

# TERMS AND CONDITIONS

## Loan against TD (ODFD)

### 1. Overdraft Limit:

- 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.
- The parties agree that the overdraft limit may decrease depending upon the principal amount of fixed deposits charged to the Bank or due to any change in 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:

- 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, on which interest shall be calculated and shall be due and payable by monthly rests and compounded, if not paid when due;
- If the account is in excess of the prescribed overdraft limit or for any reason, and 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 or 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 higher/additional 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. Term:

- The overdraft facility will be available subject to charge of the bank over the fixed deposits of such amount so as to conform to 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 or, liability, with a prior notice of thirty (30) days and at anytime, 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 Overdraft facility is subsisting, Bank is authorised to renew without any further act, deed or thing from the borrower or third party depositor, 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 shall be payable by the borrower and the depositor immediately on demand to the Bank, without prejudice to the right of the bank to encash the fixed deposit towards the liability of the Borrower by way of outstanding amount or part thereof, standing to the debit of the account against the amounts lying in fixed deposits, charged to the bank with accrued interest thereon, with prior notice of 30 days.. 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 anytime 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, expenses 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 (herein after for brevity sake collectively referred to as “the said dues”)

#### 5. Security:

- The bank shall have first charge on the Deposit as a continuing security for the due repayment by the Borrower to the Bank on demand at its above mentioned office of all the sums which are now or may at anytime or times hereafter become due and owing by the borrower to the bank under the said facility and all interest, fees, commissions, (at the rates decided by the bank from time to time)charges, expenses 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 (herein after for brevity sake collectively referred to as “the said dues”)
- 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;

- 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 for the balance, if any, that may still remain after the liquidation of the fixed deposits..
- 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 borrower and/or depositor or in any partnership constituting the borrower/depositor or by the death, bankruptcy, insanity, liquidation, winding up, insolvency, administration or any other disability or incapacity whatsoever and howsoever arising of, or any circumstance and event whatsoever arising as aforesaid in relation, to the borrower/depositor or anyone or more of the persons comprising the borrower/depositor.
- The depositor warrants that, save to the extent of the rights hereby conferred on the Bank, the borrower/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 arising (all of which collectively called as “Encumbrances”) on or over the Deposit

## 6. Borrower and the depositor Covenants, Undertaking and Declaration:

The Borrower and the depositor hereby covenants, undertakes and declares to the bank that:

- This is a continuing memorandum and all rights, powers and remedies here under shall apply to all past, present and future obligations of the borrower/depositor to the bank, including those arising under successive transactions which shall either continue existing obligations, increase/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/depositor, or any other proceeding affecting the borrower/depositor and/or the fixed deposits.
- The borrower/depositor does hereby agree that any payment instrument/instructions that is drawn/made by the borrower/depositor on the bank, which is in excess of the prevailing drawing power/Overdraft Limit, then the bank shall be fully entitled to dishonour/disregard such payment instrument/instructions, with prior notice of 30 days to the borrower/depositor and the bank shall not be liable or responsible for such dishonour or disregard or any consequences thereof.

- The borrower/depositor shall reimburse and pay to the bank all costs, charges and expenses, including stamp duty and legal cost and other charges and expenses which may be incurred by the bank in preparation/enforcement of these present and with respect to related or incidental documents; and
- 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 as available in 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 be deemed to be received by it or its legal heirs as the case may be within forty eight (48) hours after the posting thereof

## 7. Borrowers or Borrower and Third Party depositors (applicable only in case of third party depositor) Covenants, undertakings and Declarations:

The borrowers or borrower and third party (wherever applicable as case may be) jointly and severally, hereby covenant, undertake and declare to/with the bank that:

- In consideration of the Bank permitting the 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 deposit that may be charged by me/us, as security for the repayment of total amount now or anytime 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.
- The charge as created in terms of (5) 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;
- 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.
- I/we shall not further charge, pledge or encumber the fixed deposit (neither the principal amount nor the interest thereon) in any manner whatsoever without prior written consent of the Bank.
- The bank is entitled at its sole discretion to increase or decrease the Overdraft limit and/or the drawing power requirement as mentioned above and such increase/decrease shall not effect my/our liabilities under these presents;

- 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.
- 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.
- Notwithstanding anything contained in the memorandum, the bank shall be entitled to liquidate with prior notice or demand to/on 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 favour 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 is/are standing and the date of maturity, at the sole discretion and decision of the bank and to adjust the same against the amount outstanding under the overdraft facility. The said decision of the bank shall be binding on me/us absolutely.
- 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 authorise the bank (i) to break/encash/liquidate, any all of the fixed deposits even before the maturity date of such fixed deposits and adjust the amount thereof (including interest there on) 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 thereof including loss of interest on premature encashment, and (ii) to renew without any further act, deed or thing arising from me/us any of all of the fixed deposits with interest thereon for such period as may be decided by the bank, at its absolute discretion

## 8. Termination:

- Notwithstanding anything contained in this memorandum and in particular in Claus 3 above, the bank may at any time, at its sole discretion and upon written notice or, Mail Id 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 actually received the notice or not (c) Upon expiry of forty eight (48) hours from the date of mailing of such notice, all debits, 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 expire 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 thereof from such a dishonour affecting any third party or the Borrower. The Bank shall be entitled to discontinue/terminate the said facility anytime 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 the 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 charge/lien on all property and/or the securities of the Borrower and/or the depositor including but not limited to 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 in full force and effect untill such right power or remedy is specifically waived by an instrument in writing executed by the Bank.
- The depositor shall not, at anytime, be entitled to withdraw the Deposit unless and until the dues hereunder have been completely and unconditionally repaid, satisfied by the Borrower/Depositor to the Bank and the Borrower/Depositor is/are finally discharged in full by the bank in respect of the same.

## 10. Miscellaneous:

- (a) In all cases where only one Borrower and/or Depositor has signed this memorandum all words used herein in the plural shall be deemed to have been used in the singular and vice-versa, where the context and construction so require. (b) when this memorandum is signed by more than one Borrower, all reference to the Borrower shall mean all and each of them and their obligations here under shall be joint and several. (c) When this memorandum is signed by more than one Third Party depositor, all reference to the Third Party Depositor shall mean all and each of them and their obligations hereunder shall be joint and several (d) Any notice to be given under these presents shall be given in writing and shall be deemed to have been duly given to the party(ies) or its legal representatives, successors and the like by sending the same by post at the address given herein or as a party may specify in writing notify and shall be effective notwithstanding the actual receipt of the same, any change of residence/registered office, death, insolvency or going into liquidation. (e) Any notice given hereunder shall deem

to be received after forty-eight (48) hours of the posting thereof (f) Notwithstanding anything to the contrary contained herein, all notices to be sent herein shall be sent to the Borrower or in case of more than one Borrower than to the first named Borrower and the parties expressly agree that any notice sent as such shall be deemed to be sent to all the parties hereto including each of the Borrowers and Third Party Depositor (wherever applicable as the case may be) (g) Any dishonour/non-observance of a payment instrument such as a cheque or cheques or payment instruction pursuant to clause 6(b) shall be binding on the Borrower absolutely and the Borrower shall keep and hold the Bank fully harmless and indemnified against all consequences thereof (h) Notwithstanding anything contained to the contrary herein above, the Bank shall be relieved of all its obligations herein, if the Bank is prevented from discharge of the same as result of reasons beyond the control of the bank including but not limited to acts of god, fire, strike, Lockouts, government policy, court orders, statutory prohibition, riots, public disturbance (i) the parties herein agree to submit to the exclusive jurisdiction of courts in Chennai city alone. ii) In case of any dispute, difference and/or claim under this agreement or in relation thereto, the same shall be settled by arbitration by a sole arbitrator appointed by an Online Dispute Resolution Platform (ODR) appointed by the bank. . The language of the arbitral tribunal shall be English.

- It is term under this agreement that in the event of the sole arbitrator being unable to proceed further with the arbitration proceeding, ODR shall appoint another arbitrator in his/her place who shall be entitled to proceed further with the proceeding from the stage at which it was left by his/her predecessor. The award passed by the arbitrator shall be final and binding on the parties.
- The parties hereto have signed this memorandum in acceptance of all terms and conditions stated herein above. Each party has caused this memorandum to be signed as of the day, month and year mentioned above.
- This memorandum shall continue to bind the Depositor notwithstanding any amalgamation or reconstruction of the Bank with any other Bank and the security created hereunder shall be available and inure to the benefit of the successors and assigns of the Bank and shall be binding, where the Depositor is a company on its successor or assigns, where the Depositor- is a Partnership firm on the partners for the time being in the said firm, their respective heirs, executors, administrations and assigns where the Depositor-being an individual on his/her heirs, legal representatives, administrators and assigns.
- For all purposes, including any legal proceedings a certificate by any of the Banks officers as to the liabilities for the time being due to the Bank by the Borrower/Depositor shall be conclusive evidence thereof against the Borrower/Depositor. In the event that any of the terms

or the provisions of this Memorandum shall become invalid, illegal or unenforceable, the remaining terms and provisions hereof shall survive unaffected. This memorandum and the security created hereunder and all matters arising out of and relating thereto shall be construed and governed in all respects by the Laws in India and shall be subject to the exclusive jurisdiction of the courts at Chennai.

#### 11. Consent to disclose Name:

- The Borrower and/or the Third Party depositor agrees that in the event of the borrower committing default in repayment of the overdraft facility and/or payment of interest thereon on due dates, the bank shall have an unqualified right to disclose the name of the Borrower and/or the Third Party depositor and its directors, to the Reserve Bank of India (RBI). The borrower and/or the Third party depositor hereby gives its consent to the bank and/or RBI to publish its/their name and the name of its director as defaulters in such manner and through such medium as the bank/RBI may in their absolute discretion think fit.

#### 12. Consent to disclose Name and information:

- The borrower and/or the third party depositor understands that as a pre-condition, relating to the grant of the overdraft facility, EQUITAS SMALL FINANCE Bank, requires their consent for the disclosure by the bank, of information and data relating to them, of the overdraft facility availed of/to be availed by the Borrower, obligations assumed/to be assumed, by the borrower and/or the third party depositor, in relation thereto and default, if any, committed by them, in discharge thereof. i. Accordingly the borrower and/or third party depositor hereby agree and give consent for the disclosure by EQUITAS SMALL FINANCE bank of all or any such (a) information and data relating to them (b) the information and data relating to the overdraft facility and/or any other credit facility availed of/to be availed, by them, and (c) default, if any, committed by the borrower and/or third party depositor, in discharge of their obligation, as the bank may deem appropriate and necessary, to disclose and furnish to credit information bureau and any other agency authorised in this behalf by RBI (ii) the borrower and/or third party depositor, declare that the information and the data furnished by them to the bank are true and correct (iii) the borrower and/or third party depositor, undertakes that (a) the credit information bureau and any other agency so authorised may use, process the said information and this data disclosed by the bank in the manner as deemed fit by them and (b) the credit information bureau and any other agency as authorised may furnish for consideration, the processed information and data or products thereof prepared by them, to banks, financial institutions and other credit grantors or registered users, as may be specified by RBI in this behalf.



- If an FD does not complete the full course of the maturity term, while the FD pay-out will be at the reduced rate (on the actual days it has been in bank account), the OD interest rate will continue as per the rate prevailing on the date of OD sanction, without any reduction.