

SD[R&M]-11(G)(2)

HYPOTHECATION AGREEMENT

[Receivables] [For Lease Rent Discounting]

DHANLAXMI BANK LTD.

.....Branch.

IN CONSIDERATION OF DHANLAXMI BANK LTD, a duly incorporated Scheduled Commercial Bank being governed by the provisions of the Banking Regulation Act, 1949, having its registered Office at Dhanalakshmi Buildings, Naickanal, Thrissur, and Corporate Office at Punkunnam, Thrissur, Kerala State in India and having a branch office among other

places at..... (hereinafter called the “**Bank**” which expression shall wherever the context requires or admits include its successors and assigns from time to time) having granted/agreed to grant/continue to grant

from time to time to.....

.....

.....

.....

.....

.....

 (Name, address and constitution of the Borrower/s) (hereinafter referred to as **“Borrower(s)”** which expression shall include his/her/ their/its heirs, successors, executors, administrators, assigns and legal representatives from time to time) enter into this Agreement with the Bank.

WHEREAS at the request of the Borrower(s), the Bank has advanced or allowed and or agreed to advance or allow or continued or agreed to continue the following credit facility/ies:

Sl No.	Nature of Facility/ies	Amount/limit (Rs.)

(hereinafter collectively and individually referred to as “the Credit Facility(ies)” on conditions, inter-alia, that the Borrower shall secure repayment of the sums advanced by the Bank including interest, bank charges, costs, commission, etc. by hypothecation of lease rent receivables as per the Lease Agreement dated

NOW THIS AGREEMENT WITNESETH as follows;

1. The Borrower(s) hereby hypothecate(s), all their present and future actionable claims including the rent receivables as per the Lease Agreement dated.....
or any other Agreement executed or to be executed by the Borrower with the Lessee in connection with the premises leased out and the subject matter of the facility/ies availed or to be availed by the Borrower/s from the Bank

(hereinafter referred to as “Hypothecated Assets”, which term shall mean include all present and future rent receivables) belonging to the Borrower(s) which now or hereafter from time to time during the continuance of this Agreement.

2. The Borrower/s unconditionally and irrevocably agree/s and undertake/s that the Receivables from the Lessee to the Borrower in respect of the Premises shall be paid by the Lessee to the Bank directly, free from any deduction or set off, towards the repayment of the Facility in the manner prescribed by the Bank.
3. The Bank shall have the absolute right and unfettered discretion to decide whether or not it will accept as security for the purpose of this Agreement any actionable claim, receivables, book debt, beneficial right to any movable property etc. offered from time to time to the Bank by the Borrower(s) and in the event of Bank’s non-acceptance of such security/ies or any part thereof, the Borrower(s) shall comply with the requirement of margin as provided hereinafter and be entitled to refuse to make available the credit facility/ies to the Borrower(s) and/or recall the credit facility/ies made available against the hypothecated assets to the Bank as security for the purpose of this Agreement.
4. The Borrower(s) agree/s to produce the original lease/rent agreement and its renewals to the Bank immediately on execution thereof or on sanction of the credit facility/ies hereunder for scrutiny and verification by the Bank.
5. The Borrower/s hereby declare/s that all the hypothecated assets are the absolute property of the Borrower/s at the sole disposal of the Borrower/s and free from any prior charge or encumbrance and that the Borrower/s have not done or knowingly suffered or been party or privy to anything whereby they are in anyway prevented from hypothecating the hypothecated assets in manner aforesaid and that the Borrower/s will do and execute at their costs all such acts and things for further and more particularly assuring the hypothecated assets or any part thereof to the Bank as shall be required by the Bank and for giving better effect to these presents the Borrower/s authorize/s and irrevocably appoint/s the Bank and/or other officers as attorneys and attorney for and in the name of the Borrower/s to act on behalf of the Borrower/s and to execute and do any act, assurance and thing which the Borrower/s ought to execute and do under these presents and generally to use the name of the Borrower/s in the exercise of powers hereby conferred.
6. The Borrower/s shall also not create further indebtedness without the Bank’s prior written consent. The Borrower confirms that except for those obligations which would be preferred by applicable law, the obligations of the Borrower/s hereunder shall rank as a first charge.

7. The Borrower/s shall not utilize the credit facility/ies sanctioned by the Bank or any part thereof for any purpose other than that for which it have been sanctioned by the Bank. If the Bank apprehends or has reason to believe that the Borrower/s has/have violated or is violating this condition, the Bank may recall the credit sanctioned or any part thereof immediately, notwithstanding anything to the contrary contained in any other agreement executed by the Borrower/s in respect of the above facility/ies.

8. Further, the Bank shall be at liberty, at any time, without previous notice to the Borrower/s and without assigning any reason whatsoever, to cease to accept any/all of the Hypothecated Assets as Security from the Borrower/s and/or to cease making advance there against.

9. That interest shall be charged on the outstandings in the account(s) opened in respect of the various facilities at such rate(s) as may be fixed by the Bank from time to time depending on the changes in the ¹Marginal Cost of Funds based Lending Rate (MCLR) /or Repo Rate of RBI or the directives of the Reserve Bank of India from time to time / on the Borrower's credit rating with the Bank is downgraded and the Borrower/s hereby waive/s the requirement of notice on revision of interest and a notice in the Bank's notice board or website of the Bank or a report in the newspaper on change of interest rate shall be deemed to be sufficient notice to the Borrower/s and such interest shall be payable whether debited to the loan account or not, and until so paid shall form part of the facilities covered by these presents. Notwithstanding anything stated above, in case the Borrower/s fail to perform or comply with or commit breach of any of the terms, conditions, obligations, stipulations etc. contained herein or in any other documents executed or in any sanction(s) or directions issued by the Bank from time to time in relation to the credit facility (ies) covered by this Agreement and/or in the event of levy of tax by the Government, the Bank shall be entitled to charge penal charges at such rate as stipulated by the Bank from time to time, if the Bank revises the penal charges during the currency of the loan/facility. The decision of the Bank as to the existence of facts and circumstances warranting application of this clause shall be final and binding on the Borrower(s).

²(If linked to MCLR) The Borrower shall repay to the Bank the loan together with interest at the rate of % above the Marginal Cost of Funds based Lending Rate (hereinafter referred to as MCLR). The present MCLR of the Bank is % and accordingly, the current rate of interest payable by the Borrower shall be % per annum with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due, subject to revision by the Bank or at such other rates that

¹ strike out whichever is not applicable

² strike out if not applicable

the Bank may stipulate from time to time. The borrower agrees to repay the loan amount together with interest as aforesaid in months in Equated Monthly Instalments (EMI) as detailed below:

³The first EMI will commence on completion of one (01) month from the date of availment of final disbursement (e.g., If final disbursement is on 16-07-2024, the EMI begin date will be on 16-08-2024) or

⁴If the final disbursement of the loan is made on or before 20th of a month, the first EMI begin date shall be day of next month and if the final disbursement is after 20th of a month, the EMI begin date shall beday of next-to-next month and interest till of next month from date of disbursement to be serviced by the borrower. The remaining EMIs shall be payable to the Bank on or before the same day of succeeding months as more fully described in in Schedule II of this Agreement.

⁵**(If linked to Repo Rate)** The Borrower agrees to repay the loan amount together with interest at the rate ofpercent above the Repo Rate of RBI(hereinafter referred to Repo Rate). The present RBI's Repo Rate is% and accordingly the current rate of interest payable by the Borrower shall be% per annum; with monthly rests and compounded, rising and falling therewith calculated respectively on the daily balance of the amount due, subject to revision by the Bank or at such other rates that the Bank may stipulate from time to time The borrower agrees to repay the loan amount together with interest as aforesaid in months in Equated Monthly Instalments (EMI) as detailed below:

⁶The first EMI will commence on completion of one (01) month from the date of availment of final disbursement (e.g., If final disbursement is on 16-07-2024, the EMI begin date will be on 16-08-2024) or

⁷If the final disbursement of the loan is made on or before 20th of a month, the first EMI begin date shall be day of next month and if the final disbursement is after 20th of a month, the EMI begin date shall be..... day of next-to-next month and interest till of next month from date of disbursement to be serviced by the borrower. The remaining EMIs shall be payable to the Bank on or before the same day of succeeding months as more fully described in Schedule II of this Agreement.

10. The Borrower agrees that the Bank shall at any time or from time to time be entitled to charge penal charges for the non-compliance of the material terms and conditions of the loan sanctioned such as default made in payment of any installment on due dates or non-

3 Strike out if not applicable

4 Strike out if not applicable

5 Strike out if not applicable

6 Strike out if not applicable

7 Strike out if not applicable

submission of prescribed return, commitment charges, etc. as more fully described in the sanction communication of the loan as well as in the key fact statement herein below.

11. The Borrower(s) agree(s) with the Bank that unless otherwise agreed to by the Bank, the Borrower shall repay the aforesaid credit facility/ies to the Bank forthwith on demand all such amounts as may be standing at the foot of the account(s) together with interest, and commission as may be applicable thereto as set out in the schedule I hereto along with compound interest, damages, cost, charges, including penal charges, expenses, other moneys payable thereon. Failure of the Borrower(s) to repay shall entail the Borrower(s) being treated as a defaulter(s) and the amount due as in default is recoverable by invoking the provisions of this or any other Agreements or deeds or documents.
12. The Borrower further agrees that the Bank shall have an unqualified right to recover all the expenses incurred by the Bank of whatever nature in connection with the recovery actions including but not limited to the fees and expenses towards its Advocates and solicitors with regard to obtention of opinions, litigations, both Civil and criminal, initiated either by the bank or against the Bank with respect to the subject loan account and the Borrower hereby irrevocably and unconditionally authorizes and empowers the Bank to debit and recover the same from the loan account, I/we also agree that the Bank shall have an unfettered right of set off or lien towards any dues in this regard.
13. The Borrower/s further agree/s not to open any advance or deposit account with any other bank/s without the prior consent in writing of Bank during the continuance of the advance.
14. The Borrower agrees that the sanction letter allowing the facility shall be read in conjunction with the provisions of this agreement and in the event of any inconsistency in this agreement with the aforesaid sanction letter, the terms and conditions mentioned in the sanction letter shall prevail for all intents and purposes
15. The Borrower/s agree/s to accept as conclusive proof of the correctness of any sum claimed to be due to the Bank under this agreement a statement of account made out from the books of the Bank and signed by the duly authorized officer of the Bank or data/print out of the data in respect of the account stored in a floppy, disc, tape or any other form of electro-magnetic storage device or computer system generated printout without production of any voucher, document or paper.
16. That this Agreement is to operate as a continuing security for the balance outstanding from time to time due to the Bank and also for the ultimate balance to become due including all moneys lent, advanced, paid or incurred on such account or which may in

future be advanced or incurred together with interest, discount, commission, service charges and other banking charges as fixed by the Bank from time to time and law and other costs, charges and expenses which may be or become payable herewith and the said account is not to be considered to be closed for the purpose of this security.

17. The Borrower/s shall at all times indemnify and keep indemnified the Bank from and against all suits, proceedings, costs, charges, claims and demands whatsoever that may at any time arise or brought or made by any person against the bank in respect of any acts, matters and things lawfully done or caused to be done by the Bank in connection with the said hypothecated assets or in pursuance of the rights and powers of the Bank under this Agreement.
18. Provided always that this Agreement is not to prejudice the rights or remedies of the Bank against the Borrower/s irrespective and independent of this agreement in respect of any other advances made or to be made by the Bank to the Borrower/s.
19. In case the Borrower(s) is a firm or members of a firm, no change whatsoever in the constitution of such firm, during the continuance of this Agreement shall impair or discharge the liability of the Borrower/s or any one or more of them thereunder.
20. That if the Borrower(s) be more than one individual each one or any of them is/are authorized and empowered by the other(s) of them to admit and acknowledge his/their liability to the Bank by any payment into the account(s) or by way of express writing in any manner or otherwise and any such admission and acknowledgement of the liability by one or more of them shall be construed to have been made on behalf of each of them.
21. The Borrower(s) further agree/s that if default shall be made in payment of any installment on due dates or default in observing any of the terms and conditions of the advance granted, the Borrower/s shall pay penal charges as stipulated by the Bank from time to time.
22. The borrower understands that if the principal or interest payment or any other amount wholly or partly became overdue, the account shall be classified as special mention account (SMA) and thereafter as non-performing asset (NPA) in tune with the guidelines of the Reserve Bank of India from time to time. For example: If due date of a loan account is March 31, 2021, and full dues are not received before the said due date, the date of overdue shall be March 31, 2021. If it continues to remain overdue, then this account shall get tagged as SMA-1 on April 30, 2021 i.e., upon completion of 30 days of being continuously overdue. Similarly, if the account continues to remain overdue, it shall get tagged as SMA2 on May 30, 2021 and if continues to remain overdue further, it shall get classified as NPA upon on June 29, 2021.

23. The Borrower(s) further agree/s that the Borrower(s) shall pay fee and other charges for processing the loan application, mortgage expenses/charges, inspection and valuation charges, legal charges and such other fees and charges stipulated by the Bank from time to time at the rate published in the notice board or website of the Bank from time to time. The Borrower agrees to register/ record the charges created in favour of the Bank with the concerned authorities as per applicable laws. If the Borrower fails to register/ record the charges with the concerned authorities within the time frame as per applicable laws, the Bank is entitled to register/record the charges with the concerned authorities and the Bank, without any further notice, is entitled to recover the amount of any fees or additional fees or charges paid by the Bank for the purpose of registration/ recording of the said charges either from the loan account or any other account of the borrower with the Bank.
24. The Borrower(s) agree(s) that the Bank does not have an obligation to meet further requirements of the Borrower/s on account of growth in business etc. without proper review of the credit limits.
25. The Borrower(s) further agree(s) that the Bank shall have a right of general lien and set off over the other accounts of the Borrower/s with the Bank and/or securities held by the Bank for other advance(s) to the Borrower/s in case of the advances covered under these presents becoming overdue and irregular and not satisfied and to dispose of such securities and realise the proceeds in satisfaction of the dues.
26. The Borrower/s agree/s that the Bank may transfer/assign/sell the credit facility/ies and the security/ies or the security documents to any other Bank/Financial Institution/Securitisation Company/ Asset Reconstruction Company or any such organization or their agents without reference to the Borrower for the purpose of securitisation / asset reconstruction or outright sale and in case of such sale the terms and conditions of the credit sanction agreed to by the Borrower with the Bank shall continue to govern and the buying Bank/Financial Institution/Securitisation Company/Asset Reconstruction Company or any such organization or their agents shall have recourse to the Borrower and the terms and conditions of sale shall be governed by the agreement entered into by the Bank with the buyer bank/Financial institution/Securitization Company/ Asset Reconstruction Company any such organization or their agents. The Borrower/s further undertake/s to execute any document for doing and executing of all such acts, things, deeds, documents or assurances as the Bank/ Financial Institution/Securitization company/Asset Reconstruction Company may require for perfecting such assignment.
27. The Borrower(s) declare(s) that the information and data furnished by the Borrower(s) to the Bank are true and correct and specifically agree that as a pre-condition for granting

loans/advances/other non-fund based credit facilities, the Bank shall have an unqualified right to disclose the information or data relating to the Borrower/s, the information or data relating to any credit facility availed of/to be availed by the Borrower(s), default if any committed by the Borrower(s) in discharge of the obligations or any other information as the bank may deem appropriate and necessary to the Credit Information Companies or any other agency authorized by the Reserve Bank of India and such agencies may process the information and furnish the processed information for consideration to any banks/Financial Institutions or other credit grantors or registered users as may be specified by the Reserve Bank of India.

28. The Borrower(s) also agree/s that the Bank shall have the absolute discretion to engage the recovery agent/s or agency/ies to recover the dues in the borrowal account(s) and to disclose the information/data relating to the Borrower(s) or information in respect of the borrowal account with the Bank to any recovery agent/s or agency/ies as the Bank may think fit and such recovery agent/s or agency/ies shall take appropriate steps against the Borrower or against the securities offered to the Bank. The Borrower/s further agree/s that in case of default, if any committed by the Borrower/s in discharge of the obligations, the Bank shall have the undisputed right to publish the Borrower's photograph/s as a defaulter to the Bank in daily newspapers or other media as decided by the Bank, at Borrower's risk and costs and the Borrower/s hereby convey/s their express consent for such acts of the Bank without any further intimation to the Borrower/s.
29. Any delay in exercising or omission to exercise any right, power or remedy exercisable by the Bank under these presents shall not impair any such right, power or remedy or be construed to be an acquiescence in any default, nor shall the action of the Bank in respect of such default or any acquiescence affect or impair any right, power or remedy of the Bank in respect of any other or subsequent default.
30. The Borrower agrees that they shall not induct a person whose name appears in the list of Wilful Defaulters published by the Reserve Bank of India and/or any other Credit Information Companies on its Board or as a person in charge and responsible for the management and affairs of the borrower. In case, such a person is found to be on its Board or as a person in charge and responsible for the management and affairs of the borrower, the Borrower would take expeditious and effective steps for removal of that person/s from their Board or from being in charge of the management of the Borrower. If the Borrower fails to comply with the said requirement, the Bank shall be entitled to initiate all proceedings as envisaged by law against the Borrower including criminal action, foreclosure and change of ownership. The Borrower also agrees that the Bank shall not renew / enhance/ provide fresh loans/ credit facilities to the borrower or restructure existing loans/ facilities provided to the Borrower so long as the name of its

promoter and/or the director(s) and/or the persons in charge and responsible for the management of the affairs of the Borrower remains within the list of Wilful Defaulters. If the borrower is a company, the borrower further agrees that in case the borrower's unit shows cash losses or adverse current ratio or diversion of fund, our directors would be under an obligation to execute guarantees in their individual capacities, if required by the Bank. .

31. The Borrower(s) also agree/s that in case of restructuring of loans and if the Borrower is unable to come out of stress due to operational /managerial inefficiencies or for any other reasons and fails to achieve the viability milestones and/or adhere to the 'critical conditions', the Borrower hereby agree that the Bank shall have the right at its discretion to initiate change of ownership of the Borrower Company by converting the loan dues to equity shares.
32. The Borrower(s)also agree/s that the Borrower shall submit necessary approvals/authorizations (including special resolution by the shareholders), as required under extant laws/regulations, to enable the Bank to exercise the above rights and the Borrower shall also co-operate with the Bank for its effective execution
33. The Borrower has the right to raise their valid complaints, if any with regard to the loans or services in connection therewith availed from the Bank. The Bank have a clear grievance(s) redressal mechanism and the same is displayed in the website of the Bank, www.dhanbank.com The borrower can raise complaints, if any either through Bank's Customer Care by calling or in person or through letter or through e-mail etc.. The Bank shall deal with the such valid customer grievances in accordance with the extant guidelines.
34. That the Borrower hereby expressly authorize the Bank to approach Income Tax Department and/or any other Government Department/Authority/Agency to access the information (including without limitation, Balance Sheet, Profit & Loss Account, Income Statement and Returns) about the Borrower and their business or activity submitted by the Borrower to such authority or entity, for the purpose of verification of the same with the information submitted by the Borrower to the Bank in relation to the loan/credit facility/ies applied for / availed of from the Bank. This authorization shall continue to be valid and be in force until all amounts due to the Bank under the said loan/credit facility(ies) granted/to be granted by the Bank to the Borrower are fully repaid and received by the Bank.
35. The Borrower(s) agree/s that any notice by way of request, demand or otherwise required to be served hereunder shall be sufficiently served if addressed and transmitted to their address registered in the Bank or in the event of no such address being registered

to their last known place of residence or business and left at such address or place or forwarded to them by post or by courier or by any other means of transmission of documents like fax message or electronic mail service to the address or place aforesaid and if sent by post it shall be deemed to have been given at the time when it would be delivered in due course of post and it shall be sufficient to prove that the envelope containing the notice was posted and if sent by courier or fax or electronic mail then delivery confirmation slip, fax /electronic mail confirmation message, as the case may be, shall be sufficient proof of service.

36. This Agreement shall be governed by and construed in all respects with the laws of India.
37. In case of any conflict in the interpretation of the Deeds, letters, undertakings and sanction communication, the interpretation of the Bank shall be conclusive and binding on the Borrower.

IN WITNESS WHEREOF the Borrower/s have hereunto set their hands this the.....day.....of.....20.....

SIGNATURE OF BORROWER/S

SCHEDULE - I
DESCRIPTION OF HYPOTHECATED ASSETS

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Key Fact Statement
Part 1(Interest Rate and fees/charges)

1	Loan proposal/account No.		Type of Loan					
2	Sanctioned Loan amount (in Rupees)							
3	Disbursal Schedule (i) Disbursement in stages or 100% upfront (ii) If it is stage wise, mention the clause of loan agreement having relevant details							
4	Loan Term (year/months/days)							
5	Instalment details							
	Type of Instalments	Number of EPIs	EPI (₹)	Commencement of repayment, post sanction				
6	Interest rate (%) and type (fixed or floating or hybrid)							
7	Additional Information in case of Floating rate of interest							
	Reference Benchmark	Benchmark rate (%) (B)	Spread (%) (S)	Final rate (%) R=(B)+(S)	Reset Periodicity (Months)	Impact of change in the reference benchmark (for 25 bps change in 'R', Change in:)		
					B	S	EPI (₹)	No. of EPIs
8	Fee/Charges							
			Payable to the RE (A)		Payable to a third party through RE(B)			
(i)	Processing fees		One-time/Recurring	Amount (in₹) or Percentage (%) as applicable	One time/Recurring	Amount (in₹) or Percentage (%) as applicable		
(ii)	Insurance charges							
(iii)	Valuation fees							
(iv)	Any other (please specify)							
9	Annual Percentage Rate (APR) (%)							
10	Details of Contingent Charges (in ₹ or %, as applicable)							
(i)	Penal Charges, if any, in case of delayed payment							
(ii)	Other penal charges, if any							
(iii)	Foreclosure charges, if applicable							
(iv)	Charges for switching of loans from floating to fixed rate and vice versa							
(v)	Any other charges (please specify)							

Part 2 (other qualitative information)

1	Clause of Loan agreement relating to engagement of recovery agents	
2	Clause of Loan agreement which details grievance redressal mechanism	
3	Phone number and email id of the nodal grievance redressal officer	customer.complaint@dhanbank.co.in
4	Whether the loan is, or in future maybe, subject to transfer to other REs or securitisation (Yes/No)	
5	In case of lending under Collaborative lending arrangements (e.g., co-lending/outsourcing), following additional details may be furnished:	
	Name of the originating RE, along with its funding proportion	Blended rate of interest
	Name of the partner RE along with its proportion of funding	
6	In case of digital loans, following specific disclosures may be furnished	
(i)	Cooling off/look-up period, in terms of RE's board approved policy, during which borrower shall not be charged any penalty on prepayment of loan	
(ii)	Details of LSP acting as recovery agent and authorised to approach the borrower	

(SIGNATURE OF BORROWER/S)