਮੀਣ ਬੈਂਕ
PUNJAB GRAMIN BANK
Scheduled Bank Owned by Government

TERM LOAN AGREEMENT (PERSONAL LOAN)

THIS PERSONAL TERM LOAN AGREEMENT (this "Agreement") is made on this _____ day of 20_____
between Shri _____ son/daughter/wife _____
of Shri _____, resident of _____
_____ (hereinafter called the "Borrower");

AND

Punjab Gramin Bank, a body corporate, constituted under the Regional Rural Bank Act 1976, having its Head Office at Markfed Road, Kapurthala and, amongst others, a Branch Office at _____ (the "said BO"), hereinafter called the "Bank".

(The Borrower and the Bank are collectively referred to as the Parties and individually as the Party and unless it be repugnant to the subject or context the "Borrower" and the "Bank" include their successors, permitted assigns, etc; the masculine gender is to be taken to include females; and the singular includes the plural and vice versa. The "Borrower", in case there is more than one Borrower, includes each one of them and their liability shall be JOINT & SEVERAL)

At the request of the Borrower, the Bank on the terms and conditions set forth hereinafter has agreed to advance a sum, by way of term loan, of (_____ only) under its Personal Loan Scheme (the "Scheme"), (hereinafter referred to as the "Loan"), which sum the Bank shall be entitled to disburse in stages.

Further, on the request of the Borrower, the Bank has entered into a master agreement dated _____ with the Borrower ("Master Agreement") recording the common terms and conditions with respect to the Loan pursuant to which the Bank has agreed to advance a sum of Rs. _____.

Now this Agreement witnesseth as under:-

1. The Borrower undertakes that the funds borrowed under this Agreement shall be utilized by it for the purpose for which the Loan has been allowed and also agrees to furnish to the Bank, as and when asked by the Bank, a certificate to the effect that the funds so borrowed have been utilized for the purpose for which the Loan has been allowed.
2. The Bank is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement and any sanction letter(s) issued by the Bank to the Borrower in connection with this Agreement, Master Agreement and any other agreement(s) entered into between the Borrower and the Bank in relation to the Facility, including the Master Agreement (collectively with this Agreement, the "Finance Documents").

3. INTEREST RATE OPTIONS

Exercise of Option

The Borrower hereby exercises the option of "**Fixed Interest Rate**" to pay interest on loan amount and agrees to pay interest at% per annum with monthly rests.

All loans/credit facilities linked with Fixed Rate of interest are fixed for the entire period of the loan, subject to switchover facility (charges will be levied as applicable from time to time), if availed by the existing borrower on request.

OR

The Borrower hereby exercises the "**Floating Interest Rate**" Option and agrees to pay interest at% as spread over Repo Link Lending Rate (RLLR), presently being %, (hereinafter referred to as the "Benchmark Rate") i.e. % per annum with rests. The said RLLR/Spread, as applicable, will be changed from time to time by the Bank subject to the reset of interest rate as decided by the Bank. In case of change in repo rate by the RBI, the repo rate linked rate (RLLR) will be changed from next working day. The change in repo rate will be automatic as and when the RBI amends the repo rate, and it does not require any separate communication to the customers from the Bank.

Notwithstanding any other clause of the agreement, the Spread and the Benchmark Rate of interest payable by the Borrower and the periodicity of rests shall be subject to the changes/variations made by Reserve Bank of India/the Bank as the case may be from time to time and the revised rate of interest shall accordingly be charged.

In the event of there not being any Spread and/or Reference Rate, the borrower agrees to pay the interest at the rate as prescribed by the Bank from time to time.

The interest shall be calculated on daily balance basis due to the Bank and shall be charged on monthly basis so long as the amount due is not repaid in its entirety and shall form part of the principal and carry interest at the Applicable Interest Rate.

At the time of reset of floating interest rates, Bank may, at its option, provide a choice to the borrowers to switch over to a fixed rate. The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options, subject to repaying capacity of the available tenure as per the applicable scheme guidelines/related guidelines of the bank; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges / pre-payment penalty shall be subject to extant instructions.

- (a) Any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred and sixty five) days.
- (b) The borrower also agree that the rate of interest chargeable is subject to change made by the RBI as well as by the Bank from time to time.
- (c) That the borrower shall pay and bear interest tax, if any, at the rate as enforce from time to time. The Bank shall have the discretion to decide the manner of computation and charging of the same in the account.
- (d) That the borrower shall not be entitled to any interest for any sum which may at any time stand to his / her credit in this account.

4. RESET OF FLOATING/FIXED RATE OF INTEREST:

- a) At the time of change (Increase/ decrease) in the benchmark rate, the borrower shall have the option to move/switch over to fixed rate/floating rate or vice versa on equated installment-based retail loans.
- b) Switchover shall be allowed maximum upto two times during the tenor of the loan. Second switchover shall be permitted only after completion of 3 years from the last reset date (reset from fixed to floating and vice-versa).
- c) Any change will be subject to the eligibility of the Borrower & change of option shall, however, be subject to payment of fees/ charges on the total amount outstanding (including undisbursed amount, if any), as per the Bank's extant guidelines, subject to change from time to time.

5. CHANGE IN REPO RATE LEADING TO CHANGE IN RLLR

- 5.1 Any Change in Repo Rate by RBI shall lead to change in EMI/ Tenor/ both in loan accounts.
- 5.2 Enhancement in EMI or elongation of tenor or a combination of both options subject to repaying capacity of the available tenor as per the applicable scheme guidelines of the bank.
- 5.3 To partly repay the outstanding which will nullify the impact of increase in rate of interest or fully repay the outstanding amount.
- 5.4 In floating rate loans, it shall be ensured that elongation of tenor does not result in negative amortization. In such cases, EMI shall be increased to cater to the enhanced liability on account of increase in external benchmark rate.
- 5.5 In case of negative amortization, where monthly interest goes beyond EMI, there shall be
 - a. First, suitable increase in tenor subject to availability of headroom within the permitted maximum age of borrower.
 - b. Secondly, suitable increase in EMI, in case headroom is not available.
 - c. Thirdly, suitable increase in tenor & EMI both, in case headroom is not sufficient within the permitted maximum age of borrower.

- d. Suitable increase in tenor and/or EMI is meant to reduce balance in the account over a period of time so that there is no negative amortization.

5.6 Elongation of tenor of retail loans maximum upto, subject to maintenance of Headroom/Margin:

Loan	Existing Max. Tenor without headroom (A)	Max. Tenor with headroom (B)	Headroom/Margin (C)
Personal	7 Yrs.	11 Yrs.	Max. 4 Yrs.

- 5.7 While sanctioning respective loans, the maximum Loan tenor for the respective loan shall be fixed without headroom as per column (a) above. However, in case of increase in RLLR due to change in Repo Rate only and resultant requirement of change in EMI/Tenor, the tenor available through headroom as per column (C) above shall be utilized.
- 5.8 Further, the headroom shall be utilized within the permitted maximum age of borrower in respective Retail Loan scheme.
- 5.9 In case opting for increase in tenor, borrower must regularize its loan account as loan under irregular/SMA-0/SMA-1/SMA-2/NPA will not be eligible for increase in tenor in such case.
- 5.10 A loan that has been in SMA-2 or NPA at any time during its tenure shall not be eligible for restructuring.
- 5.11 Apart from equated monthly instalment loans, the above clauses would also apply, mutatis mutandis, to all equated instalment-based loans of different periodicities.
- 5.12 Borrower shall be informed through appropriate channels such as SMS to registered mobile number/ Registered Email/ Website/PGB Mobile application about change in RLLR and be requested to contact branch to increase EMI/Tenor/Both/pre-pay either in part/full or switching from floating to fixed.
- 5.13 Such SMS/E-mail to be sent to borrower 3 times at interval of 7 days each and 21 days' notification. If borrower fails to advise Bank about his/her option after providing the notice, Bank will take steps in following manner:
- First, suitable increase in tenor subject to availability of headroom within the permitted maximum age of borrower.
 - Secondly, suitable increase in EMI, in case headroom is not available.
 - Thirdly, suitable increase in tenor & EMI both, in case headroom is not sufficient within the permitted maximum age of borrower.
 - Thereafter, Branch will inform the borrower about the aforesaid steps taken through a letter and copy of the same shall be kept in records.
- 5.14 Such communication sent to borrower through any of the mentioned channels (registered phone/mail) shall be construed to be a due notice to the customer.
- 5.15 Subsequently, any increase in the EMI/ tenor or both; pre-payment; switching on account of the above shall be communicated to the borrower immediately through appropriate channels such as SMS/Email/Registered Post and notification additionally on PGB Mobile application as mentioned in sanction letter.
- 5.16 The SMS/Email and notification through PGB Mobile application shall be customer specific and not a general one.
6. The Borrower agrees that the amount of the Loan together with interest will be repaid by him regularly in number of equated monthly installments (the "EMI") of _____ comprising of principal and interest and the first EMI shall become due for payment commencing _____.
7. *(The Borrower irrevocably authorizes the Bank to recover the amount of the EMI and other charges from his SF/CA /OD Account no. _____ (the said Account) maintained at the Bank's said BO until the Loan along with interest, charges, etc. 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.
8. The Borrower agrees to authorize his employer to remit his salary to the Bank's said BO for crediting the same to his said Account.
9. The Borrower hereby deposits post-dated cheques to facilitate the due payment of the EMI as per the Schedule.

10. The Borrower is willing to make the payment of EMI, through participation in National Automated Clearing House (NACH)/ Electronic Clearing Service(“ECS”) of the National Clearing Cell of RBI and authorizes the Bank to raise the debits against the EMI from his account no. _____ maintained at _____ branch office of _____ bank (Give name and address of the bank) through NACH/ ECS for payment of the EMI and understands that in the event of the Bank not realizing payment from NACH/ 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 NACH/ ECS and also bear any service charges/fees as prescribed by the Bank/RBI from time to time.
11. To facilitate collection of the EMI in the event of non-receipt of the EMI by NACH/ECS, the Borrower has provided the Bank with _____ number of undated cheques for the amount of the EMI. The Borrower authorizes the Bank to fill up the date as and when required, but without being bound, to collect the cheques to meet defaults in payment of the EMI.)

OR

To facilitate collection of the EMI in the event of non-receipt of the EMI by NACH/ ECS, the transaction failure receipt of NACH/ECS shall be used under NI Act 138.

12 DEFAULT INTEREST, PREPAYMENT PREMIUM AND OTHER CHARGES

12.1 Penal Charges

12.1.1 Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as penal charges.

12.1.2 The events where the account attracts levying of penal charges are as under (wherever applicable):

- a) Default in repayment of loans;
- b) Irregularities in cash credit / Overdraft accounts;
- c) Non-submission of stock statements;
- d) Non Submission of documents for review/renewal;
- e) Non-submission of information under the Preventive Monitoring System (PMS) as per the terms & conditions of sanction;
- f) Non creation/perfection of Security as per Terms and conditions of sanction;
- g) Non Compliance of Terms & Conditions of sanctions **(other than specified above);**
- h) Non submission of external rating by eligible borrowers (wherever applicable).

12.1.3 Penal charges for the period of default are to be levied as under:

I. On the amount of default/ irregularity

- i. For any one of trigger events stated at point no. (a) to (b) above: 2.00% p.a.
- ii. For two or more trigger events stated at point no. (a) to (b) above: 3.00% p.a.

II. On the total outstanding

For one or more trigger events stated at point no. (c) to (g) above: 2.00% p.a.

Note for I and II: If the trigger events are a combination of point (a) to (b) and point (c) to (g) then penal charges shall be capped at 4% p.a., i.e., 2% on the default/irregularity and 2% on the outstanding amount.

III. For trigger event stated at point (h): 1.00% p.a. on the Limit sanctioned (FB+NFB) or actual outstanding (for term loans/ EMI based facility) as the case may be.

12.1 EXEMPTIONS FROM LEVYING OF PENAL CHARGES

1 All advances up to Rs. 25000/-.

- 2 Advances by way of reconstruction or nursing assistance to sick units in cases at para 2 (except point (e)). Thus, non-submission of PMS statements would attract penal charges as per the terms & conditions of sanction.
- 3 Sick industrial units which remain closed.
- 4 Advances against deposits, life insurance policies & Government securities/gold where the drawings are within the available value of the security.

12.2 PENAL CHARGES ON PRE-PAYMENT / FORE CLOSURE OF LOAN IN CASE OF TAKE OVER i.e. LOAN IS PREPAID BY THE NON-INDIVIDUAL BORROWER FOR SHIFTING TO OTHER BANK / FI

- 12.3.1 Pre-payment Charges shall be applicable @2% of the amount being pre-paid in case of Term Loans.
- 12.3.2 In case of cash credit / overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied @2% on the sanctioned limit. Further, in case of cash credit / overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates (through written communication) the Bank of his / her / its intention not to renew the facility before the period as stipulated in the loan agreement (3 months before due date) provided that the facility gets closed on the due date.

12.3.3 Exemptions From Levying of Penal Charges:

- 1 **No Pre-payment charges shall be levied on all floating rate loans (term loans as well as demand loans) and advances in the following cases:**
 - (a) **For all loans granted for purposes other than business to individuals, with or without co- obligant(s).**
 - (b) **For all loans granted for business purpose to individuals and MSEs, with or without co- obligant(s) upto Rs. 50 lakh.**

Note: The above Directions shall be applicable irrespective of the source of funds used for pre- payment of loans, either in part or in full, and without any minimum lock-in period. Further, applicability of above directions for dual/ special rate (combination of fixed and floating rate) loans will depend on whether the loan is on floating rate at the time of prepayment.

- 2 Apart from above, no prepayment charges are to be levied in the following cases as well:
 - a) Micro & Small Enterprise (MSE) Borrower upto Rs. 50 Lakh.
 - b) Loans sanctioned at fixed rate with reset clause, if the borrower exercises his option for floating rate interest at the time of reset.
 - c) Where the loans are prepaid by the borrowers from their own sources.
 - d) Where the borrower shifts to other bank within 30 days from the date of issuance of circular for upward revision in the spread to be charged in his account or change in other terms of sanction.
 - e) In case of upward revision in the interest rate due to reset of benchmark rates and the borrower informs the Bank within 30 days from the date of reset & shifts its account to other Bank within 90 days from the date of reset.
 - f) Where the closure of loan is on the instance of the Bank on account of size of irregularity, possibility of default in future or any other technical or other specific reasons.
 - g) Advance against Bank's own Deposits/ liquid securities.
- 12.4 It is hereby agreed between the parties that the penal charges prescribed in the agreement may be amended, revised, substituted by way of written communication by the Bank to the Borrower from time to time. Such correspondences between the Bank and acceptance thereof by the Borrower shall be deemed to be an integral part of this Agreement and shall be read in conjunction thereof and binding on the borrower.
 - (a) In case the Facility is recalled, on the amount outstanding from the date of demand/ recall.
- 12.5 Levying of penal charges shall be without prejudice to any other right available to the Bank.
- 12.6 The Borrower acknowledges that any penal charges payable pursuant to this Clause 12 is not a penalty and is reasonable and represents a genuine pre- estimate of the loss expected to be incurred by the Bank in the event of occurrence of any of the events as set out in Clause 12.1 above.

- 12.7 That the borrower shall pay incidental charges / other charges, as fixed by the Bank from time to time, during the currency of the account.
13. In addition and without prejudice to the Bank's remedies under this Agreement and under applicable law, the Bank shall have the option to recall the entire outstanding and the Borrower undertakes to pay the amount outstanding upon demand by the Bank.
14. In the event of the Bank exercising its right to recall the Loan as aforesaid, the Borrower undertakes that irrespective of the period for which the Loan is made, the Borrower shall pay to the Bank immediately after demand whereby the recall is made, the balance then outstanding on account of the Loan together with interest and all other charges till liquidation of the dues under the Loan.
15. Any demand herein may be made on the Borrower by an 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 him at his address registered/available with the Bank. (Notice served on any one of the Borrowers shall be deemed to have been served on all of them.)*

**Applicable only in case of more than one borrower*

16. The Borrower undertakes that he will neither raise any further loan from any other branch of the Bank or any from other Bank/FI/NBFC under the same or similar Scheme till full repayment of the Loan, without prior written consent of the Bank.
17. That the borrower further agrees and hereby gives to the Bank during the currency and for the repayment of its dues a general lien and right of set off and combine accounts without notice and charge on all moveable property of every description coming into possession and control of the Bank on account of the borrower, or for the time being held by the Bank on behalf of the borrower, whether alone or jointly with others in India or elsewhere including, without prejudice to this generally, any money, Bank drafts, deposit receipts for money, promissory notes, bills of exchange, hundies, stocks and shares, goods and merchandise, bills of lading, railway receipts, lorry receipts, government bills with inspection notes and other bills in course of collection, articles in safe custody and other documents of title to goods and any other negotiable or transferable instruments or securities, instruments and documents of title of immoveable property and mercantile documents of every description including hire purchase agreements or contracts or other than those affecting immovable property and requiring registration under the Acts or laws relating to registration and other documents evidencing the title of the borrower as creditors or members of any Corporation, Association, Registered Society, Company or Syndicate in India or elsewhere.
18. *(The Borrower hereby agrees that its liability to the Bank shall, for the purpose of this Agreement, be joint and several and that the Bank shall always have the right under this Agreement to give indulgence or to grant time or negotiate with any one of the Borrowers without the liability of the other Borrowers being affected thereby or without prejudice to the Bank's rights and remedies against any one or all of the Borrowers. Further that the Borrower hereby agrees to hold it liable as aforesaid on all confirmation letters signed by any one of them.)

**Applicable only in case of joint borrowers and partnership firms, etc.*

19. The Borrower shall do all such acts, deeds and things as may be reasonably required by the Bank, in accordance with applicable law, to co-operate with the Bank in relation to filing of Form I by the Bank with the Central Registry under section 23 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"), read with the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011, in relation to the security created on the _____ (description of security), immediately after the execution of this Agreement.

20. EVENTS OF DEFAULT

The Borrower agrees to pay additional Charges as per para 12 in case of:

- i. Non-payment of any installment of principal and/or interest, costs and other charges due, on the amount in default from the date of default;
- ii. Default in Furnishing information as prescribed/called for by the Bank or any irregularity in a/c.

- iii. Diversion or siphoning of the Loan amount;
- iv. Default in creation of security within the stipulated time;
- v. Non-compliance of any of the terms & conditions of this Agreement;

However, this right is in addition to and not in derogation of the Bank's other rights to immediately call upon the Borrower to repay the entire amount outstanding or to enforce the security and, in the event of the Bank exercising its right to recall the Loan as aforesaid, the Borrower undertakes that, irrespective of the period for which the Loan 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 till liquidation of the dues under the loan.

21. In addition to the Events of Default set out above and in the Master Agreement, the occurrence of a Cross Default will constitute an Event of Default under this Agreement. An event of Cross Default shall be deemed to have occurred upon occurrence of any of the following:
 - I. Any financial indebtedness of the Borrower is not paid when due nor within any originally applicable grace period.
 - II. Any financial indebtedness of the Borrower is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual or potential default, event of default, or any similar event (however described) after the expiry of any originally applicable grace period.
 - III. Any commitment for any financial indebtedness of the Borrower is cancelled or suspended as a result of any actual or potential default, event of default, or any similar event (however described) after the expiry of any originally applicable grace period.
 - IV. Any creditor of the Borrower becomes entitled to declare any financial indebtedness of the Borrower due and payable prior to its specified maturity as a result of any actual or potential default, event of default, or any similar event (however described) after the expiry of any originally applicable grace period.
 - V. Any security over any assets of the Borrower is enforced by the holder of such security, or any analogous procedure or step is taken in any jurisdiction.
 - VI. There is an event of default or potential event of default (howsoever described) or other similar condition or event which with the lapse of time or giving of notice may become an event of default under one or more agreements or instruments relating to any indebtedness granted by any person to the Borrower.
- 21.1 All Events of Default set out in the Master Agreement are incorporated *mutatis mutandis* herein. For the purposes of this Agreement, "Master Agreement" shall mean the master agreement dated on or about the date of this Agreement executed between the Borrower and the Bank.
- 21.2 Upon the occurrence of an Event of Default, as stated in this Agreement/Master Agreement, including Cross Default as described herein above, the Borrower shall render itself liable to legal action and the Bank shall be entitled to terminate this Agreement, recall the facility and resort to any other legal recourse available to the Bank, without any notice to the Borrower and realise the Bank's dues and recover the balance of its claim from the Borrower.
22. The Borrower declares that all information and data furnished by it to the Bank is true and correct.
23. The Borrower hereby agrees as a pre-condition to the grant of the Loan given to the Borrower by the Bank that in case the Borrower commits default in the repayment of the Loan or in the repayment of interest thereon or any of the agreed installment of the Loan on due dates, or commits 'willful default'; the Bank and/or the RBI will have an unqualified right to disclose or publish the Borrower's name, photograph, or the name of the Borrower's company/firm/unit and its directors, partners, proprietors as defaulter/willful defaulter as the case may be, in such manner and through such medium as the Bank or the RBI in their absolute discretion may think fit.
24. That the Borrower/s hereby give/s specific consent to the Bank for disclosing / submitting the 'financial information' as defined in section 3(13) of the Insolvency and Bankruptcy Code, 2016 (hereinafter the "IBC") read with relevant regulations / rules framed under the IBC, as amended and in force from time to time and as specified there under from time to time, to any 'information utility' as defined in section 3(21) of the IBC, in accordance with the relevant regulations framed thereunder, and directions issued by the RBI to banks from time to time and hereby specifically

agrees to promptly authenticate the 'financial information' submitted by the Bank, as and when requested by the concerned information utility.

25. The Borrower understands that as a pre-condition relating to grant of the Loan 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 or 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. Accordingly the Borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such-
- 25.1 Information and data relating to the Borrower;
- 25.2 Information or data relating to any loan / credit facility availed of/to be availed, by the Borrower, and
- 25.3 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.
26. The Borrower agrees to execute such further or other documents/deeds as and when required by the Bank in respect of the Facility.
27. That the Borrower shall not have any right to assign its obligations under this Agreement. However, the Bank has the right to transfer, assign, securitize or sell in any manner, in whole or in part, the outstandings and dues under the Facility to any third party without reference or intimation to the Borrower and any such transfer/assignment/sale/securitization shall conclusively bind the Borrower and all other persons.
28. The Borrower shall bear and promptly pay the Bank the following:
- 28.1 all fees for services performed by the Bank, all out of pocket, travelling expenses and other costs, charges and expenses reasonably incurred by the Bank, its officers, employees or agents in connection with the negotiation, preparation, execution, modification or amendment of any documents or instruments contemplated or in connection with or relating to the Finance Documents;
- 28.2 all fees, costs and expenses incurred in connection with the preservation, protection or release of the rights of the Bank on exercise of any rights, remedies or powers granted under any Finance Documents;
- 28.3 all fees, costs and expenses incurred in connection with the enforcement of any rights hereunder and/or under any other Finance Document including any cost incurred in the assertion or defence of the rights of the Bank, for the protection and preservation of whole or any part of the security and for the demand, realisation and recovery of any amounts due and outstanding under the Finance Documents; and
- 28.4 all stamp duty, taxes, charges and penalties on any Finance Documents if and when the Borrower may be required to pay the same according to the applicable laws.
29. *(The Borrower shall promptly, and in any event within_____days of the execution of this Agreement, sign such other documents and do all such acts and things as shall be necessary in accordance with applicable law to perfect the charge created under this Agreement in favour of the Bank, in accordance with this Agreement, including without limitation,
- a) recording the security created over the hypothecated goods under this Agreement pursuant to Section 77 of the Companies Act, 2013 read with the Companies (Registration of Charges) Rules, 2014 by filing duly completed Form CHG.1 with the relevant registrar of companies ("ROC") no later than 7 (seven) days from the date on which security is created by the Borrower; and
- b) delivering to the Bank, a copy of Form CHG.1 filed as per (a) above along with a payment receipt evidencing that the Form CHG.1 has been filed with the ROC, no later than 7 (seven) days from the date on which security is created by the Borrower.)
30. *(The Borrower shall, within 30 (thirty) days of the execution of this Agreement, deliver to the Bank a certified true copy of the certificate of registration of charge issued by the ROC.) **(*Clauses 29 and 30 above are applicable only for Corporate Borrowers. Delete if not applicable)**
31. No failure to exercise, nor any delay in exercising, on the part of the Bank, any right or remedy under this Agreement

shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.

32. If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
33. That the Bank will always be at liberty to stop making fresh advances at any time without prior notice, which notice is hereby expressly waived and without assigning any reason even though the said limit has not been fully availed of.
34. That the borrower undertakes that:
- 34.1 The Credit Information Bureau (India) Ltd. and any other agency so authorised may use / process the said information and data disclosed by the Bank in the manner as deemed fit by them; and that
- 34.2 The Credit Information Bureau (India) Ltd. and any other agency so authorised may furnish the said information for banks / Financial Institutions and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf.
- The borrower declares that the information and data furnished by him / her to the Bank is true and correct.
35. Any term of this Agreement may be amended or waived only with the consent of the Bank and the Borrower in writing and any such amendment or waiver will be binding.
36. This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Agreement.
37. Any certification or determination by the Bank of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

That the contents of the Agreement have been read over and translated into vernacular language _____
_____ [name of the language of the borrower(s)] and the borrower[s] having understood the contents thereof subscribe(s) to these presents.

***Note:** Advance cheques may be obtained under the Scheme. The number, amount and dates of such cheques should be synchronized with the number, amount and due dates of term Loan installments. Such cheques should be drawn favoring 'Punjab Gramin Bank' and on the reverse of the cheques, 'payment of installment in term Loan account No. 'can be written.

In witness whereof, the Parties have signed these presents on the day, month and year above mentioned.

BORROWER

FOR PUNJAB GRAMIN BANK

PGB 1115



ਪੰਜਾਬ ਗ੍ਰਾਮੀਣ ਬੈਂਕ
PUNJAB GRAMIN BANK
Scheduled Bank Owned by Government

OVERDRAFT AGREEMENT (PERSONAL LOAN)

In consideration of Punjab Gramin Bank, a body corporate, constituted under the Regional Rural Bank Act 1976, having its Head Office at Markfed Road, Kapurthala-144601 and amongst others a branch office at _____ (hereinafter called 'the Bank' which term shall, unless repugnant to the context, include its successors and assigns) allowing or agreeing to allow Shri/Ms _____ (hereinafter referred to as 'the borrower' which expression, unless repugnant to the context, shall include his/her heirs, executors, administrators, permitted assigns, legal representatives and successors in interest. The "Borrower", in case there is more than one Borrower, includes each one of them and their liability shall be JOINT & SEVERAL) an advance by way of overdraft upto the extent and limit of Rs. _____ (Rupees _____) on a reducing limit basis to meet his/her personal needs.

Further, on the request of the Borrower, the Bank has entered into a master agreement dated _____ with the Borrower ("Master Agreement") recording the common terms and conditions with respect to the Loan pursuant to which the Bank has agreed to advance a sum of Rs. _____.

The borrower hereby agrees as under:

1. That the Bank shall not, under this agreement, be required to make advance to exceed the said limit. The borrower shall, however, be responsible for the payment on demand of the entire amount that may, at any time, be due in the account although such amount may exceed the said limits.
2. That the limit will be reduced every month by an amount of Rs. _____.
3. That the borrower shall be at liberty to make draws within the reduced Overdraft limit.
4. **INTEREST RATE OPTIONS**

Exercise of Option

The Borrower hereby exercises the option of "**Fixed Interest Rate**" to pay interest on loan amount and agrees to pay interest at% per annum with monthly rests.

All loans/credit facilities linked with Fixed Rate of interest are fixed for the entire period of the loan, subject to switchover facility (charges will be levied as applicable from time to time), if availed by the existing borrower on request.

OR

The Borrower hereby exercises the "**Floating Interest Rate**" Option and agrees to pay interest at _____% as spread over Repo Link Lending Rate (RLLR), presently being%, (hereinafter referred to as the "Benchmark Rate") i.e.% per _____ with _____ rests. The said RLLR/Spread, as applicable, will be changed from time to time by the Bank subject to the reset of interest rate as decided by the Bank. In case of change in repo rate by the RBI, the repo rate linked rate (RLLR) will be changed from next working day. The change in repo rate will be automatic as and when the RBI amends the repo rate, and it does not require any separate communication to the customers from the Bank.

Notwithstanding any other clause of the agreement, the Spread and the Benchmark Rate of interest payable by the Borrower and the periodicity of rests shall be subject to the changes/variations made by Reserve Bank of India/the Bank as the case may be from time to time and the revised rate of interest shall accordingly be charged.

In the event of there not being any Spread and/or Reference Rate/Benchmark Rate the borrower agrees to pay the interest at the rate as prescribed by the Bank from time to time.

The interest shall be calculated on daily balance basis due to the Bank and shall be charged on monthly basis so long as the amount due is not repaid in its entirety and shall form part of the principal and carry interest at the Applicable Interest Rate.

At the time of reset of floating interest rates, Bank may, at its option, provide a choice to the borrowers to switch over to a fixed rate. The borrowers shall also be given the choice to opt for (i) enhancement in EMI or elongation of tenor or for a combination of both options, subject to repaying capacity of the available tenure as per the applicable scheme guidelines/related guidelines of the bank; and, (ii) to prepay, either in part or in full, at any point during the tenor of the loan. Levy of foreclosure charges / pre-payment penalty shall be subject to extant instructions.

- (a) Any interest, commission or fee accruing under this Agreement will accrue from day to day and is calculated on the basis of the actual number of days elapsed and a year of 365 (three hundred and sixty five) days.
- (b) The borrower also agree that the rate of interest chargeable is subject to change made by the RBI as well as by the Bank from time to time.
- (c) That the borrower shall pay and bear interest tax, if any, at the rate as enforce from time to time. The Bank shall have the discretion to decide the manner of computation and charging of the same in the account.
- (d) That the borrower shall not be entitled to any interest for any sum which may at any time stand to his / her credit in this account.

5 DEFAULT INTEREST, PREPAYMENT PREMIUM AND OTHER CHARGES

5.1 Penal Charges

5.1.1 Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as penal charges.

5.1.2 The events where the account attracts levying of penal charges are as under (wherever applicable):

- a) Default in repayment of loans;
- b) Irregularities in cash credit / Overdraft accounts;
- c) Non-submission of stock statements;
- d) Non Submission of documents for review/renewal;
- e) Non-submission of information under the Preventive Monitoring System (PMS) as per the terms & conditions of sanction;
- f) Non creation/perfection of Security as per Terms and conditions of sanction;
- g) Non Compliance of Terms & Conditions of sanctions (other than specified above);
- h) Non submission of external rating by eligible borrowers (wherever applicable).

5.1.3 Penal charges for the period of default are to be levied as under:

I. On the amount of default/ irregularity

- i. For any one of trigger events stated at point no. (a) to (b) above: 2.00% p.a.
- ii. For two or more trigger events stated at point no. (a) to (b) above: 3.00% p.a.

II. On the total outstanding

For one or more trigger events stated at point no. (c) to (g) above: 2.00% p.a.

Note for I and II: If the trigger events are a combination of point (a) to (b) and point (c) to (g) then penal charges shall be capped at 4% p.a., i.e., 2% on the default/irregularity and 2% on the outstanding amount.

- III.** For trigger event stated at point (h): 1.00% p.a. on the Limit sanctioned (FB+NFB) or actual outstanding (for term loans/ EMI based facility) as the case may be.

5.2 EXEMPTIONS FROM LEVYING OF PENAL CHARGES

- 1 All advances up to Rs. 25000/-.
- 2 Advances by way of reconstruction or nursing assistance to sick units in cases at para 2 (except point (e)). Thus, non-submission of PMS statements would attract penal charges as per the terms & conditions of sanction.
- 3 Sick industrial units which remain closed.
- 4 Advances against deposits, life insurance policies & Government securities/gold where the drawings are within the available value of the security.

5.3 PENAL CHARGES ON PRE-PAYMENT / FORE CLOSURE OF LOAN IN CASE OF TAKE OVER i.e. LOAN IS PREPAID BY THE NON-INDIVIDUAL BORROWER FOR SHIFTING TO OTHER BANK / FI

5.3.1 Pre-payment Charges shall be applicable @2% of the amount being pre-paid in case of Term Loans.

5.3.2 In case of cash credit / overdraft facilities, pre-payment charges on closure of the facility before the due date shall be levied @2% on the sanctioned limit. Further, in case of cash credit / overdraft facilities, no pre-payment charges shall be applicable if the borrower intimates (through written communication) the Bank of his / her / its intention not to renew the facility before the period as stipulated in the loan agreement (3 months before due date) provided that the facility gets closed on the due date.

5.3.3 Exemptions From Levying of Penal Charges:

1 No Pre-payment charges shall be levied on all floating rate loans (term loans as well as demand loans) and advances in the following cases:

- (a) For all loans granted for purposes other than business to individuals, with or without co- obligant(s).
- (b) For all loans granted for business purpose to individuals and MSEs, with or without co- obligant(s) upto Rs. 50 lakh.

Note: *The above Directions shall be applicable irrespective of the source of funds used for pre- payment of loans, either in part or in full, and without any minimum lock-in period. Further, applicability of above directions for dual/ special rate (combination of fixed and floating rate) loans will depend on whether the loan is on floating rate at the time of prepayment.*

2 Apart from above, no prepayment charges are to be levied in the following cases as well:

- a) Micro & Small Enterprise (MSE) Borrower upto Rs. 50 Lakh.
- b) Loans sanctioned at fixed rate with reset clause, if the borrower exercises his option for floating rate interest at the time of reset.
- c) Where the loans are prepaid by the borrowers from their own sources.
- d) Where the borrower shifts to other bank within 30 days from the date of issuance of circular for upward revision in the spread to be charged in his account or change in other terms of sanction.
- e) In case of upward revision in the interest rate due to reset of benchmark rates and the borrower informs the Bank within 30 days from the date of reset & shifts its account to other Bank within 90 days from the date of reset.
- f) Where the closure of loan is on the instance of the Bank on account of size of irregularity, possibility of default in future or any other technical or other specific reasons.
- g) Advance against Bank's own Deposits/ liquid securities.

5.1. It is hereby agreed between the parties that the penal charges prescribed in the agreement may be amended, revised, substituted by way of written communication by the Bank to the Borrower from time to time. Such correspondences between the Bank and acceptance thereof by the Borrower shall be deemed to be an integral part of this Agreement and shall be read in conjunction thereof and binding on the borrower.

- (a) In case the Facility is recalled, on the amount outstanding from the date of demand/ recall.

5.2. Levying of penal charges shall be without prejudice to any other right available to the Bank.

5.3. The Borrower acknowledges that any penal charges payable pursuant to this Clause 5 is not a penalty and is reasonable and represents a genuine pre- estimate of the loss expected to be incurred by the Bank in the event of occurrence of any of the events as set out in Clause 5.1 above.

5.4. 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) Any other charges leviable from time to time as per the guidelines of the Bank.

6. CHANGE IN REPO RATE LEADING TO CHANGE IN RLLR

- 6.1 Any Change in Repo Rate by RBI shall lead to change in EMI/ Tenor/ both in loan accounts.
- 6.2 Enhancement in EMI or elongation of tenor or a combination of both options subject to repaying capacity of the available tenor as per the applicable scheme guidelines of the bank.
- 6.3 To partly repay the outstanding which will nullify the impact of increase in rate of interest or fully repay the outstanding amount.
- 6.4 In floating rate loans, it shall be ensured that elongation of tenor does not result in negative amortization. In such cases, EMI shall be increased to cater to the enhanced liability on account of increase in external benchmark rate.
- 6.5 In case of negative amortization, where monthly interest goes beyond EMI, there shall be
- First, suitable increase in tenor subject to availability of headroom within the permitted maximum age of borrower.
 - Secondly, suitable increase in EMI, in case headroom is not available.
 - Thirdly, suitable increase in tenor & EMI both, in case headroom is not sufficient within the permitted maximum age of borrower.
 - Suitable increase in tenor and/or EMI is meant to reduce balance in the account over a period of time so that there is no negative amortization.
- 6.6 Elongation of tenor of retail loans maximum upto, subject to maintenance of Headroom/Margin:

Loan	Existing Max. Tenor without headroom (A)	Max. Tenor with headroom (B)	Headroom/Margin (C)
Personal	7 Yrs.	11 Yrs.	Max. 4 Yrs.

- 6.7 While sanctioning respective loans, the maximum Loan tenor for the respective loan shall be fixed without headroom as per column (a) above. However, in case of increase in RLLR due to change in Repo Rate only and resultant requirement of change in EMI/Tenor, the tenor available through headroom as per column (C) above shall be utilized.
- 6.8 Further, the headroom shall be utilized within the permitted maximum age of borrower in respective Retail Loan scheme.
- 6.9 In case opting for increase in tenor, borrower must regularize its loan account as loan under irregular/SMA-0/SMA-1/SMA-2/NPA will not be eligible for increase in tenor in such case.
- 6.10 A loan that has been in SMA-2 or NPA at any time during its tenure shall not be eligible for restructuring.
- 6.11 Apart from equated monthly instalment loans, the above clauses would also apply, mutatis mutandis, to all equated instalment-based loans of different periodicities.
- 6.12 Borrower shall be informed through appropriate channels such as SMS to registered mobile number/ Registered Email/ Website/PGB Mobile application about change in RLLR and be requested to contact branch to increase EMI/Tenor/Both/pre-pay either in part/full or switching from floating to fixed.
- 6.13 Such SMS/E-mail to be sent to borrower 3 times at interval of 7 days each and 21 days' notification. If borrower fails to advise Bank about his/her option after providing the notice, Bank will take steps in following manner:
- First, suitable increase in tenor subject to availability of headroom within the permitted maximum age of borrower.
 - Secondly, suitable increase in EMI, in case headroom is not available.
 - Thirdly, suitable increase in tenor & EMI both, in case headroom is not sufficient within the permitted maximum age of borrower.
 - Thereafter, Branch will inform the borrower about the aforesaid steps taken through a letter and copy of the same shall be kept in records.
- 6.14 Such communication sent to borrower through any of the mentioned channels (registered phone/mail) shall be construed to be a due notice to the customer.
- 6.15 Subsequently, any increase in the EMI/ tenor or both; pre-payment; switching on account of the above shall be communicated to the borrower immediately through appropriate channels such as SMS/Email/Registered Post and notification additionally on PGB Mobile application as mentioned in sanction letter.
- 6.16 The SMS/Email and notification through PGB Mobile application shall be customer specific and not a general one.

7. RESET OF FLOATING/FIXED RATE OF INTEREST:

- a) At the time of change (Increase/ decrease) in the benchmark rate, the borrower shall have the option to move/switch over to fixed rate/floating rate or vice versa on equated installment-based retail loans.
 - b) Switchover shall be allowed maximum upto two times during the tenor/currency of the loan. Second switchover shall be permitted only after completion of 3 years from the last reset date (reset from fixed to floating and vice-versa).
 - c) Any change will be subject to the eligibility of the Borrower & change of option shall, however, be subject to payment of fees/ charges on the total amount outstanding (including undisbursed amount, if any), as per the Bank's extant guidelines, subject to change from time to time.
- 8.** That the borrower shall pay incidental charges / other charges, as fixed by the Bank from time to time, during the currency of the account.
- 9.** That the borrower shall keep the balance in the account within the reduced limit and repay the amount availed under OVERDRAFT inclusive of interest within _____ months.
- 10.** In addition and without prejudice to the Bank's remedies under this Agreement and under applicable law, the Bank shall be entitled to recall the amount outstanding:
- 10.1.** if balance in the account is not kept within the reduced limit, (b) for contravention of any of the terms of agreement, (c) for any other reason whatsoever.
- 11.** That after demand being made by the Bank, the borrower shall pay to the Bank the balance then outstanding and owing to the Bank on the said account inclusive of interest at the rate mentioned above to the date of payment, together with all the charges and expenses charged or incurred by the Bank as ascertained from the books of the Bank and the borrower agrees to accept the same as sufficient proof of the correctness thereof without production of any voucher or paper.
- 12.** Any demand herein may be made on the Borrower by an 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 him at his address registered/available with the Bank. (Notice served on any one of the Borrowers shall be deemed to have been served on all of them.)*
- *Applicable only in case of more than one borrower*
- 13.** That the borrower shall not raise any further loan from any other branch of the Bank or any other bank / FI / NBFC under the same or similar scheme till full repayment of personal loan, without seeking prior consent of the Bank.
- 14.** *(The Borrower hereby agrees that its liability to the Bank shall, for the purpose of this Agreement, be joint and several and that the Bank shall always have the right under this Agreement to give indulgence or to grant time or negotiate with any one of the Borrowers without the liability of the other Borrowers being affected thereby or without prejudice to the Bank's rights and remedies against any one or all of the Borrowers. Further that the Borrower hereby agrees to hold it liable as aforesaid on all confirmation letters signed by any one of them.)
- *Applicable only in case of joint borrowers and partnership firms, etc.*
- 15.** That the amount due to the Bank on this account shall be payable by the borrower at _____ branch of the Bank where the account is maintained or any of the CBS branches (applicable in case the loan facility has been availed from a CBS branch) or at the Head Office of the Bank at Kapurthala and the Bank shall be entitled to bring a suit against the borrower either at the place where the branch is situated or at Kapurthala where the Head Office of the Bank is located.
- 16.** That the borrower shall be liable for all costs of recovery incurred by the Bank before filing a suit and also for all costs in connection with the suit / decree till recovery of full amount.
- 17.** That the borrower shall not be entitled to any interest for any sum which may at any time stand to his / her credit in this account.

18. That the Bank will always be at liberty to stop making fresh advances at any time without prior notice, which notice is hereby expressly waived and without assigning any reason even though the said limit has not been fully availed of.
19. That the borrower authorises Punjab Gramin Bank BO _____ to debit a sum of Rs. _____ (Rupees _____) every month to his / her SF / CA / OD account no. _____ with the Bank and credit it to his / her aforesaid loan account until the loan is fully adjusted. The authority given by the borrower to the Bank is irrevocable unless and until the loan is repaid in full by him /her.

The Borrower agrees to authorize his employer to remit his salary to the Bank's said BO for crediting the same to his said Account.

The Borrower hereby deposits post-dated cheques to facilitate the due payment of the EMI as per the Schedule.

The Borrower is willing to make the payment of EMI, through participation in National Automated Clearing House (NACH)/ Electronic Clearing Service("ECS") of the National Clearing Cell of RBI and authorizes the Bank to raise the debits against the EMI from his account no. _____ maintained at _____ branch office of _____ bank (Give name and address of the bank) through NACH/ ECS for payment of the EMI and understands that in the event of the Bank not realizing payment from NACH/ 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 NACH/ ECS and also bear any service charges/fees as prescribed by the Bank/RBI from time to time.

To facilitate collection of the EMI in the event of non-receipt of the EMI by NACH/ECS, the Borrower has provided the Bank with _____ number of undated cheques for the amount of the EMI. The Borrower authorizes the Bank to fill up the date as and when required, but without being bound, to collect the cheques to meet defaults in payment of the EMI.)

OR

To facilitate collection of the EMI in the event of non-receipt of the EMI by NACH/ ECS, the transaction failure receipt of NACH/ECS shall be used under NI Act 138.

20. That the borrower further agrees and hereby gives to the Bank during the currency and for the repayment of its dues a general lien and right of set off and combine accounts without notice and charge on all moveable property of every description coming into possession and control of the Bank on account of the borrower, or for the time being held by the Bank on behalf of the borrower, whether alone or jointly with others in India or elsewhere including, without prejudice to this generally, any money, Bank drafts, deposit receipts for money, promissory notes, bills of exchange, hundies, stocks and shares, goods and merchandise, bills of lading, railway receipts, lorry receipts, government bills with inspection notes and other bills in course of collection, articles in safe custody and other documents of title to goods and any other negotiable or transferable instruments or securities, instruments and documents of title of immoveable property and mercantile documents of every description including hire purchase agreements or contracts or other than those affecting immovable property and requiring registration under the Acts or laws relating to registration and other documents evidencing the title of the borrower as creditors or members of any Corporation, Association, Registered Society, Company or Syndicate in India or elsewhere.
21. 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 repayment of the Loan / Facility or in repayment of interest thereon or any of the agreed installment of the Loan on due dates, or commits 'willful default'; the Bank and/or the RBI will have an unqualified right to disclose or publish the Borrower's name, photograph, or the name of the Borrower's company/firm/unit and its directors, partners, proprietors as defaulter/willful defaulter as the case may be, in such manner and through such medium as the Bank or the RBI in their absolute discretion may think fit.
22. That the Borrower/s hereby give/s specific consent to the Bank for disclosing / submitting the 'financial information' as defined in section 3(13) of the Insolvency and Bankruptcy Code, 2016 (hereinafter the "IBC") read with relevant

regulations / rules framed under the IBC, as amended and in force from time to time and as specified there under from time to time, to any 'information utility' as defined in section 3(21) of the IBC, in accordance with the relevant regulations framed there under, and directions issued by the RBI to banks from time to time and hereby specifically agrees to promptly authenticate the 'financial information' submitted by the Bank, as and when requested by the concerned information utility.

23. That the borrower understands that as a pre-condition relating to grant of the loan / advances / other non-fund based credit facilities to the borrower, the Bank requires the borrower's consent for the disclosure by the Bank of information and data relating to the borrower, the credit facilities 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.

Accordingly, the borrower hereby agrees and gives consent for the disclosure by the Bank of all or any such:

- (a) information and data relating to borrower;
- (b) information and data relating to any credit facility availed of / to be availed of by the borrower; and
- (c) 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 Credit Information Bureau (India) Ltd. and any other agency authorised in this behalf by the Reserve Bank of India.

24. That the borrower undertakes that:

24.1. The Credit Information Bureau (India) Ltd. and any other agency so authorised may use / process the said information and data disclosed by the Bank in the manner as deemed fit by them; and that

24.2. The Credit Information Bureau (India) Ltd. and any other agency so authorised may furnish the said information for banks / Financial Institutions and other credit grantors or registered users, as may be specified by the Reserve Bank in this behalf.

The borrower declares that the information and data furnished by him / her to the Bank is true and correct.

25. The Borrower shall do all such acts, deeds and things as may be reasonably required by the Bank, in accordance with applicable law, to co-operate with the Bank in relation to filing of Form I by the Bank with the Central Registry under section 23 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 ("SARFAESI Act"), read with the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (Central Registry) Rules, 2011, in relation to the security created on the _____ (description of security), immediately after the execution of this Agreement.

26. EVENTS OF DEFAULT

The Borrower agrees to pay additional Charges as per **para 5** in case of:

- i. Non-payment of any installment of principal and/or interest, costs and other charges due, on the amount in default from the date of default;
- ii. Default in Furnishing information as prescribed/called for by the Bank or any irregularity in a/c.
- iii. Diversion or siphoning of the Loan amount;
- iv. Default in creation of security within the stipulated time;
- v. Non-compliance of any of the terms & conditions of this Agreement;

However, this right is in addition to and not in derogation of the Bank's other rights to immediately call upon the Borrower to repay the entire amount outstanding or to enforce the security and, in the event of the Bank exercising its right to recall the Loan as aforesaid, the Borrower undertakes that, irrespective of the period for which the Loan 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 till liquidation of the dues under the loan.

27. In addition to the Events of Default set out above and in the Master Agreement, the occurrence of a Cross Default will constitute an Event of Default under this Agreement. An event of Cross Default shall be deemed to have occurred upon occurrence of any of the following::

- (a) Any financial indebtedness of the Borrower is not paid when due nor within any originally applicable grace period.
 - (b) Any financial indebtedness of the Borrower is declared to be or otherwise becomes due and payable prior to its specified maturity as a result of any actual or potential default, event of default, or any similar event (however described) after the expiry of any originally applicable grace period.
 - (c) Any commitment for any financial indebtedness of the Borrower is cancelled or suspended as a result of any actual or potential default, event of default, or any similar event (however described) after the expiry of any originally applicable grace period.
 - (d) Any creditor of the Borrower becomes entitled to declare any financial indebtedness of the Borrower due and payable prior to its specified maturity as a result of any actual or potential default, event of default, or any similar event (however described) after the expiry of any originally applicable grace period.
 - (e) Any security over any assets of the Borrower is enforced by the holder of such security, or any analogous procedure or step is taken in any jurisdiction.
 - (f) There is an event of default or potential event of default (howsoever described) or other similar condition or event which with the lapse of time or giving of notice may become an event of default under one or more agreements or instruments relating to any indebtedness granted by any person to the Borrower.
- 27.1** All Events of Default set out in the Master Agreement are incorporated mutatis mutandis herein. For the purposes of this Agreement, "Master Agreement" shall mean the master agreement dated on or about the date of this Agreement executed between the Borrower and the Bank.
- 27.2** Upon the occurrence of an Event of Default, as stated in this Agreement/Master Agreement, including Cross Default as described herein above, the Borrower shall render itself liable to legal action and the Bank shall be entitled to terminate this Agreement, recall the facility and resort to any other legal recourse available to the Bank, without any notice to the Borrower and realise the Bank's dues and recover the balance of its claim from the Borrower.
- 28.** The borrower declares that the information and data furnished by him / her to the Bank is true and correct.
- 29.** The Borrower agrees to execute such further or other documents/deeds as and when required by the Bank in respect of the Facility.
- 30.** That the Borrower shall not have any right to assign its obligations under this Agreement. However, the Bank has the right to transfer, assign, securitize or sell in any manner, in whole or in part, the outstandings and dues under the Facility to any third party without reference or intimation to the Borrower and any such transfer/assignment/sale/securitization shall conclusively bind the Borrower and all other persons.
- 31.** The Borrower shall bear and promptly pay the Bank the following:
- 31.1.** all fees for services performed by the Bank, all out of pocket, travelling expenses and other costs, charges and expenses reasonably incurred by the Bank, its officers, employees or agents in connection with the negotiation, preparation, execution, modification or amendment of any documents or instruments contemplated or in connection with or relating to the Finance Documents;
 - 31.2.** all fees, costs and expenses incurred in connection with the preservation, protection or release of the rights of the Bank on exercise of any rights, remedies or powers granted under any Finance Documents;
 - 31.3.** all fees, costs and expenses incurred in connection with the enforcement of any rights hereunder and/or under any other Finance Document including any cost incurred in the assertion or defence of the rights of the Bank, for the protection and preservation of whole or any part of the security and for the demand, realisation and recovery of any amounts due and outstanding under the Finance Documents; and
 - 31.4.** all stamp duty, taxes, charges and penalties on any Finance Documents if and when the Borrower may be required to pay the same according to the applicable laws.
- 32.** *(The Borrower shall promptly, and in any event within _____ days of the execution of this Agreement, sign such other documents and do all such acts and things as shall be necessary in accordance with applicable law to perfect the

charge created under this Agreement in favour of the Bank, in accordance with this Agreement, including without limitation,

- 32.1.** recording the security created over the hypothecated goods under this Agreement pursuant to Section 77 of the Companies Act, 2013 read with the Companies (Registration of Charges) Rules, 2014 by filing duly completed Form CHG.1 with the relevant registrar of companies (“ROC”) no later than 7 (seven) days from the date on which security is created by the Borrower; and
- 32.2.** Delivering to the Bank, a copy of Form CHG.1 filed as per (32.1) above along with a payment receipt evidencing that the Form CHG.1 has been filed with the ROC, no later than 7 (seven) days from the date on which security is created by the Borrower.)
- 33.** *(The Borrower shall, within 30 (thirty) days of the execution of this Agreement, deliver to the Bank a certified true copy of the certificate of registration of charge issued by the ROC.)

(*Clauses 32 and 33 above are applicable only for Corporate Borrowers. Delete if not applicable)

- 34.** No failure to exercise, nor any delay in exercising, on the part of the Bank, any right or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Agreement are cumulative and not exclusive of any rights or remedies provided by law.
- 35.** If, at any time, any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.
- 36.** The Borrower undertakes that the funds borrowed under this Agreement shall be utilized by it for the purpose for which the Loan has been allowed and also agrees to furnish to the Bank, as and when asked by the Bank, a certificate to the effect that the funds so borrowed have been utilized for the purpose for which the Loan has been allowed.
- 37.** The Bank is not bound to monitor or verify the application of any amount borrowed pursuant to this Agreement and any sanction letter(s) issued by the Bank to the Borrower in connection with this Agreement, Master Agreement and any other agreement(s) entered into between the Borrower and the Bank in relation to the Facility, including the Master Agreement (collectively with this Agreement, the “Finance Documents”).
- 38.** Any term of this Agreement may be amended or waived only with the consent of the Bank and the Borrower in writing and any such amendment or waiver will be binding.
- 39.** This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of the Agreement.
- 40.** Any certification or determination by the Bank of a rate or amount under this Agreement is, in the absence of manifest error, conclusive evidence of the matters to which it relates.

That the contents of the Agreement have been read over and translated into vernacular language _____
_____ [name of the language of the borrower(s)] and the borrower[s] having understood the contents thereof subscribe(s) to these presents.

In witness whereof, the parties hereunto set their hands at _____ this _____ day of _____
_____ two thousand _____.

THE BORROWER

FOR PUNJAB GRAMIN BANK

PGB 1150