

APPLICATION CUM MEMORANDUM FORM FOR OVERDRAFT / SUPERSAVER AGAINST FIXED DEPOSIT

1. About the Applicant (s)

Please fill entire form in CAPITAL LETTERS only

You are an Individual Proprietorship Partnership Limited Company HUF (Select any one)

Names of _____
 FIRST BORROWER _____
 SECOND BORROWER _____
 THIRD BORROWER _____

Please enter any of your existing A/C Number (s) with us

_____ A/C NUMBER (S)

Does your company have a consortium of bank?

No Yes

2. About the overdraft

At our request, your bank has sanctioned/agreed to sanction to _____ ("Borrower") financial assistance by way of overdraft aggregating to Rs. _____/- (Rupees _____) plus interest @ (FD rate + OD spread) _____% per annum.

I/we need overdraft for 1. Business requirement 2. Investment needs 3. Agricultural purpose 4. Personal expenses

 SIGNATURE _____ SIGNATURE _____ SIGNATURE _____

 FIRST BORROWER'S NAME _____ SECOND BORROWER'S NAME _____ THIRD BORROWER'S NAME _____

Please note that in case of a HUF, Karta's signature is required under First Borrower's Name.

3. Memorandum relating to charge over fixed Deposits

This memorandum is made on the date, place, mentioned below, by and between/Among: HDFC Bank Limited, a banking Company incorporated under the provisions of the Companies Act, 1956 (hereinafter designated as the Bank which expression shall unless be repugnant to the context or meaning thereof, mean and include its successors and assigns) of the First Part; And the Borrowers of the Bank, details whereof mentioned at the end hereof, (hereinafter designated as the Borrower which expression shall unless be repugnant to the context or meaning thereof mean and include it, each of them (in case of more than one), its and each of their (in case of more than one) heirs, successors, representatives and permitted assigns) of the Second Part; And the Third Party Depositor, Details whereof are mentioned at the end hereof, (hereinafter designated as the Third Party Depositor which expression shall unless be repugnant to the context or meaning thereof mean and include it, each of them (in case of more than one), its and each of their (in case of more than one) heirs, successors, representatives and permitted assigns) of the Third Part. WHEREAS, at the request of the Borrower and the Third Party Depositor (wherever applicable) the Bank has agreed to grant to the Borrower an overdraft (the "Overdraft Facility"). AND WHEREAS, the Bank has at the request of the Borrower or the Borrower and the Third Party Depositor agreed to grant the Overdraft Facility to the Borrower to be secured by way of charge of fixed deposits, now or any time in future, standing in the name of the Borrower and/or the Third Party Depositor, singly or jointly, (hereinafter called as Fixed Deposits) and inter-alia on the terms and conditions contained herein below. Now in consideration of the foregoing and the mutual covenants and memorandum signed herein, the Bank has agreed to provide the Overdraft Facility to the Borrower as under:

1. **Overdraft Limit:**
 (a) The Bank shall grant an Overdraft Facility by way of an overdraft limit (the "Overdraft Limit") in the account (the "Account") of the Borrower maintained/ to be maintained with the Bank. The Overdraft Limit shall in no event exceed ninety percent (90%) of the principal amount of the Fixed Deposits or such lower percentage (the "Drawing Power") as may be decided by the Bank from time to time; (b) The parties recognize that the Overdraft Limit may increase or decrease depending upon the principal amount of Fixed Deposits charged to the Bank or due to any change in the Drawing Power requirements of the Bank or due to any other reason(s) as may be determined by the Bank at its sole discretion.

2. **Interest:**
 (a) The Borrower shall pay to the Bank Interest at such rate or rates as may be determined by the Bank, upon the daily debit balances outstanding in the Account, which interest shall be calculated and shall be due and payable by monthly rests and compounded, if not paid when due; (b) If the Account is in excess of the prescribed Overdraft Limit or for any reason the Bank is prevented from liquidating the Fixed Deposits or any part thereof, the Borrower recognizes and agrees that the Bank shall be entitled to charge interest at rates over and above/in addition to the applicable rate of interest by way of overdue interest or such other name as may be given by the Bank and the parties agree that such high/retrospective rates shall be in the nature of damages and not penalty. Notwithstanding anything stated above, the Bank reserves the absolute right to increase and/or decrease the rate of interest and the Borrower agrees to be bound by such change.

3. **Terms:**
 The Overdraft facility will be available subject having charged to the Bank Fixed Deposits of such amounts so as to conform with the Drawing Power as may be prescribed by the Bank. Notwithstanding the foregoing, the Bank at its sole discretion is fully authorized to liquidate the Fixed Deposits without any cause, liability, with a prior notice of thirty (30) days and at any time, the Bank may so decide and adjust the same towards the outstanding in the Account. In such an event the parties expressly agree that the Bank shall not be responsible for any loss arising due to pre-mature encashment of Fixed Deposits.

In case the Temporary Overdraft facility is subsisting, Bank is authorized to renew without any further act, deed or thing from the borrower any or all of the fixed deposits with interest thereon as per the rates then applicable for such periods as may be decided by the bank, at its absolute discretion.

4. **Repayment:**
 Notwithstanding anything contained herein and specifically in clause 3 above, the amount outstanding against the Overdraft Facility including interest and other charges thereon is payable on demand by the Borrower to the Bank. Without prejudice to the liability of the Borrower to pay the outstanding amount or part thereof standing to debit of the account against the amounts lying to the Fixed Deposits, Charged to the bank, and accrued interest thereon, with prior notice of 30 days or formal demand on the borrower. In such an event the parties expressly agree that the bank shall not be responsible for any loss arising due to premature encashment of fixed deposit. The Bank shall have first charge on the Deposit as a continuing security for the due repayment by the Depositor to the Bank on demand at its above said Branch office of all the sums which are now or may at any time or times hereafter become due and owing by the Depositor to the Bank under the said facility and all interest, fees, commissions, (at the rates decided by the Bank from time to time), charges, expense and all other cost whatsoever due or which may become due and payable under the said facility or which the Bank may be entitled to add thereto (hereinafter for brevity sake collectively referred to as "the said dues"). In case Overdraft Facility is against non withdrawable Deposit, the Overdraft Limit will be reduced / cancelled to the extent of the Deposit amount on the date of maturity and dues (if any) will be settled from the maturity proceeds of the non withdrawable deposit.

5. **Security:**
 (a) As security for the Overdraft Facility, the Borrower and/or the Third Party Depositor as the case may be shall from time to time arrange Fixed Deposits, of requisite amount as may be required by the Bank, to be charged to the Bank; (b) It is further agreed between the parties that the Bank shall be fully entitled to first liquidate the Fixed Deposits and subsequently proceed against the Borrower (c) It is expressly agreed between the parties that after adjustment against the amount lying in the Fixed Deposits, the Borrower shall remain liable to the Bank for balance outstanding amount, if any, in the Account. The security created hereunder shall not be determined, affected or prejudiced by any change in the constitution of the Depositor or in any partnership constituting the Depositor or by the death, bankruptcy, insanity, liquidation, winding up, insolvency, administration or any other disability or incapacity whatsoever and howsoever arising, or any circumstance and event whatsoever arising as addressed in relation to, the Depositor or any one or more of the persons comprising the Depositor. The Depositor warrants that, save to the extent of the rights hereby conferred on the Bank, the Depositor is the sole, absolute and beneficial owner of the Deposit free from any mortgage, pledge, charge (whether fixed or floating), lien or any other form of encumbrance or security interest of any kind whatsoever and howsoever arising (all of which collectively called as the "Encumbrance") on or over the Deposit.

6. **Borrower's Covenants, Undertakings and Declarations:**
 The Borrower hereby covenants, undertakes and declares to/with the Bank that: (a) This is a continuing memorandum and all rights, powers and remedies hereunder shall apply to all past, present and future obligations of the Borrower to the Bank, including those arising under successive transactions which shall either continue existing obligations, increase or decrease them, or from time to time create new obligations after any or all prior obligations have been satisfied or not, and notwithstanding death, incapacity, or bankruptcy of the Borrower, or any other proceeding affecting the Borrower and/or the Fixed Deposits; (b) The borrower does hereby agree that any payment instrument / instruction that is drawn / made by the Borrower on the Bank, which is in excess of the prevailing Drawing Power/Overdraft Limit, then the Bank shall be fully entitled to dishonour/discard such payment instrument / instruction, with prior notice of 30 days or post intimation to the borrower and the bank shall not be liable or responsible for such dishonour or disregard or any consequences thereof; (c) The Borrower shall reimburse and pay to the Bank all costs, charges and expenses, including stamp duty and legal costs and other charges and expenses which may be incurred by the Bank in preparation/enforcement of these presents and with respect to related or incidental documents; and (d) A demand in writing shall be deemed to have been duly given to the Borrower or to its legal heirs, successors and the like by sending the same by post at its address on to the record of the Bank and shall be effective notwithstanding any change of its residence/registered office or death, insolvency or going into liquidation and such demand shall deem to be received by it or its legal heirs as the case may be forty eight (48) hours after the posting thereof.

7. **Borrower's OR Borrower and Third Party Depositor's (applicable only in the case of Third Party Depositor) Covenants, Undertakings and Declarations:**
 The Borrower or the Borrower and Third Party Depositor (wherever applicable as the case may be) jointly and severally, hereby covenant, undertake and declare to/with the Bank that: (a) In consideration of the Bank allowing an Overdraft Facility in accordance with Clause 1 above to the Borrower, I/we hereby deposit and charge to the Bank the Fixed Deposits including interest and renewals thereon/thereof, and particulars of which are set out here in the Schedule attached hereto, and/or the schedules that may be attached hereto in future describing the fixed deposits that may be charged by me/us, as security for the repayment on demand for the total amount now or any time in future being due to the Bank under the Overdraft Facility in the Account and interest and all charges and expenses thereon include expenses that may be incurred in enforcing payment thereof otherwise in relation thereto; (b) The charge as created in terms of (a) above, shall be without prejudice to the right of the Bank to hold, as security and/or adjust the amount lying in the Fixed Deposits, for any of my/our other indebtedness to the Bank; (c) I/we save and except the charge herein created, the amount lying in the Fixed Deposits, are my/our sole and absolute property and no person other than the Bank has any lien or charge over the same or any part thereof; (d) I/we shall not further charge, pledge or encumber the Fixed Deposits (neither the principal amount nor the interest thereon) in any manner whatsoever without the prior written consent of the Bank; (e) The Bank is entitled, at its sole discretion, to increase or decrease the Overdraft Limit and /or the Drawing Power requirement as mentioned in Clause 1 above and such increase or decrease shall not affect my/our liability under these presents; (f) Irrespective of the increase or decrease of the Overdraft Limit to the Borrower, due to whatever reasons, my/our liability under these presents shall remain in full force and effect and shall remain unaffected; (g) The Bank shall not be under any obligation to abide by any instructions given by me/us with respect to the Fixed Deposits till such time whole of the amount outstanding under the Overdraft Facility is received in full by the Bank; (h) Notwithstanding anything contained in the memorandum, the bank shall be entitled to liquidate, with prior notice of 30 days or demand to/for the borrower and /or the third party depositor and/or even if the debit balance in the account is less than the Drawing Power requirement, any or all of the Fixed Deposits which is charged or that may hereafter be charged in favor of the Bank, belonging to all or any one or more of us i.e. the Borrower and/or the Third Party Depositor irrespective of in whose name the same stands and the date of maturity, at the sole discretion and decision of the Bank and to adjust the same against the amount outstanding under this Overdraft Facility. The said decision of the Bank shall be binding on me/us absolutely; (i) The charge hereby created shall continue till such time the same is not discharged by the Bank in writing; (j) Without any requirement for the Bank to send any notice of the same to me/us, I/we hereby expressly authorize the Bank (i) to break/encash/liquidate, any all of the Fixed Deposits even before the maturity date of such Fixed Deposits and to adjust the amount thereof (including interest thereon) against the amount outstanding under the Overdraft Facility and/or in the Account and hereby agree and undertake to hold the Bank harmless against any loss arising therefrom including loss of interest on premature encashment; and (ii) to renew without any further act, deed or thing from me/us any or all of the Fixed Deposits with interest thereon for such period as may be decided by the Bank, at its absolute discretion.

8. **Termination:**
 (a) Notwithstanding anything contained in this memorandum and in particular in Clause 3 above, the Bank may at any time, at its sole discretion and upon written notice, mailed or delivered to the Borrower terminate the Overdraft Facility herein granted. (b) Expiry of Forty-eight (48) hours from the date of mailing of such notice by the Bank, shall constitute notice of termination, whether the borrower has actually received the notice or not. (c) Upon expiry or forty eight (48) hours from the date of mailing of such notice all debts, liabilities and other obligations of the Borrower to the Bank including interest and other charges shall become forthwith due and payable, and the Bank shall be fully entitled to liquidate any or all Fixed Deposits, and adjust the same against the amounts payable by the Borrower to the Bank. (d) In such an event and without prejudice to the provisions of Clause 6(b), the Bank shall have the absolute right to dishonour any cheque(s) received consequent to the expiry of forty eight (48) hours from the date of mailing of notice mentioned in the foregoing and the Bank shall not be liable for any consequences arising therefrom from such a dishonour affecting any third party or the Borrower. The bank shall be entitled to discontinue / terminate the said facility any time with prior notice of 30 days to the depositor.

9. **Bank's rights:**
 (a) The rights, powers and remedies given to the Bank by this memorandum shall be in addition to all rights, power and remedies given to the Bank by virtue of any other statute, or rule of law. (b) The Bank may exercise a banker's lien or right to set-off with respect to any obligation of the Borrower and/or the Third Party Depositor and shall have a first and absolute lien on all property and/or the securities of the Borrower and/or the Third Party Depositor including but not limited to fixed deposits (including the Fixed Deposits) and amounts thereof, in the Bank's possession or custody, whether held for safe-keeping or otherwise, in any form whatsoever, in any of its branches, wherever located. (c) Any forbearance or failure or delay by the Bank in exercising any right, power or remedy hereunder shall not preclude the further exercise thereof and every right and remedy of the Bank shall continue on full force and effect until such right, power or remedy is specifically waived by an instrument in writing executed by the Bank. The Depositor shall not, at any time, be entitled to withdraw the Deposit unless and until the said dues hereunder have been completely and unconditionally repaid, satisfied by the Depositor to the Bank and the Depositor is/are finally discharged in full by the Bank in respect of the same.

