

LETTER OF ARRANGEMENT: CASH CREDIT ADVANCES

Place

Date

To,
AXIS BANK LTD.

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Dear Sir,

With reference to cash credit/WCDL facilities aggregating Rs. _____ (Rupees _____), hereinafter called 'the said credit facility', sanctioned to me/us/ the Company, _____ (mention the name of firm or Company as the case may be), I/We/the Company hereby agree(s) and undertake(s) with the Bank as follows:

- 1) I/We/The Company agree(s) to repay the principal sum borrowed by me/us/ the Company with Interest thereon at such rests and at such rates as may be prescribed by the bank, while sanctioning the credit facility and/or subsequently from time to time.
- 2) I/We /The Company agree(s) to abide by all the terms and conditions the Bank may impose in its sanction /advance/order or other communications relating to the grant of credit facility.
- 3) The terms, conditions and undertakings herein contained shall be supplementary to the terms and conditions contained in the loan/security documents which I/we /the Company may have executed or execute now or hereafter in favour of the Bank in connection with the said credit facility.
- 4) (i) Notwithstanding anything contained in the sanction letter, I/We/the Company agree that the Bank in its discretion may reduce or otherwise vary the limits, margins or other conditions or types of credit facilities so sanctioned. The Bank is also at

liberty to disburse the sanctioned credit facility either in one lump sum or in instalments or stages as it may deem fit.

(ii) Further, the Bank shall have an unconditional right to cancel the undrawn/unavailed/unused portion of the Loan / Facility at any time during the subsistence of the Loan / Facility, without any prior notice to the borrower, for any reason whatsoever. In the event of any such cancellation, all the provisions of this Agreement and all other related documents shall continue to be effective and valid and the Borrower shall repay the outstanding dues under the loan duly and punctually as provided herein.

(iii) The Bank has absolute right to settle any indebtedness whatsoever owed by the Borrower to the Bank under this Document 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 with the Bank without giving prior notice to the Borrower. However, Bank will intimate the Borrower of such exercise of rights under this clause within 2 working days. The Bank's 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.

- 5) I/We/The Company undertake(s) to operate and monitor the said credit facility in a manner so that the outstanding in the account does not exceed the sanctioned limit or the drawing power, whichever is less. In the event of any exceeding or overdrawing, I/We/The Company shall immediately regularize the position and shall also be liable to pay penal charges on the overdue amount or on the entire outstanding, at the discretion of the bank.
- 6) I/We/ The Company agree(s) that the bank at its discretion will charge and recover from me/us a commitment fee, if applicable, at a rate which may be stipulated by it, on the unutilised portion of the said credit facility, for the period utilization of the credit limit remains below the sanctioned limit/drawing power.
- 7) I/We/The Company shall submit to the bank a duly signed statement of stocks, receivables, other assets charged to the bank as security for the said credit facility, at monthly or any other periodical interval specified by the bank, on the format acceptable to the bank.
- 8) I/We/The Company will furnish the bank with all such information as the bank may reasonably require for satisfaction as to due compliance with terms of the said credit facility and all such periodical reports and information, at such

intervals, in such form and containing such particulars as you may call for the purpose of ascertaining the results of the utilisation of the said advance.

- 9) I/We/The Company expressly agree that any notice addressed to any one of us regarding revision in the rate of interest or/and any other terms of sanction governing the said credit facility, shall be deemed to be notice given to all and such notice shall be sufficient and binding on all of us and each one of us expressly authorises the others severally to receive such notice on each one's behalf.(Applicable to partnership firms and multiple borrowers)
- 10) I/We/The Company further agree and authorize the Bank to furnish to any of the refinancing/credit guarantee institutions as the Bank may deem it such information relating to our borrowing and repayment or the financial position, from time to time without any further authorization from me/us.
- 11) I/We/The Company further undertake as follows:
 - a) I/We /The Company will not invest or lend money except in the normal course of business or act as surety or Guarantor without getting the written consent of the Bank.
 - b) I/We/The Company will confine my/our entire banking with you or the banks in the approved multiple banking / consortium arrangements.
 - c) I/We/The Company will not lease out or dispose of the building/machinery/vehicle/other assets or any part of the building/machinery/vehicle/other assets mortgaged/hypothecated to the Bank without the prior written consent of the Bank, nor shift the plants and machinery/vehicle/other assets to any place without the prior written consent of the bank.
 - d) In the event of the closure of the factory or stoppage of work due to strike, lock-out, mechanical breakdown, want of raw materials, non-movement of finished goods, power shortage or/and for any other reason, intimation will be sent to the Bank by me/us/the Company within 3 days of the occurrence of closure or stoppage of work.
 - e) I/We will duly and punctually pay/discharge all taxes and statutory dues as and when due/payable by me/us/the Company, unless contested in good faith.

- f) I/We/The Company will maintain proper records and accounts and furnish statements and reports thereof, as and when required by the Bank.
- g) During the currency of the said credit facility, I/We/The Company agree not to dissolve and/or to reconstitute and/or to make any alterations or change in the existing partnership without the prior written permission of the Bank.(This clause is applicable in the case of partnership firms only.)
- h) The claims of the Bank shall have precedence over the claim of the partners/Directors by way of remuneration, interest, etc.
- i) I/We agree to keep you informed of the changes in the top level management of our firm/company, from time to time.
- j) I/We agree to utilise the credit facility sanctioned only for the purpose sanctioned by the Bank.
- k) I/We/The Company hereby agree and undertake that no such person whose name is appearing in the list of Wilful defaulters shall be inducted on its board and that in case, such a person is found to be on its Board, it would take expeditious and effective steps for removal of such person from its Board.
- l) I/We/The Company hereby acknowledge and agree that the Bank has a right to award a separate mandate to our Auditor or any independent Auditor, as the Bank may deem fit with a view to obtain a specific certificate regarding diversion /siphoning of funds by the Borrower. I/We/The Company agree and undertake to co-operate with such Auditors and provide the necessary information and/or documents as may be required by such Auditors. I/We/The Company also agree and undertake to bear all the expenditure in respect of obtaining the said Certificate and agrees to indemnify and keep the Bank indemnified in this regard.

12. The Bank shall have a right to sell or transfer (by way of assignment, securitisation or otherwise) whole or part of the Credit Facility and outstanding amounts under the Credit Facility or any other rights and obligations of the Bank under this Agreement or any other document pursuant hereto to any person/ entity in a manner or under or under such terms and conditions as the Bank may decide in its sole discretion without reference to or intimation to me/us.

I/We/The Company expressly agree, in the event of sale or transfer as aforesaid, to accept such person to whom the Credit Facility is sold or transferred as his lender and

make the repayment of the Credit Facility to such person as may be directed by the Bank.

I/We/The Company shall not be entitled to directly or indirectly assign my/our rights or obligations under this Agreement in part or in whole to any person.

13. Interest on the Credit Facility shall be computed and debited to the Loan Account taking the basis of 365 days a year. The interest computation shall follow the formula as below: $(\text{Rate of Interest } (\%) \div 365 \text{ or } 366 \text{ for leap year}) \times \text{End of Day Outstanding} \times \text{Number of Days}$

14. The contents of this letter shall be binding on our successors and assigns and all persons deriving or claiming title under us.

15(a). I/We/The Company also agree, undertake and confirm as under:

- I/We/The Company understand that as a precondition relating to the grant of and/or continuing the grant of credit facility to me/us, AXIS Bank required the my/our/the Company's consent for the disclosure by the Bank of, information and data relating to me/us, of the Credit Facility availed of / to be availed by me/us/the Company, in discharge thereof.
- Accordingly, I/we/the Company hereby agree and give consent for the disclosure by AXIS Bank of all or any such :
 - Information and data relating to me/us/the Company;
 - The information of date relating to its credit Facility availed of / to be availed by me/us/the Company and
 - Default, if any, committed by me/us/the Company, in discharge of my/our /the Company's such obligation;
as AXIS Bank may deem appropriate and necessary, to disclose and furnish to Credit Information Bureau (India) Limited ["CIBIL"] and any other agency authorised in this behalf by Reserve Bank of India ["RBI"].
- I/We/The Company declare that the information and data furnished by the me/us/the Company to AXIS Bank Limited are true and correct.

I/We/the Company also undertake that:

- CIBIL and any other agency so authorised may use, process the said information and data disclosed by the Bank in the manner as deemed fit by them; and
- CIBIL and any other agency so authorised may furnish for consideration, the processed information and data disclosed or products thereof prepared by them, to Bank(s)/ Financial Institution(s) and other Credit Grantors or Registered Users, as may be specified by the RBI in this behalf.

(b) I/We/The Company agree, undertake and authorize the Bank to exchange, share or part with all the information, data or documents or other information as mentioned in Clause 15(a) above and also the information relating to the conduct of the Borrower's accounts, credit history or to the Borrower, whether under consortium or multiple banking or sole banking arrangement and repayment record, with other banks / financial institutions involved in the financing arrangement also with the banks/ financial institutions intending to finance the Borrower, as the Bank may deem necessary or appropriate as may be required for use or processing of the said information / data by such banks/ financial institutions or furnishing of the processed information / data to other banks / financial institutions / credit providers and the Borrower shall not hold the Bank liable in any manner for use of such information.

(c) I/We/The Company agree that in case the Borrower commits a default in payment or repayment of any amounts in respect of the Facilities, the Bank and / or RBI will have an unqualified right to disclose or publish the details of the default and the name of the Borrower, its directors, partners, as the case may be, as defaulters, in such manner and through such medium as the Bank or RBI in their absolute discretion may think fit.

16. Kindly note that insurance plan(s) from the insurance partner(s) engaged by the Bank ('such insurance partner(s)') are made available for your convenience and in case you opt for the same, we can assist you in the enrolment of the chosen plan. It is clarified that purchase of the insurance cover from such insurance partner(s) shall be voluntary/optional and is not linked to availment of any product(s)/service(s) from the Bank. You may choose to avail the insurance cover from such insurance partner(s) or from any other insurance providers

17. All communications to the borrower could be made by the Bank to the e-Mail ID of _____ and any change thereof would be communicated by the borrower to the Bank in writing and all such communications for changing the e-mail ID from time to time shall be deemed to form part and parcel of this Document.

In witness hereof I/We/the Company have executed on the day and year mentioned hereinabove at _____

Borrower(s)/ Authorised Signatory

***FOR AN INDIVIDUAL**

Borrower

***FOR THE COMPANY**

THE COMMON SEAL OF : _____ Limited
having its registered office at : _____
has been hereunto affixed
pursuant to the resolution of its
Board of Directors passed at the
Meeting held on the : _____ day of _____ in the presence
of

Mr. _____

Mr. _____

***FOR PARTNERSHIP FIRM**

Name :

Place of business :

Signed and delivered on behalf
of the Borrower by its partners : Mr./Ms. _____

Mr./Ms. _____

Mr./Ms. _____

***IN CASE OF PROP. CONCERN**

For M/s. _____ (name of the prop. concern)

(Proprietor)

***IN CASE OF HUF**

For _____(HUF)

***IN CASE OF TRUST/SOCIETY/SELF HELP GROUP**

For _____(name of Trust/Society/SHG)

(Authorised Signatory/ Designation)

*** DELETE THE INAPPLICABLE ENTRY**