

# DROPLINE OVERDRAFT AGREEMENT

Customer Name : \_\_\_\_\_

\_\_\_\_\_

Loan Agreement No: : \_\_\_\_\_



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## **Terms and Conditions applicable to the Drop Line Overdraft (Business) Facility**

The person(s) named in the Schedule-cum-Key Fact Statement hereto (hereinafter referred to as the “**Schedule**”) being borrowers and co-borrowers, hereinafter collectively referred to as “**Borrower**”.

### **In favour of:**

**HDFC BANK LIMITED**, a banking company incorporated under the provisions of the Companies Act, 1956 having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 and a branch office at the place mentioned in the Schedule hereto (hereinafter referred to as the “**Bank**” which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors, transferees and assigns).

The expression “**Borrower**”, unless it be repugnant to the context or meaning thereof, shall mean and include: in the event that the Borrower is a company within the meaning of the Companies Act, 2013 or a Limited Liability Partnership, incorporated under the Limited Liability Partnership Act, 2008, its successors; in the event that the Borrower is a partnership firm for the purposes of the Indian Partnership Act, 1932, the partners for the time being and from time to time and their respective legal heirs, executors and administrators; in the event that the Borrower is a sole proprietorship, the sole proprietor and his/ her legal heirs, administrators and executors; in the event that the Borrower is a joint Hindu Undivided Family, the Karta and any or each of the adult members of the HUF and their survivor(s) and his / her / their respective heirs, executors, administrators; in the event that the Borrower is a Society, the members of the governing body of the Society and any new members elected, appointed or co-opted thereon; in the event that the Borrower is a Trust, the Trustee or Trustees for the time being hereof and their respective heirs, executors, administrators and successors; in the event that the Borrower is an individual, his/her heirs, administrators and executors.

In case of there being more than one Borrowers (i.e. there being co-borrowers), the reference to the term “**Borrower**” shall be deemed to be as if it were plural and this document shall be read accordingly as if made and liabilities undertaken by each of them jointly and severally.

Reference to the masculine gender includes reference to the feminine and neuter genders and vice versa.

### **The Borrower hereby irrevocably and unconditionally agrees to abide by the following terms and conditions and irrevocably and unconditionally agrees to, confirms, declares, undertakes as under:**

1. The Bank has agreed to grant to the Borrower and the Borrower hereby agrees to avail of from the Bank, an overdraft facility (“**Facility**”) for the tenure (“**Tenure**”) and for the purpose (“**Purpose**”) mentioned in the Schedule hereto, with different operating overdraft limits applicable in different months determined in the manner provided below (each an “**Operating Limit**”). The Borrower shall be additionally bound by the terms and conditions of the Bank pertaining to the current account as applicable from time to time, except to the extent expressly modified by these presents.
2. The date on which the Borrower’s overdraft account with the Bank under the Facility (“**Account**”) is made active/operational for drawal for the first time during the Tenure, by setting up the initial overdraft limit under the Facility (“**Initial Limit**”), shall be referred to as “**Commencement Date**”, irrespective of the time when the Borrower actually makes the first drawal on or after that date. The Borrower shall not be entitled to any interest or similar benefit on any credit balances in the Account.

3. In case of the Commencement Date is on or before the 20th day of the month, then the Initial Limit shall be applicable from the Commencement Date till and including the last day of such month. However if the Commencement Date is on or after the 21st day of the said month, then the Initial Limit shall be applicable from the Commencement Date till and including the last day of the immediately succeeding month. Thereafter, for each month, the Operating Limit shall be applicable from the first date of the relevant calendar month ("Limit Change Date") till the last date of the same calendar month (both inclusive). The Operating Limit shall automatically stand reduced on each Limit Change Date by an amount equal to  $L/N$  where L is the Initial Limit and N is the Tenure of the Overdraft Facility, designated in months as provided in Schedule hereto.

Illustration: Assuming that the Commence Date is on or before 20th of the first month of the Tenure, and if the original Tenure of the Overdraft Facility is 10 months and the Initial Limit granted is Rs.10,00,000/- (Rupees Ten Lakhs only), the Operating Limit for the next month shall automatically be reduced by  $Rs.10,00,000/10 = Rs.1,00,000/-$  (Rupees One lakh only) and the new Operating Limit shall be  $(10,00,000 - 1,00,000) = Rs.9,00,000/-$  (Rupees Nine lakhs only). Similarly, for the next succeeding month, the Operating Limit available to the Borrower shall be reduced by another Rs.1,00,000/- (Rupees One Lakh), and shall become Rs. 8,00,000/- (Rupees Eight Lakhs) and so on and so forth.

4. On each Limit Change Date, the Borrower shall deposit into the Account for repayment to the Bank, such amount(s) in debit balance of the Account as in excess of the Operating Limit applicable for that month ("Reduction Amount").
5. The Bank shall be entitled to vary/ re-set (including to increase/decrease/cancel) the Initial Limit and/or any Operating Limit(s) subject to such additional terms and conditions as the Bank may deem fit to further stipulate to the Borrower, including, without limitation, re-appraisal of the Borrower's credit and furnishing by Borrower of such documents, as may be required. Upon change in the Facility/ Operating Limit, as the case may be, this Document and all Security, if any, shall be deemed to continue to secure such changed/renewed and/ or enhanced Facility/ Operating Limit without the necessity of executing any further documents in that regard. The Tenure of the Facility shall be for the period as mentioned in the Schedule hereto. If the Facility is renewed by the Bank, this Document shall continue to be in full effect and force to cover such renewed Tenure subject to such terms and conditions stipulated by the Bank for such renewal.
6. The Borrower has understood and is aware of the Bank's methodology of computing the Operating Limit and shall keep itself informed on the Operating Limits applicable from time to time. The Borrower shall ensure that the aggregate outstanding utilisations under the Facility (whether by drawing, issuing cheques or any other instruments/instructions) at any time shall not exceed the applicable Operating Limit. The Bank shall be entitled to dishonor/reject/not process any request or cheque or payment instruction/instrument which is in excess of the applicable Operating Limit (minus utilisations and debit balances) and the Borrower shall be solely liable to the consequences thereof.
7. The Borrower shall utilize the Facility solely for the Purpose and not for any other purpose or for investment in capital market/shares/debentures/mutual funds/purchase of gold in any form, including primary gold, gold bullion, gold jewellery, gold coins, units of gold exchange traded funds (ETF) and units of gold mutual funds or any illegal /speculative activity. Without being obligated to do so, the Bank shall be entitled to monitor the use/end use of the Facility including through any auditor(s) or consultant(s) including inspecting/examining books and other records of the Borrower, with necessary certification from them, as appointed by the Bank at its sole discretion and at the cost of the Borrower. Whenever so required by the Bank, the Borrower shall procure evidence, satisfactory to the Bank, of the end-use/utilization of the Facility.
8. The Bank shall be under no obligation to meet any further requirements of the Borrower on account of growth in its business, etc. and may undertake further review of credit limits in this regard.
9. The amounts drawn/utilized from the Overdraft Facility i.e. the principal, together with the interest, compound interest, default interest, any other charges, dues and monies payable, costs and expenses reimbursable, as outstanding from time to time and whether any of them are due or not, are hereinafter collectively referred to as "Outstanding Balance".
10. The obligation of the Bank to allow the Borrower to utilize the Facility under this Document shall be subject to the following conditions, in addition to the conditions set out in the Sanction Letter, if any:
  - (a) Know Your Clients: The Borrower shall have provided to the Bank to its satisfaction, such details, documentary evidences and information as may be required by the Bank under its know your customer norms.
  - (b) Credit-worthiness of the Borrower: The Borrower continues to meet the Bank's requirement of creditworthiness. The Bank shall be entitled to make or cause to be made inquiries as the Bank may deem fit to assess the credit worthiness of the Borrower.
  - (c) Extra ordinary circumstances: No extra-ordinary or other circumstances shall have occurred which in the sole opinion of the Bank may make it improbable for the Borrower to fulfill any of the terms and conditions of this Document.
  - (d) Pending legal proceedings: The Borrower shall have disclosed to the Bank any action, legal notice, suit proceedings, winding up/ insolvency proceedings, any other legal proceedings or investigation pending/ initiated against him/ her/ it.
  - (e) Terms & Conditions: The Borrower shall have performed and observed and complied with all terms and conditions of this documents. The Borrower shall not have made any misrepresentation.
  - (f) Non Resident Indian/ Person of Indian Origin, etc, if permissible: Where the Borrower is a Non Resident Indian or Person of Indian Origin as per the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder or any other law in force in India relating to foreign exchange, the Borrower shall have obtained all permissions, authorizations, approvals, sanctions and fulfilled all conditions prescribed therein as may be required for borrowing and creation of security.

The decision of the Bank in regard to the fulfillment by the Borrower of the aforesaid conditions shall be final and binding on the Borrower.

11. Upon failure of the Borrower to make the minimum utilisation of the Facility for any month/period during the Tenure, the Borrower shall be required to pay to the Bank the charges in this regard as mentioned in the Schedule hereto or as may be prescribed by the Bank from time to time.
12. The Borrower shall pay interest on the Facility, the unpaid due interest and all other outstanding charges and monies (except the default interest), at the rate of interest specified in the Schedule hereto, on the outstanding daily balance, compoundable at monthly rests. The Borrower has understood Bank's method of calculating interest.
13. The Borrower hereby agrees to deposit into the Account on or before the last Business Day of each month such amounts which shall be sufficient to pay to the Bank the interest for full period of such month. For clarity, the amounts to be deposited towards interest shall be in addition to (and not in lieu of) the payments/deposits made by the Borrower towards the principal amounts (if any) in excess of the Operating Limit as mentioned above. The Borrower hereby irrevocably authorises the Bank to debit the Account towards the payment of the aforesaid amounts. Interest shall be computed on the basis of a year of three hundred and sixty-five days. The Bank may in its sole discretion modify the basis of the year and the periodicity of the interest. The Bank in its sole discretion would be entitled to change the said rate of interest from time to time including on account of changes made by the Reserve Bank of India, which would be intimated to the Borrower(s) and would be binding upon the Borrower(s). The Borrower shall also pay and bear all interest tax, if any, as applicable from time to time.
14. The Borrower(s) shall repay the entire Outstanding Balance at the end of Tenure or when demanded by the Bank, whichever is earlier.
15. The payment of all the monies by the Borrower including interest shall be made on or before the respective due dates, at such place as the Bank may require, without any set-off or counterclaim or withholding or deduction (save as required by law in which case the amount payable by the Borrower to the Bank shall be increased to the amount which after making such deduction or withholding equals the original due amount as if no withholding or deduction were required), by way of one or more modes and instruments including post-dated cheques ("PDCs"), Standing Instructions (SI)/ Electronic Clearing System (ECS) instructions/ other mode/ instrument, as acceptable to the Bank from time to time. If any due date falls on a non-business day of the Bank, the payment shall be made by the Borrower on the immediately preceding business day of the Bank. In case of cheques/ other instrument, the payment shall be deemed to have been made by the Borrower only at the point of time the sum is credited and realized fully in Bank's account irrespective of the date of instrument or time of receipt or presentation of instrument.
16. In case of any default, the Borrower shall without prejudice to Bank's other rights and remedies, pay additional /default interest at the rate mentioned in the Schedule hereto/ Application or as may be prescribed by the Bank, over and above the then applicable rate of interest till full payment is made/default is cured. This liability shall not act as justification for any default.
17. The Borrower(s) shall pay to Bank, the charges, fees, commissions, etc, specified in the Schedule hereto/ Application or as prescribed by the Bank from time to time, within such time or upon occurrence of such events as specified and if not specified then forthwith upon demanded by the Bank. All other present and future costs and expenses, taxes (as applicable from time to time), any related levy, stamp duty, in all jurisdictions, in relation to this document/other documents/any transaction pursuant thereto, irrespective of who the beneficiary is, shall be borne and payable solely by the Borrower, including for creation, enforcement, preservation of security, recovery, initiating/defending/pursuing any legal proceedings/ actions by Bank. In case of any such sums if paid or incurred by the Bank, the Borrower shall be liable to reimburse the same to the Bank in full forthwith. The Borrower shall pay to the Bank an annual maintenance charge/ fee as mentioned in the Schedule hereto or as may be prescribed by the Bank from time to time.
18. The Borrower shall not be entitled for premature closure (i.e. closure before the expiry of the Tenure) of the Facility for a period of 6 (six) months from the date of execution of this Document. After the said period of 6 (six) months from the date of execution of this Document, in the event the Borrower is desirous of premature closure of the Facility by prepaying all the Outstanding Balance and terminating this Facility, the Borrower shall be liable to pay to the Bank such premature closure charges as mentioned in the Schedule hereto or as may be prescribed by the Bank from time to time.
19. Any payments made by/on behalf/ for the Borrower or any realisations in relation to the Facility, security, shall be apportioned towards the Outstanding Balance and/ or Liabilities (as defined hereinafter) in the following order: (a) Firstly, towards costs and expenses incurred by the Bank; (b) Secondly, towards any charges, commissions, fees, taxes, levies (wherever applicable); (c) Thirdly, towards additional/ default interest; (d) Fourthly, towards interest; (e) Fifthly, towards principal amount(s). Provided that the Bank may however change the aforesaid order in its sole discretion and appropriate any payment in any manner and in any order of priority as it deems fit.
20. The Borrower hereby irrevocably and unconditionally authorizes the Bank to debit the Account or any other account of the Borrower and appropriate any amounts therefrom, without any notice to or consent from the Borrower, for payment/ repayment by the Borrower to the Bank of the Outstanding Balance as and when any part of it becomes due including for the Reduction Amount, interest, charges, other moneys, etc.
21. Any statement of account furnished by the Bank shall be accepted by and be binding on the Borrower(s) and shall be

conclusive proof of the correctness of the amounts mentioned therein.

22. The Bank reserves an unconditional right to cancel/ terminate the right of the Borrower to avail of the Facility or make draws/transfers from the Account at any time during the currency of this Document, without any prior notice to the Borrower. Notwithstanding anything stated in any document, the continuation of the Facility shall be at sole and absolute discretion of the Bank and the Bank may at any time in its sole discretion and without assigning any reason call upon the Borrower to pay the Outstanding Balance and upon such demand by the Bank, the Borrower shall, within 48 hours of being so called upon, pay the whole of the Outstanding Balance to the Bank without any delay or demur.
23. The tenure / interest rate and frequency of payment/ other terms and conditions of the Facility are subject to change as a consequence to any change in the money market conditions or on account of any other statutory or regulatory requirements or at the Bank's discretion. The Bank reserves the right to review and amend the terms of the Facility in such manner and to such extent as it may deem fit.
24. The Bank may at its own discretion and upon Borrower's request, also finance the Borrower for the insurance premium of insurance policy taken by Borrower as per Borrower's own wish from any insurance company of Borrower's choice, which sum(s) shall be added to the principal amount under the Facility and all the terms and conditions shall be additionally applicable thereto. All expenses, charges, fees, taxes etc. as applicable on any such insurance shall be incurred and paid by the Borrower, however in case paid by the Bank on Borrower's behalf, the Borrower shall reimburse the same to the Bank within 24 hours of the Bank's demand. The Borrower shall instruct the insurance company to add the Bank as loss payee in any such insurance policy.
25. The Borrower shall furnish and create and/or procure creation from such persons, such security/margin ("Security") from time to time in favour of or for the benefit of the Bank, of such value, in such form and in such manner, as may be deemed fit by the Bank, forthwith upon so required by the Bank.
26. The Bank shall also have the right to stipulate any other and further terms and conditions that it may deem fit at any time prior to or after the grant of the Facility, which shall be binding on the Borrower.
27. Each of the Borrowers represent(s) and warrant(s) that (which shall be deemed to have been repeated to the Bank on the date of the Disbursement and on each date thereafter till entire repayment): (a) The Borrower (if an individual) or each of the partners (in case the Borrower is a partnership firm), is a citizen of India. The Borrower (in case an individual) or each of the partners (in case the Borrower is a partnership firm) is a major (in terms of age) and is of sound mind and is competent to contract and enter into and perform his/her obligations contemplated under this document/ other document/in respect of the Facility; (b) There is no impediment or restriction, whether under law, judgment, order, award, contract or otherwise, for any of the Borrowers entering into and/or performing any of the transactions contemplated by this document/other documents/ in respect of the Facility and all approvals and consents, wherever necessary have been duly obtained and are and will continue to be in full force. (c) The execution hereof constitutes legal, valid and binding obligations of the Borrower. The Borrower is duly empowered and authorised to borrow the Facility, enter into and/or performing any of the transactions contemplated by this document/other documents/ in respect of the Facility, including in terms of its constitutional documents where applicable and all due corporate/other action and due corporate/ other authorisations, therefor, where applicable have been completed and are in place and in force; (d) That there is no Event of Default existing; (e) All declarations made by Borrower are true and complete and no material information has been suppressed / withheld. (f) that the Borrower has paid and will pay when due, all public demands such as income tax, property taxes and all other taxes and revenues payable to the government or any local body/ authority. There are no proceedings pending against the Borrower or any of the Borrower's properties under the provisions of the Income Tax Act, 1961. (g) The directors, partners or trustees of the Borrower or any person in a similar fiduciary relation with the Borrower has not received and will not be receiving any commission or remuneration, in case they provide guarantee for the Facility availed by the Borrower under this Document.
28. The Borrower shall notify the Bank of any change in the terms or place of employment, business or profession of the Borrower within seven days of such change.
29. The Borrower shall maintain adequate insurances on and in relation to its business, assets and properties with an insurance company/ companies against such risks and to such extent as is usual and appropriately prudent for entities carrying on the business such as that carried on by the Borrower; in particular, maintain adequate insurances on and in relation to the Security created in favour of the Bank to secure the Facility, which are customarily insured with the name the Bank as loss payee in all such policies and deliver to the Bank evidence of the same. All the insurance policies of the Borrower/its assets shall be assigned in favour of the Bank and/or the Bank shall be made loss payee in respect of each of the insurance policies and an endorsement to this effect obtained from the insurer should be furnished to the Bank.
30. The Borrower shall notify the Bank of any change in his Non Resident Indian/ Person of Indian Origin status to Resident status, if the Borrower has taken the Facility in the status of Non Resident Indian/ Person of Indian Origin, and vice versa.
31. The Borrower shall, at such intervals as the Bank may require, deliver its duly audited financial statements and any other documents as may be required by the Bank to the Bank.
32. Negative Covenants: The Borrower covenants and agrees that, save and except with the prior, specific and express written consent of the Bank, the Borrower shall not: (a) create, assume or incur any further indebtedness to any person; or lend or advance any amounts to any person; or undertake any guarantee or security obligation; (b) except in favour of the Bank, sell, license, let, lease, transfer, alienate, dispose of in any manner whatsoever, surrender or otherwise encumber any of its assets, rights, title or interest, receivables, or any part thereof; or create, facilitate or permit to exist

any charge, mortgage, hypothecation, pledge, encumbrance or lien of any kind whatsoever over any of its property or grant any option or other right to purchase, lease or otherwise acquire, any such assets or part thereof; (c) (in case the Borrower is company) declare any dividend; or change its capital structure or shareholding pattern in any manner; or make any amendments to its constitutional documents; or issue any new shares or securities; or purchase, redeem, buyback or reduce any or all of its share capital or otherwise make any payment in respect thereof; or enter into any compromise arrangement with its shareholders or creditors, or pass a resolution of voluntary winding up or implement any scheme for restructuring, reconstruction, consolidation, amalgamation, merger or other similar purposes; (d) permit or effect any direct or indirect change in the legal or beneficial ownership or control; (e) change business, or enter into any new business or line of business or effect any material change in the management; (f) change/ cease/ retire from/ terminate/ resign from the present employment/ profession/business disclosed in the Application; or change, terminate or open any bank account. (g) Further, in case the Borrower is a company, it shall not induct on its board of directors, a person whose name appears in the list of wilful defaulters and in case, such a person is found to be on its board, it would take expeditious and effective steps for removal of the person from its board of directors.

33. The following events shall constitute events of default (each an "Event of Default"), and upon the occurrence of any of them or any event which after a lapse of time is capable of becoming an Event of Default takes place the entire Outstanding Balance shall become immediately due and payable by the Borrower and without prejudice to any other rights and remedies of the Bank and/or further enable the Bank inter alia to recall the entire Outstanding Balance and/or terminate the operations under Facility and/or enforce any security and transfer/sell the same and/or take, initiate and pursue any actions/proceedings as deemed necessary by the Bank for recovery of the dues: (a) Failure on Borrower's part to perform any of the obligations or terms or conditions or covenants applicable in relation to the Facility including under this document/other documents including non-payment in full of any part of the Outstanding Balance when due or when demanded by Bank; (b) any misrepresentations or misstatement by the Borrower; or (c) occurrence of any circumstance or event which adversely affects Borrower's ability/capacity to pay/repay the Outstanding Balance or any part thereof or perform any of the obligations; (d) If any attachment, distress, execution or other process against the Borrower/its assets or any of the security is threatened, enforced or levied upon by any person; or (e) fall, reduction or decrease, in the opinion of the Bank, in value of any security lower than the value required by the Bank; (f) the event of death, insolvency, winding up, failure in business, commission of an act of bankruptcy of the Borrower, or change or termination of employment/profession/business for any reason whatsoever. (g) Cross Default: If the Borrower has made any default under any other contract with any other person or default in payment/repayment of any amounts to any other person including any other bank or financial institution.
34. Notwithstanding anything to the contrary in this document or any other document/arrangement: (i) in respect of all and any of Borrower's present and future liabilities to the Bank, its affiliates, group entities, associate entities, parent, subsidiaries, any of their branches (collectively "Relevant Entities"), whether under this document or under any other obligation/loan/facilities/borrowings/document, whether such liabilities are/be crystallised, actual or contingent, primary or collateral or several or jointly with others, whether in same currency or different currencies, whether as principal debtor and/or as guarantor and/or otherwise howsoever (collectively "Liabilities"), each of the Bank and the Relevant Entities shall in addition to any general lien or similar right to which any of them as bankers may be entitled by law, practice, custom or otherwise, have a specific and special lien on all the Borrower's present and future stocks, shares, securities, property, book debts, all moneys in all accounts whether current, savings, overdraft, fixed or other deposits, held with or in custody, legal or constructive, with the Bank and/or any Relevant Entities, now or in future, whether in same or different capacity of the Borrower, and whether severally or jointly with others, whether for any banking relationship, safe custody, collection, or otherwise, whether in same currency or different currencies; and (ii) separately, each of the Bank and the Relevant Entities shall have the specific and express right to, without notice to and without consent of the Borrower, set-off, transfer, sell, realize, adjust, appropriate all such amounts in all accounts (whether prematurely or upon maturity as per the Bank's discretion), securities, amounts and property as aforesaid for the purpose of realizing or against any of dues in respect of any of the Liabilities whether ear-marked for any particular Liability or not, combine or consolidate all or any of accounts of the Borrower and set-off any monies, whether of same type or nature or not and whether held in same capacity or not including upon happening of any of the events of default mentioned in any of the documents pertaining to the respective Liabilities or upon any default in payment of any part of any of the Liabilities. (iii) The Bank and the Relevant Entities shall be deemed to have and hold and continue to have first charge on any assets including any deposit on which security has been/will be created in respect of the Facility, as security also for any of the other Liabilities and all the rights and powers vested in the Bank in terms of any security or charge created for the Facility shall be available to the Bank and/or the Relevant Entities also in respect of such other Liabilities, irrespective of the fact whether the Facility is at any time outstanding, repaid or satisfied or not and even after the Facility has been repaid or prepaid.
35. The Borrower shall make good to, and save, defend and hold harmless Bank, its directors, employees, shareholders, agents, consultants, representatives from or against all, direct or indirect, claims, damages, losses, costs and expenses, including attorneys' fees arising out of/ in relation to any act, omission, breach, misrepresentation, fraud, misstatement or default by the Borrower and/or otherwise incurred by Bank as a result of any suit, investigation, etc, any other matter for any reason.
36. The Bank shall at any time, without any consent of or notice to the Borrower(s) be entitled to securitise, sell, assign, discount or transfer all or any part of the Bank's rights and obligations under the Facility, this document or any other document, to any person(s) and in such manner and on such terms as the Bank may decide. Borrower shall not be entitled to directly or indirectly assign or in any manner transfer, whether in whole or part, any rights, the benefit or obligation under the Facility, this document/other document.
37. Bank shall be entitled at its discretion to engage/ avail of, at the risk and cost of the Borrower, services of any person/ third party service provider/agent/agency, for anything required to be done for/ in relation to/ pursuant to the Facility, including collections, recovery of dues, enforcement of security, getting or verifying any information of the Borrower/

assets, and any necessary or incidental lawful acts/ deeds/ matters and things connected thereto, as the Bank may deem fit.

38. The Bank shall have the right to not return the Application, the photographs, information and documents submitted by the Borrower. The Bank shall, without notice to or without any consent of the Borrower, be absolutely entitled and have full right, power and authority to make disclosure of any information relating to Borrower including personal information, details in relation to documents, Facility, defaults, security, obligations of Borrower, to the Credit Information Bureau of India (CIBIL) and/or any other governmental/regulatory/statutory or private agency/entity, credit bureau, RBI, the Bank's other branches/ subsidiaries / affiliates / rating agencies, service providers, other banks / financial institutions, any third parties, any assignees/potential assignees or transferees, who may need the information and may process the information, publish in such manner and through such medium as may be deemed necessary by the publisher/ Bank/ RBI, including publishing the name as part of willful defaulter's list from time to time, as also use for KYC information verification, credit risk analysis, or for other related purposes. The Borrower waives the privilege of privacy and privity of contract. The Bank shall have the right, without notice to or without any consent of the Borrower, to approach, make enquiries, obtain information, from any person including other banks/finance entities/credit bureaus, Borrower's employer/family members, any other person related to the Borrower, to obtain any information for assessing track record, credit risk, or for establishing contact with the Borrower or for the purpose of recovery of dues from the Borrower.
39. The Borrower shall permit inspection of all books of accounts and other records maintained by the Borrower or the Borrower's agent at any place in respect of the Facility to the persons authorized by the Bank. The Borrower shall also permit similar inspection by such other companies, other Banks, institutions, credit bureaus or bodies as the Bank may appoint or authorize for the purpose of the Facility granted by the Bank.
40. Any notice, approvals, instructions, demand and other communications given or made by the Bank shall be deemed to be duly given and served if sent by courier, normal post, Registered Post, facsimile, electronic mail, personal delivery, sms or by pre-paid registered mail addressed to the Borrower's address, phone/ mobile number, fax number or email as given in the Application (or at the address changed on which Bank's acknowledgement is duly obtained as hereinafter mentioned) and such notice and service shall be deemed to take effect on the third working day following the date of the posting thereof in case of courier, normal post, registered post, at the time of delivery if given by personal delivery, upon receipt of a transmission report if given by facsimile, upon sending the electronic mail or sms if given by electronic mail or sms. The Borrower undertakes to keep the Bank informed at all times in writing of any change in the mailing address, email id, phone and mobile number(s) as provided in the Application and to obtain Bank's written acknowledgement on the intimation given to Bank for any such change.
41. The Facility, this document/other documents, shall be governed by the laws of India. The parties hereto expressly agree that all disputes arising out of and/or relating to the Facility, this document or any other relevant document shall be subject to the exclusive jurisdiction of the court/tribunal of the city/place in which the branch of the Bank from where the Facility is sanctioned/Account is opened, is situate, provided that the exclusivity aforesaid shall bind the Borrower and the Bank shall be entitled to pursue the same in any other court of competent jurisdiction at any other place; and provided further that if any dispute is below the pecuniary jurisdiction limit of the Debts Recovery Tribunals established under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, then such dispute shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, by a sole arbitrator, appointed by the Bank. The costs of such arbitration shall be borne by the losing Party or otherwise as determined in the arbitration award. If a party is required to enforce an arbitral award by legal action of any kind, the party against whom such legal action is taken shall pay all reasonable costs and expenses and attorney's fees, including any cost of additional litigation or arbitration taken by the party seeking to enforce the award.
42. This document, Application and other documents have been explained to the Borrower in the language known to the Borrower and the Borrower has read and understood the same.
43. "Payment by Mistake, Accident or Error (a) The Borrower hereby agrees and confirms that in the event the Bank transfers or remits any money to the Borrower or in its account by mistake, accident or erroneously, which money is, in the sole opinion of the Bank, not due and/or payable to the Borrower, then the Borrower shall be obligated to and shall, without any delay, demur or protest, forthwith and in no event later than one business day of such transfer/remission or on first demand by the Bank (whichever is earlier), return and repay the said money to the Bank in a manner satisfactory to the Bank. Till such return and repayment of the said money by the Borrower to the Bank, the Borrower shall hold the same in trust for the benefit of the Bank, keep such money segregated from all other moneys of the Borrower and keep it free from any attachment.  
(b) The Borrower hereby acknowledges and agrees that any non-compliance of the aforesaid obligations shall be a breach of trust and fiduciary duties on the part of the Borrower. The Borrower hereby further agrees and confirms that in case the Borrower fails to return the money within the timelines as mentioned above, the Borrower shall be liable to pay interest on such money to the Bank at the same rate as applicable to the Loan granted in terms of this Agreement.  
(c) Without prejudice to the foregoing, the Borrower hereby agrees and confirms that the Bank shall have the right to, at its sole and absolute discretion (a) debit any account or accounts of the Borrower maintained with the Bank and recover such money, under intimation to the Borrower, and/or (b) recover such money from the future disbursements (if any) of the Loan.  
(d) The Borrower further agrees that such money which has been transferred or remitted by the Bank to Borrower or in its account by mistake, accident or erroneously, shall be deemed to be a part of the total outstanding said Dues payable by the Borrower to the Bank in terms of this Agreement and other Finance Documents, in case and till such time that the said money has not been returned and repaid to the Bank in the manner as stated above."



**SCHEDULE-CUM-KEY FACT STATEMENT**

Place of Execution of this document		Date of Execution of this document	
Lending Office Details: The Bank may in its discretion change the Lending Office from time to time			
Name and Address of Borrower and Co-Borrower(s)			
(a) Name Address: Constitution:		(b) Name Address: Constitution:	
(c) Name Address: Constitution:		(d) Name Address: Constitution:	
Initial Overdraft Limit:		Tenure of Overdraft Facility:	Purpose:
Interest Rate (percentage per annum) (Fixed Rate): = ____ %p.a.		Default Interest Rate: [●] % p.a. on the amounts due	
Details of Security/ Collateral: As may be acceptable to the Bank		Mode of communication of changes in interest rates: Email/ Letter/ Bank Website/ Notice at the Branches/ SMS/ Annexure to Statement of Accounts	
Annual Maintenance Charges		Date by which annual outstanding balance statement will be issued: 31st May	
Premature Closure Charges: (a) No closure allowed at Borrower's request in first 6 months from the date of the execution of this Document (b) After 6 months from the date of execution of this Document till expiry of 24 months from the date of execution of this Document: 4% of the applicable Outstanding Balance (c) After 24 months from the date of execution of this Document till expiry of 36 months from the date of execution of this Document: 3% of the applicable Outstanding Balance (d) After 36 months from the date of execution of this Document: 2% of the applicable Outstanding Balance • Government Taxes and other levies as applicable shall be charged additionally to the Borrower.		Under-utilization/ Commitment Charges: If average quarterly utilization <30% charges of 0.10% will be charged on the difference between the actual utilization and expected average utilization of 30%. Charges to be levied quarterly. Minimum charges levied would be Rs.5000/-	
Other Charges: (a) Processing Charges (Amount): (b) Government Taxes and other levies on Processing Charges: As per Applicable Law (c) Repayment mode change charges: Rs. 500/- per incident (d) Cheque / ACH / SI Return Charges (without prejudice to the civil and criminal rights and remedies of the bank for the dishonour : Rs 450+taxes per instance (e) Taxes: At actual, applicable presently or in future (f) Legal Collection and Incidental charges: At actuals (g) Stamp Duty and other Statutory Charges: As per Applicable Law (h) All other Charges, Commissions and Fees shall be applicable at the rate mentioned in the application form or as stipulated by the Bank from time to time and are exclusive of Taxes and Statutory levies as applicable.			

Co-Borrower(s)/ Authorized Signatory of the Co-Borrower  
Name and Designation

Borrower/ Authorized Signatory of the Borrower  
Name and Designation

Signed and Delivered by/ for and on behalf of the Borrower & Co-Borrower(s) in token of and in witness of them having read (and/or being explained), verified, understood, irrevocably agreed to, accepted, confirmed and declared all the clauses of the Terms and Conditions of BLDOD document, the Schedule, all contents thereof including all the terms and conditions contained therein, and authenticated accuracy and correctness of the same.

IN WITNESS WHEREOF THE BORROWER HAS SIGNED AND DELIVERED THE \_\_\_\_\_ AS UNDER:  
Signed and Delivered by/ for and on behalf of the Borrower & Co-Borrower(s) in token of and in witness of them having read (and/or being explained), verified, understood, irrevocably agreed to, accepted, confirmed and declared all the clauses viz. \_\_\_\_\_ to \_\_\_\_\_ on all the page no's \_\_\_\_\_ to \_\_\_\_\_ of this document, the Schedule, all contents thereof including all the terms and conditions contained therein, and having authenticated accuracy and correctness of the same:

Name of the Borrower(s) \_\_\_\_\_ (Signature)  
Authorised Signatory Name \_\_\_\_\_ Designation \_\_\_\_\_

OR (In case of Common Seal affixation)

The Common Seal of \_\_\_\_\_ Ltd  
has been affixed pursuant to the Resolution of Board of Directors  
passed on \_\_\_\_\_ in the presence of:

(name) \_\_\_\_\_, (designation) \_\_\_\_\_, Signature \_\_\_\_\_

(name) \_\_\_\_\_, (designation) \_\_\_\_\_, Signature \_\_\_\_\_

(name) \_\_\_\_\_, (designation) \_\_\_\_\_, Signature \_\_\_\_\_

who have signed in token thereof and also in token of, for and on behalf of the Borrower, having read, verified, understood, irrevocably agreed to, accepted, confirmed and declared all the clauses viz. \_\_\_\_\_ to \_\_\_\_\_ on all the page no's \_\_\_\_\_ to \_\_\_\_\_ of this document, the Schedule, all contents thereof including all the terms and conditions contained therein, and having authenticated accuracy and correctness of the same

SIGNED AND DELIVERED BY THE WITH IN NAMED BANK

HDFC BANK LIMITED

BY THE HANDS OF AUTHORISED SIGNATORY Mr. \_\_\_\_\_

WITNESS DECLARATION BORROWER (S) SIGNS IN VERNACULAR LANGUAGE: The contents of the following legal documents given below, have been explained by me to the Borrower in \_\_\_\_\_  
(name of language in which Borrower have signed) and the same have been understood by the Borrower.

List of Legal Documents: 1.

2.

3.

Name of Witness	Address of Witness	Signature of Witness

Signature of Borrower: \_\_\_\_\_

**Do not sign this agreement if it is BLANK. Please ensure all relevant sections and columns are completely filled to your satisfaction and then only sign the agreement.**

## Terms and Conditions applicable to the Drop Line Overdraft (Business) Facility

The person(s) named in the Schedule-cum-Key Fact Statement hereto (hereinafter referred to as the "**Schedule**") being borrowers and co-borrowers, hereinafter collectively referred to as "Borrower".

### In favour of:

**HDFC BANK LIMITED**, a banking company incorporated under the provisions of the Companies Act, 1956 having its registered office at HDFC Bank House, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013 and a branch office at the place mentioned in the Schedule hereto (hereinafter referred to as the "**Bank**" which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors, transferees and assigns).

The expression "**Borrower**", unless it be repugnant to the context or meaning thereof, shall mean and include: in the event that the Borrower is a company within the meaning of the Companies Act, 2013 or a Limited Liability Partnership, incorporated under the Limited Liability Partnership Act, 2008, its successors; in the event that the Borrower is a partnership firm for the purposes of the Indian Partnership Act, 1932, the partners for the time being and from time to time and their respective legal heirs, executors and administrators; in the event that the Borrower is a sole proprietorship, the sole proprietor and his/ her legal heirs, administrators and executors; in the event that the Borrower is a joint Hindu Undivided Family, the Karta and any or each of the adult members of the HUF and their survivor(s) and his / her / their respective heirs, executors, administrators; in the event that the Borrower is a Society, the members of the governing body of the Society and any new members elected, appointed or co-opted thereon; in the event that the Borrower is a Trust, the Trustee or Trustees for the time being hereof and their respective heirs, executors, administrators and successors; in the event that the Borrower is an individual, his/her heirs, administrators and executors.

In case of there being more than one Borrowers (i.e. there being co-borrowers), the reference to the term "Borrower" shall be deemed to be as if it were plural and this document shall be read accordingly as if made and liabilities undertaken by each of them jointly and severally.

Reference to the masculine gender includes reference to the feminine and neuter genders and vice versa.

**The Borrower hereby irrevocably and unconditionally agrees to abide by the following terms and conditions and irrevocably and unconditionally agrees to, confirms, declares, undertakes as under:**

1. The Bank has agreed to grant to the Borrower and the Borrower hereby agrees to avail of from the Bank, an overdraft facility ("Facility") for the tenure ("Tenure") and for the purpose ("Purpose") mentioned in the Schedule hereto, with different operating overdraft limits applicable in different months determined in the manner provided below (each an "Operating Limit"). The Borrower shall be additionally bound by the terms and conditions of the Bank pertaining to the current account as applicable from time to time, except to the extent expressly modified by these presents.
2. The date on which the Borrower's overdraft account with the Bank under the Facility ("Account") is made active/operational for drawal for the first time during the Tenure, by setting up the initial overdraft limit under the Facility ("Initial Limit"), shall be referred to as "Commencement Date", irrespective of the time when the Borrower actually makes the first drawal on or after that date. The Borrower shall not be entitled to any interest or similar benefit on any credit balances in the Account.
3. In case of the Commencement Date is on or before the 20th day of the month, then the Initial Limit shall be applicable from the Commencement Date till and including the last

day of such month. However if the Commencement Date is on or after the 21st day of the said month, then the Initial Limit shall be applicable from the Commencement Date till and including the last day of the immediately succeeding month. Thereafter, for each month, the Operating Limit shall be applicable from the first date of the relevant calendar month ("Limit Change Date") till the last date of the same calendar month (both inclusive). The Operating Limit shall automatically stand reduced on each Limit Change Date by an amount equal to  $L/N$  where L is the Initial Limit and N is the Tenure of the Overdraft Facility, designated in months as provided in Schedule hereto.

Illustration: Assuming that the Commence Date is on or before 20th of the first month of the Tenure, and if the original Tenure of the Overdraft Facility is 10 months and the Initial Limit granted is Rs.10,00,000/- (Rupees Ten Lakhs only), the Operating Limit for the next month shall automatically be reduced by  $Rs.10,00,000/10 = Rs.1,00,000/-$  (Rupees One lakh only) and the new Operating Limit shall be  $(10,00,000 - 1,00,000) = Rs.9,00,000/-$  (Rupees Nine lakhs only). Similarly, for the next succeeding month, the Operating Limit available to the Borrower shall be reduced by another Rs.1,00,000/- (Rupees One Lakh), and shall become Rs. 8,00,000/- (Rupees Eight Lakhs) and so on and so forth.

4. On each Limit Change Date, the Borrower shall deposit into the Account for repayment to the Bank, such amount(s) in debit balance of the Account as in excess of the Operating Limit applicable for that month ("Reduction Amount").
5. The Bank shall be entitled to vary/ re-set (including to increase/decrease/cancel) the Initial Limit and/or any Operating Limit(s) subject to such additional terms and conditions as the Bank may deem fit to further stipulate to the Borrower, including, without limitation, re-appraisal of the Borrower's credit and furnishing by Borrower of such documents, as may be required. Upon change in the Facility/ Operating Limit, as the case may be, this Document and all Security, if any, shall be deemed to continue to secure such changed/renewed and/ or enhanced Facility/ Operating Limit without the necessity of executing any further documents in that regard. The Tenure of the Facility shall be for the period as mentioned in the Schedule hereto. If the Facility is renewed by the Bank, this Document shall continue to be in full effect and force to cover such renewed Tenure subject to such terms and conditions stipulated by the Bank for such renewal.
6. The Borrower has understood and is aware of the Bank's methodology of computing the Operating Limit and shall keep itself informed on the Operating Limits applicable from time to time. The Borrower shall ensure that the aggregate outstanding utilisations under the Facility (whether by drawing, issuing cheques or any other instruments/instructions) at any time shall not exceed the applicable Operating Limit. The Bank shall be entitled to dishonor/reject/not process any request or cheque or payment instruction/instrument which is in excess of the applicable Operating Limit (minus utilisations and debit balances) and the Borrower shall be solely liable to the consequences thereof.
7. The Borrower shall utilize the Facility solely for the Purpose and not for any other purpose or for investment in capital market/shares/debentures/mutual funds/purchase of gold in any form, including primary gold, gold bullion, gold jewellery, gold coins, units of gold exchange traded funds (ETF) and units of gold mutual funds or any illegal /speculative activity. Without being obligated to do so, the Bank shall be entitled to monitor the use/end use of the Facility including through any auditor(s) or consultant(s) including inspecting/examining books and other records of the Borrower, with necessary certification from them, as appointed by the Bank at its sole discretion and at the cost of the Borrower. Whenever so required by the Bank, the Borrower shall procure evidence, satisfactory to the Bank, of the end-use/utilization of the Facility.
8. The Bank shall be under no obligation to meet any further requirements of the Borrower on account of growth in its business, etc. and may undertake further review of credit limits in this regard.
9. The amounts drawn/utilized from the Overdraft Facility i.e. the principal, together with the interest, compound interest, default interest, any other charges, dues and monies payable, costs and expenses reimbursable, as outstanding from time to time and whether any of them are due or not, are hereinafter collectively referred to as "Outstanding Balance".
10. The obligation of the Bank to allow the Borrower to utilize the Facility under this Document shall be subject to the following conditions, in addition to the conditions set out in the Sanction Letter, if any:
  - (a) Know Your Clients: The Borrower shall have provided to the Bank to its satisfaction, such details, documentary evidences and information as may be required by the Bank under its know your customer norms.
  - (b) Credit-worthiness of the Borrower: The Borrower continues to meet the Bank's requirement of creditworthiness. The Bank shall be entitled to make or cause to be made inquiries as the Bank may deem fit to assess the credit worthiness of the Borrower.
  - (c) Extra ordinary circumstances: No extra-ordinary or other circumstances shall have occurred which in the sole opinion of the Bank may make it improbable for the Borrower to fulfill any of the terms and conditions of this Document.
  - (d) Pending legal proceedings: The Borrower shall have disclosed to the Bank any action, legal notice, suit proceedings, winding up/ insolvency proceedings, any other legal proceedings or investigation pending/ initiated against him/ her/ it.
  - (e) Terms & Conditions: The Borrower shall have performed and observed and complied with all terms and conditions of this documents. The Borrower shall not have made any misrepresentation.
  - (f) Non Resident Indian/ Person of Indian Origin, etc, if permissible: Where the Borrower is a Non Resident Indian or Person of Indian Origin as per the provisions of the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder or any other law in force in India relating to foreign exchange, the Borrower shall have obtained all permissions, authorizations, approvals, sanctions and fulfilled all conditions prescribed therein as may be required for borrowing and creation of security.

The decision of the Bank in regard to the fulfillment by the Borrower of the aforesaid conditions shall be final and binding on the Borrower.

11. Upon failure of the Borrower to make the minimum utilisation of the Facility for any month/period during the Tenure, the Borrower shall be required to pay to the Bank the charges in this regard as mentioned in the Schedule hereto or as may be prescribed by the Bank from time to time.
12. The Borrower shall pay interest on the Facility, the unpaid due interest and all other outstanding charges and monies (except the default interest), at the rate of interest specified in the Schedule hereto, on the outstanding daily balance, compoundable at monthly rests. The Borrower has understood Bank's method of calculating interest.
13. The Borrower hereby agrees to deposit into the Account on or before the last Business Day of each month such amounts which shall be sufficient to pay to the Bank the interest for full period of such month. For clarity, the amounts to be deposited towards interest shall be in addition to (and not in lieu of) the payments/deposits made by the Borrower towards the principal amounts (if any) in excess of the Operating Limit as mentioned above. The Borrower hereby irrevocably authorises the Bank to debit the Account towards the payment of the aforesaid amounts. Interest shall be computed on the basis of a year of three hundred and sixty-five days. The Bank may in its sole discretion modify the basis of the year and the periodicity of the interest. The Bank in its sole discretion would be entitled to change the said rate of interest from time to time including on account of changes made by the Reserve Bank of India, which would be intimated to the Borrower(s) and would be binding upon the Borrower(s). The Borrower shall also pay and bear all interest tax, if any, as applicable from time to time.
14. The Borrower(s) shall repay the entire Outstanding Balance at the end of Tenure or when demanded by the Bank, whichever is earlier.
15. The payment of all the monies by the Borrower including interest shall be made on or before the respective due dates, at such place as the Bank may require, without any set-off or counterclaim or withholding or deduction (save as required by law in which case the amount payable by the Borrower to the Bank shall be increased to the amount which after making such deduction or withholding equals the original due amount as if no withholding or deduction were required), by way of one or more modes and instruments including post-dated cheques ("PDCs"), Standing Instructions (SI)/ Electronic Clearing System (ECS) instructions/ other mode/ instrument, as acceptable to the Bank from time to time. If any due date falls on a non-business day of the Bank, the payment shall be made by the Borrower on the immediately preceding business day of the Bank. In case of cheques/ other instrument, the payment shall be deemed to have been made by the Borrower only at the point of time the sum is credited and realized fully in Bank's account irrespective of the date of instrument or time of receipt or presentation of instrument.
16. In case of any default, the Borrower shall without prejudice to Bank's other rights and remedies, pay additional /default interest at the rate mentioned in the Schedule hereto/ Application or as may be prescribed by the Bank, over and above the then applicable rate of interest till full payment is made/default is cured. This liability shall not act as justification for any default.
17. The Borrower(s) shall pay to Bank, the charges, fees, commissions, etc, specified in the Schedule hereto/ Application or as prescribed by the Bank from time to time, within such time or upon occurrence of such events as specified and if not specified then forthwith upon demanded by the Bank. All other present and future costs and expenses, taxes (as applicable from time to time), any related levy, stamp duty, in all jurisdictions, in relation to this document/other documents/any transaction pursuant thereto, irrespective of who the beneficiary is, shall be borne and payable solely by the Borrower, including for creation, enforcement, preservation of security, recovery, initiating/defending/pursuing any legal proceedings/ actions by Bank. In case of any such sums if paid or incurred by the Bank, the Borrower shall be liable to reimburse the same to the Bank in full forthwith. The Borrower shall pay to the Bank an annual maintenance charge/ fee as mentioned in the Schedule hereto or as may be prescribed by the Bank from time to time.
18. The Borrower shall not be entitled for premature closure (i.e. closure before the expiry of the Tenure) of the Facility for a period of 6 (six) months from the date of execution of this Document. After the said period of 6 (six) months from the date of execution of this Document, in the event the Borrower is desirous of premature closure of the Facility by prepaying all the Outstanding Balance and terminating this Facility, the Borrower shall be liable to pay to the Bank such premature closure charges as mentioned in the Schedule hereto or as may be prescribed by the Bank from time to time.
19. Any payments made by/on behalf/ for the Borrower or any realisations in relation to the Facility, security, shall be apportioned towards the Outstanding Balance and/ or Liabilities (as defined hereinafter) in the following order: (a) Firstly, towards costs and expenses incurred by the Bank; (b) Secondly, towards any charges, commissions, fees, taxes, levies (wherever applicable); (c) Thirdly, towards additional/ default interest; (d) Fourthly, towards interest; (e) Fifthly, towards principal amount(s). Provided that the Bank may however change the aforesaid order in its sole discretion and appropriate any payment in any manner and in any order of priority as it deems fit.
20. The Borrower hereby irrevocably and unconditionally authorizes the Bank to debit the Account or any other account of the Borrower and appropriate any amounts therefrom, without any notice to or consent from the Borrower, for payment/ repayment by the Borrower to the Bank of the Outstanding Balance as and when any part of it becomes due including for the Reduction Amount, interest, charges, other moneys, etc.
21. Any statement of account furnished by the Bank shall be accepted by and be binding on the Borrower(s) and shall be conclusive proof of the correctness of the amounts mentioned therein.



22. The Bank reserves an unconditional right to cancel/ terminate the right of the Borrower to avail of the Facility or make drawals/transfers from the Account at any time during the currency of this Document, without any prior notice to the Borrower. Notwithstanding anything stated in any document, the continuation of the Facility shall be at sole and absolute discretion of the Bank and the Bank may at any time in its sole discretion and without assigning any reason call upon the Borrower to pay the Outstanding Balance and upon such demand by the Bank, the Borrower shall, within 48 hours of being so called upon, pay the whole of the Outstanding Balance to the Bank without any delay or demur.
23. The tenure / interest rate and frequency of payment/ other terms and conditions of the Facility are subject to change as a consequence to any change in the money market conditions or on account of any other statutory or regulatory requirements or at the Bank's discretion. The Bank reserves the right to review and amend the terms of the Facility in such manner and to such extent as it may deem fit.
24. The Bank may at its own discretion and upon Borrower's request, also finance the Borrower for the insurance premium of insurance policy taken by Borrower as per Borrower's own wish from any insurance company of Borrower's choice, which sum(s) shall be added to the principal amount under the Facility and all the terms and conditions shall be additionally applicable thereto. All expenses, charges, fees, taxes etc. as applicable on any such insurance shall be incurred and paid by the Borrower, however in case paid by the Bank on Borrower's behalf, the Borrower shall reimburse the same to the Bank within 24 hours of the Bank's demand. The Borrower shall instruct the insurance company to add the Bank as loss payee in any such insurance policy.
25. The Borrower shall furnish and create and/or procure creation from such persons, such security/margin ("Security") from time to time in favour of or for the benefit of the Bank, of such value, in such form and in such manner, as may be deemed fit by the Bank, forthwith upon so required by the Bank.
26. The Bank shall also have the right to stipulate any other and further terms and conditions that it may deem fit at any time prior to or after the grant of the Facility, which shall be binding on the Borrower.
27. Each of the Borrowers represent(s) and warrant(s) that (which shall be deemed to have been repeated to the Bank on the date of the Disbursement and on each date thereafter till entire repayment): (a) The Borrower (if an individual) or each of the partners (in case the Borrower is a partnership firm), is a citizen of India. The Borrower (in case an individual) or each of the partners (in case the Borrower is a partnership firm) is a major (in terms of age) and is of sound mind and is competent to contract and enter into and perform his/her obligations contemplated under this document/ other document/in respect of the Facility; (b) There is no impediment or restriction, whether under law, judgment, order, award, contract or otherwise, for any of the Borrowers entering into and/or performing any of the transactions contemplated by this document/other documents/ in respect of the Facility and all approvals and consents, wherever necessary have been duly obtained and are and will continue to be in full force. (c) The execution hereof constitutes legal, valid and binding obligations of the Borrower. The Borrower is duly empowered and authorised to borrow the Facility, enter into and/or performing any of the transactions contemplated by this document/other documents/ in respect of the Facility, including in terms of its constitutional documents where applicable and all due corporate/other action and due corporate/ other authorisations, therefor, where applicable have been completed and are in place and in force; (d) That there is no Event of Default existing; (e) All declarations made by Borrower are true and complete and no material information has been suppressed / withheld. (f) that the Borrower has paid and will pay when due, all public demands such as income tax, property taxes and all other taxes and revenues payable to the government or any local body/ authority. There are no proceedings pending against the Borrower or any of the Borrower's properties under the provisions of the Income Tax Act, 1961. (g) The directors, partners or trustees of the Borrower or any person in a similar fiduciary relation with the Borrower has not received and will not be receiving any commission or remuneration, in case they provide guarantee for the Facility availed by the Borrower under this Document.
28. The Borrower shall notify the Bank of any change in the terms or place of employment, business or profession of the Borrower within seven days of such change.
29. The Borrower shall maintain adequate insurances on and in relation to its business, assets and properties with an insurance company/ companies against such risks and to such extent as is usual and appropriately prudent for entities carrying on the business such as that carried on by the Borrower; in particular, maintain adequate insurances on and in relation to the Security created in favour of the Bank to secure the Facility, which are customarily insured with the name the Bank as loss payee in all such policies and deliver to the Bank evidence of the same. All the insurance policies of the Borrower/its assets shall be assigned in favour of the Bank and/or the Bank shall be made loss payee in respect of each of the insurance policies and an endorsement to this effect obtained from the insurer should be furnished to the Bank.
30. The Borrower shall notify the Bank of any change in his Non Resident Indian/ Person of Indian Origin status to Resident status, if the Borrower has taken the Facility in the status of Non Resident Indian/ Person of Indian Origin, and vice versa.
31. The Borrower shall, at such intervals as the Bank may require, deliver its duly audited financial statements and any other documents as may be required by the Bank to the Bank.
32. Negative Covenants: The Borrower covenants and agrees that, save and except with the prior, specific and express written consent of the Bank, the Borrower shall not: (a) create, assume or incur any further indebtedness to any person; or lend or advance any amounts to any person; or undertake any guarantee or security obligation; (b) except in favour of the Bank, sell, license, let, lease, transfer, alienate, dispose of in any manner whatsoever, surrender or otherwise encumber any of its assets, rights, title or interest, receivables, or any part thereof; or create, facilitate or permit to exist any charge, mortgage, hypothecation, pledge, encumbrance or lien of any kind whatsoever over any of its property or

grant any option or other right to purchase, lease or otherwise acquire, any such assets or part thereof; (c) (in case the Borrower is company) declare any dividend; or change its capital structure or shareholding pattern in any manner; or make any amendments to its constitutional documents; or issue any new shares or securities; or purchase, redeem, buyback or reduce any or all of its share capital or otherwise make any payment in respect thereof; or enter into any compromise arrangement with its shareholders or creditors, or pass a resolution of voluntary winding up or implement any scheme for restructuring, reconstruction, consolidation, amalgamation, merger or other similar purposes; (d) permit or effect any direct or indirect change in the legal or beneficial ownership or control; (e) change business, or enter into any new business or line of business or effect any material change in the management; (f) change/ cease/ retire from/ terminate/ resign from the present employment/ profession/business disclosed in the Application; or change, terminate or open any bank account. (g) Further, in case the Borrower is a company, it shall not induct on its board of directors, a person whose name appears in the list of wilful defaulters and in case, such a person is found to be on its board, it would take expeditious and effective steps for removal of the person from its board of directors.

33. The following events shall constitute events of default (each an "Event of Default"), and upon the occurrence of any of them or any event which after a lapse of time is capable of becoming an Event of Default takes place the entire Outstanding Balance shall become immediately due and payable by the Borrower and without prejudice to any other rights and remedies of the Bank and/or further enable the Bank inter alia to recall the entire Outstanding Balance and/or terminate the operations under Facility and/or enforce any security and transfer/sell the same and/or take, initiate and pursue any actions/proceedings as deemed necessary by the Bank for recovery of the dues: (a) Failure on Borrower's part to perform any of the obligations or terms or conditions or covenants applicable in relation to the Facility including under this document/other documents including non-payment in full of any part of the Outstanding Balance when due or when demanded by Bank; (b) any misrepresentations or misstatement by the Borrower; or (c) occurrence of any circumstance or event which adversely affects Borrower's ability/capacity to pay/repay the Outstanding Balance or any part thereof or perform any of the obligations; (d) If any attachment, distress, execution or other process against the Borrower/its assets or any of the security is threatened, enforced or levied upon by any person; or (e) fall, reduction or decrease, in the opinion of the Bank, in value of any security lower than the value required by the Bank; (f) the event of death, insolvency, winding up, failure in business, commission of an act of bankruptcy of the Borrower, or change or termination of employment/profession/business for any reason whatsoever. (g) Cross Default: If the Borrower has made any default under any other contract with any other person or default in payment/repayment of any amounts to any other person including any other bank or financial institution.
34. Notwithstanding anything to the contrary in this document or any other document/arrangement: (i) in respect of all and any of Borrower's present and future liabilities to the Bank, its affiliates, group entities, associate entities, parent, subsidiaries, any of their branches (collectively "Relevant Entities"), whether under this document or under any other obligation/loan/facilities/borrowings/document, whether such liabilities are/be crystallised, actual or contingent, primary or collateral or several or jointly with others, whether in same currency or different currencies, whether as principal debtor and/or as guarantor and/or otherwise howsoever (collectively "Liabilities"), each of the Bank and the Relevant Entities shall in addition to any general lien or similar right to which any of them as bankers may be entitled by law, practice, custom or otherwise, have a specific and special lien on all the Borrower's present and future stocks, shares, securities, property, book debts, all moneys in all accounts whether current, savings, overdraft, fixed or other deposits, held with or in custody, legal or constructive, with the Bank and/or any Relevant Entities, now or in future, whether in same or different capacity of the Borrower, and whether severally or jointly with others, whether for any banking relationship, safe custody, collection, or otherwise, whether in same currency or different currencies; and (ii) separately, each of the Bank and the Relevant Entities shall have the specific and express right to, without notice to and without consent of the Borrower, set-off, transfer, sell, realize, adjust, appropriate all such amounts in all accounts (whether prematurely or upon maturity as per the Bank's discretion), securities, amounts and property as aforesaid for the purpose of realizing or against any of dues in respect of any of the Liabilities whether ear-marked for any particular Liability or not, combine or consolidate all or any of accounts of the Borrower and set-off any monies, whether of same type or nature or not and whether held in same capacity or not including upon happening of any of the events of default mentioned in any of the documents pertaining to the respective Liabilities or upon any default in payment of any part of any of the Liabilities. (iii) The Bank and the Relevant Entities shall be deemed to have and hold and continue to have first charge on any assets including any deposit on which security has been/will be created in respect of the Facility, as security also for any of the other Liabilities and all the rights and powers vested in the Bank in terms of any security or charge created for the Facility shall be available to the Bank and/or the Relevant Entities also in respect of such other Liabilities, irrespective of the fact whether the Facility is at any time outstanding, repaid or satisfied or not and even after the Facility has been repaid or prepaid.
35. The Borrower shall make good to, and save, defend and hold harmless Bank, its directors, employees, shareholders, agents, consultants, representatives from or against all, direct or indirect, claims, damages, losses, costs and expenses, including attorneys' fees arising out of/ in relation to any act, omission, breach, misrepresentation, fraud, misstatement or default by the Borrower and/or otherwise incurred by Bank as a result of any suit, investigation, etc, any other matter for any reason.
36. The Bank shall at any time, without any consent of or notice to the Borrower(s) be entitled to securitise, sell, assign, discount or transfer all or any part of the Bank's rights and obligations under the Facility, this document or any other document, to any person(s) and in such manner and on such terms as the Bank may decide. Borrower shall not be entitled to directly or indirectly assign or in any manner transfer, whether in whole or part, any rights, the benefit or obligation under the Facility, this document/other document.
37. Bank shall be entitled at its discretion to engage/ avail of, at the risk and cost of the Borrower, services of any person/ third party service provider/agent/agency, for anything required to be done for/ in relation to/ pursuant to the Facility, including

collections, recovery of dues, enforcement of security, getting or verifying any information of the Borrower/ assets, and any necessary or incidental lawful acts/ deeds/ matters and things connected thereto, as the Bank may deem fit.

38. The Bank shall have the right to not return the Application, the photographs, information and documents submitted by the Borrower. The Bank shall, without notice to or without any consent of the Borrower, be absolutely entitled and have full right, power and authority to make disclosure of any information relating to Borrower including personal information, details in relation to documents, Facility, defaults, security, obligations of Borrower, to the Credit Information Bureau of India (CIBIL) and/or any other governmental/regulatory/statutory or private agency/entity, credit bureau, RBI, the Bank's other branches/ subsidiaries / affiliates / rating agencies, service providers, other banks / financial institutions, any third parties, any assignees/potential assignees or transferees, who may need the information and may process the information, publish in such manner and through such medium as may be deemed necessary by the publisher/ Bank/ RBI, including publishing the name as part of willful defaulter's list from time to time, as also use for KYC information verification, credit risk analysis, or for other related purposes. The Borrower waives the privilege of privacy and privity of contract. The Bank shall have the right, without notice to or without any consent of the Borrower, to approach, make enquiries, obtain information, from any person including other banks/finance entities/credit bureaus, Borrower's employer/family members, any other person related to the Borrower, to obtain any information for assessing track record, credit risk, or for establishing contact with the Borrower or for the purpose of recovery of dues from the Borrower.
39. The Borrower shall permit inspection of all books of accounts and other records maintained by the Borrower or the Borrower's agent at any place in respect of the Facility to the persons authorized by the Bank. The Borrower shall also permit similar inspection by such other companies, other Banks, institutions, credit bureaus or bodies as the Bank may appoint or authorize for the purpose of the Facility granted by the Bank.
40. Any notice, approvals, instructions, demand and other communications given or made by the Bank shall be deemed to be duly given and served if sent by courier, normal post, Registered Post, facsimile, electronic mail, personal delivery, sms or by pre-paid registered mail addressed to the Borrower's address, phone/ mobile number, fax number or email as given in the Application (or at the address changed on which Bank's acknowledgement is duly obtained as hereinafter mentioned) and such notice and service shall be deemed to take effect on the third working day following the date of the posting thereof in case of courier, normal post, registered post, at the time of delivery if given by personal delivery, upon receipt of a transmission report if given by facsimile, upon sending the electronic mail or sms if given by electronic mail or sms. The Borrower undertakes to keep the Bank informed at all times in writing of any change in the mailing address, email id, phone and mobile number(s) as provided in the Application and to obtain Bank's written acknowledgement on the intimation given to Bank for any such change.
41. The Facility, this document/other documents, shall be governed by the laws of India. The parties hereto expressly agree that all disputes arising out of and/or relating to the Facility, this document or any other relevant document shall be subject to the exclusive jurisdiction of the court/tribunal of the city/place in which the branch of the Bank from where the Facility is sanctioned/Account is opened, is situate, provided that the exclusivity aforesaid shall bind the Borrower and the Bank shall be entitled to pursue the same in any other court of competent jurisdiction at any other place; and provided further that if any dispute is below the pecuniary jurisdiction limit of the Debts Recovery Tribunals established under the Recovery of Debts Due to Banks and Financial Institutions Act, 1993, then such dispute shall be referred to arbitration in accordance with the provisions of the Arbitration and Conciliation Act, 1996 as may be amended, or its re-enactment, by a sole arbitrator, appointed by the Bank. The costs of such arbitration shall be borne by the losing Party or otherwise as determined in the arbitration award. If a party is required to enforce an arbitral award by legal action of any kind, the party against whom such legal action is taken shall pay all reasonable costs and expenses and attorney's fees, including any cost of additional litigation or arbitration taken by the party seeking to enforce the award.
42. This document, Application and other documents have been explained to the Borrower in the language known to the Borrower and the Borrower has read and understood the same.
43. 43. "Payment by Mistake, Accident or Error (a) The Borrower hereby agrees and confirms that in the event the Bank transfers or remits any money to the Borrower or in its account by mistake, accident or erroneously, which money is, in the sole opinion of the Bank, not due and/or payable to the Borrower, then the Borrower shall be obligated to and shall, without any delay, demur or protest, forthwith and in no event later than one business day of such transfer/remission or on first demand by the Bank (whichever is earlier), return and repay the said money to the Bank in a manner satisfactory to the Bank. Till such return and repayment of the said money by the Borrower to the Bank, the Borrower shall hold the same in trust for the benefit of the Bank, keep such money segregated from all other moneys of the Borrower and keep it free from any attachment.  
(b) The Borrower hereby acknowledges and agrees that any non-compliance of the aforesaid obligations shall be a breach of trust and fiduciary duties on the part of the Borrower. The Borrower hereby further agrees and confirms that in case the Borrower fails to return the money within the timelines as mentioned above, the Borrower shall be liable to pay interest on such money to the Bank at the same rate as applicable to the Loan granted in terms of this Agreement.  
(c) Without prejudice to the foregoing, the Borrower hereby agrees and confirms that the Bank shall have the right to, at its sole and absolute discretion (a) debit any account or accounts of the Borrower maintained with the Bank and recover such money, under intimation to the Borrower, and/or (b) recover such money from the future disbursements (if any) of the Loan.  
(d) The Borrower further agrees that such money which has been transferred or remitted by the Bank to Borrower or in its account by mistake, accident or erroneously, shall be deemed to be a part of the total outstanding said Dues payable by the Borrower to the Bank in terms of this Agreement and other Finance Documents, in case and till such time that the said money has not been returned and repaid to the Bank in the manner as stated above."



**SCHEDULE-CUM-KEY FACT STATEMENT**

Place of Execution of this document		Date of Execution of this document	
Lending Office Details: The Bank may in its discretion change the Lending Office from time to time			
Name and Address of Borrower and Co-Borrower(s)			
(a) Name Address: Constitution:		(b) Name Address: Constitution:	
(c) Name Address: Constitution:		(d) Name Address: Constitution:	
Initial Overdraft Limit:		Tenure of Overdraft Facility:	Purpose:
Interest Rate (percentage per annum) (Fixed Rate): = ____ %p.a.		Default Interest Rate: [•] % p.a. on the amounts due	
Details of Security/ Collateral: As may be acceptable to the Bank		Mode of communication of changes in interest rates: Email/ Letter/ Bank Website/ Notice at the Branches/ SMS/ Annexure to Statement of Accounts	
Annual Maintenance Charges		Date by which annual outstanding balance statement will be issued: 31st May	
Premature Closure Charges: (a) No closure allowed at Borrower's request in first 6 months from the date of the execution of this Document (b) After 6 months from the date of execution of this Document till expiry of 24 months from the date of execution of this Document: 4% of the applicable Outstanding Balance (c) After 24 months from the date of execution of this Document till expiry of 36 months from the date of execution of this Document: 3% of the applicable Outstanding Balance (d) After 36 months from the date of execution of this Document: 2% of the applicable Outstanding Balance • Government Taxes and other levies as applicable shall be charged additionally to the Borrower.		Under-utilization/ Commitment Charges: If average quarterly utilization <30% charges of 0.10% will be charged on the difference between the actual utilization and expected average utilization of 30%. Charges to be levied quarterly. Minimum charges levied would be Rs.5000/-	
Other Charges: (a) Processing Charges (Amount): (b) Government Taxes and other levies on Processing Charges: As per Applicable Law (c) Repayment mode change charges: Rs. 500/- per incident (d) Cheque / ACH / SI Return Charges (without prejudice to the civil and criminal rights and remedies of the bank for the dishonour : Rs 450+taxes per instance (e) Taxes: At actual, applicable presently or in future (f) Legal Collection and Incidental charges: At actuals (g) Stamp Duty and other Statutory Charges: As per Applicable Law (h) All other Charges, Commissions and Fees shall be applicable at the rate mentioned in the application form or as stipulated by the Bank from time to time and are exclusive of Taxes and Statutory levies as applicable.			

Co-Borrower(s)/ Authorized Signatory of the Co-Borrower  
Name and Designation

Borrower/ Authorized Signatory of the Borrower  
Name and Designation

Signed and Delivered by/ for and on behalf of the Borrower & Co-Borrower(s) in token of and in witness of them having read (and/or being explained), verified, understood, irrevocably agreed to, accepted, confirmed and declared all the clauses of the 'Terms and Conditions of BLDOD document, the Schedule, all contents thereof including all the terms and conditions contained therein, and authenticated accuracy and correctness of the same.

IN WITNESS WHEREOF THE BORROWER HAS SIGNED AND DELIVERED THE \_\_\_\_\_ AS UNDER:  
Signed and Delivered by/ for and on behalf of the Borrower & Co-Borrower(s) in token of and in witness of them having read (and/or being explained), verified, understood, irrevocably agreed to, accepted, confirmed and declared all the clauses viz. \_\_\_\_\_ to \_\_\_\_\_ on all the page no's \_\_\_\_\_ to \_\_\_\_\_ of this document, the Schedule, all contents thereof including all the terms and conditions contained therein, and having authenticated accuracy and correctness of the same:

Name of the Borrower(s) \_\_\_\_\_ (Signature)  
Authorised Signatory Name \_\_\_\_\_ Designation \_\_\_\_\_

OR (In case of Common Seal affixation)

The Common Seal of \_\_\_\_\_ Ltd  
has been affixed pursuant to the Resolution of Board of Directors  
passed on \_\_\_\_\_ in the presence of:

(name) \_\_\_\_\_, (designation) \_\_\_\_\_, Signature \_\_\_\_\_

(name) \_\_\_\_\_, (designation) \_\_\_\_\_, Signature \_\_\_\_\_

(name) \_\_\_\_\_, (designation) \_\_\_\_\_, Signature \_\_\_\_\_

who have signed in token thereof and also in token of, for and on behalf of the Borrower, having read, verified, understood, irrevocably agreed to, accepted, confirmed and declared all the clauses viz. \_\_\_\_\_ to \_\_\_\_\_ on all the page no's \_\_\_\_\_ to \_\_\_\_\_ of this document, the Schedule, all contents thereof including all the terms and conditions contained therein, and having authenticated accuracy and correctness of the same

SIGNED AND DELIVERED BY THE WITH IN NAMED BANK  
HDFC BANK LIMITED  
BY THE HANDS OF AUTHORISED SIGNATORY Mr. \_\_\_\_\_

WITNESS DECLARATION BORROWER (S) SIGNS IN VERNACULAR LANGUAGE: The contents of the following legal documents given below, have been explained by me to the Borrower in \_\_\_\_\_  
(name of language in which Borrower have signed) and the same have been understood by the Borrower.

List of Legal Documents: 1.

2.

3.

Name of Witness	Address of Witness	Signature of Witness

Signature of Borrower: \_\_\_\_\_

**Do not sign this agreement if it is BLANK. Please ensure all relevant sections and columns are completely filled to your satisfaction and then only sign the agreement.**

## SCHEDULE

Loan Agreement No.		Place of execution of Agreement	
Address of the concerned Branch office of the Bank	HDFC Bank Address: The Bank may in its discretion change the concerned Branch from time to time	Sanction Letter	Reference no: Date:
Agreement Date (DD/MM/YYYY)			
Name & Address of the Borrower			
Name & Address of the Co-Borrower		Account	
Jurisdiction (if other than Mumbai)		No. of Cheques	
<b>LOAN DETAILS</b>			
Maximum Overdraft Limit	Rs. In words	Tenure	Months
Interest Rate (IRR)	% per annum		
<b>CHARGES / FEES</b>			
Processing Charges/ Fees	% of the Loan Amount	Processing Charges Amount	Rs.
Annual Maintenance Fee		Overdraft Statement / Repayment Schedule Charges (per Statement)	Rs.500/-
Management Fees		Default Interest	_____ % per annum
		Premature Closure Charges (Closure permitted only after 6 months from the date the Facility is first made available for drawal)	4% on the Operating Limit for the relevant Unit Operating Period
Transaction fees / Other Charges	Rs.	Legal Collection & Incidental Charges	At Actuals
		Duplicate no due certificate / NOC	Rs.250/-



### **Additional Schedule cum Key Fact Statement**

This additional Schedule / Key fact statement shall be in addition to and not in derogation of the commercials covered in the existing Schedule/Key fact statement of the loan agreement and that the details incorporated in this additional Schedule/Key fact statement shall be deemed to be part of the loan agreement dated \_\_\_\_\_ and are deemed to be replicated in the said loan agreement.

#### Concepts / Clarifications / Illustrative examples

**Dues:**

mean, the principal/interest/ any charges levied on the loan account which are payable within the period stipulated as per the terms of sanction of the credit facility.

**Overdue:**

mean. the principal I interest/ any charges levied on the loan account which are payable ,but have not been paid within the period stipulated as per the terms of sanction of the credit facility. In other words, any amount due to the bank under any credit facility is 'overdue' if it is not paid on the due date fixed by the bank.

**Relevance of the Principle of 'First In First Out' (FIFO) in appropriation of payments into the borrowal account:**

The Principle of FIFO i.e., 'First In, First Out' accounting method is relevant to arrive at the No.of days of overdue for determining the SMA I NPA status. The FIFO principle assumes that, the oldest outstanding dues in the loan account needs to be cleared first .The FIFO method thus requires that what is due first must be paid by the borrower first. For example;

if in any loan account as on 01.02.2021 there are no overdues and an amount of Rs. X is due for payment towards principal instalment/interest/charges , any payment being credited on or after 01.02.2021 in the loan account will be used to payoff the dues outstanding on 01.02.2021

Assuming that nothing is paid lor there is partial payment (Rs Y) of dues during the month of February, the overdue as on 01.03.2021 will be Rs .X-Y.

Additionally, an amount of Rs.Z becomes due as on 01.03.2021, Now any payment I partial payment into the account on or after 01.03.2021 will be first utilized to payoff the partial due of 01.02.2021 ( Rs X - Rs.Y) If there is more recovery than the Rs X - Rs Y. then. After recovering dues of 01.02.2021, the remaining amount will be treated as recovery towards due of 01.03.2021.

**Age of oldest Dues:**

The age of oldest dues is reckoned in days from the date on which the oldest payment is due and continues to remain unpaid In the aforesaid illustration, if the Dues relating to 1st February 2021 remain unpaid till 01.03.2021, the age of the oldest dues is reckoned as 29 days on 02.03.2021.

**Classification as Special Mention Account (SMA) and Non-Performing Asset (NPA)**

ending institutions will recognize the incipient stress in loan accounts, immediately on Default,by classifying them as Special Mention Accounts (SMA) The basis of classification of SMA/ NPA Category shall be as follows:

Loan in the nature of Term Loans		Loans in the nature of cash credit / over draft	
SMA Sub-categories	Basis for classification – Principal or interest payment or any other amount wholly or partly overdue	SMA Sub-categories	Basis for classification – Outstanding balance remains continuously in excess of the sanctioned limit or drawing power, whichever is lower, for a period of
SMA-0	Upto 30 days		
SMA-1	More than 30 days and upto 60 days	SMA-1	More than 30 days and upto 60 days
SMA-2	More than 60 days and upto 90 days	SMA-2	More than 60 days and upto 90 days

The asset classification norms of Agricultural advances which are based on Crop Season shall continue as hitherto.

### Non-performing Asset:

Non-Performing Asset (NPA) is a loan or an advance where:

- interest and/ or instalment of principal remains overdue for a period of more than 90 days in respect of a term loan,
- the account remains 'out of order' as indicated below, in respect of an Overdraft/Cash Credit (OD/CC),
- the bill remains overdue for a period of more than 90 days in the case of bills purchased and discounted,
- the instalment of principal or interest thereon remains overdue for two crop seasons for short duration crops,
- the instalment of principal or interest thereon remains overdue for one crop season for long duration crops.

### Out of Order' Status:

An account shall be treated as 'out of order' if:

- the outstanding balance in the CC/OD account remains continuously in excess of the sanctioned limit/drawing power for 90 days, or
- the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but there are no credits continuously for 90 days, or the outstanding balance in the CC/OD account is less than the sanctioned limit/drawing power but credits are not enough to cover the interest debited during the previous 90 days period.

Illustrative movement of an account to SMA category to NPA category based on delay / nonpayment of dues and subsequent upgradation to Standard category at day end process:

Due date of payment	Payment Date	Payment covers	Age of oldest dues in days	SMA / NPA gorisation	SMA since / SMA class date	NPA categorization	NPA Date
01.01.2022	01.01.2022	Entire dues upto 01.01.2022	0	NIL	NA	NA	NA
01.02.2022	01.02.2022	Partly paid dues of 01.02.2022	1	SMA-0	01.02.2022	NA	NA
01.02.2022	02.02.2022	Partly paid dues of 01.02.2022	2	SMA-0	01.02.2022	NA	NA

01.03.2022		Dues of 01.02.2022 not fully paid 01.03.2022 is also due at EOD 01.03.2022	29	SMA-0	01.02.2022	NA	NA
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
		No payment of full dues of 01. 02.2022 AND 01.03.2022 at EOD 03.03.2022	31	SMA-1	01.02.2022		
/ 03.03.2022	NA	NA					
		Dues of 01.02.2022 fully paid, Due for 01.03.2022 not fully paid at EOD 01.03.2022	1	SMA-0	01.03.2022	NA	NA
01.04.2022		No payment of dues of 01.02.2022, 01.03.2022 and amount due on 01.04.2022 at EOD 01.04.2022	60	SMA1	01.02.2022 / 03.03.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.04.2022 at EOD 02.04.2022	61	SMA 2	01.02.2022 / 02.04.2022	NA	NA
01.05.2022		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 01.05.2022	90	SMA 2	01.02.2022 / 02.04.2022	NA	NA
		No payment of dues of 01.02.2022 till 01.05.2022 at EOD 02.05.2022	91	NPA	NA	NPA	02.05.2022
01.06.022	01.06.022	Fully paid dues of 01.02.2022 at EOD 01.06.022	93	NPA	NA	NPA	02.05.2022
01.07.022	01.07.022	Paid entire dues of 01.03.2022 & 01.04.2022 at EOD 01.07.2022	62	NPA	NA	NPA	02.05.2022
01.08.022	01.08.022	Paid entire dues of 01.05.2022 & 01.06.2022 at EOD 01.08.2022	32	NPA	NA	NPA	02.05.2022
01.09.022	01.09.022	Paid entire dues of 01.07.2022 & 01.08.2022 at EOD 01.09.2022	1	NPA	NA	NPA	02.05.2022
01.10.022	01.10.022	Paid entire dues of 01.09.2022 & 01.10.2022	0	Standard Account with No Over dues	NA	NA	STD from 01.10.2022

I/we also understand that the aforesaid few examples are illustrative and not exhaustive in nature covering common scenarios, and that, the IRACP norms and clarifications provided by RBI on the subjects referred above will prevail

Yours faithfully,

Name of the Borrower(s) \_\_\_\_\_ (Signature) : \_\_\_\_\_

Name of the Co-Borrower (S) / Guarantor (S) \_\_\_\_\_ (Signature) : \_\_\_\_\_

Date:

Place:



## SCHEDULE

Loan Agreement No.		Place of execution of Agreement	
Address of the concerned Branch office of the Bank	HDFC Bank Address: The Bank may in its discretion change the concerned Branch from time to time	Sanction Letter	Reference no: Date:
Agreement Date (DD/MM/YYYY)			
Name & Address of the Borrower			
Name & Address of the Co-Borrower		Account	
Jurisdiction (if other than Mumbai)		No. of Cheques	
<b>LOAN DETAILS</b>			
Maximum Overdraft Limit	Rs. In words	Tenure	Months
Interest Rate (IRR)	% per annum		
<b>CHARGES / FEES</b>			
Processing Charges/ Fees	% of the Loan Amount	Processing Charges Amount	Rs.
Annual Maintenance Fee		Overdraft Statement / Repayment Schedule Charges (per Statement)	Rs.500/-
Management Fees		Default Interest	_____ % per annum
		Premature Closure Charges (Closure permitted only after 6 months from the date the Facility is first made available for drawal)	4% on the Operating Limit for the relevant Unit Operating Period
Transaction fees / Other Charges	Rs.	Legal Collection & Incidental Charges	At Actuals
		Duplicate no due certificate / NOC	Rs.250/-



The Borrower declares that the Agreement was duly read and understood by him/her/it prior to affixing signatures(s) hereunder.

**THE PARTIES HERETO HAVE SIGNED THIS AGREEMENT IN ACCEPTANCE OF ALL THE TERMS AND CONDITIONS STATED HEREINABOVE ON THE DAY AND PLACE AFOREMENTIONED.**

In case of a Individual

Name of the individual  
Signature of the Individual

In case of a Company

**IN WITNESS WHERE OF** the common seal of the Company has been hereunto affixed the day and year first hereinabove mentioned in the Schedule of this Agreement.

The Common Seal of \_\_\_\_\_ Ltd. has been affixed hereunto pursuant to the Resolution of the Board of Directors dated \_\_\_\_\_ in the presence of.

1. \_\_\_\_\_

2. \_\_\_\_\_

the Director/s and/or the \_\_\_\_\_ who have in token thereof, subscribed their signature hereto.

(If Borrower is a company, the person(s) authorised under Board Resolution to sign on behalf of the Company under Company Seal as per Articles of Association).

In case of Partnership firm/Limited Liability Partnership (LLP)

**IN WITNESS WHERE OF** the Partners of the Firm/ LLP have set and subscribed their respective hands hereto, the day and year first hereinabove mentioned the Schedule of this Agreement for \_\_\_\_\_

(Name of the Partnership Firm/ LLP)

(Partners)

In case of Proprietary Concern

**IN WITNESS WHERE OF** the Proprietor has set and subscribed his/ her hand hereto, the day and year first hereinabove mentioned at \_\_\_\_\_ for \_\_\_\_\_ (Name of the Prop. Concern)

Proprietor



**DEMAND PROMISSORY NOTE**  
**(for individuals)**

To,

The Manager,  
HDFC Bank Limited.

Dated: \_\_\_\_\_

Place: \_\_\_\_\_

Dear sirs,

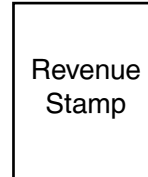
ON DEMAND I/ We, \_\_\_\_\_ residing at \_\_\_\_\_  
\_\_\_\_\_ jointly and severally, unconditionally promise to pay to HDFC  
Bank Limited, or order at its Office/ Branch at \_\_\_\_\_, the sum of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_  
\_\_\_\_\_ only) together with interest thereon from the date hereof till the date of  
repayment in full at the rate of \_\_\_\_\_ per cent per annum or such other rate as the Bank may fix from time to time,  
payable with monthly rests, for value received.

Presentment for payment, noting and protest of the note are hereby unconditionally and irrevocably waived.

Rs. \_\_\_\_\_/-

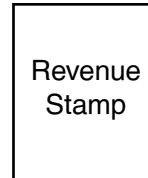
Rupees \_\_\_\_\_ only

Mr./Ms. / Mrs. \_\_\_\_\_  
(Borrower)



(Please sign across revenue stamp)

Mr./Ms. / Mrs. \_\_\_\_\_  
(Co-Borrower)



(Please sign across revenue stamp)



**LETTER OF CONTINUITY  
(for individuals)**

To,

Dated: \_\_\_\_\_

The Manager,  
HDFC Bank Limited.

Place: \_\_\_\_\_

Dear sirs,

I/ We, \_\_\_\_\_ residing at \_\_\_\_\_,  
enclose my/our Promissory note for a sum of  
Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) dated \_\_\_\_\_  
payable on demand which is given to you as security for the repayment by me/us to HDFC Bank Limited of any sum  
now due or which may hereafter be or become due from me/us to HDFC Bank Limited in respect of the Dropline  
Overdraft Facility (hereinafter referred to as the 'Facility') notwithstanding the fact that the Facility may from time to time  
be reduced or extinguished, the intention being that the security shall be a continuing security at all times for the said  
Facility or any other facilities obtained by me/ us and payable to HDFC Bank Limited.

Yours truly,

\_\_\_\_\_  
(Borrower)

\_\_\_\_\_  
(Co-borrower)





**DEMAND PROMISSORY NOTE**  
**(for company/ partnership/ trust/ LLP, etc)**

To,

Dated: \_\_\_\_\_

The Manager,  
HDFC Bank Limited.

Place: \_\_\_\_\_

Dear sirs,

ON DEMAND I/ We, \_\_\_\_\_, a company incorporated under the provisions of the Companies Act, 1956/ partnership firm registered with the Registrar of Firms / sole proprietor/ trust/ LLP/ HUF having registered office/ place of business at \_\_\_\_\_ and acting through Mr./ Mrs./ Ms. \_\_\_\_\_ who is duly authorised in that behalf vide Board Resolution/ Letter of Authority/ Power of Attorney dated \_\_\_\_\_, unconditionally promise to pay to HDFC Bank Limited, or order at its Office/ Branch at \_\_\_\_\_, the sum of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) together with interest thereon from the date hereof till the date of repayment in full at the rate of \_\_\_\_\_ per cent per annum or such other rate as the Bank may fix from time to time, payable with monthly rests, for value received.

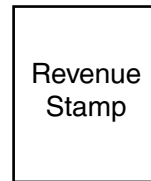
Presentment for payment, noting and protest of the note are hereby unconditionally and irrevocably waived.

Rs. \_\_\_\_\_/-

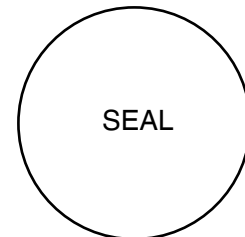
Rupees \_\_\_\_\_ only

In case of Company,  
The Common Seal of \_\_\_\_\_ Limited has been affixed hereunto pursuant to the Resolution of the Board of Directors dated \_\_\_\_\_ in the presence of:

1. \_\_\_\_\_
2. \_\_\_\_\_



(Please sign across revenue stamp)



the Director/s and/or the \_\_\_\_\_ who have in token thereof, subscribed their signature hereto.

In case of others,

Mr./Ms. / Mrs. \_\_\_\_\_  
(Authorised Signatory/ Proprietor)



**LETTER OF CONTINUITY**  
**(for company/ partnership/ trust/ LLP, etc)**

To,

Dated: \_\_\_\_\_

The Manager,  
HDFC Bank Limited.

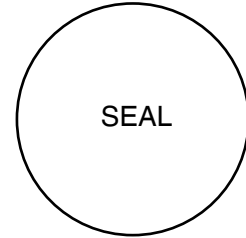
Place: \_\_\_\_\_

Dear sirs,

I/ We, a company incorporated under the provisions of the Companies Act, 1956/ partnership firm registered with the Registrar of Firms / sole proprietor/ trust/ LLP/ HUF having registered office/ place of business at \_\_\_\_\_ and acting through Mr./ Mrs./ Ms. \_\_\_\_\_ who is duly authorised in that behalf vide Board Resolution/ Letter of Authority/ Power of Attorney dated \_\_\_\_\_, enclose my/our Promissory note for a sum of Rs. \_\_\_\_\_/- (Rupees \_\_\_\_\_ only) dated \_\_\_\_\_ payable on demand which is given to you as security for the repayment by me/us to HDFC Bank Limited of any sum now due or which may hereafter be or become due from me/us to HDFC Bank Limited in respect of the Dropline Overdraft Facility (hereinafter referred to as the 'Facility') notwithstanding the fact that the Facility may from time to time be reduced or extinguished, the intention being that the security shall be a continuing security at all times for the said Facility or any other facilities obtained by me/ us and payable to HDFC Bank Limited.

Yours truly,

In case of Company,  
The Common Seal of \_\_\_\_\_ Limited has been affixed hereunto pursuant to the Resolution of the Board of Directors dated \_\_\_\_\_ in the presence of:



1. \_\_\_\_\_
2. \_\_\_\_\_

the Director/s and/or the \_\_\_\_\_ who have in token thereof, subscribed their signature hereto.

In case of others,

Mr./ Ms. / Mrs. \_\_\_\_\_  
(Authorised Signatory/ Proprietor)



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**INTENTIONALLY LEFT BLANK**



