
Agreement for Loans Against Securities

Sample

LOAN CUM AGREEMENT TO CREATE PLEDGE OF SECURITIES

THIS LOAN CUM AGREEMENT TO CREATE PLEDGE OF SECURITIES made this _____ ("Agreement") day of _____ 20_____ between :

Reliance Consumer Finance Pvt Ltd., a non banking finance company incorporated under the Companies Act, 1956 and having its registered office at 570, Rectifier House, 3rd Floor, Naigaum Cross Road, Wadala, Mumbai - 400031. and having one of the offices at _____, (hereinafter referred to as "the Lender" or "RCFPL" which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns) of the One part; and

The Borrower whose name and address are stated in the Schedule hereto, hereinafter called "the Borrower" (which expression shall unless the context otherwise requires, include his / her / their heirs, executors, administrators, successors and permitted assigns) of the Other Part.

The term "Borrower" shall also include Co-Borrower whose name and address are state Schedule hereto, wherever the context permits.

WHEREAS at the request of the Borrower, RCFPL has agreed to grant a loan facility specified in the Schedule ("Loan") to the Borrower on the terms and conditions herein mentioned.

WITNESSETH THAT:

In consideration of RCFPL having agreed to grant/granted to the Borrower the Loan, the Borrower irrevocably agrees undertakes and confirms to RCFPL as follows:

- a. RCFPL shall disburse the Loan in one lumpsum or in tranches having regard to the needs of the Borrower as per the Drawdown Notice, format of which is annexed hereto as Annexure I. The disbursement in tranches shall be subject to Loan account credit limit fixed by RCFPL from time to time. The decision of RCFPL in this regard shall be final, conclusive and binding on the Borrower.

- b. A Loan account ("Account") will be opened in the name of the Borrower with a bank approved by RCFPL ("Approved Bank") and the Loan amount will be disbursed therein.
- c. Disbursement shall be deemed to have been made to the Borrower on the date of the disbursement by way of cheque or pay order, as the case may be, or on the date of setting up of the Loan Account credit limit.
- d. Interest on the Loan will begin to accrue in favour of RCFPL as and from the date of disbursement of the Loan.
- e. The Borrower agrees to pay interest, commitment fee and additional interest payable on the Loan as follows:
 - (i) The Borrower shall be charged interest from the date of disbursal of the Loan and as stated in the Schedule written hereunder.
 - (ii) RCFPL shall be entitled to revise the rate of interest at any time and from time to time as per its policy, market conditions and/or applicable laws and regulations, if any, during the tenor of the Loan at its sole discretion. RCFPL shall inform the Borrower about the variation in the interest rate in due course.
 - (iii) Interest and the other amounts payable by the Borrower shall be charged / debited to the Borrower's Loan account on the respective due date thereof and shall be deemed to form part of the outstanding Loan. Such interest and other amounts shall, accordingly attract interest at the same rate as applicable to the Loan in terms of this Agreement until payment thereof.
- f. All sums payable by the Borrower to RCFPL hereunder and/or in connection with the Account and/or the Loan including (but not limited to) the debit balance in the Account, principal, interest, additional interest, fees and costs (including legal costs at actual, charges, expenses, stamp duty etc., costs of enforcement, sale, realization, attempted enforcement sale and realization of any guarantee and / or security) in connection with this Agreement and/or the Loan/Account (hereinafter collectively called "the Borrower's Dues") shall be payable by the Borrower to RCFPL on demand, or in equated monthly installment or by single bullet payment as advised by RCFPL in this regard. RCFPL may at any time in its sole discretion and without assigning any reason call upon the Borrower to pay the Borrower's Dues and thereupon the Borrower shall, within seven days of being so called upon, pay the Borrower's Dues in full to RCFPL without any delay or demur. Without prejudice to the above, RCFPL shall be entitled to review the grant of the Loan to the Borrower's on and /or annual basis on or around every anniversary of the date of this Agreement. If the Borrower's desire not to continue to avail of the Loan then Borrower's must give written notice of the same to RCFPL atleast 30 days prior to the anniversary date of this Agreement failing which the Borrower's shall be liable to pay the processing fees mentioned hereunder.
- g. Subject to payment of prepayment charges, the Borrower may prepay the entire outstanding amount under this Agreement at any point of time by giving RCFPL one-month prior notice in writing of the Borrower's intention to do so.
- h. The Borrower specifically agrees and confirms that in case of pre-payment or delayed payment of the Loan, the Prepayment Charges/ interest rate risk as mentioned in the Schedule will be borne and will be on the account of the Borrower.
- i. Upon grant of the Loan and annually thereafter the Borrower's shall pay to RCFPL non-refundable Processing Fees at the rate specified in the Schedule. RCFPL shall be entitled to debit the Account maintained with the Approved Bank with the amount of the Processing Fees or to credit/pay the Loan Amount less such Processing Fees to the Borrower.
- j. The principal amount of the Loan shall, if not demanded earlier by RCFPL, be repaid by the Borrower to RCFPL as mentioned in the Repayment Schedule hereunder, Provided however that RCFPL will be entitled to demand immediate repayment of the Loan amount if any installment of interest/ Loan installment remain unpaid on the due date for payment thereof.
- k. Without prejudice to RCFPL's other rights, the delay in repaying the said Loan or any instalment of the said Loan or interest, or any other amounts payable under this agreement or in the event of violation of any of the terms of this Agreement or the terms of sanction of the said Loan, the Borrower undertakes to pay additional interest at such rate as mentioned in the Schedule hereto or at such higher rate as per the rules of the Lender in that behalf as in force from time to time and communicated to the Borrower by the Lender in writing. Such additional interest shall be charged / debited to the Borrower's Loan account on the respective due dates and shall be deemed to form part of the outstanding Loan. Such interest and other amounts shall accordingly attract Interest at the same rate as applicable to the Loan and as stated in Schedule attached hereto. In such event, the Borrower shall also be liable to pay incidental charges and costs to RCFPL.
- l. The Borrower shall secure to the satisfaction of RCFPL the Loan amount together with all interest, liquidated damages, costs, charges and expenses and all other moneys whatsoever due and payable by the Borrower to RCFPL ("the Borrower's Dues"), by creating the following collateral securities in favour of RCFPL :

In order to secure the due payment of the Borrower's Dues, the Borrower's and/or the Co - Borrower agrees to assign/pledge in favour of RCFPL the securities described in the Schedule hereunder written ("the Securities") standing in the name of the Borrower and/or Co-Borrower and the Borrower and/or Co-Borrower shall endorse in the name of RCFPL or create charge in favour of RCFPL which may be duly noted thereon, together with blank transfer form:

- m. The Borrower will execute necessary promissory note and such further/ additional documents including an irrevocable Power of Attorney in favour of RCFPL and such other forms and papers as RCFPL may in its discretion from time to time require.
- n. RCFPL shall be entitled to transfer the securities in its name. In the event of the securities standing in its name, and the Company to which securities belong deciding to issue right shares/debentures, then in that event, RCFPL shall give written notice to the Borrower calling upon it to intimate to RCFPL as to whether the Borrower wants to subscribe to such right shares/debentures. If the Borrower fails to intimate to RCFPL in writing within seven days from the receipt of the intimation as aforesaid its intention to subscribe and remit the requisite funds it shall be deemed that the Borrower does not want to avail right shares/debentures, as the case may be. In the event of the Borrower opting to subscribe such right shares/debentures, the Borrower hereby undertakes to put RCFPL in funds immediately required as also by way of call-money from time to time. RCFPL shall not be liable to pay any amount by way of immediate subscription monies or call-money or otherwise howsoever.
- o. If at any time the value of the said Securities falls so as to create a deficiency in the margin requirement specified by RCFPL from time to time or if there is an excess over the Loan amount, the Borrower shall within reasonable period of notice from RCFPL, to furnish and pledge with RCFPL, additional security in the form of cash or such other securities which may be acceptable to RCFPL, failing which RCFPL may at its discretion sell, dispose off or realise any or all of the said Securities without being liable for any loss or damage or diminution in value sustained thereby. All the terms and conditions herein contained shall be applicable to such additional securities. The Borrower is aware that RCFPL from time to time formulates policies as to scrip composition, criteria, maximum/minimum number of scrips, margin, etc which policies are subject to change from time to time at the discretion of RCFPL. The Borrower agrees to abide by RCFPL's policies from time to time.
- p. Notwithstanding anything contained herein, RCFPL depending on the prevailing market conditions after giving a reasonable notice to the Borrower may at its discretion sell, dispose off or realise any or all of the said Securities without being liable for any loss or damage or diminution in value sustained thereby. The decision of RCFPL in this regard shall be final and conclusive which decision the Borrower shall not protest.
- q. In cases where, the Securities offered are including equity shares of companies, the Borrower shall at its cost absolutely transfer and assign the Securities in favour of RCFPL. RCFPL shall be the absolute legal owner of the Securities. All the other terms and conditions herein stated for the Securities shall, mutandis apply to those Securities also.
- r. If any further or other securities are to be pledged/ assigned with RCFPL, the same shall be deemed to be governed by the terms of this Agreement and all the terms and conditions of this Agreement shall, mutatis mutandis, apply to such Securities as if they had been originally pledged with RCFPL under this Agreement.
- s. RCFPL shall be entitled to all accretions, entitlements and benefits in respect of the Securities including without limitation, all bonus shares, dividend, interest, loyalty/guarantee addition, etc in respect of the Securities. The Borrower agrees that all accretions in respect of the Securities whether by way of bonus shares/securities or otherwise shall be deemed to be governed by the terms of this Agreement without any further act or deed and the terms and conditions of this Agreement shall, mutatis mutandis, apply to such accretions as if they had been originally pledged with RCFPL under this Agreement.
- t. If any rights or preferential offer is made in respect of the Securities (especially in case of equity shares) RCFPL shall be entitled in its sole discretion (but shall not be bound to)
 - (i) apply for the rights/preferential entitlement (subject to RCFPL being put in sufficient funds including service fees for that purpose); or
 - (ii) renounce the rights /preferential entitlements at such price, in such manner, through such broker and to such person as the Bank thinks fit; or
 - (iii) allow the rights/preferential allotments to lapse.

RCFPL shall not be liable or responsible for any loss caused by reason of:

- (a) non-receipt of the rights/preferential securities or the letter of offer in respect thereof; or
- (b) the rights/preferential allotments lapsing; or
- (c) rejection of application for the rights/ preferential securities for any reason whatsoever.

If RCFPL renounces the rights/preferential entitlements or applies for the rights or preferential entitlements or allows the same to lapse it shall be doing so at the cost and risk of the Borrower.

- u. RCFPL shall be entitled to cause the Securities and all securities which may be pledged in future to be transferred in its name and/or the nominee(s) at the cost of the Borrower whether or not the Borrower has committed any default.

- v. The Borrower and/or the Co-Borrower hereby declare that the Securities belong/ shall belong to the Borrower and/or the Co-Borrower absolutely as mentioned in the Schedule and the same shall be free from any charge or other encumbrance and the Borrower undertakes to keep them as such during the subsistence of the pledge to be created in favour of RCFPL. The Borrower further agrees and declares that all the Securities agreed to be pledged herein and the securities pledged in favour of RCFPL in future shall be securities belonging to the Borrower and/or the Co-Borrower absolutely, and shall be free from all charges and other encumbrances, and the Borrower and/or the Co-Borrower shall keep RCFPL indemnified from and against the consequences thereof and any costs, charges, expenses, damages and losses caused to RCFPL by reason thereof. If at any time any injunction or other order is granted or passed, or a receiver, custodian, liquidator or other official is appointed in respect of any Securities or any Securities are made the subject matter of any proceeding then the Borrower and/or the Co-Borrower shall forthwith inform RCFPL of the same in writing and shall keep RCFPL indemnified from the consequences thereof and any costs, charges, expenses, damages and losses caused to RCFPL by reason thereof.
- w. The Borrower or Co-Borrower hereby declare and confirm that save and except as intimated by the Borrower to RCFPL in writing prior to the execution of this Agreement none of the Borrower and/or the Co-Borrower (either individually or collectively with the other Borrower or Co-Borrower or with any as defined by the Companies Act, 1956, of any Borrower or Co-Borrower) directly or indirectly (through another company or companies otherwise) hold(s) or has held more than 5 % of the equity share capital of any company or corporation which has issued the Securities ("Issuer") and no Borrower or Co-Borrower is or was a promoter or director of any such company or corporation or of any holding or subsidiary company of an Issuer. A declaration and confirmation as contained in this clause shall be given by the Borrower and the Co-Borrower before pledging any further securities with RCFPL. If at any time before the Borrower's Dues are repaid to RCFPL in full any Borrower's and / or Co-Borrower's hold individually or collectively hold any shares in any Issuer in excess of the percentage mentioned above or becomes a director or promoter of the Issuer or of the Issuer's holding or subsidiary company then the Borrower and the Co-Borrower shall immediately inform RCFPL of the same in writing.
- x. If the Borrower default/s in paying any sum payable by the Borrower or commits breach of any clause, covenant, term, condition or provision contained herein then, notwithstanding that RCFPL may not have adopted any proceedings against the Borrower and / or the Co-Borrower and / or may not have realized any security which RCFPL may have, RCFPL may, without prejudice to RCFPL's other rights, after giving reasonable notice (as decided by RCFPL) to the Borrower (if the securities have been pledged by the Borrower) or to the Co-Borrower (if the securities have been pledged by the Co-Borrower) sell, realize and dispose off the Securities or any of them at the risk and cost of the Borrower and the Co-Borrower to such person at such price through such broker (if any), by private treaty or public auction or otherwise in such manner and on such terms and conditions as RCFPL thinks fit. At any sale of the Securities, RCFPL shall have power to buy in or rescind any contract of sale and resell without being liable for any loss or deficiency in the price thereof or being answerable for any decrease in the value of the Securities. RCFPL shall not be liable for any loss or damage or diminution in value sustained thereby. The net sale proceeds of such sale, disposal or realization shall be applied by RCFPL firstly towards payment of the costs, charges and expenses of such sale, disposal or realization, secondly towards the payment of interest and other sums and lastly towards payment of the debit / outstanding balance in the Account or in any other manner as RCFPL, at its sole discretion may decide. RCFPL shall be entitled to proceed against the Borrower for any deficiency. All accounts of sale rendered by RCFPL shall be conclusive of all matter contained therein.
- y. Without prejudice to and in addition to the other provisions of this Agreement, in respect of such Securities as have been or may be dematerialized the Borrower agrees and undertakes that:
- (i) The pledgor shall do such acts and execute such forms, letters and other writings (including forms, letters and other writings to the concerned depository and addressed to the concerned depository and addressed to the concerned depository and/or the concerned participant and/or others) for effectively pledging the dematerialized securities in favour of RCFPL and for ensuring that the said pledge is duly registered with and noted by the concerned participant and depository in it's /their records; and
 - (ii) The pledgor shall ensure that all bonus and rights securities issued in respect of the dematerialized Securities are also to be pledged in favour of RCFPL in accordance with the applicable enactments, bye-laws and regulations of the concerned depository or the provisions of the Indian Contract Act, 1872 (as may be applicable) and shall do all such acts , deeds and things in this behalf as are required from time to time; and
 - (iii) In the event of any default in payment of the Borrower's Dues or any part thereof or breach of any provision of the said Agreement and/or this Agreement by any of the Borrower, RCFPL shall be entitled to be registered as the beneficial owner of the dematerialized Securities or such part thereof as RCFPL deems fit and the Borrower irrevocably agrees and undertakes not to make any opposition to the same. RCFPL shall be entitled to sell, realize and/or dispose of the dematerialized Securities in such manner as it thinks fit.

Notwithstanding what is stated above, if so permitted by the bye laws and regulations of the concerned depository, RCFPL may sell, realize and/or dispose of the dematerialized Securities or any of them without having the same first transferred to or registered in the name of RCFPL.

- z. The Borrower and/or the Co-Borrower agrees that RCFPL shall have a charge, lien and right of set off on all monies, securities, deposits and other assets and properties belonging to the Borrower's and /or the Co-Borrower or standing to the Borrower's and/or the Co-Borrower's credit (whether singly or jointly with any other person) in any account whatsoever with any branch of the Approved Bank for any purpose or reason whatsoever. The Borrower's and the Co-Borrower's further agree that if the /any Borrower default(s) in paying to RCFPL the Borrower's Dues or any other amount under any facility or account whatsoever (hereinafter referred to as "other amount") then any amount or property of any Borrower's or Co-Borrower's which may be or come in the possession or control of RCFPL or be standing to the credit of any Borrower's account with any Approved Bank for any reason whatsoever and all the securities (irrespective of which the Borrower or Co-Borrower has pledged them) shall be available to RCFPL for paying the Borrower's and/or such other amount (irrespective of which Borrower's has committed the default) and RCFPL may sell ,realize or otherwise appropriate or set off the same for or towards payment of the Borrower's Dues or such other amount. The provision of this clause shall apply notwithstanding any other agreement to the contrary between the Borrower, the Co-Borrower and RCFPL.
- aa. During the subsistence of the pledge of the Securities ,all voting rights in respect of the Securities shall be exercisable solely and exclusively by RCFPL as RCFPL thinks fit and subject to the directions ,if any ,of the Reserve Bank of India.
- bb. The Borrower undertakes to give an irrevocable power of the attorney in favour of RCFPL in RCFPL's form to authorize RCFPL to sell and transfer the Securities and for such other matters as RCFPL may require.
- cc. The Borrower and/or the Co-Borrower agree that /he/she/it /they shall not apply for or obtain duplicate certificates /documents of title of the Securities nor shall the Borrower's or Co-Borrower's stop the transfer of the Securities to the name of RCFPL or its nominee(s) of third parties to whom the securities or any of them may have been sold by RCFPL to its nominee(s)
- dd. If by error or otherwise any of the Securities or any accretion or entitlements in respect thereof come to the possession of the Borrower and /or the Co-Borrower without the authority of RCFPL then the Borrower and /or the Co-Borrower (as the case may be) shall forthwith deliver such securities to RCFPL and until the Borrower / Co-Borrower so deliver such securities to RCFPL, the Borrower and /or the Co-Borrower shall hold such Securities or accretions or entitlements in trust for RCFPL.
- ee. This Agreement, the pledge agreed to be created in favour of RCFPL, the Securities, the promissory note executed by the Borrower and all other security to which RCFPL may be entitled shall be continuing securities to RCFPL for the due payment of the amount secured as stated above and shall be enforceable for all monies which now or may at any time hereafter become due and owing by the Borrower to RCFPL and whether from time to time there may be nothing owing or the Account may be in credit ,the intention being that such security shall be applicable to the ultimate balance that may become due to RCFPL by the Borrower.
- ff. The Borrower has with full knowledge of the nature of the Loan facility inter alia agreed that notwithstanding the Account under the Loan facility being credit balance or closed from time to time and/or fresh loan account being opened with the bank approved by RCFPL as per understanding between the parties and/or the usual banking practice being followed.
- gg. This Agreement shall operate as a letter of continuity in favour of RCFPL to be enforceable for repayment of the ultimate balance and/or all sums remaining unpaid under this Loan facility now or hereafter ,including all interest to become payable upon the Loan facility and also all money lent, advanced paid or incurred on the Loan facility or which may in future be advanced or incurred together with interest ,discount ,commission and other banking charges and all other costs, charges and expenses which may be or become payable in connection therewith.
- hh. RCFPL is not bound to give notice, reminder or intimation to the Borrower and / or the Co-Borrower regarding its / their obligation to pay the amount payable hereunder on the Due Date and it shall be entirely the Borrower's responsibility to ensure prompt and regular payment of the amount payable by the Borrower to RCFPL on the Due Date and in the manner herein provided.
- ii. All sums payable by the Borrower under this Agreement shall be paid free of any restriction or condition and free and clear of and without any counter claim, set off, deductions or withholding, whether on account of tax or otherwise. If the Borrower is obliged by law to make any deduction or withholding from any such sum, then the sum payable by the Borrower shall be increased to the extent necessary to ensure that after making the deduction or withholding, RCFPL receives and retains (free from any liability for tax on overall net income) a net sum equal to what RCFPL would have received and so retained if no such deduction or withholding had been required or made.
- jj. The Borrower and the Co-Borrower agree that the Power of Attorney, transfer deeds and other documents and writings executed and/or to be executed by the Borrower and or the Co-Borrower shall be irrevocable and shall not be revoked by the death/dissolution/winding up of the Borrower and/or the Co-Borrower, sell the Securities and/or cause the Securities to be transferred and/or otherwise act pursuant to the said Power of Attorney, transfer deeds and the other documents and writings executed by the Borrower and/or the Co-Borrower.
- kk. RCFPL may in its discretion release and / or permit withdrawal of any of the Securities from the pledge and deliver the same to the Borrower (notwithstanding that the pledge may be by the Co-Borrower), on such terms and conditions, if any, which RCFPL may think fit to impose. All requests for withdrawal of Securities shall be on RCFPL's form duly signed by the Borrower or all the Borrowers.

- ll. For every withdrawal the Borrower shall be liable to pay to RCFPL a Withdrawal Charge as stated in the Schedule or as varied by RCFPL from time to time.
- mm. RCFPL shall be at liberty in its sole discretion to demand payment from, adopt proceedings against and / or recover the Borrower's Dues from the Borrower and the Co-Borrower jointly or severally, and / or the Borrower alone and/ or the Co-Borrower alone or, where there are two or more Co-Borrowers, from any one or more of the Borrower and /or Co-Borrower.
- nn. This Agreement shall be enforceable against the Borrower and / or Co-Borrower notwithstanding that any negotiable instrument and / or security may be outstanding or available;
- oo. This Agreement shall not be affected by the Borrower's and / or the Co-Borrower's death, dissolution and / or winding-up during the continuance of this Agreement, and its / his / their estate, effect, heirs, executors, administrators and legal representatives will continue to be liable for full payment of all monies payable and / or due hereunder. The Co-Borrower further agree/s that until 30 days' written notice intimating RCFPL of the deceased Co-Borrower's demise and determining liability for future accommodation is delivered to RCFPL at its concerned office of RCFPL shall be entitled to continue to grant the Loan facility to the Borrower so as to bind the respective estate, effect, heir, executors, administrators and legal representatives also for the operations of the Account subsequent to the demise.
- pp. The Borrower and the Co-Borrower doth / do hereby represent to RCFPL that each of them is competent to contract within the meaning of the Indian Contract Act, 1872 and other laws in force and that there is no impediment to their respective capacities to enter into contracts with RCFPL.
- qq. The Borrower and the Co-Borrower further agree that if the Borrower and / or any of Co-Borrower shall be found not to be liable to RCFPL in law by reason of incapacity to borrow or to contract or for any other reason, the Borrower and the Co-Borrower shall nevertheless be liable to indemnify RCFPL and to pay RCFPL all sums that would have been otherwise recoverable by RCFPL from the Borrower and / or Co-Borrower.
- rr. None of the Borrower and none of the Co-Borrower have been declared insolvent in the past and none of them are undischarged insolvents.
- ss. The absence or informality of borrowing powers on the part of the Borrower and / or Co-Borrower or any irregularity in the exercise thereof shall not effect the liability of the others and all amounts payable to RCFPL be deemed to be due and owing notwithstanding such absence, informality or irregularity.
- tt. The Borrower and the Co-Borrower agree that RCFPL may at the risk and cost of the Borrower and the Co-Borrower engage a collection agency to collect the Borrower's and / or Co-Borrower's dues and / or to enforce any security and may furnish such information, facts and figures as RCFPL thinks fit.
- uu. If the Borrower defaults in making any payment to RCFPL, without prejudice to RCFPL's other rights, the Borrower shall pay to RCFPL additional interest on the entire amount at the rate set out in the Schedule over RCFPL's default rate of interest (or any other rate specified by RCFPL) from the date of default till the date of payment of the entire outstanding amount or until the account is regularized, whichever is earlier.
- vv. The Borrower agrees not to utilize the Loan facility for any purpose other than that for which the Loan facility has been granted and, in particular, the Borrower agrees not to use the Loan facility for any speculative or antisocial business or purpose. In particular, the Borrower agrees and undertakes that if the Securities now or at any time hereafter include any units of mutual funds then the Borrower shall not utilize any amount borrowed by them under the Facility for directly or indirectly subscribing to or boosting the sales of the same or any other scheme of the mutual fund or for the purchase or acquisition of any shares, debentures or bonds.
- ww. RCFPL may in its discretion from time to time and without assigning any reason terminate the Facility, charge the interest rate, decrease or increase the Operating Limit/s/ Loan Amount, require the Borrower to furnish additional security acceptable to RCFPL, specify the securities acceptable to it, declare to be unacceptable securities accepted by it on an earlier occasion and / or require the Borrower to reduce the debit balance in the Account to a limit acceptable to RCFPL, and the Borrower agree/s that the Borrower shall be bound by the same. Securities declared by RCFPL to be unacceptable shall nevertheless continue to be pledged to RCFPL unless they are released by RCFPL.
- xx. All statements of account furnished by RCFPL shall be binding on the Borrower and the Co-Borrower and shall be conclusive as to the correctness of the amounts mentioned therein and shall not be questioned or disputed by the Borrower and / or the Co-Borrower on any ground whatsoever.
- yy. The Borrower /s and the Co-Borrower agree/s to execute from time to time in favour of RCFPL and / or any nominee(s) of RCFPL such fresh transfer deeds, power of attorney and other documents and writings as RCFPL may require.

- zz. The Borrower shall indemnify and hold RCFPL harmless from and against any and all loss, damage or other consequences which may arise or result from the said Facility to the Borrower or performing any service to the Borrower thereunder and shall reimburse RCFPL upon demand for any payment, loss and damage which RCFPL may make, suffer or sustain by reason or on account thereof and shall upon request appear and defend at the Borrower's own cost and expense any action which may be brought against RCFPL in connection therewith.
- aaa. Nothing contained in these presents shall be deemed to limit or affect prejudicially the rights and powers of RCFPL under the documents executed pursuant hereto, or letters of guarantee or any of them or under any law.
- bbb. In case of default committed by the Borrower and / or Co-Borrower in repayment of the said Loan facility, RCFPL shall be entitled to publish and give particulars of the names of company/firm/unit and its directors/partners/proprietors as defaulter in such manner and through such medium as RCFPL or Reserve Bank of India or such concern authority in their absolute discretion may think fit and the Borrower consents thereto.
- ccc. If any provision of this Agreement is illegal, invalid, or unenforceable for any reason, it will be severed from the remaining provision which will remain unaffected.
- ddd. Any notice or other correspondence addressed by RCFPL to the Borrower and / or Co-Borrower may be addressed to their respective addresses stated herein or to such other address as RCFPL may be aware. Such notice / correspondence may be served by ordinary post or hand delivery or otherwise and, in case of post, shall be deemed to have been served on the addressee at the time it would have been delivered in normal course. In the event of any change in the Borrower's/ Co-Borrower's address, the Borrower/ Co-Borrower shall forthwith intimate the same to RCFPL failing which service of a notice or correspondence to the address last given by the Borrower/ Co-Borrower shall be deemed to be service on the Borrower.
- eee. All costs (including costs between Advocate and client), charges, expenses, taxes (including interest tax), duties (including stamp duties) in relation to this Agreement and any document executed pursuant hereto and in relation to the creation, enforcement, realization and attempted enforcement/ realization of the security shall be borne and paid by the Borrower.
- fff. If there are more than one Borrower and / or Co-Borrower then, unless repugnant to the context or meaning thereof, the expression "Borrower" and the Co-Borrower (as the case may be) shall be deemed to mean and include the Borrowers and the "Co-Borrowers" (as the case may be) jointly and severally.
- ggg. If there is no Co-Borrower then the corresponding blank in the Schedule will be completed with "Nil" or other analogous term and this Agreement will be constructed accordingly.
- hhh. This Agreement shall be binding upon the Borrower and the Co-Borrower and the Borrower's and the Co-Borrower's/s' heir, executors, administrators and legal representatives for the benefit of RCFPL and its successors and assigns. The Borrower and / or Co-Borrower shall not be entitled to sell, assign or transfer all or any of their rights, benefit and / or obligations under this Agreement to anyone else. RCFPL may at any time, without any consent of or further reference to the Borrower and / or the Co-Borrower sell, securities, assign and / or transfer all or any of its rights, benefits and / or obligations under this Agreement to any other person, companies, firm, banks, and / or financial institutions and / or financial institutions and / or obtain risk / financial participation in the Facility from any other persons, companies, firms, banks, or financial institutions and the same shall be binding on the Borrower and the Co-Borrower. In the event of RCFPL selling, assigning, and / or transferring its rights, benefits and / or obligations under this Agreement and / or obtaining risk/ financial participation, all the terms, conditions, representations, warranties and covenants contained herein on the part of the Borrower and the Co-Borrower shall stand valid, binding and in effect in favour of the other persons, companies, firms, banks and/ or financial institutions which may be the transferees or which may be risk/ financial participants in the Facility.
- iii. At the option of RCFPL, and without necessity of any demand upon or notice to the Borrower, all of which are hereby expressly waived by the Borrower, and notwithstanding anything contained herein or in any security documents executed by / to be executed by the Borrower in RCFPL's favour, the said Dues and all of the obligations of the Borrower to RCFPL hereunder, shall immediately become due and payable irrespective of any agreed maturity, and RCFPL shall be entitled to enforce its security, upon the happening of any of the following events :
- (a) If any representations or statements or particulars made in the Borrower's proposal / application are found to be incorrect or the Borrower commits any breach or default in performance or observance of these presents or failure to keep or perform any of the terms or provisions of any other agreement between RCFPL and Borrower in respect of this Loan;
- (b) If the Borrower commits any default in the payment of principal or interest of any obligation of the Borrower to RCFPL when due and payable;

- (c) If there is any deterioration or impairment of the securities or any part thereof or any decline or depreciation in the value or market price thereof (whether actual or reasonably anticipated), which causes the securities in the judgment of RCFPL to become unsatisfactory as to character or value;
- (d) If any attachment, distress, execution or other process against the Borrower, or any of the securities is enforced or levied upon;
- (e) The death, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of creditors, if the Borrower suspends payment to any creditors or threatens to do so, filing of any petition in bankruptcy of by, or against the Borrower or filing up of any petition for winding up of the Borrower and not being withdrawn within 30 days of being admitted.
- (f) If the Borrower (being a company) goes into liquidation for the purpose of amalgamation or reconstruction, except with prior written approval of RCFPL;
- (g) If a receiver is appointed in respect of the whole or any part of the property /assets of the Borrower;
- (h) If the Borrower ceases or threatens to cease or carry on its Business;
- (I) If it is certified by an Accountant of a Firm of Accountants appointed by RCFPL (which RCFPL is entitled and hereby authorized to do so at any time) that the liabilities of the Borrower exceed the Borrower's assets or that the Borrower is carrying on business at a loss;
- (j) If the Borrower, without prior written consent of RCFPL, attempt or purport to create any charge, mortgage, pledge, hypothecation, lien or other encumbrance over the Borrower's property or any part thereof, which is or shall be the security for the repayment of the said Dues except for securing any other obligations of the Borrower to RCFPL;
- (k) 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 any security given by the Borrower or any part thereof;
- (l) If any circumstance or event occurs which would or is likely to prejudicially or adversely affect in any manner the capacity of the Borrower to repay the Loan or any part thereof.
- (m) If the Loan or any part thereof is utilized for any purpose other than the purpose for which it is applied by the Borrower and sanctioned by RCFPL.
- (n) Upon happening of any substantial change in the constitution or management of the Borrower without previous written consent of RCFPL or upon the Management ceasing to enjoy the confidence of RCFPL.

If any event of default or any event which, after the notice or lapse of time or both would constitute an event of default shall have happened, the Borrower shall forthwith give RCFPL notice thereof in writing specifying such event of default, or such event.

The Borrower (being a company) shall also promptly inform RCFPL if and when any statutory notice of winding-up under the provisions of the Companies Act, 1956 or any other law or of any suit or legal process intended to be filed / initiated against the Borrower and affecting the Securities, is received by the Borrower.

On the question whether any of the above events/circumstances has occurred/ happened, the decision of RCFPL shall be final, conclusive and binding on the Borrower.

jjj. RCFPL shall have a paramount lien and right of set off with respect to any obligation of the Borrower to RCFPL in the same manner as if the obligation were unsecured and shall have a lien on all property or securities of the Borrower and/or the Co-Borrower in the RCFPL's possession or custody whether for safe-keeping or otherwise pursuant to any contract entered/to be entered into by the Borrower in any capacity, and RCFPL shall be entitled and authorized to exercise such right of lien & set off against all such amounts and assets for settlement of the Borrower's Dues with or without any further notice to the Borrower. In this regard, any discharge given by RCFPL to its group companies shall be valid and binding on the Borrower. The joint account holder/s to such monies, securities, deposits and other assets is/are aware of, and have no objection to (a) the Loan applied for, (b) the Loan terms, (c) using such monies from the joint accounts for paying/repaying the Loan and all other amounts due to RCFPL, and (d) RCFPL's rights of set off in the event of their default of the Loan terms. It shall be the Borrower's sole responsibility and liability to settle all disputes/objections with such joint account holders, if so required, and RCFPL shall be well within its rights to exercise the right of set off against any money lying in any deposit/bond/other assets held singly or jointly, for settlement of dues.

kkk. The Borrower shall reimburse and pay to RCFPL all costs, charges and expenses, including stamp duty and legal costs on actual basis and other charges & expenses which may be incurred in preparation of these presents and related to and/or incidental documents as also for the enforcement or attempted enforcement of the security hereby created.

- lll. In case of breach of the terms or in case of any of the events happening as stated hereinbefore, RCFPL would have the full rights to sell, dispose off or realize the Securities on such terms and for such price that RCFPL thinks fit, and apply the net proceeds towards the satisfaction of the balance outstanding in the Loan account including charges, expenses, provided RCFPL shall have given a reasonable period of notice in writing to the Borrower of its intention to sell the Securities.
- mmm. No delay in exercising or omission to exercise, any right, power or remedy accruing to the Lender upon any default under this Agreement or any other agreement or document shall impair any right, power or remedy or shall be construed as a waiver thereof or any acquiescence in such default affect or impair any right, power or remedy of the Lender in respect of any other default.
- nnn. Nothing contained in these presents shall be deemed to limit or affect prejudicially the rights and powers of RCFPL under the security documents or letters of guarantee or any of them or under any law.
- ooo. The Borrower hereby agrees as a pre-condition of the Loan given to the Borrower by the Lender 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 date(s), the Lender and/or the Reserve Bank of India will have an unqualified right to disclose or publish the Borrower's name as defaulter in such manner and through such medium as the Lender or Reserve Bank of India in their absolute discretion may think fit. Accordingly, the Lender shall have the right to furnish and publish the name of the Borrower as defaulter to the Reserve Bank of India or other regulatory authority. Notwithstanding the above the Borrower understands that as a pre-condition relating to grant of the Loan to the Borrower the Lender requires the Borrower's consent for the disclosure by the Lender of information and data relating to the Borrower, of the credit facility availed of/ to be availed by the Borrower, obligations assured/ to be assured 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 Lender of all or any such.
- (a) Information and data relating to the Borrower;
- (b) The information or data relating to any credit facility availed of/to be availed by the Borrower; and
- (c) Default, if any, committed by the Borrower in discharge of such obligation as the Lender may deem appropriate and necessary to disclose and furnish to Credit Information Bureau (India) Limited and any other agency authorized in this behalf by Reserve Bank of India.

The Borrower further declares that the information and data furnished by the Borrower to the Lender are true and correct.

The Borrower also understands and agrees that:

- (a) the Credit Information Bureau (India) Limited and any other agency so authorized may use, process the said information and data disclosed by the Lender in the manner as deemed fit by them; and
- (b) the Credit Information Bureau (India) Limited and 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.

RCFPL may disclose to a potential assignee or to any person who may otherwise enter into contractual relations with the Lender in relation to this Agreement such information about the Borrower as RCFPL may deem appropriate.

The Borrower confirms that RCFPL may for the purposes of credit reference checks, verification, etc., disclose any information/documents relating to the Borrower under this Agreement to any third party.

The Borrower further authorizes RCFPL to disclose such information/documents to Reserve Bank of India, Income Tax Authorities, Credit Bureau, third parties, Credit Rating Agencies, Databanks, corporate, other banks, financial institutions or any other Government or Regulatory Authorities, statutory authorities, quasi judicial authorities.

- ppp. This Agreement shall be subject to exclusive jurisdiction of the courts of the city in which the concerned branch of RCFPL is situated. This shall not however limit the rights of RCFPL to take proceedings in any other Court of Competent Jurisdiction.
- qqq. Arbitration: In the event of any dispute or differences arising under this Agreement including any dispute as to any amount outstanding, the real meaning or purport hereof ("Dispute"), such Dispute shall be finally resolved by arbitration. Such arbitration shall be conducted in accordance with the provisions of the Indian Arbitration and Conciliation Act, 1996 or any amendment or reenactment thereof by a single arbitrator to be appointed by RCFPL. The venue of arbitration shall be at as decided by the RCFPL and the arbitration shall be conducted in English language.