

**THE FEDERAL BANK LIMITED'S (ALL-INDIA) GENERAL  
TERMS AND CONDITIONS GOVERNING UNSECURED  
LOANS**

**1. DEFINITIONS AND CONSTRUCTION**

1. A. In these terms and conditions (the "Standard Terms", as referred to in the Application Form), unless there is anything repugnant to the subject or context thereof, the expressions listed below, if applicable, shall have the following meanings:

i. "**Application Form**" means, as the context may permit or require, the Credit Facility Application Form submitted by the Borrower/s to The Federal Bank Limited ("**The Federal Bank**") for applying for and availing of the Facility, together with all other information, particulars, clarifications and declarations, if any, furnished by the Borrower/s or any other persons from time to time in connection with the Facility.

ii. "**Borrower/s**" means and refers jointly and severally to the applicants and co-applicants/ Co-obligants (if any) who has / have been sanctioned/granted the Facility by The Federal Bank based on the Application Form submitted by such applicants and co-applicants/ Co-obligants to The Federal Bank for availing of the Facility and includes depending on the nature of the Borrower/s: (a) its successors and permitted assigns, if the Borrower/s is a company within the meaning of the Companies Act 2013 or a society registered under the applicable laws relating to societies or a Limited Liability Partnership within the meaning of Limited Liability Partnership Act 2008; (b) any or each of the partners and their survivor(s) or the partner(s) from time to time and their respective heirs, legal representatives, executors, administrators and permitted assigns, if the Borrower/s is partnership firm within the meaning of the Indian Partnership Act, 1932; (c) his / her heirs, legal representatives, executors, administrators and permitted assigns, if the Borrower/s is an individual and/or carrying on business as a sole proprietary concern; (d) the Karta and any or each of the adult members of the HUF and their survivor(s) and his/ her / their respective heirs, legal representatives, executors, administrators and permitted assigns, if the Borrower/s is a joint Hindu Undivided Family; (e) the trustee(s) for the time being thereof and the successors and permitted assigns of the trust/trustees, if the Borrower/s is a trust

iii. "**Borrower/s' Dues**" means and includes the outstanding principal amount of the Facility, interest on the Facility, all other interest, all fees, costs, charges, expenses, stamp duty and all other sums whatsoever payable by the Borrower/ s to The Federal Bank in accordance with the Loan Terms and the Transaction Documents, as well as all other monies whatsoever stipulated in or payable by the Borrower/s under the Loan Terms.

iv. "**Business Day**" means a day on which the relevant/local office / Branch of The Federal Bank, as specified in the Application Form, or such other Branch/ office as may be notified by The Federal Bank to the Borrower/s, is open for normal business transactions.

v. **“Due Date”** means the date(s) on which any amounts in respect of the Borrower/s’ Dues including the principal amounts of the Facility, interest and/or any other monies, fall due as specified in the Application Form and/or the Loan Terms and the other Transaction Documents.

vi. **“Facility”** means such amount of the loan/financial assistance which is applied for / availed of by the Borrower/s, as specified by the Borrower/s in the Application Form.

vii. **“Indebtedness”** means any indebtedness whatsoever of the Borrower/s at any time for or in respect of monies borrowed, contracted or raised (whether or not for cash consideration) or liabilities contracted by whatever means (including under guarantees, indemnities, acceptance, credits, deposits, hire-purchase and leasing).

viii. **“Loan Terms”** means the Terms and Conditions of the Facility contained in Application Form, MITC (defined hereunder) and other Transaction Documents (defined hereunder).

ix. **“Interest Rate”** means Applicable MCLR (defined hereunder) plus Spread or a Fixed Rate, i.e., the rates at which the Federal Bank shall compute and apply interest on the Facility, subject to amendments/revisions made from time to time by RBI or Federal Bank.

x. **“MCLR”** means Marginal Cost of Funds based Lending Rate which is an internal tenor linked benchmark rate fixed by Federal Bank. MCLR of corresponding maturities as stated in MITC will be the minimum lending rates for all floating rate rupee loans linked to it, which may be varied by the Federal Bank from time to time.

xi. **“MITC”** means the Most Important Terms and Conditions executed by the Borrower/s in favour of Federal Bank

xii. **“Material Adverse Effect”** means the effect or consequence of any event or circumstance which is or is likely to be: (a) adverse to the ability of the Borrower/s or any person to perform or comply with any of their respective obligations under the Loan Terms provided in the Most Important Terms and Conditions (“MITC” ) and the terms and conditions provided herein ; or (ii) prejudicial to any of the businesses, employment, operations or financial condition of the Borrower/s or of any person who is party to any Transaction Document.

xiii. **“Spread”** means percentage rate or margin over and above the MCLR which together with the MCLR constitutes the rates of interest applicable on the Facility granted/agreed to be granted to the Borrower(s) and which may be varied by the Bank from time to time.

xiv. **“Transaction Documents”** include all writings and other documents executed or entered into, or to be executed or entered into, by the Borrower/s or, as the case may be, any other person, in relation, or pertaining, to the Facility and each such Transaction Document as amended from time to time.

1. B. In these Standard Terms, unless the contrary intention appears:

(a) a reference to:

an "**amendment**" includes a supplement, modification, novation, replacement or re-enactment and "amended" is to be construed accordingly;

an "**authorisation**" includes an authorisation, consent, clearance, approval, permission, resolution, licence, exemption, filing and registration;

"**law**" includes any constitution, statute, law, rule, regulation, ordinance, judgement, order, decree, authorisation, or any published directive, guideline, requirement or governmental restriction having the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, whether in effect as of the date of signing/submission of the Application Form or thereafter and each as amended from time to time.

(b) the singular includes the plural (and vice versa);

(c) the headings in these Standard Terms are inserted for convenience of reference only and are to be ignored in construing and interpreting the Loan Terms;

(d) reference to the words "include" or "including" shall be construed without limitation;

(e) reference to a gender shall include references to the female, male and transgenders;

(f) all approvals, permissions, consents or acceptance required from The Federal Bank for any matter shall require the "prior", "written" approval, permission, consent or acceptance of The Federal Bank;

(g) in the event of any disagreement or dispute between The Federal Bank and the Borrower/s regarding the materiality of any matter including of any event, occurrence, circumstance, change, fact, information, document, authorisation, proceeding, act, omission, claims, breach, default or otherwise, the opinion of The Federal Bank as to the materiality of any of the foregoing shall be final and binding on the Borrower/s.

**Note:** All capitalised terms used but not specifically defined herein shall have the respective meanings ascribed to them under the Application Form.

## 2. FACILITY AND DISBURSEMENT

1. The principal amount of the Facility applied for / availed of by the Borrower/s shall be the amount specified in the MITC. The amount of the Facility may be enhanced for funding the insurance premium at the request of the Borrower keeping the monthly Instalment amount constant and varying the number of monthly Instalments and thereby the tenor of the loan / Facility accordingly.

2. Once the Application Form submitted by the Borrower/s is accepted by The Federal Bank and the MITC is duly executed by the Borrower/s, the Borrower/s shall not be entitled to cancel the Facility or refuse to accept disbursement of the Facility, except with approval of The Federal Bank and payment to The Federal Bank of such cancellation or foreclosure charges as may be stipulated by The Federal Bank.

## 3. INTEREST

### 3.1 Applicable for Floating Rate Loans

- 3.1.1 The Borrower(s) shall pay interest on the Facility at the rates stated in MITC or at such other rates that the Bank may from time to time stipulate which shall be compounded at rests specified in MITC. Interest on the amount of the Loans shall be applied at the MCLR fixed by the Bank or MCLR plus the percentage rate or margin specified over and above the MCLR (Spread) with applicable rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amounts due. The applicable MCLR of the Bank, the tenor and the Spread applicable to the Loans are specified in the MITC. The rate of interest applicable to the Facilities shall be subject to reset on the MCLR review dates as specified in MITC and thereafter at periodic intervals specified in the MITC falling on the corresponding MCLR review dates successively by applying the Spread above the MCLR, or at such other intervals as may be decided by the Bank from time to time. The rate of interest determined as above would remain fixed from the date of disbursement till the date of first reset, between two consecutive reset dates and from the date of last reset till maturity of the Loans.
- 3.1.2 The applicable rates of interest shall be the Marginal Cost of Funds based Lending Rate (MCLR) fixed by the Bank for the specified tenors plus the percentage rate or margin (Spread) specified over and above the MCLR
- 3.1.3 The MCLR of corresponding maturities will be the **minimum lending rate** for the corresponding tenors and the spread is added to the Federal Bank's MCLR inter-alia depending upon the Borrower(s) credit rating. The Federal Bank is at liberty to vary the MCLR at periodic intervals depending on tenor/residual tenor to next reset date and / or the spread at such rate/s as may be decided by Federal Bank from time to time either on account of a revision in the MCLR of Federal Bank for the corresponding tenors/residual tenors and/or the deterioration in credit quality/rating of the Borrower(s) as assessed from time to time by the Federal Bank or otherwise as decided by Federal Bank from time to time as per directives of the Reserve Bank of India and Borrower(s) shall pay the interest at such revised rates. The variation in the rates of interest except in cases where there is an upward revision of Spread due to deterioration in credit rating of the Borrower(s) will be notified on the Notice Board of the Bank and /or website of the Bank and no separate intimation/notice will be sent to the Borrower(s) and the Borrower(s) waive(s) such intimation/ notice.
- 3.1.4 If Bank introduces MCLR benchmarks for more tenors/ longer tenors at its sole discretion or as may be directed by RBI from time to time, Bank shall be at liberty to switch the MCLR now applicable to any of the Facilities with MCLR for longer/corresponding tenor/ tenor corresponding to next reset date, without separate notice or intimation to the Borrower(s). The information on such MCLR and the method adopted by the Bank for linking of loans to such MCLR will be notified on the Notice Board of the Bank and /or website of the Bank and no separate intimation/notice will be sent to the Borrower(s). The Borrower(s) shall thereafter pay interest at such revised rates.

### **3.2 Applicable for loans with interest rate fixed throughout the tenure**

3.2.1 The interest on the Facilities at the respective interest rates stated in MITC shall be compounded at rests specified in MITC. The Interest shall start accruing from the date of disbursement of the Facilities or any part thereof and shall be calculated on the daily balance outstanding in the respective Loan accounts. The interest rates mentioned in MITC shall remain unchanged till the maturity of the Facilities.

3.2.2 Notwithstanding anything to the contrary contained in Clause 3.2.1 above, the Federal Bank is at liberty to increase the interest rates applicable to any of the Facilities, in the event of deterioration in credit quality/ rating of the Borrower(s) as assessed from time to time by the Bank or otherwise as decided by the Federal Bank from time to time/ as per directives of the Reserve Bank of India and the Borrower(s) shall pay the interest at such revised rates.

### **3.3 Switching of Interest Rates**

The Federal Bank may at its sole discretion permit switching of interest rates from fixed to floating or vice versa for any of the Facilities, on payment of switching charges at the rate specified or such other amount as may be decided by the Bank from time to time.

#### **Revision of Interest Rates**

3.4 Notwithstanding anything stated in the Loan Terms, Bank has absolute right to revise the rates of interest (whether floating with periodic reset/ fixed) applicable to the Facility availed by Borrower(s) either by varying the MCLR or Spread or both or otherwise at any time without intimation/notice to the Borrower(s) and any such revision in rates of interest shall be binding on the Borrower(s).

3.5 The Facility Amount shall always include and/or shall deem to include the interest calculated and debited to the loan accounts at such rests as stated in MITC, from time to time, cumulatively.

#### **Penal/ Additional Interest**

3.6 The Borrower(s) shall pay penal interest and/ or additional interest at the rates mentioned in MITC and/or at such other rates as may be fixed by the Bank from time to time, over and above the rates mentioned in MITC, in case the Borrower(s) defaults in paying the instalments, principal, interest, and/or other charges, and/or in the event of violation of any of the Loan Terms on their part and/or on the loan accounts becoming irregular, without prejudice to the other rights and remedies available to the Bank. The decision of the Bank as to whether there has been any such default or violation shall be final and binding on the Borrower(s).

### **Interest Tax**

3.7 The Borrower(s) shall pay interest tax as applicable and claimed by the Bank from time to time. The Borrower(s) shall pay processing fees at the rate specified in MITC.

### **3.8 Disbursement**

Disbursements under the Facility shall be deemed to be made on the date the cheque(s)/ pay order(s) / authorization(s) / demand draft(s) are issued/made by The Federal Bank and not on the date of their actual receipt, and if by credit, when credit is made by The Federal Bank.

### **PAYMENT, PREPAYMENT AND OTHER CHARGES**

4. The Borrower/s shall repay the Facility to The Federal Bank in one instalment or in such number of instalments, and with such instalment/s being of such amounts and on the Due Date(s) as is specified in the MITC (time being of the essence of the contract); such instalments are hereinafter referred to, individually, as an "**Instalment**" and, collectively, as the "**Instalments**". The Federal Bank shall be entitled to vary/modify the Instalment/s (including increases in the amount of one or more Instalment/s) in the event of changes to the interest rate on the Facility. The expression "Instalments" shall comprise of both the principal amount of the Facility and interest thereon.

5. The Borrower/s may repay / pay the monies in respect of the Facility through any one of the following modes

- post-dated cheques ("**PDC method**") / direct debit from the Borrower/s' bank account with The Federal Bank ("**Direct Debit method**") / by deduction from the Borrower/s' salary ("**Salary Debit method**") / by directly paying amounts when due to The Federal Bank ("**Direct Payment method**") /by direct debit from the Borrower/s' Bank account with other Banks / FIs through National Automated Clearing House (NACH) Mandates ("**NACH Mandate method**")/ by any other method, and as has been selected by the Borrower/s in the Application Form or as may be required by The Federal Bank. The Federal Bank may, in its sole discretion, require the Borrower/s to adopt or switch to any alternate mode of payment and the Borrower/s shall comply with such request, without demur or delay. The method for payment as selected by the Borrower/s in the Application Form or the mandates given by the Borrower/s under any payment mode cannot be cancelled or revoked by the Borrower/s without prior consent of The Federal Bank. If the Borrower/s cancels or revokes (or attempts to cancel or revoke) such mandates without the prior consent of The Federal Bank, such acts of the Borrower/s shall be deemed to have been committed with a criminal intent and The Federal Bank shall be entitled to initiate appropriate criminal proceedings against the Borrower/s.

6. Notwithstanding anything contained in the Loan Terms or the Transaction Documents, and irrespective of the mode of payment selected by the Borrower/s in the MITC, upon any default by the Borrower/s in payment of one or more Instalments on the Due Date pertaining to the Facility or any non-realisation of the Instalments on the Due Date by The Federal Bank, The Federal Bank shall be entitled, without prejudice to its other rights under the Loan Terms, to present and/or re-present any number of times the NACH

Mandates, cheques or post-dated cheques, if any, issued by the Borrower/s in favour of The Federal Bank in connection with the Facility. Irrespective of the mode of payment selected by the Borrower/s in the MITC, The Federal Bank shall as it may deem appropriate and necessary, be entitled to require the payment and/or collection of the Instalments and all other amounts comprising the Borrower/s' Dues under the Loan/ Facility by means of NACH Mandates either by itself or through such other person permitted for the same, instead of and in lieu of the mode of payment agreed by the Borrower/s in MITC provided that such right of The Federal Bank shall be without prejudice to its other rights under the Loan Terms (including the right to re-present the post-dated cheques), The Borrower/s shall at all times maintain sufficient funds in his/her/their bank account/s to ensure that the Instalments are received /realised by The Federal Bank on the respective due dates itself.

7. Notwithstanding the mode of repayment/payment selected by the Borrower/s in the MITC, the Borrower/s shall continue to remain at all times liable and responsible for ensuring the payment/repayment of all Instalments and all other monies in respect of the Facility to The Federal Bank on or before the relevant Due Date(s) without any further notice/intimation being given by The Federal Bank and all such amounts payable by the Borrower/s to The Federal Bank shall be paid, at such place/s as The Federal Bank may specify, without any deductions whatsoever so as to enable The Federal Bank to fully realise the amounts due on or before the respective Due Date(s). Credit for payments by any method will be given only on realisation or on the relative Due Date(s) whichever is later. The acceptance by The Federal Bank of any payment which is less than the full Instalment or other amounts due and owing at such time shall not constitute a waiver of The Federal Bank's right to receive payment in full at such time or at any subsequent time or a waiver of any other rights whatsoever of The Federal Bank under the Loan Terms.

8. The Borrower/s shall not be entitled to cancel or issue stop-payment instructions with respect to the post-dated cheques/ NACH Mandate for so long as the Facility (or any part of the Borrower/s' Dues) is outstanding and any such acts of the Borrower/s shall be deemed to have been committed with an intention to cheat The Federal Bank and The Federal Bank shall be entitled to initiate appropriate criminal proceedings against the Borrower/s under the Negotiable Instruments Act, 1881 and/ or such other laws.

9. The Borrower/s shall promptly replace the post-dated cheques and/or the NACH mandates, agreements and/or other documents executed for payment of the Instalments and issue fresh post-dated cheques, NACH mandates, agreements and/or other documents in lieu thereof to the satisfaction of The Federal Bank, if The Federal Bank is facing any difficulty/inconvenience/impediment for any reason whatsoever in presenting such cheques / NACH Mandates or issuing debit instructions or if required at any time by The Federal Bank at its sole discretion.

10. The Borrower/s may, subject to prior approval by The Federal Bank, be permitted to swap/ exchange the post-dated cheques issued to The Federal Bank with alternate post-dated cheques drawn on another bank (as approved by The Federal Bank) subject to payment to The Federal Bank of the "cheque swap" charges as specified in the Application Form.

11. The payment of the Instalments shall commence and continue as per the MITC.

12. The Borrower/s shall not, without the approval of The Federal Bank (which approval may be given subject to such terms and conditions as may be stipulated by the Bank including payment of minimum prepayment amount, prepayment premium or

discounted interest and/or any other charges, plus applicable interest tax or other statutory levy), prepay the outstanding principal amount of the Facility in full or in part, before the Due Dates. In the event any part prepayment of the Facility is permitted by The Federal Bank, the repayment schedule/amount of Instalment(s) as specified in the MITC shall be amended and the Borrower/s shall thereafter make payment of the Instalments as per such amended schedule.

13. Monthly Instalment amount is rounded off to the next higher Rupee.

14. If the Due Date in respect of any amounts payable in respect of the Facility under the Loan Terms falls on a day which is not a Business Day at the place where the payment is to be made, the immediately preceding Business Day shall be the Due Date for such payment.

15. The Borrower/s shall bear all interest tax, service tax, all other imposts, duties (including stamp duty and relevant registration and filing charges and taxes (of any description whatsoever) as may be levied from time to time by the Government or other authority and all other costs and expenses whatsoever (including but not limited to any costs and expenses incurred by The Federal Bank and its representatives and consultants) in connection with/on (a) the Application Form, (b) MITC (c) recovery and realisation of the Borrower/s' Dues, (d) creation, enforcement and realisation of the security (if any), (e) inspections, and (f) The Federal Bank's advocate's fees and expenses for any of the above. The Borrower/s shall also pay/ reimburse The Federal Bank for all losses, damages, costs, charges, claims, expenses and liability of any kind or nature whatsoever (including but not limited to any stamp duty, other duties, taxes, charges and penalties and/or any increases in costs to The Federal Bank by reason of any change in law, or in its interpretation or administration, under/in relation to the Application, the Standard Terms and the security, if any, to be created by the Borrower/s) suffered, sustained or incurred by The Federal Bank (or its representatives and consultants) in connection with any of the above matters if and when the same is required to be paid according to the laws for the time being in force.

16. In the event of the Borrower/s failing to pay any of the monies referred to above, The Federal Bank shall be at liberty (but shall not be obliged) to pay the same. The Borrower/s shall reimburse all sums and all losses, damages and expenses (as referred to in the preceding clause) paid / incurred by The Federal Bank (and/or its representatives and consultants) in relation to the Facility (or any of the other matters referred to in the preceding clause) within 7 days from the date of notice of demand from The Federal Bank. All such sums shall carry interest from the date of payment till such reimbursement to The Federal Bank at the rate of further interest specified in the Application Form.

17. Notwithstanding any of the provisions of the Indian Contract Act, 1872 or any other applicable law, or any terms and conditions to the contrary contained in the Loan Terms and/or the other Transaction Documents, The Federal Bank may, at its absolute discretion, appropriate any payments made by the Borrower/s in accordance with the Loan Terms under Application Form, MITC and/or other the Transaction Documents Notwithstanding any such appropriation by The Federal Bank towards settlement of any dues payable by the Borrower/s to The Federal Bank under any other agreements between the Borrower/s and The Federal Bank, the Borrower/s shall continue to remain liable to The Federal Bank for all outstanding/remaining amounts comprising the Borrower/s' Dues.

#### **ADDITIONAL COVENANTS**

18. The Borrower/s shall:



- (i) Promptly notify The Federal Bank of the occurrence of any event or the existence of any circumstances, which constitutes or results in any declarations, representation, warranty, covenant or condition under the Loan Terms and/or the other Transaction Documents being or becoming untrue or incorrect in any respect.
- (ii) Promptly deliver to The Federal Bank such statements / information / accounts / records / reports / documents, financial or otherwise, as may be required by The Federal Bank from time to time in relation to the Facility, the Borrower/s' business and operations, assets etc. within the period specified by The Federal Bank.
- (iii) Promptly notify The Federal Bank of any action or steps taken or legal proceedings started by or against him/her/them in any court of law for /his/her/their insolvency, bankruptcy or for the appointment of a receiver, administrator, trustee or similar officer of/over any of the Borrower/s' assets.
- (iv) Promptly notify The Federal Bank of any litigation, arbitration, administrative or other proceedings initiated or threatened against the Borrower/s or his/her/their assets.
- (v) Promptly notify The Federal Bank of any circumstances and conditions which have/may have a Material Adverse Effect.
- (vi) Promptly, and not later than 7 days from the occurrence of any of the following events, notify The Federal Bank in writing with full details of the same: (a) death of any of the Borrower/s;, and (b) all change/s in the location/address of any of the Borrower/s' office or residence or place of business
- (vii) If required by The Federal Bank, the Borrower shall provide and furnish to The Federal Bank, to their satisfaction, such security as required to secure the Facility. Failure of the Borrower to do so shall be termed as an Event of Default.

## **EVENTS OF DEFAULTS**

19. The following acts/, as set out below, shall each constitute an "Event of Default" by the Borrower/s for the purposes of the Loan Terms:
- a. Default (including, but not limited to, any payment default) has occurred in the performance of any covenant, condition or agreement on the part of the Borrower/s under the Loan Terms or on the part of any other person.
  - b. Breach of any representation, warranty, declaration or confirmation under the Loan Terms has occurred / been committed and/or the Borrower/s has/have committed any fraud/ failed to submit any material information as required under the Application Form.
  - c. The Borrower/s has, or there is a reasonable apprehension that the Borrower/s has or would, voluntarily or involuntarily become the subject of proceedings under any bankruptcy or insolvency law, or becomes bankrupt or insolvent or if the Borrower/s has taken or suffered to be taken any action for insolvency or bankruptcy or if a receiver has been appointed or allowed to be appointed of/over all or any part of the properties of the Borrower/s or if an attachment or distraint has been levied on the assets or any part thereof or certificate proceedings have been taken or commenced for recovery of any dues from the Borrower/s or if one or more judgements or decrees have been rendered or entered against the Borrower/s.
  - d. Death of the Borrower/s, or any one of them.

- e. It is or becomes unlawful for the Borrower/s or any person (including The Federal Bank) to perform any of their respective obligations under the Loan Terms and/or any other Transaction Document.
- f. The Borrower/s is unable or has admitted in writing its inability to pay any of its Indebtedness as they mature or when due.
- g. An event of default howsoever described (or any event which with the giving of notice, lapse of time, determination of materiality or fulfilment of any other applicable condition or any combination of the foregoing would constitute an event of default) occurs under any agreement or document relating to any Indebtedness of the Borrower/s or if any other lenders of the Borrower/s including financial institutions or banks with whom the Borrower/s has entered into agreements for financial assistance have recalled its/their assistance or any part thereof.
- h. One or more events, conditions or circumstances (including any change in law) occur or exist, which in the sole opinion of The Federal Bank, could have a Material Adverse Effect.

20. The Borrower/s shall promptly notify The Federal Bank in writing upon becoming aware of any default and any event which constitutes (or, with the giving of notice, lapse of time, determination of materiality or satisfaction of other conditions, would be likely to constitute) an Event of Default and the steps, if any, being taken to remedy it.

21. The decision of The Federal Bank as to whether or not an Event of Default has occurred shall be final and binding upon the Borrower/s.

#### **RIGHTS AND REMEDIES OF THE FEDERAL BANK**

22. On the happening of any of the Events of Default, The Federal Bank may, by a notice in writing to the Borrower/s and without prejudice to the rights and remedies available to The Federal Bank under the Loan Terms or any other Transaction Document or otherwise call upon the Borrower/s to pay all the Borrower/s' Dues in respect of the Facility.

23. The Federal Bank shall be entitled, at the sole risk and cost of the Borrower/s, to engage one or, more person(s) to collect the Borrower/s' Dues and The Federal Bank may (for such purposes) furnish to such person(s) such information, facts and figures pertaining to the Borrowers as The Federal Bank deems fit. The Federal Bank may also delegate to such person(s) the right and authority to perform and execute all acts, deeds, matters and things connected therewith, or incidental thereto, as The Federal Bank deems fit

24. The Federal Bank shall not in any way be liable/ responsible, by reason of exercise or non-exercise of any rights and remedies available to The Federal Bank as aforesaid.

25. If anyone (or more) Events of Default shall have occurred, then The Federal Bank shall, in addition to the various rights and remedies of The Federal Bank referred to in the clauses above, be irrevocably entitled and authorised to contact and require the Borrower/s' employers to make deduction/s from the salary/wages payable by the employer to the Borrower/s and to remit the same to The Federal Bank until all of the Borrower/s' Dues outstanding from the Borrower/s to The Federal Bank is/are completely discharged. The deductions shall be of such amounts, and to such extent, as The Federal Bank may

communicate to (and instruct) the Borrower/s' employers. The Borrower/s shall not have, or raise/create, any objections to such deductions. No law or contract governing the Borrower/s and/or the Borrower/ s' employer prevents or restricts in any manner the aforesaid right of The Federal Bank to require such deduction and payment by the Borrower/s' employer to The Federal Bank. Provided however that in the event the said amounts so deducted are insufficient to repay the outstanding Borrower/s' Dues to The Federal Bank in full, the unpaid amounts remaining due to The Federal Bank shall be paid by the Borrower/s in such manner as The Federal Bank may in its sole discretion decide and the payment shall be made by the Borrower/s accordingly.

26. Notwithstanding any suspension or termination of the Facility, all rights and remedies of The Federal Bank as per the Loan Terms and other Transaction Documents shall continue to survive until the receipt by The Federal Bank of the Borrower/s' Dues in full.

## **27. SET-OFF**

- i. The Federal Bank shall have the paramount right of set-off and lien, irrespective of any other lien or charge, present as well as future on the deposits of any kind and nature (including fixed deposits/ Cash Certificates) held/ balances lying in any accounts of the Borrower/s, whether in single name or joint name(s) and on any monies, securities, bonds and all other assets, documents and properties held by/ under the control of The Federal Bank ) to the extent of all outstanding dues, whatsoever, arising as a result of any of The Federal Bank's or its group companies' services extended to and/or used by the Borrower/s and/or as a result of any other facilities that may be granted by The Federal Bank to the Borrower/s. The Federal Bank is entitled without any notice to the Borrower/s to settle any indebtedness whatsoever owed by the Borrower/s to The Federal Bank (whether actual or contingent, or whether primary or collateral, or whether joint and/or several) hereunder or under any other document/ agreement, by adjusting, setting-off any deposit(s) and/or transferring monies lying to the balance of any account(s) held by the Borrower/s with The Federal Bank and/or its group companies notwithstanding that the deposit(s)/ balances lying in such account(s) may not be expressed in the same currency as such indebtedness. The Federal Bank's and its group companies' rights hereunder shall not be affected by the Borrower/s' bankruptcy, death or winding-up. It shall be the Borrower/s' sole responsibility and liability to settle all disputes/ objections with any such joint account holders.
- ii. In addition to the above mentioned right or any other right which The Federal Bank may at any time be entitled whether by operation of law, contract or otherwise, the Borrower(s) authorises the Bank: (a) to combine or consolidate at any time all or any of the accounts and liabilities of the Borrower with or to any branch of The Federal Bank and/or its group companies; (b) to sell any of the Borrower/s' securities or properties held by the Bank by way of public or private sale without having to institute any judicial proceeding whatsoever and retain/appropriate from the proceeds derived there from the total amounts outstanding to The Federal Bank from the Borrower/s, including costs and expenses in connection with such sale; and (c) in case of cross currency set-off, to convert an obligation in one currency to another currency at a rate determined at the sole discretion of The Federal Bank and/ or its group companies.

## **MISCELLANEOUS**

28. The Borrower/s' Dues, shall not be revoked or cancelled or affected by the death or insolvency of the Borrower/s or any third party, and The Federal Bank shall, so long as the whole (or any part) of the Borrower/s' Dues remains outstanding/payable to The Federal Bank, be entitled to act upon and enforce all of its rights pursuant to, and in accordance with, the Loan Terms and the Transaction Documents executed by the Borrower/s and/or any other persons to/in favour of The Federal Bank.

29. The Borrower unconditionally agrees, undertakes and acknowledges that The Federal Bank has an unconditional right to cancel the outstanding un-drawn commitments under the Transaction Documents at any time during the currency of the Facility and that The Federal Bank shall endeavour to provide prior intimation of the same to the Borrower.

30. The entries made in the accounts / account books / records of The Federal Bank maintained in accordance with its usual practice and in compliance with the statutory requirements and/or any statement signed by a designated officer of The Federal Bank with respect to the Borrower/s' Dues, shall be final and binding on the Borrower/s. Such entries and/or statements shall be conclusive evidence of the existence and amount of outstanding obligations of the Borrower/s as therein recorded in respect of the Facility and the Borrower/s' Dues.

31. In case The Federal Bank recalls the Facility upon/after the occurrence of an Event of Default, and the Borrower/s requests The Federal Bank to accept part payment/s of the Borrower/s' Dues and to permit the Borrower/s to continue repaying the Instalments in future, The Federal Bank may entertain/accept such requests upon such further terms and conditions as The Federal Bank may think fit and proper in its sole discretion. Any decision taken by The Federal Bank not to allow such request/s of the Borrower/s shall be final and binding on the Borrower/s.

32. All notices or other communications under or in connection with the Borrower/s' Dues and/or the Loan Terms shall be given in writing and, unless otherwise stated may be made by letter, whatsapp message or through e-mail message to the e-mail id registered with Federal Bank. Any such notice or other communication will be deemed to be effective: (i) if sent by letter, when delivered personally or if dispatched by post, when recall of the letter is outside the control of the sender; and (ii) if sent by whatsapp message, on receipt of Blue Double Tick (iii) If sent through e-mail, on receipt of Read Receipt Message. Provided, however, that no notice or communication to The Federal Bank shall be effective unless actually received and acknowledged by The Federal Bank. Notices or communication may be made to: (i) the Borrower/s' address or e-mail id or Mobile Phone Number to which notices are to be sent (as specified in the Application Form/ MITC), and (ii) The Federal Bank's Zonal / Regional /Branch office address or facsimile number (as specified in the MITC/ Application Form), or to such other address or facsimile number as may be designated by the Borrower/s and The Federal Bank in writing to each other. In the event of any failure by the Borrower/ s to notify The Federal Bank in writing of any changes in his/her/their contact address, e-mail id, mobile phone number or details, service of a notice/ correspondence to the address specified in the Application Form or last given by the Borrower/s shall be deemed to be proper and sufficient service on the Borrower/s irrespective of whether or not such notice shall be returned "unserved" to The Federal Bank.

33. The Borrower/s shall not assign or transfer all or any of its rights, benefits or obligations under the Loan Terms without the approval of The Federal Bank. The Federal Bank may, at any time, assign or transfer all or any of its rights, benefits and obligations

under the Loan Terms and the other Transaction Documents. Notwithstanding any such assignment or transfer, the Borrower/s shall, unless otherwise notified by The Federal Bank, continue to make all payments under the Loan Terms to The Federal Bank or its authorised representatives and all such payments when made to The Federal Bank or its authorised representatives shall constitute a full discharge to the Borrower/s from all its liabilities in respect of such payments.

34. Without prejudice to the aforesaid provisions of clause 33, The Federal Bank may (at its sole discretion), without notice to the Borrower/s, share the credit risk of the whole or a part of the Facilities with any other person by way of participation. Notwithstanding such participation, all rights, title, interests, special status and other benefits and privileges enjoyed or conferred upon or held by The Federal Bank under the Loan Terms and the other Transaction Documents shall remain valid, effective and enforceable by The Federal Bank on the same terms and conditions and the Borrower/s shall continue to discharge in full all its obligations under the Loan Terms and the other Transaction Documents to The Federal Bank. The Borrower/s shall not have and shall not claim any privity of contract with such person on account of any reason whatsoever.

35. Any provision of the Loan Terms or any other Transaction Document, which is prohibited or unenforceable in any jurisdiction, shall, as to such jurisdiction, be ineffective to the extent of the prohibition or unenforceability but that shall not invalidate the remaining provisions of the Loan Terms or such other Transaction Document or affect such provision in any other jurisdiction.

36. No delay in exercising or omission to exercise any right, power or remedy accruing to The Federal Bank upon any default or otherwise under the Loan Terms or the other Transaction Documents shall impair any such right, power or remedy or shall be construed to be a waiver thereof or any acquiescence in such default, nor shall the action or inaction of The Federal Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of The Federal Bank in respect of any other default. The rights of The Federal Bank under the Loan Terms and the other Transaction Documents may be exercised as often as necessary, are cumulative and not exclusive of their rights under the general law and may be waived only in writing and specifically and at The Federal Bank's sole discretion.

37. "In the event of any dispute, question or difference arising out of or in connection with the Loan Terms and the rights and benefits of Federal Bank provided therein, the same shall be referred to arbitration by a Sole Arbitrator nominated by the Bank and the Arbitrator shall conduct Arbitration in accordance with the provisions Arbitration and Conciliation Act, 1996 and pass the award which will be binding on the Borrower(s). The venue of such Arbitration shall be at Ernakulam, Kerala only. However, prior to opting for arbitration, the Federal Bank is not precluded from exercising any other remedies available to them under Law.

38. The Federal Bank may, in its absolute discretion commence any legal action or proceedings arising out of (or in connection) with any of the above in any court, tribunal or other appropriate forum having jurisdiction, and the Borrower/s shall not object to such jurisdiction.

39. The Facility, Loan Terms and the other Transaction Documents shall (unless otherwise specified in the Application Form or any such Transaction Document) be governed by and construed in accordance with the laws of India.

40. The Federal Bank shall, as it may deem appropriate and necessary, be entitled to disclose all or any: (i) information and data relating to the Borrower/s; (ii) information or data relating to the Facility, Loan Terms, Transaction Documents (iii) obligations assumed / to be assumed by the Borrower/s in relation to the Facility under the Loan Terms, the Transaction Documents ; (iv) default, if any, committed by the Borrower/s in discharge of the aforesaid obligations, to the Credit Information Bureau (India) Limited ("CIBIL") and any other agency authorised in this behalf by the RBI. CIBIL and / or any other agency so authorised may use and/or process the aforesaid information and data disclosed by The Federal Bank in any manner as deemed fit by them. CIBIL and / or any other agency so authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to The Federal Bank / financial institutions and other credit grantors or registered users, as may be specified by RBI in this behalf. All information and data furnished by the Borrower/s to The Federal Bank from time to time shall be true and correct.

41. In case the Borrower/s commits any default in payment or repayment of principal amount of the Facility or interest/charges due thereon, The Federal Bank and/or the Reserve Bank of India ("RBI") will have an unqualified right to disclose or publish the details of such default along with the name and photograph of the Borrower/s and/or its directors/partners/co-applicants, as applicable, as defaulters in such manner and through such media as The Federal Bank and/or RBI may, in their absolute discretion, think fit.

42. The Borrower/s' liability for repayment of the Borrower/s' Dues shall, in cases where more than one Borrower has jointly applied for the Facility, be joint and several. If the Borrower/s is an individual doing business as a sole proprietary concern, the Borrower/s shall be solely responsible for the liabilities of the aforesaid concern and will be personally liable for making repayment / payments of all amounts in respect of the Facility to The Federal Bank.

43. The Federal Bank has the absolute discretion to amend or supplement any of the Loan Terms at any time and will endeavour to give prior notice of fifteen days by email or put up on the website as the case may be for such changes wherever feasible and such amended terms and conditions will thereupon apply to and be binding on the Borrower. Further, the Loan Terms shall also be subject to the changes based on guidelines / directives issued by the RBI to banks from time to time.

44. The Bank shall be entitled to disclose / submit the 'financial information' as defined in Section 3 (13) of the Insolvency and Bankruptcy Code, 2016 ( 'Code' for brief ) read with the relevant Regulations/ Rules framed under the Code, as amended and in force from time to time and as specified there under from time to time, in respect of the Credit/ Financial facilities availed from the Bank, from time to time, to any 'Information Utility' ( 'IU' for brief ) as defined in Section 3 ( 21 ) of the Code, in accordance with the relevant Regulations framed under the Code, and directions issued by Reserve Bank of India to the banks from time to time and hereby specifically agree to promptly authenticate the 'financial information submitted by the Bank, as and when requested by the concerned 'IU' .

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