



### **CSB Bank Limited - Terms & Conditions of Loans & Advances**

1. These terms and conditions (the “Terms”) apply to and regulate the provision of the Facilities (as defined in the Application) granted / extended by CSB Bank Limited (“the Bank”) to its customers (the “Borrower”), against the Loans & Advances
2. The Borrower shall apply to the Bank in the prescribed form of application (the “Application”) for the Facilities. The Bank shall be entitled, at its sole discretion, to accept or reject such Application as may be submitted by the Borrower.
3. The Borrower shall be deemed to have unconditionally agreed to and accepted the Terms and representations made by signing the Application. The Terms will be in addition to and not in derogation of the terms and conditions specified in the Application and the other transaction documents.
4. The Borrower shall, unless otherwise agreed to by the Bank, repay / pay the Facilities, all interest, costs, charges, expenses and monies whatsoever stipulated in, or payable in respect of the Facilities in accordance with the terms specified in the Application, the Terms and the transaction documents.
5. The period of the advance shall be initially for the period as stated in the sanction letter and the Bank may at its discretion permit the Borrower to operate the advance account and to continue the advance beyond the said period.
6. The Borrower shall notify the Bank in writing of any circumstances affecting the correctness of any of the particulars set forth in his application immediately after occurrence thereof.
7. The Borrower shall use the credit limit exclusively for the purpose stated in the loan application/request and the Sanction Letter. If the Bank at any time finds that the cheque (s) presented to the account is intended for purposes other than for genuine business purpose for which the credit limit was sanctioned, the Bank shall have the right to return the same at its discretion and the decision of the Bank in this respect shall be final and conclusive and the Borrower shall have no authority to question the same.
8. The Bank shall not be required to make or continue the advances under this agreement upon such account(s) granted or opened in the name of the Borrower as aforesaid exceeding the sanctioned limit inclusive of interest.
9. The Bank shall have the right to decide at its discretion to continue or discontinue the credit limit granted or the account opened in the name of the Borrower or to permit further withdrawals in the loan account upto the limit granted to the Borrower and the conditions subject to which such withdrawals be permitted. The Bank may at its sole discretion allow the Borrower to withdraw the amount upto the limit inclusive of interest and costs in instalments or in lump sum.
10. The Bank shall have the unqualified discretion to stop further withdrawals in the loan account(s) in the event of the loan account(s) being classified as Non-Performing Asset in the books of the Bank or non compliance by the Borrower of any of the terms of sanction of the said Loan(s) or those contained herein or the Borrower committing any default in complying with Statutory demands such as excise duty, sales tax etc. in time.

11. The Borrower shall pay to the Bank the balance or balances then outstanding and owing to the Bank on such account or accounts as aforesaid inclusive of interest and penal charges upto the date of payments and costs or expenses debited to the account by the Bank on demand made by the Bank to the Borrower as stated in Agreement.

12. The Borrower shall pay to the Bank interest and all other charges on the amounts outstanding from time to time under the Facilities at the rates specified in the accepted sanction letter, any other communication by the bank and the terms or at such other rate(s) as may be decided by the Bank from time to time, at its sole discretion.

13. Upon occurrence of the following events, the Borrower shall also pay penal charges to the Bank or such other rate/s as prescribed by the Bank/as uploaded in the Website in respect of the "irregular portion" in the account which term shall mean any interest or principal or such other sum that has become due and not paid on due dates and includes any amount outstanding in the account over and above the limit sanctioned/drawing power in the account.

- a) Overdrawing above the drawing power/limit on account of non-payment of dues or otherwise.
- b) Non-submission of Audited Balance sheet within eight months of closure of Financial Year.
- c) Non-submission of review/renewal data at least one month prior to due date
- d) Non-obtention of External Credit Risk Rating from agency approved by RBI, if applicable.
- e) Breach of complying with mutually agreed parameters between the Bank and the Borrower vis – a – vis the values approved and the penal charges shall apply from the date of audited balance sheet and shall continue till the breach is cured.

14. The Bank shall have the right to demand repayment of the balance outstanding in lump sum or part thereof at its discretion in case the Borrower commits any irregularity/default in repayment of interest or that the affairs of the Borrower in the opinion of the Bank is conducted in such a way to endanger the repayment capacity of the Borrower. Upon the occurrence of any of the following events of default among others, the Bank shall be entitled to call upon the Borrower to repay the amount of the Loan together with all interest and other costs etc., forthwith to the Bank viz.,

- a) breach of any of the terms and conditions of this agreement including repayment of principal, overdrawing, interest, cost or other monies/dues under the same;
- b) inability of the Borrower to pay its debts including any debt payable to the Bank in any other account/s either as borrower or guarantor or its failure to pay the amount due to the Bank on due dates under these Presents;
- c) appointment of any receiver or liquidator in respect of the properties, business or undertakings of the Borrower;
- d) any distress or execution being levied or enforced against any property or assets whatsoever of the Borrower and such order is not withdrawn within a month thereof or within such time as specified by the Bank;
- e) disposal of Assets of the Borrower of substantial value otherwise than in the usual course of business;
- f) margin of security as prescribed in the agreement is in the opinion of the Bank not sufficient.
- g) Upon the Bank revising the terms and conditions of the loan or reducing or cancelling the limit at its discretion for whatsoever reasons such as Bank's policy or Borrower's conduct of the account and where the Borrower does not abide by such new or revised Terms and conditions of the loan.

15. All payments due, payable under these presents, and made by the Borrower shall be appropriated towards such dues in the following order viz.

- a) Premium on prepayment (if applicable), cost, charges, expenses and other moneys;
- b) Interest on cost, charges, expenses and other moneys;
- c) Commitment charges, if applicable
- d) Interest including additional interest payable hereunder;
- e) Penal charges on defaulted amounts/irregular portion;
- f) Repayment of instalment of principal due and payable hereunder

16. The Borrower shall furnish sufficient collateral security as may be demanded by the Bank including Personal Guarantee of third parties for due repayment of the advance with interest and costs to the satisfaction of the Bank during the continuance of the advance.

17. The Borrower shall not commit any act of insolvency and in the event of commencement of insolvency or liquidation proceedings or winding up or dissolution or change in constitution of the Borrower, the same shall be immediately informed to the Bank.

18. No delay or omission to exercise any right, power or remedy accruing to the Bank, upon any breach or default of the Borrower under this Agreement or continuance of such breach/default, shall impair any such right, power or remedy of the Bank nor shall it be construed to be a waiver of any such breach or default, or an acquiescence therein, or if any similar breach or default thereafter occurring.

19. The Borrower shall not avail any loan or charge any of the Borrower's assets to any other branch of the Bank or any other bank or Financial Institutions or any person without the prior permission of the Bank.

20. The Borrower shall give immediate notice to the Bank with respect to or concerning any change in its Management, its Board of Directors, Capital Structure, Line of Activity, Financial Position, Gross Asset Ownership position, or any circumstance including default in payment of dues to other creditors or payment of taxes, duties, levies, impost or Statutory liabilities which, in the opinion of the Bank, endangers or likely to endanger or adversely affect the repayment capacity of the Borrower.

21. The Borrower shall from time to time and at all times during the continuance of the loan keep the immovable property mortgaged/to be mortgaged by way of security to the Bank under any mortgage deed or otherwise, in good and substantial state of repairs and shall pay all ground rent, rates, taxes and assessments present as well as future, payable in respect of the same immediately after they shall become due and also to pay all electricity charges, municipal rates/taxes and all other charges in connection with the mortgaged property regularly and punctually and in case the Borrower neglects to keep the aforesaid property or any part thereof in good and substantial repair or pay the ground rent, rates, taxes charges and assessments as aforesaid, it shall be lawful for but not obligatory upon the Bank to repair the said securities or any part thereof and to pay any such ground rent, rates, taxes, charges and assessments. All moneys, premia, costs, charges of such repairs, the payment of ground rent, rates, taxes, charges and assessments as aforesaid shall be a charge upon such security jointly with all principal moneys and interest hereby secured as if they formed a part thereof. The Bank through any of its officers/agents or any other person authorised in this behalf shall be entitled to enter upon the mortgaged property and shall be at full liberty to inspect the same and may also get the valuation done in respect thereof.

22. The Borrower shall insure to the satisfaction of the Bank and keep insured the property mortgaged/to be mortgaged constituting the Bank's security, as and when called upon by the Bank to do so against fire, lightning, flood, earthquake and if called upon to do so against the riot and strike risks in a sum equivalent to its full market value in an office approved by the Bank in the joint names of the bank and the Borrower or otherwise as the Bank may require and shall duly and punctually pay all premiums and shall not do or suffer to be done any act which may invalidate or avoid such insurance and shall deposit the insurance policy and all cover notes, premium receipts and other documents connected

therewith with the Bank when required by the Bank to do so. If the Borrower fails to effect such insurance the Bank may without being bound to do so insure the said property, against fire or other risks in such joint names and recover the premium and other charges from the Borrower and in the event of the Bank being at any time apprehensive that the safety of the property is likely to be endangered owing to riot and/or strike (including fire arising there from) or for any other reason it may at its sole discretion without being bound to do so insure or require the guarantor to insure the same in such joint names against any damage arising there from, the cost of such extra insurance being recoverable from the Borrower. The Borrower further expressly agrees that the Bank shall be entitled to adjust, settle, compromise or refer to arbitration any dispute arising under or in connection with any insurance and such adjustment, settlement, compromise any award made on such arbitration shall be valid and binding on the Borrower and also to receive all moneys payable under any such insurance or under any claim made there under and to give a valid receipt therefore. Any moneys realised from such insurance shall at the option of the Bank be applied either in reinstating the security or in repayment of the loan and interest. Further, the Borrower will not raise any question that a larger sum might or ought to have been received or be entitled to dispute his liability for the balance remaining due on the loan account after such credit.

23. In the event the mortgaged properties comprises of any commercial complex or shop buildings or properties comprising of house or flats usually intended for lease or license purpose , the Borrower shall not part with the possession thereof by way of lease/license or otherwise without the prior permission of the bank and in the cases of leases/licenses, the Borrower agrees that the rentals receivable by the borrower shall be a security for the loan and the Borrower shall ensure that the monthly rentals are remitted to the loan account.

24. In the event of default by the Guarantor(s) of the Borrower to make payment of insurance premia, taxes or other levies in respect of the properties offered by the Guarantor(s) to the Bank as security in relation to the loan hereby secured, the Bank shall be entitled to effect such payments to the debit of the loan account of the Borrower or to recover the same from the Borrower otherwise.

25. At the sole discretion of the Bank and at the request of the Borrower, the bank may grant additional facilities like purchase of bills/cheques or permit the Borrower to draw in excess of drawing power subject to such terms and conditions as may be stipulated by the Bank and the Borrower shall have no right to compel the Bank to give any such facilities or to grant additional advances and the decision of the Bank in this respect shall be final and binding on the Borrower. In the event of grant of any temporary facilities, it shall be paid by the Borrower on demand or within the period, if any stipulated by the Bank and the same shall also be governed by the terms of this agreement unless otherwise specified by the Bank.

26. In case the Borrower commits default in repayment of the loan or in the payment of interest thereon or any of the agreed instalments of the loan on due date the Bank and the Reserve Bank of India will have an unqualified right to disclose or publish the name of the Borrower or its partners or directors or members of HUF as defaulters in such manner and through such medium as the Bank or the Reserve Bank of India in their absolute discretion may think fit and the Borrower agrees that this shall be treated as a precondition of the loan sanctioned/agreed to be sanctioned by the Bank.

27. The Bank and the Reserve Bank of India will have an unqualified right to disclose, as the Bank may be deem appropriate and necessary, all or any information and data relating to the Borrower and or credit facilities availed or to be availed by the Borrower and or any default committed in discharge of the obligations herein contained by the Borrower to the Credit Information Bureau (India) Ltd and or any other company/agency authorised in this behalf by the Reserve Bank of India and/or any Law in force in India. The Credit Information Bureau (India) Ltd or 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 they may furnish for consideration or otherwise, the processed information and data or the products thereof prepared by them to any banks or financial institutions and other credit granters or registered users as may be specified by the Reserve Bank of India in this regard and this c shall be treated as a precondition of the loan sanctioned/agreed to be sanctioned by the Bank.

28. The Bank is entitled to appoint such number of third parties as its agent to collect the instalments and other dues to it under this agreement and to perform and execute all acts, deeds, matters and things connected therewith or incidental thereto including sending notices of demand, attending the residence or office of the Borrower or otherwise contacting the Borrower or receiving the amounts due with proper receipts on behalf of the Bank and the Borrower has no objection on such appointments.

29. The credit facilities granted by the Bank to the Borrower and the securities furnished and security documents executed by the Borrowers/ guarantors shall be the assets of the Bank and the Bank shall be at liberty at any time to shift the outstanding in the loan account/s either in part or whole, to one or more Scheduled Commercial Banks without notice in terms of The Uniform Code Governing Interbank Participations, 1988 or to assign, novate , transfer or otherwise deal with such assets (in any form or manner whatsoever) either in part or whole or to securitize the same and notwithstanding such Interbank Participation/assignment/ transfer/ securitization, the Borrower shall unless otherwise notified by the Bank continue to make all payments under the transaction documents to the bank and all such payments when made to the bank shall constitute a full discharge to the Borrowers from all its liabilities in respect of such payments.

30. The Borrower shall not during the continuance of this Loan without the written consent of the Bank

- a) change or in any way alter its constitution or capital structure including promoter's share;
- b) effect any scheme of amalgamation or reconstruction; (c) implement a new scheme of expansion or take up an allied line of business or manufacture;
- c) enlarge the scope of the other trading activities if any undertaken at the time of the application and notified to the Bank as such;
- d) declare a dividend or distribute profits after deduction of taxes, except where the instalments of principal and interest payable to the Bank are being paid regularly;
- e) withdraw or allow to be withdrawn during the currency of the Loan any moneys brought in by the Borrower or the proprietors or partners or directors of the Borrower or pay any interest thereon except where the Borrower is regular in repayment of the Bank's dues;
- f) invest any funds by way of deposits, or loans or in share capital of any other concerns so long as any money is due to the Bank; the Borrower, will however be free to deposit funds by way of security, with third parties in the normal course of business or if required for the business;
- g) enter into any hire purchase arrangement with any other branch of the Bank or any other bank or other institutions or person;
- h) effect change in the Committee/Board/Person in control or management of the Borrower;
- i) Enter in to any contractual obligations of a long term nature, or which in the opinion of the Bank is detrimental to lender's interests; (k) effect any change in the practice with regard to remuneration of Directors by whatsoever means, except where mandated by any legal or regulatory provisions;
- j) Open or operate current accounts with any other bank in respect of the activity financed by the bank/s except in the case of consortium/multiple bank lending arrangements;
- k) guarantee or issue any Letter of Comfort in respect of any loan granted to any other company including group companies;
- l) create any charge, lien or encumbrance over the undertaking or any part thereof in favour of any financial institution, bank, company, firm or persons;
- m) approach capital markets for mobilizing additional resources either in the form of debt or equity.