

Legal Documentation Kit – Personal Loan

File Number _____

Customer Name _____

Address _____

List of Documents

1. Demand Promissory Note
2. Agreement for Personal Loan
3. ECS form (Electronic Clearing System)/SI Form (Standing Instruction)

User Note For Executing Legal Documentation Kit And Personal Loan Agreement

- This is the standard form for Personal Loan
- All blanks need to be filled in capital letters only
- Wherever there is an option provided in the agreement, please tick the option most appropriate and strike out the other, with the borrower(s) initials next to it
- The full signature of the borrower(s) is to be put in all place where there is a mark and initials of the borrower(s) where there is a mark
- There should not be any amendments/overwriting/erasures/cuttings on any of the documentation set



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Demand Promissory Note

₹ _____

Place: _____

Date: _____

On demand I/we _____ (the 'Borrower(s)') jointly and severally promise to pay to The Hongkong and Shanghai Banking Corporation Limited (the 'Bank') an amount not exceeding ₹ _____ (Rupees _____) with interest at the rate of _____% per annum from the date of disbursement till the date of final payment, with monthly/quarterly rests for value received, provided, however, that the Bank shall at any time and from time to time be entitled to give notice to me/us of its intention to reduce the aforesaid amount and/or charge interest at such rates as the Bank may specify.

₹1
(Revenue stamp)

Borrower signature

₹1
(Revenue stamp)

Co-borrower signature



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Agreement for Personal Loan

This PERSONAL LOAN AGREEMENT is made on the date and at the place as stated in the Schedule 1 hereto between the borrower(s) whose name and address is stated in Schedule 1 hereto, hereinafter called the 'Borrower(s)' (which expression shall unless the context otherwise requires, include his/her heirs, executors, administrators and permitted assigns) of **One Part;**

AND

The Hongkong and Shanghai Banking Corporation Limited, a Banking Company incorporated under the Companies Ordinance of the Hong Kong Special Administrative Region (HKSAR), having its registered office at 1, Queen's Road Central, Hong Kong and having its India Corporate Office at 52/60 Mahatma Gandhi Road, Fort, Mumbai 400 001 (hereinafter referred to as 'the Bank') (which expression shall unless repugnant to the context or meaning thereof be deemed to include a reference to its successors and assigns) of the **Second Part;**

The borrower(s) and the Bank are hereinafter collectively referred to as 'Parties' and individually as the 'Party'.

WHEREAS

The undersigned borrower(s) has/have requested for a Personal Loan of an amount not exceeding ₹_____ (Rupees _____ only). The Bank has agreed to accede to the said request, subject to the borrower(s) executing such documents as may be required by the Bank from time to time. The borrower(s) understands that the Bank shall have the absolute right to reduce the loan amount or reject the loan application at its discretion and the Bank's decision about the amount to be granted to the borrower(s) shall be final and binding on the borrower(s) and the borrower(s) shall have no claim against the Bank for any reduced amount sanctioned to the borrower(s) or rejection of the loan application.



NOW THIS AGREEMENT WITNESSETH AND IT IS HEREBY MUTUALLY AGREED, DECLARED, CONFIRMED AND RECORDED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS:

1. A. DEFINITIONS

In these terms and conditions, 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 Personal Loan Application Form submitted by the borrower(s) to **The Hongkong and Shanghai Banking Corporation Limited (HSBC or Bank)** for applying for and availing of the loan, together with the Preliminary Credit Appraisal/Loan Application Form and 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 loan.
- ii. **'Borrower(s)'** means and refers jointly and severally to the applicants and co-applicants (if any) who has/have been sanctioned/granted the Personal Loan by the Bank based on the application form submitted by such applicants and co-applicants to the Bank for availing of the Personal Loan and includes his/her/their heirs, legal representatives, executors and permitted assignees.
- iii. **'Borrower(s) dues'** means and includes the outstanding principal amount of the loan, interest on the loan, all other interest, fees, costs, charges, expenses, stamp duty, and any other sums whatsoever, payable by the borrower(s) to HSBC 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 branch/local office of HSBC, as specified in the application form, is open for normal business transactions.
- v. **'Due date'** means the date(s) on which any amount in respect of the borrower(s) dues including the principal amounts of the loan, interest and/or any other monies, fall due as specified in the application form and/or the terms of this Personal Loan agreement and the other transaction documents.
- vi. **'Equated Monthly Instalment (EMI)'** means the amount of monthly payment consisting of principal and interest necessary to amortise the loan amount with applicable interest within such period as may be determined by the Bank from time to time.
- 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'** means such amount of the loan/financial assistance not exceeding the amount mentioned in Schedule 1 hereto.

- ix. **'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) to perform or comply with any of their respective obligations under the loan terms in accordance with their respective terms; or (b) prejudicial to any of the businesses, operations or financial condition of the borrower(s).
- x. **'Security'** means all security documents including demand promissory note or any other negotiable instruments executed by the borrower in favour of the Bank from time to time.
- xi. **'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 loan and each such transaction document as amended from time to time.

1.B. In these terms and conditions of this agreement, unless the contrary intention appears:

- i. 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.
- ii. The singular includes the plural (and vice versa).
- iii. 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.
- iv. Reference to the words 'include' or 'including' shall be construed without limitation.
- v. Reference to a gender shall include references to the female, male and neuter genders.
- vi. All approvals, permissions, consents or acceptance required from HSBC for any matter shall require the 'prior', 'written' approval, permission, consent or acceptance of HSBC.
- vii. In the event of any disagreement or dispute between HSBC 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 HSBC as to the materiality of any of the foregoing shall be final and binding on the borrower(s).



BORROWER(S) COVENANTS

1. The borrower(s) shall:
 - i. Promptly notify the 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 Bank such statements/information/accounts/records/reports/documents, financial or otherwise, as may be required by the Bank from time to time in relation to the loan, the borrower(s) business and operations, assets, etc. within the period specified by the Bank.
 - iii. Promptly notify the 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 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 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 Bank in writing with full details of the same: (a) death of any of the borrower(s), and (b) all changes in the location/address of any of the borrower(s) office or residence or place of business.
 - vii. If required by the Bank, provide and furnish to the Bank, to their satisfaction, such security as required to secure the loan. Failure of the borrower(s) to do so shall result as an event of default.

2. The borrower(s) agrees and undertakes not to, and warrants and represents to the Bank that the borrower(s) shall not, utilise the loan for any antisocial, unlawful, or speculative purposes.

The borrower(s) has read and understood the contents of this agreement by him at the time of availing the loan/loan(s) and agrees to abide by all the terms and conditions levied herein.

The borrower(s) shall notify the Bank regarding the change in his/her/their status as a Resident/Non-Resident Indian, change of residence, change of employment/business including migration outside India for a temporary duration or otherwise.

In the event that the borrower(s) wishes to change the repayment instruction on the loan to another account via electronic clearing service or Standing Instruction any account with the Bank, the borrower(s) shall provide the Bank with an updated instruction in the prescribed format.

3. The loan shall carry interest at the rate specified in Schedule 1 hereto, with monthly, quarterly or other rests, on the outstanding balance, in consonance with the policy of the Bank and the guidelines of Reserve Bank of India, with changes in the periodicity of rest, if any, being communicated to the borrower(s) by the Bank from time to time, provided that the interest payable by the borrower(s) shall be subject to the changes in interest rates made by the Reserve Bank from time to time. Disbursements under the loan shall be deemed to be made on the date the cheque(s)/pay order(s)/authorisation(s)/demand draft(s) are issued/ made by the Bank and not on the date of their actual receipt, and if by credit, when credit is made by the Bank.
4. The borrower(s) shall repay the loan to HSBC in such number of EMIs, and on the due date(s) as is specified in the Agreement, time being of the essence of the contract. The Bank shall be entitled to vary/modify the EMIs (including increase the amount of one or more EMIs) in the event of changes to the interest rate on the loan including on account of changes in interest rates made by the Reserve Bank from time to time. The 'EMI' shall comprise both the principal amount of the loan and interest thereon.
5. The borrower(s) may repay/pay the monies in respect of the loan through any one of the following modes: The Electronic Clearing System (Debit Clearing) as notified by the RBI (ECS method)/ Standing Instruction for direct debit from the borrower(s) bank account with HSBC ('Direct Debit method' or 'SI') and as has been selected by the borrower(s) in the application form/agreement or as may be required by HSBC (hereinafter referred to as 'Repayment Instructions'). HSBC 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 HSBC. If the borrower(s) cancels or revokes (or attempts to cancel or revoke) such mandates without the prior consent of HSBC, such acts of the borrower(s) shall be deemed to have been committed with a criminal intent and HSBC shall be entitled to initiate appropriate criminal proceedings against the borrower(s). The borrower(s) shall provide to the Bank a duly signed and attested ECS mandate or a Standing Instruction form before the disbursement of the loan.



6. The loan shall be repayable forthwith on demand and accordingly, notwithstanding, a repayment schedule for the loan, the Bank shall have the right to be paid forthwith on demand, the entire loan along with all other dues, including but not limited to interest, charges, penalties, cost, expenses, etc., in respect of the loan.
7. The repayment schedule for the loan, is without prejudice to the rights of the Bank to recompute the interest, in case of variation of the same, including on account of variation in interest rates made by the Reserve Bank from time to time, and on such recomputation payments shall be made by the borrower(s) in accordance with such amended repayment schedule(s) as may be intimated by the Bank to the borrower(s).
8. **Processing Fees**
The borrower(s) shall pay a one-time upfront fee specified in the schedule hereto, which fee shall be deducted by the Bank at the time of disbursal of the loan. The borrower(s) agrees that the above fee may also be utilised to partially defray expenses that may be incurred by the Bank towards documentation and other incidental expenses incurred in origination of the loan.
9. The due date for the repayment of EMIs shall be the 5th or 15th day of every month following the month of disbursement in respect of the loan. Strict compliance with the repayment schedule is an essential condition for the grant and continuance of the loan. Any delay in the payment of an EMI shall entail an additional interest of 2% p.a., above the prevalent rate upon the outstanding balance of the loan, without prejudice to the other rights of the Bank in respect of such default.
10. i. It shall be the borrower(s) responsibility to ensure to get the authorisation/attestation on the ECS mandate done or remove any other difficulties whatsoever from the borrower(s) bank within 7 days from the date of intimation to the borrower(s) by the Bank.
- ii. The Bank shall have the right to demand the outstanding dues and recall the entire loan amount as per the terms governing the loan agreement, in case of the borrower(s) EMI is not realised by the Bank due to the borrower(s) electronic fund transfer not being executed for whatever reasons.
- iii. The Bank shall also have the right to provide the borrower(s) credit history with the Bank on a regular basis to CIBIL which is an initiative of the Government of India and RBI and to other Credit Bureaus, as appropriate including instances, wherein the credit history is adversely affected due to the borrower(s) electronic fund transfer not being executed for whatever reasons.
11. Irrespective of the mode of payment selected by the borrower(s) in the application form, HSBC shall as it may deem appropriate and necessary, be entitled to require the payment and/or collection of the EMI and all other amounts comprising the borrower(s) dues as expressed in the application form, by means of ECS, or utilising any other mode or manner of payment or repayment of the EMI and all other amounts comprising the borrower(s) dues, provided that such right of HSBC shall be without prejudice to its other rights under the loan terms, in case of any failure to receive the EMI or any other amounts due, through the electronic clearing system (debit) for any reason whatsoever.
12. The borrower(s) shall reimburse or pay to the Bank, on demand, the amount paid or payable by it to any governmental authority or any other regulatory agency, whether in India or abroad and any costs and expenses incurred in relation thereto, on account of any interest tax or other tax, levies, charges, imposts, etc. levied by such government authority or agency on the interest or any other amount/service(s) (and/or other charges) payable to the Bank.
13. The borrower(s) shall be liable for all amounts due and all costs, etc., incurred for any recovery and realisation proceedings in respect of the loan, including those by third party agents appointed by the Bank.
14. The borrower(s) shall pay all duties, levies, costs and other expenses incurred or suffered by the Bank in the course of and/or for reason of providing the loans and/or other sums to the borrower(s) including the costs, expenses (including attorney's fees) for enforcing this agreement or for recovery of the loan and all amounts payable under this agreement.
15. 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:
- i. 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.
- ii. Breach of any representation, warranty, declaration or confirmation under the loan terms or any other transaction document 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 or thereafter.
- iii. 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 have 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).

- iv. It is or becomes unlawful for the borrower(s) or any person (including the Bank) to perform any of their respective obligations under the loan terms and/or any other transaction document.
- v. The borrower(s) is unable or has admitted in writing its inability to pay any of its indebtedness as they mature or when due.
- vi. 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) with the Bank.
- vii. The Bank would be free to recall the loan, for any reason, whatsoever, including any of the information supplied by me/us regarding my employment, income and other personal defaults are found to be incorrect or false.
- viii. Death of the borrower(s), or any of them.
- ix. One or more events, conditions or circumstances (including any change in law) occur or exist, which in the sole opinion of the Bank, could have a Material Adverse Effect.
- x. Proceedings by any authority, court of law or professional body or association, for any misconduct or breach/violation of any law or regulations or code of conduct, etc., are taken against the borrower(s); or
- xi. The borrower(s) fails to furnish any information or documents that may be required by the Bank; or
- xii. If a ECS/SI in respect of any payment is not paid on the due date thereof; or
- xiii. The borrower(s) commits a default of any of the terms and conditions in respect of any other loan or facility provided by the Bank and/or any companies/entities/subsidiaries/affiliates thereof under HSBC and/or any other bank/financial institution/society, etc; or
- xiv. Where the borrower(s), or where the loan has been provided to more than one borrower(s), any of the borrower(s), dies; or
- xv. The borrower(s) commits a default under any other agreement or contract entered into by the borrower(s) with the Bank or with any third party and the same is not remedied to the satisfaction of the Bank within such time as the Bank may in its absolute discretion specify; or
- xvi. There exists any other circumstance, which, in the sole opinion of the Bank, jeopardises the Bank's interests.

16. Rights and Remedies of the Bank

The Bank shall have the unfettered right to reduce the loan amount or reject the loan application at its discretion and the Bank's decision about the amount to be granted to the borrower(s) shall be final and binding on the borrower(s) and the borrower(s) shall have no claim against the Bank for any reduced amount sanctioned to the borrower(s) or rejection of the loan application.

In the event of the borrower(s) committing any act of default and/or on the occurrence of any event of default as aforesaid, then notwithstanding anything to the contrary herein contained, or in any other agreement, document or instrument between the borrower(s) and the Bank shall be entitled at its absolute discretion to inter alia:

- i. On the happening of any of the events of default, the Bank may, by a notice in writing to the borrower(s) and without prejudice to the rights and remedies available to the Bank under the loan terms or any other transaction document or otherwise call upon the borrower(s) to pay all the outstanding balance of the loan together with interest and all sums payable by the borrower(s) to the Bank under this agreement and/or any other agreements, documents or instruments between the borrower(s) and the Bank.
- ii. The Bank shall be entitled, at the sole risk and cost of the borrower(s), to delegate to one or more person(s) functions, powers and rights under this agreement relating to the administration of the loan, including the right and authority to collect the borrower(s) dues, and the Bank may (for such purposes) furnish to such person(s) (including the authorised signatory(ies)/representative(s), guarantor(s) of the borrower(s) such information, facts and figures pertaining to the borrower(s) as the Bank deems fit. The 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, including sending notices attending the residence and office of the borrower(s) or otherwise contacting the borrower(s) (including the authorised signatory(ies)/representative(s), guarantor(s) of the borrower(s), receiving cash/cheques/drafts/mandates from the borrower(s) (including the authorised signatory(ies)/representative(s), guarantor(s) of the borrower(s) and giving valid and effectual receipts and discharge to the borrower(s), as the Bank deems fit.

Notwithstanding the above, in the event of the borrower(s) committing any act of default and/or the occurrence of any event of default, the borrower(s) expressly accepts and authorises the Bank and/or any such third party as the Bank may select to contact any third party(ies) (including the authorised signatory(ies), representative(s),



guarantor(s), the adult family members, secretary, accountants, etc., of the borrower(s) and disclose all necessary or relevant information pertaining to the borrower(s) and the loan, and the borrower(s), hereby, consents to such disclosure by the Bank (and/or any such third party as the Bank may select). The borrower(s) further expressly authorises the Bank (and/or any such third party as the Bank may select) to receive payments or such other security as may be offered by such third parties (including authorised signatory(ies), representative(s), guarantor(s), the adult family members, secretary, accountants, etc., of the borrower(s)) towards discharge of the loan.

- iii. The Bank shall not in any way be liable/responsible, by reason of exercise or non-exercise of any rights and remedies available to the Bank under this agreement.
- iv. If any, one or more events of default shall have occurred, then the Bank shall, in addition to the various rights and remedies of the 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 Bank until all of the borrower(s) dues outstanding from the borrower(s) to the Bank is/are completely discharged. The deductions shall be of such amounts, and to such extent, as the 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 Bank to require such deduction and payment by the borrower(s) employer to the Bank. Provided, however, that in the event, the said amounts so deducted are insufficient to repay the outstanding borrower(s) dues to the Bank in full, the unpaid amounts remaining due to the Bank shall be paid by the borrower(s) in such manner as the Bank may in its sole discretion decide and the payment shall be made by the borrower(s) accordingly.
- v. Banks shall have the right to exercise the Bank's **right of lien and set-off** over all monies lying in any accounts standing in the borrower(s) name maintained in the Bank.
- vi. Without prejudice to the above, the Bank shall have the right to proceed against the borrower(s), independent of any right of lien/set-off to recover the outstanding dues from the borrower(s).
- vii. Notwithstanding any suspension or termination of the loan, all rights and remedies of the Bank as per the loan terms and other transaction documents

shall continue to survive, until the receipt by the Bank of the borrower(s) dues in full.

- viii. The Bank shall be at liberty not to:
 - a. Allow drawings beyond the sanctioned limits.
 - b. Honour cheques, if issued, for the purposes other than agreed upon in the credit sanction letter.
 - c. Grant additional limits due to growth in business, etc., at its sole discretion and after review of the account and facilities and
 - d. Allow drawings if my/our borrowal account is classified as a Non Performing Asset (NPA) or due to non-compliance of the terms of sanction.
- ix. HSBC 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 loan, loan terms, transaction documents; (iii) obligations assumed/to be assumed by the borrower(s) in relation to the loan 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 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 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 Bank from time to time shall be true and correct.
- x. In case the borrower(s) commits any default in payment or repayment of the principal amount of the loan or interest/charges due thereon, the 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 of the borrower(s) and/or its director(s)/partner(s)/co-applicant(s), as applicable, as defaulters in such manner and through such media as the Bank and/or RBI may, in their absolute discretion, think fit.
- xi. The borrower(s) liability for repayment of the borrower(s) dues shall, in cases where more than one borrower(s) have jointly applied for the loan, 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 loan to the Bank.

17. The Bank shall have the right to recall the loan at any time at its discretion, without assigning any reasons for such recall, and upon such recall, the loan and all other amounts stipulated by the Bank shall be payable forthwith.
18. The Bank would be entitled to invoke the acceleration clause 13 (i) in case of event of default for whatever reasons, i.e., the entire outstanding loan balance will become payable forthwith.
19. The borrower(s) shall promptly notify the 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.
20. The decision of the Bank as to whether or not an event of default has occurred shall be final and binding upon the borrower(s).
21. The borrower(s) shall be liable to pay a charge not exceeding ₹250 or such other amount as may be stipulated by the Bank from time to time, for dishonour of any repayment instruction on the first presentation of the repayment instruction and a further charge not exceeding ₹250 or such other amount as may be stipulated by the Bank from time to time, on dishonour of the second presentation of the repayment instruction. This would be without prejudice to the rights of the Bank under the Negotiable Instruments Act, 1881 and other rights of the Bank under this agreement or otherwise.
22. Any dispute, including about the interest computation, shall not entitle the borrower(s) to withhold payment demanded by the Bank and/or payment of any EMI.
23. 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 Bank shall, so long as the whole (or any part) of the borrower(s) dues remains outstanding/payable to the 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 Bank.
24. Prepayment by borrower(s)
The borrower(s) may prepay the entire outstanding balance of the loan after the expiry of the first six (6) months of the loan tenure. In such an event, the Bank shall be entitled to charge 4% or any other rate which may be applicable at that time as per the Bank's policy, of the amount so prepaid as a prepayment fee, as well as a minimum prepayment amount, prepayment premium or discounted interest and/or other charges, plus applicable interest tax or other statutory levy.

Prepayment will be applied to EMIs in inverse order of maturity. The interest and any other charges, etc., would be leviable till the end of the month in which the prepayment notice expires. The prepayment shall take effect only if ECS/Sl has been cleared and proceeds thereof, realised by the Bank in clear funds. Any cash payments offered by the borrower(s) shall be subject to the Bank's sole discretion as to whether or not to accept the same.

25. The records maintained by the Bank shall be conclusive proof of the amounts outstanding from and due by the borrower(s). A certificate in writing signed by an officer of the Bank, stating the amount due at any particular time shall be conclusive evidence as against the borrower(s). However, nothing herein shall prejudice the Bank's interests or rights, if there is any clerical or arithmetical error in the interest calculations due and payable by the borrower(s).
26. The entries made in the accounts/account books/ records of the 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 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 loan and the borrower(s) dues.
27. In case the Bank recalls the loan upon/after the occurrence of an event of default, and the borrower(s) requests the Bank to accept part payment(s) of the borrower(s) dues and to permit the borrower(s) to continue repaying the EMI in future, the Bank may entertain/accept such requests, upon such further terms and conditions as the Bank may think fit and proper in its sole discretion. Any decision taken by the Bank not to allow such request(s) of the borrower(s) shall be final and binding on the borrower(s).
28. All notices or other communications under or in connection with the borrower(s) dues and/or the loan terms shall be given in writing at the last known address supplied by the borrower(s) and, unless otherwise stated may be made by letter or facsimile. Any such notice or other communication will be deemed to be effective: (a) 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 (b) if sent by facsimile, when sent (on receipt of a confirmation to the facsimile number supplied by the borrower(s)). Provided, however, that no notice or communication to the Bank shall be effective, unless actually received and acknowledged by the Bank. Notices or communication may be made to: (i) the borrower(s) address or facsimile number to which notices are to be sent (as specified in the application form), and (ii) the Bank's office address or to such other address as may be designated by the borrower(s) and the Bank in writing to each other. In the event of any failure by the borrower(s) to notify the



Bank in writing of any changes in his/her/their contact address 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 Bank.

29. 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 Bank. The 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 Bank, continue to make all payments under the loan terms to the Bank and all such payments when made to the Bank shall constitute a full discharge to the borrower(s) from all its liabilities in respect of such payments.
30. **Set-Off**
The borrower(s), hereby, agrees that the occurrence of any event of default hereunder, shall also be treated as an event of default under any other facility being availed of by the borrower(s) from the Bank and/or any companies/entities/subsidiaries/affiliates thereof in HSBC Group and the Bank is hereby authorised by the borrower(s) to retain and to continue to hold and/or set off/realise/sell any assets (including but not limited to fixed deposits and/or all monies and/or accounts standing in the borrower(s) name) of the borrower(s) held by the Bank as a security and/or otherwise and adjust the proceeds thereof towards repayment of the loan including any interest and other charges due and payable by the borrower(s) to the Bank and/or any companies/entities/subsidiaries/affiliates thereof in HSBC Group. The 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) held/balances lying in any accounts of the borrower(s), whether in single name or joint name(s) of the borrower(s) and on any monies, securities, bonds and all other assets, documents and properties held by/under the control of the Bank (whether by way of security or otherwise pursuant to any contract entered/to be entered into by the borrower(s) in any capacity) to the extent of all outstanding dues, whatsoever, arising as a result of any of the Bank's 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 Bank to the borrower(s).

The above authorisation in favour of the Bank is notwithstanding that the deposit(s) balances lying in the accounts mentioned above, may not be expressed in the same currency as such indebtedness. 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.

31. The borrower(s) expressly recognises and accepts that the Bank shall, with prior intimation to the borrower(s), be absolutely entitled and have full power and authority, to sell, transfer and/or assign to any third party or person as the Bank may decide the loan and all outstanding dues under this agreement in any manner, in whole or in part and on such terms as the Bank may decide including reserving to the Bank, the power to proceed against the borrower(s), on behalf of the assignee or transferee, in the event of default in payment of any amounts due by the borrower(s) under this agreement. Any such sale or assignment shall bind the borrower(s) and the borrower(s) shall accept the third party as its sole creditor or creditor jointly with the Bank, as the case may be, and in such event, the borrower(s) shall pay to the Bank or such creditor or as the Bank may direct the outstanding amounts due from the borrower(s) under this agreement.
32. The borrower(s) does hereby indemnify and agree to keep indemnified the Bank from time to time and at all times hereafter against all claims, costs, losses, damages, charges, 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 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)) and expenses that may be incurred by the Bank by reason of any act or default on the part of the borrower(s) in respect of the loan and/or for the recovery of the outstanding dues (including legal/attorney fee) and/or on account of failure of the borrower(s) of any of the terms and conditions herein.
33. The borrower(s) accepts, confirms and consents for the disclosure and sharing by the Bank of all or any information and data relating to the borrower(s), the facilities, any other transactions that the borrower(s) has with the Bank, the borrower(s) account, and the agreements and documents related to the facilities/loans and transactions, including but not limited to information relating to default, if any, committed by the borrower(s), in the discharge of the borrower(s) obligations in relation to the facilities/loans or other transactions, as the Bank may deem appropriate and necessary to disclose and furnish, to the Reserve Bank of India (RBI) and/or to the Credit Information Bureau (India) Ltd. and/or to any other agency or body as authorised in this behalf by RBI, to other banks and lenders including assignees and potential assignees, to its professional advisers and consultants and to its service providers instructed by it in relation to the facilities/loans, and/or as required under law or any applicable regulation, at the order of a court of law, or at the request or order of any statutory, regulatory or supervisory authority with whom it customarily complies. The borrower(s) undertakes and covenants that it shall provide all information, including information regarding other credit facilities enjoyed



by the borrower(s), as and when required by the Bank. The borrower(s) declares that the information furnished to the Bank from time to time is and shall be true and correct.

The Borrower(s)

- (a) Accepts that the RBI or the Credit Information Bureau (India) Ltd. and any other agency so authorised, any statutory regulatory or supervisory authority or other lenders, may use, process, disseminate the said information and data disclosed by the Bank in such manner as deemed fit by them in any particular circumstances; and
 - (b) Shall not hold the Bank at all responsible or liable in this regard.
34. The borrower(s) hereby undertakes to keep the Bank informed and authorises the Bank to update any change in the borrower(s) e-mail ID, telephone number, mobile number and address that the Bank may be informed of or be available with the Bank and/or any of the Bank's subsidiaries/affiliates/ associates and/or any of the companies/entities/ subsidiaries/affiliates thereof of HSBC Group and hereby authorises the Bank to contact the borrower(s), by post, fax, telephone, e-mail, SMS/text messaging. The borrower(s) hereby expressly authorises the Bank, its authorised representatives, agents, servants and third parties as appointed under the provisions of Clause 13, 14 and 15 to use the information provided by the borrower(s) to get in touch with the borrower(s) (including the authorised signatory(ies)/ representative(s), guarantor(s) and third parties including the family members of the borrower(s)) whose information the borrower(s) has provided to the Bank.
35. The borrower(s) further acknowledges that the Bank shall also be entitled to disclose all aforesaid information/documents, etc., pursuant to the order/ direction of the Court of law/Tribunal/Arbitrator, as and when required.
36. Without prejudice to all other rights as the Bank or any of the third parties appointed by the Bank may have under this agreement and under law, on the occurrence of an event of default, the borrower(s) may be sent reminders from time to time for settlement of any outstanding under the loan facility, by post, fax, telephone, e-mail, SMS text messaging via mobile phone.
37. Subject to the borrower(s) paying the EMIs in the manner provided in the agreement, and at the request of the borrower(s) in this regard, the Bank may at its

sole discretion and subject to the applicable terms and conditions therefore, allow the borrower(s) to avail of a loan facility of an amount and tenor as is mutually agreed to between the Bank and the borrower(s). Such loan facility amount shall be sanctioned by way of exchange of letters on terms and conditions mentioned therein which will form part and parcel of this agreement and the amount will be disbursed to the borrower(s).

38. 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.
39. No delay in exercising or omission to exercise any right, power or remedy accruing to the 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 Bank in respect of any default or any acquiescence by it in any default, affect or impair any right, power or remedy of the Bank in respect of any other default. The rights of the 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 Bank's sole discretion.
40. Amendment Clause
The Bank has the absolute discretion to amend or supplement any of the loan terms at any time and will give prior notice of thirty days (30 days) by mailers, e-mail or any other channels 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(s). 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.
41. In line with the directives of the Reserve Bank of India, the Bank would be free to disclose my/our names to any agency, regulator, entity, debt collection/recovery agent, legal practitioner and whomsoever, the Bank deems it fit and proper to recover its dues.
42. The Bank would be entitled to assign the outstanding debt arising out of this loan partly or fully in favour of one or more entities on such terms and conditions at the Bank's discretion, without seeking any consent from me/us.



43. Governing Law and Jurisdiction

The provisions of this agreement shall be governed by, and construed in accordance with the Indian law and the parties hereby expressly agree that the courts at _____ shall have exclusive jurisdiction in relation to all matters concerning and relating to this agreement.

All legal actions and/or proceedings arising out of/in connection with the loan, loan terms, the transaction documents shall be brought in/before the courts or tribunals at _____ in India and the borrower(s) irrevocably submits himself/herself/itself/themselves to the exclusive jurisdiction of such courts and tribunals.

IN WITNESS WHEREOF THE BORROWER(S) HAS/HAVE EXECUTED THESE PRESENTS ON THE _____ DAY OF _____ AT _____

Signed and delivered by the
Within named borrower(s)



Signature: (Borrower(s))

Signed and delivered
By The Hongkong and Shanghai Banking Corporation Limited
(Authorised signatory)



Schedule I

1. The name(s) of the borrower(s).
i. _____
ii. _____
iii. _____
2. Address of the borrower(s).
i. _____
ii. _____
iii. _____
3. The amount of loan, ₹ _____
(Rupees _____ only).
4. Security: Creating such security as may be required by HSBC from time to time.
5. Interest rate type: Fixed/Floating (delete as appropriate) on monthly reducing basis with monthly rest, if fixed rate of interest,
Fixed rate of interest: _____ %
Applicable tenure for fixed rate: _____ months
If floating rate of interest,
 Current interest rate p.a.: HGLR+ _____ = _____ %
6. Equated Monthly Instalment: ₹ _____
7. Number of EMI : _____
Date of first instalment : _____
Date of last instalment : _____
8. Late payment charges and cheque dishonour charges : A penal charge of ₹250 per month is payable in case of delayed instalments on account of cheque, ECS or SI (Standing Instruction) dishonour.
9. Penal interest : Penal interest of _____ % over and above the regular interest charged as specified by the Bank on the delayed instalments on account of cheque, ECS or SI (Standing Instruction) dishonour.
10. Prepayment charges : _____
11. The amount of other charges payable:
i. Processing fees, ₹ _____
ii. Commitment charges, ₹ _____
The fees/charges specified are non-refundable and the rates of the same shall be changeable at the sole discretion of the Bank.

